

## HILLHEAD HOUSING ASSOCIATION 2000

**Management Committee Meeting Wednesday 5 February 2020 at  
6.30 pm in the Association's Office at 2 Meiklehill Road Hillhead  
Kirkintilloch G66 2LA**

### AGENDA

Item	Details	Timing	Action required
1	Apologies	6.30PM	
2	Declarations of Interest and Deferred Items	6.35PM	
3	Minutes and Matters Arising from previous meetings: <ul style="list-style-type: none"> <li>• Management Committee Meeting held on 3 December 2019</li> <li>• Wider Role &amp; Regeneration Sub Committee held on 15 January 2020</li> </ul>	6.45PM	For approval
4	Directors Report (report attached) <ul style="list-style-type: none"> <li>i) Director's Report</li> </ul>	7.00PM	For information, decision and approval
5	Finance Reports (report attached) <ul style="list-style-type: none"> <li>i) Management Accounts to 31 December 2019</li> <li>ii) Draft Budget 20/21</li> <li>iii) Financial Regulations Review</li> <li>iv) Financial Procedures Review</li> </ul>	7.05PM	For approval
6	Development and Property Services Reports (reports attached) <ul style="list-style-type: none"> <li>i) Development Report</li> <li>ii) Maintenance Report</li> </ul>	7.30PM	For information
7	Any Other Business	8.00PM	
8	Date of Next Meeting: Wednesday 19 February 2020 Policy Review Committee)		

## **HILLHEAD HOUSING ASSOCIATION 2000**

### **Minutes of the Management Committee Meeting held on Tuesday 3 December 2019 at 6.30 pm in the Association's offices at 2 Meiklehill Road**

**Present:** C Taylor L Scott  
Robert Smith S Niven  
Cllr J Jamieson W Hassan  
G Jackson

**In Attendance:** C McKiernan, Housing Manager / Depute Director  
K Tait, Corporate Services Assistant  
P Long, FMD Financial Services

#### **1. APOLOGIES**

Apologies were received from Cllr S Murray, D Wilson and Cllr S McDonald. It was noted that C McKay-McCann was on continued leave of absence.

#### **2. DECLARATIONS OF INTEREST AND DEFERRED ITEMS AND ELECTION OF OFFICE BEARERS**

There were no declarations or deferred items.

It was agreed to take Agenda Item 5 ahead of the rest of the meeting.

#### **3. MINUTES AND MATTERS ARISING FROM PREVIOUS MEETINGS**

##### **Management Committee Meeting – 6 November 2019**

##### **Page 2 item 4:4 – Cycle Path**

G Jackson asked for clarification on why the funding from LEADER had been pulled for this development. It was explained that due to the Association not being able to commit to a completion date for the project of October 2020 and being able to spend all funding received by LEADER that they had pulled their funding for the project.

G Jackson wondered if there was any that could be offered from elsewhere. It was suggested that the Association enquire with East Dunbartonshire Council to see if there would be any potential to waive the fee for a further planning application. Cllr Jamieson advised that he will enquire with relevant officers at the council to see if anything can be done to help.

The minutes were subsequently approved by Cllr Jamieson and seconded by L Scott.

##### **HR Sub Committee Meeting – 20 November 2019**

S Niven & G Jackson enquired if members of staff could buy or sell annual leave days with the Association. C McKiernan confirmed that staff cannot currently buy or sell

their annual leave days as this does not currently form part of the standard EVH terms and conditions.

#### Page 3 Item 4.4 System Support Officer

C McKiernan confirmed that interviews for this position had been conducted on Friday and an offer had been made subject to references. C McKiernan added that the person selected was a good choice who will have the skills and knowledge to understand the associations system despite having no prior housing experience.

#### Page 3 Item 6 A.O.C.B - Internship

L Scott asked if there was any update on the potential for an intern to come to the Association from Stirling University. C McKiernan confirmed that an intern will be starting with the association for a short period of time and that the start date would be around May 2020.

The minutes were subsequently approved by C Taylor and seconded by L Scott.

### **4(i) DIRECTOR'S REPORT**

#### **1. Scottish Housing Regulator – Regulatory Framework – Assurance Statement Action Plan**

Committee were presented with an updated action plan and asked to take note of its findings. It was noted that point 6.4 "Ensure Committee broadly reflects the community it serves" was due to have had a report presented at the meeting but that this would have to be pushed back to a later date. C McKiernan noted that the analysis done so far showed that there was a mismatch in age profile between the tenant population and Committee. 21% of Hillhead tenants are under 35, whereas Committee are all over 40.

#### **2. Correspondence from the Regulator**

Committee noted that the Regulator have asked all RSLs to advise tenants that a new guide on the regulator's role and how to make a complaint about an RSL has been published. Committee also noted that this guide will be uploaded to the Association's website and details provided in the latest newsletter.

#### **3. Strategy Away Day**

It was noted that a strategy away day took place on Monday 25 November which was attended by members of the Associations Management Committee and Management Team which turned out to be a very productive day. It was added that the facilitator of the day is now writing a report and it will be presented at the next Committee meeting for discussion.

#### **4. Braes O Yetts**

Committee noted that due to the association generating more sales income than assumed by £22,599.46 the Association is due to pay some of the grant back to Scottish Government.

#### **5. Cala Homes – Update**

It was noted that there was nothing further to report on this development at this time.

#### **6. Cycle Path – Update**

As previously stated the Association had decided not to proceed with the project within the funders conditions. The Association has also received confirmation from Sustrans that any new planning fee would need to be funded by the Association.

C McKiernan advised that a new planning application would be approximately £1600. It was agreed that this should not be funded and the previous decision should stand, subject to any further information from Cllr Jamieson.

#### **7. Annual Review of Registers**

Committee noted that that all Declaration of Interest forms, Code of Conduct agreements and Close Relative Information have been completed, and all registers have been reviewed and signed by the chairperson.

#### **8. Succession Plan**

It was noted that as part of SHARE's involvement in carrying out the Committee Effectiveness and Appraisal's highlighted the need for a succession plan. This is needed in order for the Association to meet with the compliance measures outlined in our assurance statement.

It was noted that the Association will need to re-elect a new chair by August 2021 which gives the association time to ensure that the association elects a chair that has the necessary skills to fit into the role.

#### **9. SFHA Membership**

Committee were informed that Sally Thomas the CEO of SFHA had written to the Association asking to consider re-joining the SFHA from April of next year. It was suggested that the Association bring someone in from the SFHA to give a presentation on the benefits of joining the SFHA to the Management Committee.

#### **10. Stirling University – Request to host a student Placement in 2020**

As previously mentioned in the notes the Association will be bringing in a Student Placement in around May 2020.

#### **4(ii) Notifiable Events Policy**

Committee were presented with a new policy for approval. This policy covers how the Association would act in reporting a notifiable event to the Scottish Housing Regulator. The Regulator are interested in events which may put the interests or safety of tenants

at risk, the financial health of the Association and the good governance and reputation of the Association.

After reading over the policy Committee approved the Notifiable Events Policy subject to some minor rewording.

#### **4(iii) CDM Policy**

Committee were asked to read over the CDM policy for approval. It was noted that there were no changes made to this policy.

Committee subsequently approved the CDM Policy

#### **4(iv) Staff Severance & Settlement Policy**

Committee were asked to read over this new policy for approval. This is another new policy which is included in the agreed action plan that supports the Association's assurance statement. It was noted that the Association had already adopted EVH's terms & conditions which includes a section on redundancy payments and procedures, however adoption of the above policy will ensure compliance with the regulatory standard.

After noting the contents of the Staff Severance & Settlement Policy Committee subsequently approved the policy.

#### **4(v) Equality & Diversity Policy**

Committee noted that this policy was due to be renewed. Committee were asked to read over the policy for approval. It was noted that there were to be some minor adjustments made to the wording of this policy on pages 3, 5 and 8.

Committee subsequently approved this policy subject to the agreed amendments.

### **5. FINANCE REPORTS**

P Long of FMD Financial Services was in attendance at the meeting to present Committee with the revised longer term projections for the Association.

Committee noted that there had been no changes made to either the financial planning and projections and the current operating environment.

P Long explained that the Associations projected cash balance at year 30 would be up to £15m. It was noted that should the association operate by increasing rent levels by inflation only that the association would be hit with cash shortfalls for several years.

Committee also noted that there would be a steep increase in cash levels from year 16 as the Association had paid back all its outstanding loans.

Committee noted the contents of this report and its findings.

### **6. Housing Management Report**

## **6(i) 19/20 Quarter 2 Performance Report**

C McKiernan presented Committee with this report detailing the housing management performance for quarter 2 in the year 19/20.

### Rent Arrears

Committee noted that as of 30 September the Association had an arrears percentage of 4.93% in relation to the annual gross rental income, this percentage equates to an arrears total of £180,974 at the end of September 2019. It was noted that this figure was in some part caused by problems with the Universal credit payment for September landing on the September weekend bank holiday resulting in the posting being made after September 30. Committee noted that due to this fact and the payment of 2 UC schedules in October the arrears figure had dropped to £134,758 or 3.67% at the end of October

Committee also noted that former tenant arrears were sitting at £52,308.24 at the end of September this was made up of a total of £16,130 former EDC tenant arrears and £36,178.24 former Hillhead tenant arrears. Committee were asked to note that former arrear write offs that were authorised were not processed until October and will show in quarter 3.

C McKiernan added that due to the Christmas period coming up the Association expects the total of arrears to increase. As an attempt to limit this the Housing Management team has sent letters out to tenants who currently have ongoing arrears agreements to remind them that any missed payments can result in them undoing the efforts to reduce their arrears.

### Voids & Lettings

C McKiernan confirmed that the final 3 rented properties at Braes'O'Yetts had been allocated in quarter 2. Committee noted that a total of 14 properties had been let in quarter 2.

C McKiernan added that the Association's average re-let time for quarter 2 was 24 days. Although this was an improvement on the Associations 18/19 performance of 31.5 days the figure is above the target set of 21 days.

### Anti-Social Behaviour

Committee noted that the Association had received 9 anti-social complaints, these complaints were all resolved within target timescales. It was added that there was 1 open case from the previous quarter however this had also been resolved within the appropriate timescales.

This means that the Association has received 13 anti-social complaints so far this year with all complaints being resolved within target timescales.

### Housing List

Committee noted that at the end of quarter 2 there were 463 applications on the Associations housing list, there were a total of 50 new applications processed in quarter 2.



The Association's figure for the year for processing applications was 3.84 days which shows the Association is outperforming the target of 14 Days.

C Taylor asked if there was any update could be given with regards to updating the nominations agreement and Section 5 Protocol with EDC. As per the current Lettings Plan 45% of allocations go to EDC nominations or Section 5 referrals. C McKiernan explained that other than an introductory meeting earlier in the year the Association has yet to hear back from EDC regarding this issue.

#### **6(ii) Arrears Policy**

Committee were presented with a new arrears policy for approval. Committee noted that this policy combines two previous policies (Arrears Policy & Former Tenant Arrears Policy). Committee also noted that all Housing Management & Welfare Rights staff members had been consulted in drafting the policy and it had also been a topic at a recent Customer Care Group meeting.

Following some discussion Committee subsequently approved the Arrears Policy.

#### **6(iii) Rent Review 2020/21**

C McKiernan presented Committee with this report detailing the Association's plans for a proposed rent increase for the year 2020/21. Committee noted that each year the Association reviews its rents levels to ensure that the Association meets its running costs.

C McKiernan explained to Committee that the Association's business plan suggests that rents would increase in 2020/21 by RPI +1%. This means that the business plan would require a rent increase of 3.1%. Committee noted that due to agreeing to implement a rent harmonisation structure and the process still being ongoing some individual properties may have a higher or lower increase than the 3.1%.

Committee were then informed that the Association now plans to consult with tenants on the proposed rent increase for the year 2020/21. The Association will do everything it can to encourage tenants to interact with this consultation such as; the Association is currently drafting a consultation document which will be sent to tenants with a prize incentive for returned documents. There will also be drop in sessions at the community centre and the Association's office, along with promotion by staff and across the Association's social media channels.

The consultation will be open from Friday December 6<sup>th</sup> to Friday January 10<sup>th</sup> after which a report will be presented to Committee at the February Management Committee meeting.

Committee discussed the possibility of offering options within the rent consultation, but agreed that this was not feasible this year given the commitments on the environmental improvement works, other planned major repairs, and the need to meet business plan projections as discussed earlier in the meeting.

Following discussion regarding the proposed increase Committee agreed to consult tenants of the Association on a proposed rent increase of 3.1%.

#### **6(iv) Enforcement of Decree for Eviction**

C McKiernan presented this report to Committee and sought approval for the Association to enforce the decree that has been granted against this tenant. The Committee noted that the Association has attempted numerous times to contact the tenant and provide them with support to help with their situation. Although the tenant has been referred to the Association's welfare rights service the tenant has either not shown or cancelled pre-arranged appointments.

Committee noted that if the tenant is able to clear the arrears before the eviction takes place that the Association would not proceed with the eviction.

Following some discussion Committee agreed that it was to the best interest of the Association to proceed with the enforcement of the decree and proceed with the eviction of this tenant.

## **8. DATE OF NEXT MEETING**

Wednesday 5 February 2020

Minutes prepared by;      K. Tait, Corporate Services Assistant  
10 December 2019

Chairperson's Signature: .....

Date: .....

Copies of the above reports are available on request.





## ACTIONS/DECISIONS FROM COMMITTEE MEETINGS

<b>MEETING:</b>	Management Committee
<b>DATE OF MEETING:</b>	3 December 2019

Details	Decision	Action by
Cycle Path – new planning application	Cllr John Jamieson to enquire with Planning Officer at EDC.	Cllr J Jamieson
Assurance Statement Action Plan	Follow up analysis of Committee Membership deferred to next meetings	S Macintyre
SHR Tenants' Guide	Link to be uploaded onto the Association's website	M White
Succession Plan	To be presented to the Committee at next meeting	S Macintyre
SFHA Membership	Representative of SFHA to be invited to a future meeting of the Committee	S Macintyre
Rent Consultation for 2020/21 Rents	Rent Consultation on 3.1% rent increase approved.	C McKiernan
Eviction Report	Committee agreed to enforce decree unless rent arrears are cleared by the Tenant in advance of the Eviction date	C McKiernan

## APPROVALS

- Notifiable Events Policy
- Staff Severance & Settlement Policy
- Equality & Diversity Policy

## **HILLHEAD HOUSING ASSOCIATION 2000**

### **Minutes of the Wider Role and Community Regeneration Sub Committee Meeting held on 15 January 2020 at 2.30PM In the Association's offices, 2 Meiklehill Road**

**Present:** L Scott  
C Taylor  
R Smith  
D Campbell

**In Attendance:** M Savage Property Services Officer  
K Tait Corporate Services Assistant

#### **1. APOLOGIES**

Apologies were received from Mary Docherty, Wallid Hassan and Cllr J Jamieson

#### **2. Declarations of Interest**

There were no Declarations of interest

#### **3. Wider Role and Community Regeneration Sub Committee Remit**

M Savage welcomed everyone to the first meeting of the Wider Role and Community Garden Regeneration Sub Committee and outlined the purpose of this Sub Committee to those in attendance.

M Savage explained that this Sub Committee is responsible for overseeing all wider role strategy, it will also consider any individual project proposals and will make recommendations to the Management Committee. M Savage added that the Sub Committee will consider project updates from members of staff on a quarterly basis, The Sub Committee will then make recommendations to the Management Committee when an expenditure approval is required.

The Sub Committee will have a representative from the Community Garden Steering Group and will consider additional requests from the group for financial support which exceeds the Association's budget commitment. The Sub Committee will also receive minutes of the steering groups meetings and will oversee its activities.

M Savage added that the Sub Committee will also oversee any Community Benefit Initiatives that are taken forward as a result of the appointment of any contractors or consultants which are used to carry out works or services on behalf of the Association.

R Wilson asked for a copy of the Association aims and objectives to be included in the next report.

#### **4. Wider Role and Community Regeneration Report**

##### Community Garden

M Savage advised that a copy of the community garden Sub Committee minutes for the meeting that took place on 20 September 2019, she added that the meeting was not quorate and advised that this should no longer be an issue as this will fall under the new Wider Role and Community Regeneration Sub Committee.

M Savage informed the Sub Committee that a funding application had been submitted to EDC'S Community Grants Scheme to create a new water supply connection to the garden. M Savage confirmed that the Association had received an offer of funding for £2000 on 2 April 2019 and an order was submitted to Business Stream for the design proposal.

M Savage added that the Association had received quotes from Scottish water for a new clean water connection of £621.72 and had also been provided with a quote from Business Stream to provide the Community Garden with a new water supply of £11,026.80 including VAT. M Savage added that there are other costs not included in the quote that may be incurred, such as money being paid to East Dunbartonshire Council for specialist traffic management, temp traffic restriction orders or road closures. These extra costs may occur as the new supply connection will be situated on the road outside 125 Hillhead Road. This would mean some of the road would need to be excavated to allow the installation of the new supply pipe.

M Savage confirmed that due to these excessive costs it was agreed to not proceed with the works unless funding was available to cover the cost. M Savage added that the Association is looking to alternatives for a water supply an example of this is looking at installing a fresh water pump within the garden. C Taylor said that she would ask for advice on any potential alternatives when she attends the Glasgow & West of Scotland Forum.

M Savage added that the Garden had hosted 2 successful crafting events at the Community Garden the summer and Halloween events were a great success.

M Savage informed the Sub Committee that the Community Garden has received the level 3 Horticultural Society. This award includes a certificate along with a voucher for 2 sets of plug plants and a set of fruit trees. The Garden will receive these items throughout the year with the first set of plug plants to be delivered in spring 2020. The Community Garden Sub Committee will also look for volunteers to help with the planting of these items.

M Savage added that she will arrange for a presentation with children from Hillhead and Harestanes Primary schools to take place at the garden. M Savage also added that children from a childminding service have inquired about attending the Community Garden and that they will be looking to arrange this in the future.

M Savage confirmed that a community litter pick had taken place in September 2019 with Primary 1,2 & 7 children from Hillhead Primary School. Karen Todd

from McDermotts Contract Services was at the school and gave a presentation at the whole school assembly before moving on to the litter pick.

#### Canal Cycle Path Project

M Savage has confirmed that the Association would need to submit a new planning application to EDC if it still wishes to proceed with the canal cycle path project. The architect has confirmed that the planning fee would be £1010 including VAT. Due to the new route of the cycle path running behind residential units the application will be subject to neighbour notifications, this means that there is potential objections may be expressed.

Sustrans have informed the Association that any new planning fee would have to be funded by ourselves and that they could not confirm if the Association would be reimbursed for the planning fee until the project is fully funded for construction. Sustrans also confirmed that there is also no guarantee that they would be able to fund the project in a new application round.

Committee were asked to consider if they want the Association to submit a new planning application to EDC for the Canal Cycle Path. After some discussion Committee agreed for the Association to submit new planning application to EDC.

#### Cycling Scotland

M Savage advised that the Association had been successful in submitting an application to Cycling Scotland for funding and would be receiving a grant of £6,324. These funds would be used to purchase 2 bikes, a storage unit and a public bike pump. An order has been placed for the storage unit and the public bike pump with the bikes being purchased once the storage unit is in place.

#### Antonine Wall Mural Project

M Savage also advised that a meeting had been arranged between residents of 41 A-D Eastside and Emma McMullen the Antonine Wall Project Manager from West Dunbartonshire Council. This meeting was due to take place on 18 December 2019 however this meeting was cancelled. Another meeting is to be scheduled for some point in January or February.

#### Hillhead Youth Clubs

It was noted that Margaret Hopkins head of youth services at East Dunbartonshire Council had contacted and arranged a meeting with the Association to discuss possible joint workings with the Hillhead youth club. This meeting is due to take place on Thursday 16 January.

### **5. A.O.C.B**

R Smith suggested that the Association looks to host more events to try and tackle littering in the area. M Savage agreed and advised that the Association would be holding more Community litter picks and was open to any suggestions that anyone at the meeting might have. It was suggested that the Associations quarterly newsletter have some articles within it to try and raise awareness on litter in the area. Another suggestion was to host a kind of Community/Gala day which could tie in with the school holidays in the spring and include some litter awareness

things at the day. M Savage agreed that this could be a good thing and it will be considered whilst suggesting that the Association could look to local organisations such as McDonalds and EDC for support.

The Committee also suggested that the Association should arrange another gala day. The Management Committee to discuss this further.

M Savage confirmed the date of the next meeting Wednesday the 25<sup>th</sup> of March 2020 at 2.30pm.

Minuted by: Kieran Tait  
Corporate Services Assistant  
20/01/2020



## Agenda Item 4

# Report

<b>Classification:</b>	Open
<b>To:</b>	Management Committee
<b>From:</b>	Stephen Macintyre
<b>Meeting Date:</b>	5 February 2020
<b>Subject:</b>	Director's Report

### 1.0 Scottish Housing Regulator

#### Regulatory Framework - Assurance Statement Action Plan

The Improvement Action Plan has been updated and the Committee is asked to note the progress on the remaining items highlighted below:-

**3.1 Stock Condition Survey** – Consultants appointed and Survey due to start 10 February

**4.2 Performance Management Policy Review** – to be presented to Committee in February for approval

**5.3 Equality Impact Assessments for key service policies** – being drafted.

**6.4 Ensure Committee broadly reflects the community it serves** – currently being assessed using Tenant Profile information from our last tenant survey. Once completed a report on this will be presented to the Committee by March.

### 2.0 Strategy Planning

A follow up workshop facilitated by Alison Smith, Housing Consultant, took place with the Committee and members of the Management Team on Wednesday 29 January 2020.

I will report back on the next steps at the meeting.

### **3.0 Cala Homes – Update**

Nothing further to report at this stage.

### **4.0 Cycle Path - Update**

Following discussion at the Wider Role and Regeneration Sub Committee the Management is asked to decide whether to fund the submission of a revised planning consent. This would cost approximately £1,000. In the event that planning consent is received and there are no objections the Committee may wish to consider funding the legal fees associated with seeking extension to the legal agreements with the other landowners.

### **5.0 SFHA Membership**

A meeting has been arranged with SFHA for Friday 14 February 2020. I would suggest that Claire and Lisa are invited to attend along with Catherine and myself, although if any other Members are interested in attending please let me know. The meeting is planned for 11.00AM in our office.

### **6.0 Stirling University – Student Placement**

Margarita Fernandez will be attending this evening's Committee Meeting prior to her placement starting later in March. Margarita will be working here for a period of 50 days over the next few months. As well as seeking experience in all areas of the Association's business she has to compile a report on a particular topic and we have agreed this will be in the area of tenant engagement.

### **7.0 Annual Report – Tenant Feedback - “2 Stars and a Wish”**

Each year we ask for Tenant Feedback about our Annual Report. We received 10 responses and I have summarised the comments on the attached page for the Committee's information. A winner has been selected for the Prize Draw. A summary of the views will be published on our website and included in our next newsletter. Where necessary individual comments are being followed up by the relevant member of staff.

### **8.0 Scottish Social Security Benefits Take Up Fund**

An application for funding is being made to the Scottish Government to promote the take up of the benefits administered by the Scottish Social Security Fund. These benefits include Funeral Payments, Child Top Up, DHPs etc. We are applying for between £15,000 grant which will be available to spend during the year to March 2021. The take up campaign will be carried out by the welfare rights officers.

### **9.0 Tenancy Support Service**

The Tenancy Support service continues to provide an excellent service and to date the service has supported almost 100 tenants this year alone. As of September 2019 the Association is now committed to funding this service out of our own resources for the duration of the contract with The Simon Community. The current annual cost is £21,000 and has been factored into the



budget for 20/21. The current contract ends at 31 March 2021 with an option to extend for a further 2 years to March 2023.

## 10.0 Housing to 2040 – Scottish Government Consultation

The Scottish Government is currently consulting on its vision for Housing to 2040. A copy of the paper is attached and it can be read on line here:-

<https://www.gov.scot/publications/housing-2040/>

I am attending an SFHA briefing session on Tuesday 4 February and if time allows I will draft a response from the Association. As the consultation closes on 28 February I will need to circulate it to Committee in advance of the March Committee meeting for comment before submission.

Glasgow and West of Scotland Forum will be submitting a response on behalf of its members and as soon as it is available I will circulate this too.

## 11.0 Recommendations

It is recommended that the Committee notes the contents of the Report and any recommendations contained therein.

<b>Regulatory Compliance</b>	Standard 1 The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users. Standard 4 The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.
<b>Financial Impact</b>	None
<b>Risk Assessment</b>	Low

## 2 Stars and a Wish Summary of Feedback Forms

Tell us two things that we are doing well	Tell us one thing that you would like us to do better
<ul style="list-style-type: none"> <li>• Maintaining common areas</li> <li>• Lots of community involvement</li> </ul>	<ul style="list-style-type: none"> <li>• More free Dog Poo bags</li> </ul>
<ul style="list-style-type: none"> <li>• The Association is 'doing very well' relationship with the public</li> <li>• Employees of the Association manage the cleanliness of the parks gathering the garbage</li> </ul>	<ul style="list-style-type: none"> <li>• I would like someone to wash the staircase from the stairwell on the outside</li> </ul>
<ul style="list-style-type: none"> <li>• Increasing the rent each year</li> <li>• Ignoring Tenants views on rent increases</li> </ul>	<ul style="list-style-type: none"> <li>• Stop increasing the rent each year. Not everyone gets a wage increase or help with housing benefit</li> </ul>
<ul style="list-style-type: none"> <li>• Keeping tenants informed and up to date</li> <li>• Improving the area/fence repairs</li> </ul>	<ul style="list-style-type: none"> <li>• Smaller, less priority repairs being carried out</li> </ul>
<ul style="list-style-type: none"> <li>• Looking after and improving their housing stock</li> <li>• Caring for their tenants</li> </ul>	<ul style="list-style-type: none"> <li>• Nothing – Just to carry on as they have been doing in this last year</li> </ul>
<ul style="list-style-type: none"> <li>• Answering telephones</li> </ul>	<ul style="list-style-type: none"> <li>• More home improvements and listening to tenants. Working with the Council to keep our streets cleaner and glass free</li> </ul>
<ul style="list-style-type: none"> <li>• Making Hillhead modern and brighter</li> <li>• Including tenants in ideas and involving them in the Association.</li> </ul>	<ul style="list-style-type: none"> <li>• Making the area more urban and allowing tenants with a garden to even rent a plot on allotments. Grow fruit and veg</li> </ul>
<ul style="list-style-type: none"> <li>• Maintenance team very prompt and excellent at sorting everything I need done.</li> <li>• Receptionists very good at helping to send workmen to sort my repairs</li> </ul>	<ul style="list-style-type: none"> <li>• Attend to replacing the rubber seals on my windows to avoid drafts and loss of heat. To avoid large heating bills (provide larger refuse bins)</li> </ul>
<ul style="list-style-type: none"> <li>• Repairs are done quick</li> <li>• Staff are polite and helpful</li> </ul>	<ul style="list-style-type: none"> <li>• Draughty windows and doors even though windows are double glazed</li> </ul>
<ul style="list-style-type: none"> <li>• HHA respond quickly to complaints</li> <li>• HH communicate with tenants</li> </ul>	

## Agenda Item 4ii Report

<b>Classification:</b>	Open
<b>To:</b>	Management Committee
<b>From:</b>	Stephen Macintyre
<b>Meeting Date:</b>	5 February 2020
<b>Subject:</b>	Internal Management Plan Business Objectives 2019-2020

### 1.0 INTRODUCTION

A set of Business Objectives was agreed in May 2019 for the year to March 2020. Progress for the period to 31 December is attached for the Committee's information.

Progress against each objective is reported quarterly to the Management Committee and updates are included within the Tenant's Newsletter which is also published quarterly.

### 2.0 REVIEW OF QUARTER 3: 1 OCTOBER 2019 TO 31 DECEMBER 2019

The purpose of this review is to mark progress against any targets that have been set for the organisation with regard to the business objectives. The summary below details the position with regard to each objective at the end of December 2019. In addition, if circumstances have changed then new objectives will be added if required. Colour coding has been added to highlight where the objectives have been met (green), in progress and on time (orange) whilst those that are behind target completion date are highlighted in red.

By the end of the calendar year we have made fair progress across the majority of the Business Objectives with the exception of the following ones:-

- \* No 6 Canal Cycle Path Progress stopped in line with Committee decision December 2019
- \*No 7 Rent Arrears have fallen from the last quarter but remain marginally higher than our 4% target.
- \*No 11 – Relet Times – Although lower than the last quarter the average number of days is above our target of 21 days.

### 3.0 CONCLUSIONS

Committee is asked to note the progress that has been made across all 16 business objectives over the year to date

**Report Prepared By**



**Stephen Macintyre**  
**Director**  
**28 January 2020**

<b>Regulatory Compliance</b>	Standard 1.1 The governing body sets the RSL's strategic direction. It agrees and oversees the organisation's strategic and financial plans to achieve its purpose and intended outcomes for its tenants and other service users.
<b>Financial Impact</b>	Low
<b>Risk Assessment</b>	Low – Individual risk assessments for each objective are included within the Internal Management Plan

## HILLHEAD HOUSING ASSOCIATION 2000 BUSINESS OBJECTIVES FOR THE YEAR 2019/2020

No.	Objective	Lead Team
1	<b>To invest £500,000 in Phase 1 of wider environmental improvements by March 2020</b> <i>Phase 1 completed December 2019 and due to underspend works from Phase2 are being brought forward.</i>	Development & Property Services
2	<b>To achieve completion of Braes O Yetts by September 2019</b> <i>30 homes completed by mid September 2019. All 8 shared equity homes were sold by 25 October 2019.</i>	Development & Property Services
3	<b>To achieve a development agreement with CALA Homes for sites at Fauldhead Road and Chryston Road by September 2019 -</b> <i>No further progress to report.</i>	Development & Property Services
4	<b>To achieve a site start of the Canal Cycle Path by September 2019</b> <i>Progress stopped due to conflicts between current funding and planning conditions</i>	Development & Property Services
5	<b>Average length of time taken to complete non-emergency repairs (days) Target 6 days (3 for urgent and 10 for routine)</b> <i>Reactive Repairs 3 days and Gas reactive repairs 2 day. Overall performance is 2.5 days unchanged from Quarters 1 and 2.</i>	Development & Property Services
6	<b>To carry out Stock Condition Survey by December 2019</b> <i>Consultants appointed and surveys commencing 10 February 2020</i>	Development & Property Services
7	<b>To maintain rent arrears below 4.0% by March 2020</b> <i>At 31 December 2019 arrears at 4.16% down from 4.9%</i>	Housing Management
8	<b>To secure additional benefits income of £500,000 for Hillhead Tenants by March 2020</b> <i>At 31 December 2019 £316,194 financial gains realised</i>	Housing Management
9	<b>To continue to provide Tenancy Support Services to 45 of the Association's most vulnerable tenants by March 2020</b> <i>At the end of quarter 3 the service has supported 99 cases with 54 current cases of which 18 are new referrals in the quarter.</i>	Housing Management
10	<b>To complete Tenant Satisfaction Survey Action Plan by March 2020</b> <i>Action Plan in place and will be followed through during 2020.</i>	Housing Management/Property Services
11	<b>To re-let voids within an average of 21 days.</b> <i>At 31 December 2019 re-let time was 27 days</i>	Housing Management/Property Services
12	<b>To carry out Committee Appraisals by June 2019</b> <i>Completed. Report presented to the Committee in November 2019</i>	Finance & Corporate Services
13	<b>To develop and enhance new digital communication services for tenants by December 2019 –</b> Ongoing	Finance & Corporate Services
14	<b>To complete compliance for Freedom of Information regulations by November 2019</b> <i>Completed by end of October 2019</i>	Finance & Corporate Services
15	<b>To carry out a Business Planning review by December 2019</b> <i>Strategy Day took place in December and follow up workshop took place in January 2020</i>	Finance & Corporate Services
16	<b>To complete Organisational Review by September 2019 –</b> <i>Completed in October 2019.</i>	Finance & Corporate Services



# HOUSING TO 2040

**A VISION  
FOR OUR FUTURE  
HOMES AND  
COMMUNITIES**



## What is Housing to 2040?

Housing has a vital role to play in meeting many of our ambitions for Scotland, including eradicating child poverty and homelessness, ending fuel poverty, tackling the effects of climate change and promoting inclusive growth.

We want everyone in Scotland to have a home that is warm, affordable and accessible and that fits their needs. We also want to ensure we have a housing system that is dynamic and resilient enough to respond to future changes, and can help to address the number of challenges we are facing, including an ageing population and a global climate emergency. That is why we have now begun to consider our longer term aspirations for housing in Scotland and the opportunities for how we might achieve this.

In our 2018-19 Programme for Government, we made a commitment to plan together with stakeholders for how our homes and communities should look and feel in 2040 and the options and choices to get there. This new approach will encompass the whole housing system<sup>1</sup> – we want Housing to 2040 to be a lasting legacy that is not just about new homes, but that takes into account the people, place, environment and communities in which our homes, both new and old, are located.

Since making this commitment, we have been engaging extensively with a variety of stakeholders, including local government, businesses, the third sector, home owners, tenants and others to help shape a draft vision and principles for 2040.

This document sets out the Housing to 2040 draft vision and principles that emerged following our initial round of stakeholder engagement.

## What is the purpose of the vision and principles?

Our [National Performance Framework](#) provides the high-level vision for Scotland. Our draft housing vision for 2040 describes in more detail what we want the housing system to look and feel like in the future. It is meant to be ambitious and aspirational.

The vision is **person-centred**, and views the system from the citizen's perspective to reflect the diversity of people, homes and communities across Scotland. But the vision is also for all those involved in housing delivery and services - making the vision a reality will require action from Scottish Government, public, private and third sector partners and the people of Scotland.

The principles underpinning the vision are a high-level guide to how policy decisions might be made to make the vision a reality.

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<sup>1</sup> In this context, the "housing system" includes culturally appropriate accommodation for Gypsy/Travellers such as sites, for example, as well as more traditional forms of accommodation.

## **What are some of the challenges we face?**

### ***We have an ageing population and people are living longer***

This means that demands on health and social care will increase in the future. We want to think about our different housing options and promote greater adaptability to allow us to live independently at home for longer, reducing that demand.

### ***The number of households is growing and more people are living alone***

The number of households in Scotland is projected to increase and one person households are set to become the most common household type. This means we need to think strategically about how we design and build new homes and where, and how we can make the best use of our existing stock.

### ***We need to mitigate the impact of climate change***

We must ensure our homes are energy efficient and are able to adapt to the effects of climate change. We've set out the actions we'll take to reduce emissions from our homes in our Climate Change Plan and our Energy Efficient Scotland route map. We have also introduced a Climate Change Bill to strengthen our greenhouse gas emission reduction targets.

### ***We must act on homelessness***

Nobody should be without a safe, warm place they can call home - that is why we are working hard to prevent homelessness in Scotland. We have published our Ending Homelessness and Rough Sleeping action plan to transform temporary accommodation and put an end to rough sleeping and homelessness.

### ***We want to tackle child poverty***

The Scottish Government is committed to ending child poverty and the housing system can help us to do this. We want to increase housing affordability and lower running costs to reduce poverty for households with children.

### ***We need to manage the impact of Brexit and the UK Government's welfare reforms***

Brexit will have consequences for both housing supply and demand. The UK Government's welfare reforms have reduced the support it provides - the Scottish Government works to mitigate this, but this isn't sustainable in the long term.

## **We want to hear your views...**

The first phase of Housing to 2040 stakeholder engagement concluded on 30 November 2018, and attracted contributions from over 800 people representing more than 100 organisations. A Scottish Government report on stakeholder engagement in 2018 was published in May 2019 and is available here:

<https://www.gov.scot/publications/housing-2040-report-stakeholder-engagement-2018/>

We will continue to engage with a wide range of people across Scotland and will undertake further formal public consultation in the autumn on the draft vision and principles, themes and outline options for the route map.



The outputs from the next round of consultation will help us to create the final vision and a route map to 2040, which we intend to publish in spring 2020.

What you can do now:

- Discuss this with friends, family or in your communities/workplace or on twitter using the hashtag #Housing2040
- E-mail us your thoughts at [Housing2040@gov.scot](mailto:Housing2040@gov.scot) (please note we won't be able to respond to each e-mail individually)

## HOUSING TO 2040 VISION

### A WELL-FUNCTIONING HOUSING SYSTEM

- **Finding the right home** - I can quickly find a home that is right for me when I need one, for example when my circumstances change, and the process of moving is straightforward. I have a choice about where in Scotland I live and the type of home I live in. I can find suitable accommodation no matter what area I choose to live in, even though I am on a modest income. There are new ways to find homes through, for example, arranging swaps directly with other people who want to move.
- **Affording a home** - I can afford a home that meets my needs. I find renting is affordable and allows me to make regular savings for my future, in order to buy a home, if I want to.
- **Making the best use of our homes** - As an older person wanting to move, I can get help to move to a home which better meets my needs; my current home is no longer right for me but would be ideal for a family.

I live in a social rented home, and can move across Scotland to be nearer family without losing my right to a home.

As a parent on a low income, I can get help to move to home better suited to my children's needs.

- **Investing** - There are a range of attractive forms of investment and savings products for me to consider beyond bricks and mortar and these will help me to fund my retirement.
- **Fairness** – I know that help with housing is there for me if and when I need it, for example if I am struggling to pay my rent. I am assisted to keep my home at difficult points in my life.
- **Rural and island communities** – I live in a remote area and it is great to know there are good housing options for everyone here, from farmers and crofters to young people and those seeking to move to the area to set up home and bring employment and new opportunities to the area. Housing supports much-needed skilled workers living and staying in my community; and local people and businesses are building the new homes.

New homes in my rural community have supported a jump in population. The future of the primary school and local shop is secure. It's a comfort to know that our local circumstances are taken into account when government makes decisions about housing; it feels like we're on a level playing field with the big cities.

## HIGH QUALITY SUSTAINABLE HOMES

- **Design** – My home is well-designed and of a high standard, with enough space and flexibility to allow me to live well. I know that a lot of effort went into the design of my home, which has helped make it functional, attractive, flexible, resilient and energy efficient.
- **Equality of standards** - You can't tell by looking at my home whether I own or rent my home; it's in a great place and meets all of my needs.
- **Older homes** – My home is quite old but there are a range of innovative and affordable ways available to me to make it more comfortable and energy efficient without spoiling its appearance.
- **New build homes** – When I bought my new home, any defects were rectified quickly. Defects are minimised because of the high level of quality control during the construction process. I am confident that my house builder is a fair and inclusive employer.
- **Empowered** – I am not afraid to ask my landlord about changes or improvements to my home because I know they have to consider my request fully and I cannot be penalised for asking.
- **Good use** – Every home on my street is occupied and no home is left empty for a significant period of time without good reason.
- **Maintenance** – I find it easy to find high quality, reliable and cost effective tradespeople to make repairs and improvements to my home. Although I live in a block of flats, it is really straightforward to make improvements and repairs to communal areas. My property factor delivers a high quality service.
- **Running costs** - I understand exactly how much it costs to run my home and what I can do to reduce costs and carbon emissions; it's great that fuel poverty is a thing of the past.
- **Low carbon** - I know that my home is not damaging the planet having been retrofitted to be near zero carbon; it is heated using renewable energy, which is affordable and efficient. Every home in Scotland is energy efficient and we're all playing our part in tackling the global climate emergency.

## SUSTAINABLE COMMUNITIES

- **Staying local** – There is a good mix of housing where I live, which means I have the option to stay in the area if my needs change. This means I know I can stay in contact with my neighbours and friends and can continue to access the services that my family and I use. The right homes are available across Scotland and in the right place to support both rural and urban communities; there are homes suitable for different cultures and for people who need extra help to be cared for in my community. This means my elderly relatives can live nearby too if they choose.
- **Well-designed places** – The place where I live is well-designed, distinctive and has a strong sense of identity. House builders are building homes that are high quality, fit well into the neighbourhood and are climate ready. The flooding issues that used to bother us have been resolved by, for instance, using living roofs or allowing space for wild areas; these help to soak up the rain.
- **Connected places** – My local council and developers listen to me and my community. They pay attention to what we want and what makes my community special. We have the right infrastructure in place for new homes and we are well-connected. Open spaces are accessible and used by people of all ages. Good transport connectivity gives me easy access to the services I need, even though I live a long way from the nearest town.
- **Health and well-being** - There is a strong sense of community pride where I live and people care about our surroundings and are supported to maintain them. The streets around me are clean, accessible and safe. It is a walking and cycle-friendly environment. The parks, play areas and green spaces are easily accessible and used by people of all ages. We all benefit from good physical and mental health from a clean environment, inspiring and well-maintained surroundings.
- **Vibrant communities** – The centre of my community is a lively hub with shops, services and attractive places to meet. My community is digitally connected enabling me to work from home or hotdesk locally when I want to. People are attracted to live and work in my island community, and local businesses are thriving.

## HOMES THAT MEET PEOPLE'S NEEDS

- **My lifestyle** - My home supports my well-being, and the well-being of my family. My home supports my children in doing the best they can at school, and allows me to engage with my community and other people who matter to me, including my family, friends and neighbours. My home supports me in progressing my career. My home supports me through different stages of my life and can be easily adapted around me.
- **My rights** – I know where to go to get information and advice about my rights to housing and housing services and I feel empowered. I know where to get the help I need to prevent me from losing my home.

As a former member of the Armed Forces, I receive support from my local authority including advice about the additional support to which I am entitled from veteran organisations. When I signed up to the Armed Forces, I was provided with information and advice on the housing options in Scotland which allowed me to plan for a better future in civilian life.

- **Diversity** – Where I live, there are a variety of different homes that meet the differing needs of people in the community. Land is available to support further housebuilding and the community is engaged and involved with taking forward proposals for housing in new and innovative ways, for example through self-build projects. There are also options to live more communally, if that is what people want. When my illness became more severe and limited my mobility, I was able to find a home that allows me to stay in my community and had my independence supported.
- **My services** – I get the help I need to live independently at home, supported by new and advancing technology. I can access health, welfare, education and other services, not least because my community is well-connected with good transport services. If I need an aid or adaptation to my home to allow me to continue to live independently, it will be provided within a reasonable time. If I am no longer able to live independently at home, there is a good choice of retirement, sheltered or residential homes available to me close to my family.
- **Self-build** – When I built my own home, I found it easy to access advice and support for my self-build project and I was able to work on it myself. This means I have a home which is just right for me.

## HOUSING TO 2040 PRINCIPLES

### A WELL-FUNCTIONING HOUSING SYSTEM

#### **PRINCIPLE 1**

**The housing system should supply high-quality affordable homes for living in, to shift the balance away from the use of homes as a means to store wealth.**

One decent home per household takes priority over second homes and investment returns on property, i.e. investment in housing is not for asset growth. Commercial investment in the Private Rented Sector is based on rental income return (not capital appreciation). Housing promotes fairer wealth distributions and reduces inequality. Government actively shapes the market to make sure that there is a sufficient number of high-quality homes in urban and rural areas so that everyone has a reasonable choice of where they live and the type of accommodation they live in. Older and disabled people benefit from the increased availability of affordable and accessible housing to support them to live independent lives.

#### **PRINCIPLE 2**

**Government policy (including taxes and subsidies, for example) should promote house price stability, to help underpin Scotland's standard of living and productivity and promote a Fairer Scotland.**

House price inflation is broadly in line with wage growth and other living costs, i.e. the ratio between the cost of a house and the cost of a loaf of bread is more or less constant<sup>2</sup>. The cost of housing is under control, boosting productivity, because there is less pressure on wages and this increases Scotland's attractiveness as a place to invest. Policy is tailored to the different needs of urban, rural and island communities. Housing availability in rural areas is attracting inward investment and creating employment opportunities which, in turn, is attracting people to rural communities. People can live close to good quality schools for their children to attend.

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<sup>2</sup> We may even need a period of static house prices in cash terms in order to increase affordability in some areas.

### **PRINCIPLE 3**

**Everybody should be able to save for the future (as well as be secure in their home and make significant changes to it) whether they rent or own.**

Renters share more of the benefits of owner occupation<sup>3</sup> as they have the capacity and mechanisms to save for the future, increased security of tenure and the discretion to make changes to their home. There are new and innovative financial products and tenancy agreements which combine aspects of renting with owning, for example actuarial products that offer lifetime tenure and a pension in return for the capital asset at end of life.

### **PRINCIPLE 4**

**Housing provision should be informed by whole life economic costs and benefits in the round and help to address inequalities in health, wealth and education.**

The cost assessment of all new homes takes account, not only of the upfront build cost, but also the running costs of the home and its environmental impact. This applies both to the direct costs from utility bills, maintenance and repair and also to the indirect costs of developments which promote unhealthy lifestyles which are likely to have a health service cost later on (e.g. promoting car use over walking or cycling). Rules around, and investment in, housing takes account of the differing costs of delivery between rural and urban Scotland and also accounts for people with different needs. This includes adequate provision of culturally appropriate sites and accommodation for Gypsy/Travellers.

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<sup>3</sup> Owner occupation is currently popular for three main reasons: repayment mortgages are a form of saving and, at the end of the mortgage, the homeowner has both a valuable asset and a rent-free home; they have more security of tenure (provided they keep up with their repayments); and they have greater discretion to make changes to their home.



## HIGH QUALITY, SUSTAINABLE HOMES

### **PRINCIPLE 5**

**Tenure-neutral space and quality standards for new homes (and existing homes where possible) should be set specifically to improve and protect quality of living and of place.**

Rooms are the right size for their purpose and the size of the household. The space in the home can be configured flexibly to meet the household's needs. For example, there is sufficient space for children to do their homework and for others to work at home if this option is available to them. This improves economic productivity as it helps bring new workers into the market, reduces the resources required to support work (travel time and costs of commuting) and reduces the adverse economic, environmental and health impacts of congestion.

### **PRINCIPLE 6**

**Government policy should promote a greater diversity of home builders and broader availability of land for development to reduce prices and improve building quality.**

There is a larger number and a greater variety of house builders and developers, including Small and Medium-sized Enterprises, community and social enterprises, custom-build and self-build. Land zoned for housing or with planning permission is made available to whoever is willing to progress development and this happens rapidly. Better use of public sector land supports infrastructure provision, creates social, economic and environmental value and improves the quality of place. Lower land costs frees up more money to be spent on building design and quality; and greater competition helps ensure that is the case. People are well-informed about the importance of quality and design and the homes being built are the ones they want. Developers offer a real choice and new homes are customised to the first occupants' wants and needs. Government investment in new and existing homes across all tenures is not an isolated activity but is part of the development of the wider place and enhances the quality of life.

## **PRINCIPLE 7**

**All tenures should apply the same high quality and safety standards and levels of consumer protection.**

High standards are backed up through a system of incentives and penalties. All homes of all tenures are subject to the same high standards and with appropriate ways of enforcement, compliance and seeking speedy redress. The legislative and fiscal framework require and encourage households and businesses to meet the standards. Homes that cannot reasonably be adapted to meet the standards (taking account of technical feasibility and cost effectiveness) are considered for demolition or are repurposed. Good design is shared and reused, where appropriate.

## **PRINCIPLE 8**

**New homes for sale should be built to high standards, defects should be identified and remedied quickly and all owners should be required to maintain the condition of their home.**

Tougher inspection and, where required, enforcement is in place during the construction phase so that, for example, insulation is installed properly. Purchasers are confident that defects and snagging are remedied quickly, even after the site is completed and the developer has left. People maintain their outside space in a nature-friendly way to make their neighbourhood attractive and are encouraged, sometimes required, to cooperate over communal repairs.

## **PRINCIPLE 9**

**Decisions around the quality, location and utilisation of existing stock and new build should be ambitious in enhancing biodiversity, promoting Scotland's energy security, and be consistent with the target for Scotland's emissions to be net zero carbon by 2045.**

The existing housing stock is made more energy efficient, uses low carbon heat and is more efficiently allocated (e.g. so that people can live nearer their work, if that is what they want to do). New build homes are built so that they are net zero carbon (i.e. built to high standards of energy efficiency and use renewable heat or very low carbon heating), taking into account the natural resources consumed by the construction process too. Brownfield sites are prioritised and incentivised and the true value of green space is taken into account. There is more innovation in environmentally-friendly building and improvement techniques and materials, which are thoroughly tested before being implemented. All housing is resilient to the impacts of climate change, including minimising flood risk, and contributes to climate ready places and communities. Our homes, and the space around them, promote biodiversity by providing a variety of habitats and wildlife corridors. Fuel poverty has been eradicated.

## **SUSTAINABLE COMMUNITIES**

### **PRINCIPLE 10**

**New housing<sup>4</sup>, and the required community resources, should only be provided where they help to create safer, stronger, attractive, sustainable and integrated communities.**

New housing is built to facilitate active or accessible travel to school, healthcare and employment opportunities, and enables residents to continue to be active in their community as they get older. There is a more organic approach to new housing, with the right number and type of homes placed in such a way as to strengthen the existing community, so that both incomers and existing residents benefit. Town centres are rejuvenated by more people living in them. The right housing supports rural and island economies to thrive.

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<sup>4</sup> Of whatever size or scale, from self-build to large developments.

## **PRINCIPLE 11**

**Local communities should be empowered to respond to housing need in their area, as part of a coherent regional economic approach (creating and maintaining jobs) and supported by provision of the right infrastructure.**

Young people have the choice to stay in their community if they want to, and key workers can live locally, because local communities take action to meet that housing need. Communities do this by getting suitable homes built and having a say about how the homes are used in their area (e.g. numbers of second homes). New housing for working age people is planned in anticipation of employment opportunities. Local communities get assistance linking to transport or utility infrastructure, for example. Conversely, employment is attracted and directed to places where there is underutilised good housing. Rural communities are getting the relatively modest number of homes that make a big difference to them planned and built quickly.

## **PRINCIPLE 12**

**Government intervention should help existing and new communities to be physically, digitally, culturally and economically connected within a coherent geographic region; this includes retaining and attracting vibrant communities in areas facing depopulation.**

Settlements do not exist in isolation and have strong inbound and outbound connections (e.g. bus, rail and ferry links and broadband). Settlements “make sense” in their regional context, in terms of where people live, work, relax and access services. There are strong local connections that see the local café supplied by the butcher who buys his meat from the local farmer, for example. People are attracted to live and work in rural communities through a range of supply of affordable housing options and good public transport links; this also boosts local business and attracts inward investment.

## HOMES THAT MEET PEOPLE'S NEEDS

### **PRINCIPLE 13**

**Government should ensure that there are affordable housing options across Scotland for households at all income levels.**

Households at the lower end of the income distribution are offered assistance with housing and housing costs and households at the higher end can afford the home of their choice. Those in the middle can also afford housing appropriate for their needs, wherever they live in Scotland. Social housing is available across Scotland for people who need it and they can easily move home for work or personal reasons; nationally, we make best use of our social housing stock. The Private Rented Sector is the right size to provide quality, affordable and secure options for the households who want or need a rented home. Service personnel are provided with the right support upon resettling in their community by local authorities and veteran organisations. Homelessness has been eradicated; people needing homes are found homes quickly.

### **PRINCIPLE 14**

**Housing and the housing market should be highly flexible to enable people to meet their changing needs.**

There are enough accessible or adaptable homes across Scotland suitable for older people, disabled people, or anyone else in need of specialist accommodation, making it easy to move to be nearer family or work. Ex-service personnel are well looked after. There are no fiscal barriers or disincentives to people moving to a more suitable home for their needs. Government shows leadership but social housing development is progressed in partnership between local authorities, housing associations, developers and communities, with government intervention only if required. The state has an enabling role and communities know their rights and are more empowered. Government mediation balances individual and public good.

Housing supports, enables and reflects the diverse people of Scotland – people of all protected characteristics and other vulnerable or disadvantaged groups live in the right homes for them. They are well-represented in the workforce delivering housing and housing services. The housing system supports innovation, new models of housing and service delivery and the provision of other types of less traditional forms of accommodation: for example, culturally appropriate accommodation for Gypsy/Travellers that meets their needs and aspirations.

## **PRINCIPLE 15**

**Everyone has a right to an adequate home<sup>5</sup>.**

This includes:

- legal security of tenure
- availability of services, materials, facilities and infrastructure
- affordability
- habitability
- accessibility
- location; and
- cultural adequacy (including for Gypsy/Travellers, for example).

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<sup>5</sup> The UK has ratified seven core United Nations human rights treaties, including the International Covenant on Economic, Social and Cultural Rights (ICESCR). Article 11 of ICESCR states that everybody has the right to an adequate standard of living for themselves and their families, including adequate food, clothing and housing.

## **HILLHEAD HOUSING ASSOCIATION 2000 MANAGEMENT ACCOUNTS TO 31 DECEMBER 2019**

### **STATEMENT OF COMPREHENSIVE INCOME**

The Association has made an operating surplus of £982,000 for the period to 31 December 2019. This is higher than the budgeted surplus of £882,000 and this is mainly due to lower maintenance costs and staff costs offset by higher overheads and lower rents.

Net interest payments of £545,000 reduce the surplus to £437,000 for the year to date compared to the budgeted net surplus of £328,000.

These variances and revised forecasts for the remainder of the financial year suggest that there will be a net surplus at March 2020 of £542,000 compared to the budgeted surplus for the year of £449,000.

### **STATEMENT OF FINANCIAL POSITION**

Approximately £1.5m has been spent on Braes o' Yetts and new components so far this year. In addition, sales income for eight shared equity units has been received, totalling £845,000. This is higher than has been budgeted and as such some grant funding will need to be repaid.

The net cost of housing assets at 31 December 2019 is £25.868m

The net cost of other fixed assets is £1.045m.

Cash balances at December 2019 amount to just over £2.0m, higher than the budgeted amount of £1.444m. This is due to the higher surplus and lower capital expenditure.

This variance and revised forecasts for the remainder of the financial year suggest that the cash balance at March 2020 will now be £2.131m compared to the budget of £1.631m.

Long term creditors are £14.8m and include the pension liability of £357,000. Deferred income is £13.416m, leaving the Association's net assets of £525,000 compared to the budget of £416,000.

### **COVENANTS**

The Association is able to comply with all financial covenants as stipulated in the loan agreement with the Royal Bank of Scotland.

Patrick Long  
FMD Finance Services  
February 2020



**HILLHEAD HOUSING ASSOCIATION 2000**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD TO 31 DECEMBER 19**

<b>ANNUAL BUDGET</b>	<b>EST TO DATE</b>	<b>ACT TO DATE</b>	<b>VARIANCE</b>	
<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
4,861,169 Turnover	3,812,885	3,113,024	-699,861	● <i>All rental and grant income due to the Association.</i>
-3,674,541 Less Operating Costs	-2,930,820	-2,130,745	800,076	● <i>Costs of managing and maintaining the Association properties.</i>
<b>1,186,628 Operating Surplus/Deficit</b>	<b>882,065</b>	<b>982,280</b>	<b>100,215</b>	●
2,200 Interest Receipts	1,300	1,584	284	● <i>Interest received on investments.</i>
-740,007 Interest Payments and Other Charges	-555,484	-546,363	9,121	● <i>Interest paid on loans.</i>
0 Other Finance Charges	0	0	0	● <i>Charges related to the pension liability.</i>
<b>448,821 Retained in Revenue Reserves</b>	<b>327,881</b>	<b>437,501</b>	<b>109,620</b>	● <i>Amount added to general reserve.</i>

**HILLHEAD HOUSING ASSOCIATION 2000  
INCOME & EXPENDITURE FROM LETTINGS TO**

**31 DECEMBER 19**

<b>ANNUAL BUDGET</b>		<b>EST TO DATE</b>	<b>ACT TO DATE</b>	<b>VARIANCE</b>	
<b>£</b>	<b>INCOME</b>	<b>£</b>	<b>£</b>	<b>£</b>	
3,668,700	Rents - Houses	2,749,800	2,729,850	-19,950	●
-36,700	Voids - Houses	-27,504	-29,984	-2,480	●
4,000	Rents- Garages	3,000	3,320	320	●
0	Voids- Garages	0	-577	-577	●
47,000	Revenue Grant Income	35,100	19,589	-15,511	●
439,819	Grant Released From Deferred Income	329,864	329,864	0	●
<b>4,122,819</b>	<b>TOTAL</b>	<b>3,090,260</b>	<b>3,052,062</b>	<b>-38,198</b>	
<b>EXPENDITURE</b>					
1,122,703	Hsg & Maint Admin Costs	851,444	853,514	-2,070	●
2,500	Resident Participation	1,200	0	1,200	●
1,125,203		852,644	853,514	-870	●
396,800	Reactive Maintenance	289,700	233,190	56,510	●
232,200	Cyclical Maintenance	191,300	156,093	35,207	●
91,200	Major Repairs	73,600	44,111	29,489	●
54,540	Bad Debts	27,270	9,134	18,136	●
965,000	Depreciation	723,750	723,750	0	●
<b>2,864,943</b>	<b>TOTAL</b>	<b>2,158,264</b>	<b>2,019,792</b>	<b>138,472</b>	
<b>1,257,876</b>	<b>SURPLUS FROM LETTINGS</b>	<b>931,996</b>	<b>1,032,270</b>	<b>100,274</b>	

**INCOME & EXPENDITURE FROM OTHER ACTIVITIES**

<b>ANNUAL BUDGET</b>		<b>EST YTD</b>	<b>ACT YTD</b>	<b>VAR</b>	
<b>£</b>	<b>INCOME</b>	<b>£</b>	<b>£</b>	<b>£</b>	
43,350	Welfare Rights Grants	37,000	25,358	-11,642	●
657,500	Wider Action Grants	657,500	15,758	-641,742	●
37,500	Services to Other RSL	28,125	19,846	-8,279	●
0	Other Income	0	0	0	
<b>738,350</b>	<b>TOTAL</b>	<b>722,625</b>	<b>60,962</b>	<b>-661,663</b>	
<b>EXPENDITURE</b>					
93,298	Welfare Rights	70,530	70,927	-398	●
678,800	Wider Action	673,900	20,179	653,721	●
37,500	Service to Other RSL	28,125	19,846	8,279	●
<b>809,598</b>	<b>TOTAL</b>	<b>772,556</b>	<b>110,952</b>	<b>661,602</b>	
<b>-71,248</b>	<b>SURPLUS FROM OTHER ACTIVITIES</b>	<b>-49,931</b>	<b>-49,990</b>	<b>-61</b>	

## HILLHEAD HOUSING ASSOCIATION 2000 INCOME & EXPENDITURE ANALYSIS

### LETTINGS

Housing Rents -	Rents for houses at Braes o' Yetts and the ROTS development were budgeted to be received from April 2019. Some of these houses were let later in the year.
Housing Voids -	There has been a large number of voids in the first three quarters as tenants transfer into the new BoY development.
Revenue Grant Income -	Grants for adaptations will be claimed in line with expenditure.
Management Costs -	Costs are only slightly higher than the budget. See Page 6 for analysis.
Reactive Maint. -	There is an underspend in this area. See page 7 for analysis.
Cyclical Maint. -	There is an underspend in this area. See page 7a for analysis.
Major Repairs -	There is an underspend in this area. See page 7a for analysis.
Bad Debts -	The amount of arrears written off is lower than has been budgeted.

### OTHER ACTIVITIES

Welfare Rights -	Some income has yet to be received.
------------------	-------------------------------------

	Income £	Expenditure £	Surplus £
Wider Action -			
Cycle Path*	13,758	4,270	9,488
Think Digital Bid	0	1,680	-1,680
Tenancy Support	0	12,121	-12,121
Community Garden	2,000	2,108	-108
Donations	0	0	0
	<u>15,758</u>	<u>20,179</u>	<u>-4,421</u>

\* There will be no further income or expenditure associated with the cycle path project.

Services to Other RSLs-	Director services are now being supplied to Abrohill Housing Association. The amounts involved are lower than has been budgeted at this stage.
-------------------------	--

**HILLHEAD HOUSING ASSOCIATION 2000**  
**STATEMENT OF FINANCIAL POSITION AS AT**

**31 DECEMBER 19**

**ANNUAL  
BUDGET**

£	Non Current Assets
33,066,648	Housing Properties - Cost
-7,239,957	Less: Depreciation
25,826,691	
1,045,011	Other Non Current Assets
<b>26,871,702</b>	

£	Current Assets
193,219	Receivables
1,631,343	Cash at Bank and in Hand
1,824,562	

£	Liabilities < One Year
-224,472	Miscellaneous Payables
-175,000	Loans
0	Pension Deficit Payments
-399,472	

**1,425,090 Net Current Assets**

£	Total Assets Less Current Liabilities
28,296,792	

£	Liabilities > One Year
-13,759,000	Loans
-680,000	Scottish Government Grant
-341,183	Pension Liability (SHAPS)
0	Pension Deficit Payments (SHAPS)
-14,780,183	

£	Deferred Income
-12,569,649	Housing Association Grant (HAG)
-410,266	Other Capital Grants - Housing
0	Other Capital Grants - Non Housing
-12,979,915	

**536,694 Total Net Assets**

**CAPITAL AND RESERVES**

£	Capital and Reserves
60	Share Capital
877,817	Revenue Reserves
-341,183	Pension Reserve
<b>536,694</b>	<b>Total of Capital and Reserves</b>

**EST  
YTD**

£	ACT YTD
33,336,401	32,866,515
-6,998,707	-6,998,707
26,337,694	25,867,808
1,047,436	1,045,136
<b>27,385,130</b>	<b>26,912,944</b>

£	ACT YTD
187,219	145,433
1,444,433	2,004,348
1,631,652	2,149,781

£	ACT YTD
-224,472	-149,862
-175,000	-175,000
0	0
-399,472	-324,862

**1,232,180 1,824,919**

£	ACT YTD
28,617,310	28,737,863

£	ACT YTD
-13,759,000	-13,759,000
-680,000	-680,000
-353,135	-357,122
0	0
-14,792,135	-14,796,122

£	ACT YTD
-12,995,976	-13,002,928
-413,446	-413,446
0	0
-13,409,422	-13,416,374

**415,753 525,367**

£	ACT YTD
60	62
768,828	882,427
-353,135	-357,122

**415,753 525,367**

**VARIANCE**

£	
-469,886	Cost of new houses etc.
0	Depreciation of above costs.
-469,886	
-2,300	Net cost of office, furniture and equip.
<b>-472,186</b>	

£	
-41,786	Money owed to the Association.
559,915	Money in the bank.
518,129	

£	
74,610	Money owed by the Association to others.
0	Loan repayments due within one year.
0	Pension deficit payments due within one year.
74,610	

**592,739 Working Capital**

£	
120,553	

£	
0	Amount of loans outstanding
0	Grant repayable at a future date.
-3,987	Potential pension liability (SHAPS)
0	Pension deficit payments due after one year.
-3,987	

£	
-6,952	Grants received not yet released to income.
0	Grants received not yet released to income.
0	Grants received not yet released to income.
-6,952	

**109,614 Net value of the Association's assets.**

£	
2	Shares of £1 each fully paid.
113,599	General reserves of the Association.
-3,987	Potential pension liability (SHAPS)

**109,614 Net value of capital and reserves.**

**HILLHEAD HOUSING ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION - COMMENTS**

**(a) HOUSING CAPITAL EXPENDITURE/INCOME 19/20**

	EXP	INC
	£	£
1 Braes O' Yetts	1,262,208	845,520
2 New components	240,530	0
	<b>1,502,738</b>	<b>845,520</b>

**(b) OTHER FIXED ASSETS**

	£
Budgeted expenditure for the year to date	30,000
Actual expenditure for the year to date	27,700

Expenditure includes the purchase of new laptops and acquisitions of additional licenses for omniledger and windows updates.

**(c) BANK ACCOUNT BALANCES AS AT 31 DECEMBER 19**

		£
RBS	Current a/cs	1,212,202
RBS	Int a/c	210
Lloyds TSB	Allpay a/c	41,806
Close Brothers	Deposit a/c	750,000 to 28/04/20 at 1.0%.
n/a	Petty Cash	130
		<b>2,004,348</b>

**Credit Rating**

As At 23 January 2020	Moody's	Fitch	Standard & Poor
Close Brothers	P1	F1	N/A

The Association's treasury management policy states that funds should only be invested in banks that have the top credit rating from at least two of the main credit rating agencies. Close Brothers have achieved this rating with Moody's and Fitch.

**(d) DEBTORS ANALYSIS**

Sundry Debtors/Prepayments	50,049
Rent Control a/c-arrears	182,770
Bad Debt Provision (Rents)	-91,059
Sales Ledger	77,671
Bad Debt Provision (Sales Ledger)	-73,998
Insurance	0
<b>Total</b>	<b>145,433</b>

**HILLHEAD HOUSING ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION - COMMENTS (cont)**

**(e) CREDITORS ANALYSIS**

	£
Sundry Creditors	18,149
Braes o' Yetts	0
Purchase Ledger	46,355
Rent prepayments	84,458
Factoring Floats	900
Staff Social Fund	0
	<u>149,862</u>
Loan due within one year	<u>175,000</u>
	<u><u>324,862</u></u>

**(f) RENT ARREARS**

These figures have been taken from reports prepared by the Housing manager, adjusted for former tenants prepayments.

	<b>Current Tenants</b>	<b>Former Tenants</b>	<b>Total</b>	<b>EDC Arrears</b>
	£	£	£	£
Mar 2019	135,641	29,552	165,193	17,043
Apr 2019	144,172	31,730	175,902	16,989
May 2019	143,225	32,101	175,326	16,824
Jun 2019	158,701	32,204	190,905	16,578
Jul 2019	155,768	35,462	191,230	16,224
Aug 2019	167,018	36,047	203,065	16,152
Sept 2019	180,555	36,178	216,733	16,130
Oct 2019	134,515	29,540	164,055	15,019
Nov 2019	138,083	30,180	168,263	14,909
Dec 2019	152,694	30,076	182,770	14,896

Tenants and former tenants credits at December 19      £84,458

	<b>Arrears Analysis as at Sep 2019</b>		<b>Arrears At Jun 19</b>
to be updated	£	%	%
Technical arrears	420	0.01%	0.01%
Non technical arrears	<u>180,135</u>	<u>4.90%</u>	<u>4.31%</u>
Total current arrears	180,555	4.92%	4.32%
Former tenant arrears	<u>36,178</u>	<u>0.99%</u>	<u>0.88%</u>
	<u><u>216,733</u></u>	<u><u>5.90%</u></u>	<u><u>5.20%</u></u>
Projected annual rent	<u><u>£3,672,700</u></u>		



**HILLHEAD HOUSING ASSOCIATION**  
**CASHFLOW STATEMENT TO 31 DECEMBER 19**

	<b>EST TO DATE £</b>	<b>ACT TO DATE £</b>	<b>VARIANCE £</b>
<b>Net Cashflow From Operating Activities</b>			
1,186,628 Operating Surplus	882,065	982,280	100,215
965,000 Depreciation - Housing	723,750	723,750	0
29,700 Depreciation - Other	22,275	22,275	0
-439,819 Amortisation of Grants	-329,864	-329,864	0
-1,222,402 Increase/(Decrease) in Creditors	-1,222,402	-1,297,012	-74,610
-24,000 (Increase)/Decrease in Debtors	-18,000	23,786	41,786
-47,817 Increase/(Decrease) in Pension Deficit Creditor	-35,865	-31,878	3,987
0 Unwinding of Pension Discount	0	0	0
<u>447,290</u>	<u>21,959</u>	<u>93,337</u>	<u>71,378</u>
<b>Investing Activities</b>			
-1,176,865 Expenditure on Housing	-1,127,067	-1,502,738	-375,671
-35,000 Expenditure On Other Fixed Assets	-30,000	-27,700	2,300
0 Sale of Housing Properties	0	845,520	845,520
0 Capital Grants Received	0	6,982	6,982
<u>-1,211,865</u>	<u>-1,157,067</u>	<u>-677,936</u>	<u>479,131</u>
<b>Financing Activities</b>			
1,000,000 Loans Received	1,000,000	1,000,000	0
2,200 Interest Received	1,300	1,584	284
-740,007 Interest Paid	-555,484	-546,363	9,121
-175,000 Loans Repaid	-175,000	-175,000	0
0 Share Capital Issued	0	2	2
<u>87,193</u>	<u>270,816</u>	<u>280,223</u>	<u>9,407</u>
<u>-677,382</u> Increase/(Decrease) in Cash	<u>-864,292</u>	<u>-304,377</u>	<u>559,915</u>
1,631,343 Closing Cash Balance	1,444,433	2,004,348	559,915
2,308,725 Opening Cash Balance	2,308,725	2,308,725	0
<u>-677,382</u>	<u>-864,292</u>	<u>-304,377</u>	<u>559,915</u>

# HILLHEAD HOUSING ASSOCIATION 2000

## MANAGEMENT EXPENSES TO

31 DECEMBER 19

ANNUAL BUDGET		EST YTD	ACT YTD	VARIANCE	
£	STAFF COSTS	£	£	£	
716,300	Gross Pay	528,300	507,429	20,871	●
68,900	NIC	50,100	46,229	3,872	●
56,100	Pension Costs	41,400	41,121	279	●
1,700	Expenses	1,200	2,871	-1,671	●
<b>843,000</b>	(1)	621,000	597,650	23,351	●
30,000	Finance Services	22,500	37,549	-15,049	●
29,000	Development Services	21,600	2,053	19,547	●
<b>902,000</b>		665,100	637,252	27,849	●
	<b>ESTATE COSTS</b>				
396,800	Reactive Repairs	289,700	233,190	56,510	●
232,200	Cyclical Maintenance	191,300	156,093	35,207	●
91,200	Major Repairs	73,600	44,111	29,489	●
54,540	Bad Debts	27,270	9,134	18,136	●
965,000	Depreciation - Housing	723,750	723,750	0	●
<b>1,739,740</b>		1,305,620	1,166,278	139,342	
	<b>OVERHEADS</b>				
9,000	Advertising	7,300	6,542	758	●
14,500	Audit Fee	4,000	2,268	1,732	●
15,000	Bank Charges	11,250	12,865	-1,615	●
2,300	Committee Expenses	1,725	1,644	81	●
29,700	Depreciation - Other	22,275	22,275	0	●
10,200	General Expenses	7,500	8,733	-1,233	●
10,000	Van Costs	8,075	9,175	-1,100	●
12,500	Heat,Light,Cleaning	9,375	10,404	-1,029	●
66,000	Insurance - Housing	66,000	76,579	-10,579	●
16,000	Insurance - Other	16,000	20,888	-4,888	●
25,000	Legal Fees - Housing	18,750	15,996	2,754	●
5,000	Legal Fees - Other	3,750	840	2,910	●
41,000	Office Equip. Maint.	38,300	35,913	2,387	●
500	Office Maintenance	250	0	250	●
5,000	Printing/Stationery	3,750	4,201	-451	●
7,000	Postage	5,250	6,130	-880	●
2,000	Rent/Rates	1,500	1,113	387	●
16,200	Subscriptions	8,300	17,012	-8,712	●
10,000	Staff Recruitment	10,000	5,592	4,408	●
11,600	Telephones	8,800	9,164	-364	●
13,000	Training - Committee	8,800	4,318	4,482	●
11,500	Training - Staff	10,250	11,548	-1,298	●
<b>333,000</b>		271,200	283,200	-12,000	
	<b>OTHER OPERATING COSTS</b>				
18,500	Professional Fees	13,800	23,836	-10,036	●
2,500	Resident Participation	1,200	0	1,200	●
678,800	Wider Action	673,900	20,179	653,721	●
<b>699,800</b>		688,900	44,015	644,885	
<b>3,674,540</b>	<b>TOTAL MANAGEMENT EXPENSES</b>	<b>2,930,820</b>	<b>2,130,745</b>	<b>800,076</b>	

**Variance Analysis:**

<b>Item</b>	<b>£</b>	<b>Reason for variance</b>
(1) Salaries -	23,351	Some new staff started later than had been budgeted and some have yet to be appointed.
(2) Finance Services -	-15,049	The use of finance agents has increased as a result of staff changes in the finance section and work done on revised budgets, long term forecasts and updating processes.
(3) Development Services -	19,547	Less work has been required from development agents this year.
(4) Reactive Repairs -	56,510	Maintenance costs have been lower than the budget so far and some December invoices have yet to be paid.
(5) Cyclical Maintenance -	35,207	See page 7a for analysis.
(6) Major Repairs -	29,489	See page 7a for analysis.
(7) Bad Debts -	18,136	The amount of arrears written off is lower than has been budgeted at this stage.
(8) Insurance -	-15,467	Insurance premiums have increased significantly for 2019-2020.
(9) Legal Fees -	5,664	Costs are lower than has been budgeted at this stage.
(10) Office Equip Maint -	2,387	Some costs have yet to be incurred.
(11) Subscriptions -	-8,712	Additional subscriptions have been taken out and some have been paid earlier than budgeted.
(12) Staff Recruitment -	4,408	Costs are lower than has been budgeted at this stage.
(13) Committee Training -	4,482	Costs are lower than has been budgeted at this stage.
(14) Professional Fees -	-10,036	Costs include; stock valuations, pension reports, pension presentations to staff and tenant surveys.
(15) Wider Action -	653,721	There will be no further costs incurred re the cycle path project.

## Variance Analysis continued:

### CYCLICAL MAINTENANCE

Annual Budget £		Estimated Ytd £	Actual Ytd £	Variance £	
115,000	Gas Servicing (1)	85,000	92,099	-7,099	●
6,300	Gas Audit	4,680	3,780	900	●
69,900	Landscaping (2)	68,400	45,068	23,332	●
31,000	Electrical Testing (3)	23,220	14,473	8,747	●
10,000	GutterCleaning (4)	10,000	0	10,000	●
0	Misc (5)	0	673	-673	●
<u>232,200</u>		<u>191,300</u>	<u>156,093</u>	<u>35,207</u>	

- (1) A higher proportion of these works have been done earlier in the year.  
In addition, follow up repairs are higher than has been budgeted.
- (2) Monthly costs have been lower than the budget and this should continue for the rest of this financial year.
- (3) Costs are lower than the budget at this stage but works are continuing in Q4.
- (4) This work has yet to begin.
- (5) This relates to painter works retentions.

### MAJOR REPAIRS

Annual Budget £	Revenue Items	Estimated Ytd £	Actual Ytd £	Variance £	
47,000	Stage 3 Adaptations (1)	31,000	15,562	15,438	●
3,200	Ventilation Works	1,600	0	1,600	●
41,000	New Acquisition Upgrades (2)	41,000	23,220	17,780	●
0	Misc (3)	0	5,329	-5,329	●
<u>91,200</u>		<u>73,600</u>	<u>44,111</u>	<u>29,489</u>	
<b>Capital Items</b>					
500,000	Environmental Works (4)	500,000	197,367	302,633	●
10,000	Component Replacements (5)	6,000	8,885	-2,885	●
137,600	Smoke Alarms (6)	91,800	34,278	57,522	●
<u>647,600</u>		<u>597,800</u>	<u>240,530</u>	<u>357,270</u>	

- (1) Less work has been done in this area than has been budgeted but this should increase in Q4.
- (2) Some costs have yet to be incurred re new acquisition upgrades.
- (3) This consists of rot works carried out in two properties.
- (4) Costs have been lower than budgeted so far and although some works might be brought forward, there will still be a significant underspend by the year end.
- (5) More has been spent in this area than has been budgeted.
- (6) The cost of purchasing alarms has been lower than has been budgeted.  
These will now be fitted by the Association's staff, reducing the costs from external contractors.

# HILLHEAD HOUSING ASSOCIATION 2000

## RATIO ANALYSIS AS AT 31 DECEMBER 19

ANNUAL BUDGET	EST YTD	ACT YTD	YTD VARIANCE	
<b>Costs Per Unit</b>				
£1,356 Management Costs (£)	£1,027	£1,028	-£1	●
£478 Reactive Maintenance Costs (£)	£349	£281	£68	●
£390 Planned maintenance Costs (£)	£319	£241	£78	●
<b>Primary Ratios</b>				
61% Interest Cover (%)	4%	17%	13%	●
2419% Gearing (%)	3168%	2400%	767%	●
<b>Efficiency Ratios</b>				
1.0% Voids (%)	1.00%	1.12%	-0.12%	●
5.2% Gross Rent Arrears (%)	4.02%	4.98%	-0.95%	●
2.7% Net Rent Arrears (%)	2.00%	2.50%	-0.49%	●
1.5% Bad Debts (%)	0.74%	0.25%	0.49%	●
17.3% Staff Costs/Turnover (%)	16.29%	19.20%	-2.91%	●
8.6% Key Mgmt Costs/Staff Costs (%)	8.71%	9.50%	-0.79%	●
6.9% Overheads/Turnover (%)	7.11%	9.10%	-1.98%	●
5,857 Turnover per Unit (£)	4,594	3,751	-843	●
<b>Liquidity</b>				
2.2 Current Ratio	2.2	3.3	1.0	●
<b>Profitability</b>				
24.4% Gross Surplus (%)	23.1%	31.6%	8.4%	●
9.2% Net Surplus (%)	8.6%	14.1%	5.5%	●
<b>Financing</b>				
3.0 Debt Burden (Yrs)	3.0	3.0	0	●
£17,607 Debt Per Unit (£)	£17,607	£17,607	£0	●
£15,642 Net Debt Per Unit (£)	£15,867	£15,192	£675	●
<b>Diversification</b>				
25.2% Income From Non Rental Activities	28.5%	13.2%	-15.3%	●
-6.0% Other Activities Surplus/Operating Surplus (%)	-5.7%	-5.1%	0.6%	●

## HILLHEAD HOUSING ASSOCIATION 2000

### COVENANT ANALYSIS AS 31 DECEMBER 19

The Association's loan agreement with the Royal Bank of Scotland was reviewed in December 2016 and revised covenants were put in place.

	<b>Covenant</b>	<b>Actual Ytd</b>	<b>Comply</b>
1 Interest Cover - Min	110%	203%	<b>YES</b>
2 Gearing - Max	60%	48%	<b>YES</b>
3 Asset Cover - Max	£25,891,966	£13,934,000	<b>YES</b>
4 Net Assets - Min	-£800,000	£525,367	<b>YES</b>
1 Interest Cover -	This covenant states that the adjusted operating surplus must be at least 110% of the amount of interest payable. This covenant will be tested annually and monitored quarterly.		
2 Gearing -	This covenant states that the value of outstanding loans must be less than 60% of the historic cost of charged housing assets. This covenant may be tested at any time.		
3 Asset Cover -	This covenant states that the value of outstanding loans must be less than the weighted value of housing stock. This covenant may be tested at any time. The most recent valuations were provided by Jones Lang, Lasalle in April 2019.		
4 Net Assets -	This covenant states that the Association's net assets must not fall below a deficit of £800,000 in the year 2019/20. This is an agreed waiver to a condition in the revised loan agreement . This covenant will be tested annually per the latest audited financial statements.		



**HILLHEAD HOUSING ASSOCIATION**  
**FORECAST OUTTURN AT 31 MARCH 2020**

	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Gross Surplus (£)	1,186,629	1,269,816	83,187
Net Surplus (%)	448,822	542,414	93,592
Cashflow (£)	1,631,343	2,131,426	500,083
Net Assets	536,694	630,286	93,592

The forecast gross surplus is higher than the revised budget. This is mainly due to lower staff costs and estate costs offset by lower rental income and higher overheads.

The forecast net surplus is also higher than the original budget but by a greater amount due to lower interest payments..

The forecast cash balance is higher then the original budget due to the higher surplus and lower capital expenditure offset by changes to debtors and creditors.

Net assets will be higher than the budget due to a higher surplus in the year.

**COVENANTS**

	<b>Covenant</b>	<b>Forecast Outturn</b>	<b>Comply</b>
Asset Cover (£) - max	£25,891,966	£13,934,000	<b>YES</b>
Interest Cover (%) - min	110%	198%	<b>YES</b>
Gearing (%) - max	60%	42%	<b>YES</b>
Net Assets (£) - min	-£800,000	£630,286	<b>YES</b>

The forecast outturn to 31 March 2020 indicates that the Association will be able to comply with all financial covenants with the Royal Bank of Scotland.

## **HILLHEAD HOUSING ASSOCIATION 2000 DRAFT BUDGET 2020/21**

### **INTRODUCTION**

This draft budget report has been compiled to allow the Management Committee to consider the financial effects of the Association's operations in the year to 31<sup>st</sup> March 2021 and to assist in the decision making process regarding the plans and strategies of the Association. The Management Committee may wish to consider the details of the report and recommend any amendments to be included in a final version for approval prior to the start of the new financial year.

### **STATEMENT OF COMPREHENSIVE INCOME**

**A rent increase of 3.1%** has been applied (RPI at October 2019 +1%). This is in line with the recently approved long term projections. Every 1% rent increase will generate an additional £36,800 in rental income. Void levels are estimated to be 1.00% of housing rents. **Total net rental income in the year, including garages, will be £3.764m. In addition, revenue grants of £45,000 will be received re Stage 3 Adaptations. Capital grants amortised in the year will be £440,000.**

Other income will be in respect of welfare rights and director services provided to other RSLs. **Total income from these sources will amount to £51,700.**

**Total turnover will be just over £4.3m.**

**Staff costs will include a pay award of 1.6%** on top of any increments that are due. This, will make **total staff costs of £879,500** in the year. The cost of indirect staff re finance and development services will be £31,200.

**Maintenance costs for the year will amount to £785,100** and will include reactive maintenance costs of £410,000 and cyclical costs of £278,900 and major repairs of £96,200. In addition, bad debts will be £56,400 and housing depreciation will be £1.004m.

**Overheads will amount to £382,600 and other costs will amount to £48,700.**

**Total operating costs will be just over £3.188m.**

The Association will therefore have an **operating surplus of £1.113m** in the year. Interest receipts will amount to £3,400 but interest charges and non-utilisation fees totalling £723,500 will be incurred.

**There will be a net surplus in the year of £392,900.**

## **STATEMENT OF FINANCIAL POSITION**

The cost of fixed assets will now include the full cost of Phases 1-5 of the new build development programme and the total costs of the new Braes O' Yetts development as well as the cost new acquisitions and the cost of components that have been replaced in the houses acquired from East Dunbartonshire Council. **The total cost of housing assets after depreciation will be just over £25.47m.**

**The value of other fixed assets will be £1.024m** and includes the cost of the new office development and office equipment and furniture and two vans.

The Association will start the year with a cash balance of £1.631m and although this balance will fluctuate during the year, **the closing cash balance will be just over £1.733m.**

**The value of debtors and short term creditors will reduce the value of working capital to £1.527m.**

## **LONG TERM LIABILITIES**

**Long term liabilities will total £14.264m** and will include the amount due to the Royal Bank of Scotland after one year (£13.584m) and the amount repayable to the Scottish Government (£680,000). In addition, the pension liability will be £286,800.

## **DEFERRED INCOME**

The amount of deferred income (capital grants received not yet written off) will be £12.5m.

## **NET ASSETS/RESERVES**

The net assets of the Association at March 2021 will be £929,600 and this will be matched by reserves.

## **PERFORMANCE ANALYSIS**

**Turnover per unit will decrease** due to a reduction in wider action income and will continue be lower than the SHR average for 2018/19. **Profitability will increase and** will be higher than the SHR average. **Unit costs for management and maintenance will continue to increase** and will be lower than the SHR average.

**Interest cover will decrease slightly** and will continue to be significantly lower than the SHR average. **Gearing (the extent to which assets are funded by borrowing), will decrease (a positive effect)** although will still be much higher (worse) than the average.

**Void and bad debts have been set at predetermined levels** and it has been budgeted that **net rent arrears will be the same as the previous year**, lower than the average. **Staff costs and overheads as a %age of turnover will both increase**, partly due to higher costs but also due to a lower turnover.

**The current ratio will increase slightly to 2.3, in line with the SHR average.** This indicates that the Association's short term cash position is fine. The Association can

continue to draw down funds from its loan facility with the Royal Bank of Scotland if required.

**Debt per unit continues to decrease** as loans continue to be paid off.

**The Association's income from non-rental activities will decrease** as a result of the reduction in wider action income and the **proportion of surplus from other activities continues to be a minus figure**, an indication of the reduction in funding for the welfare rights service.

#### **COVENANTS**

**The Association will be able to comply with all of the financial covenants in the loan agreement with the Royal bank of Scotland.**

**Patrick Long  
FMD Finance  
February 2020**



## HILLHEAD HOUSING ASSOCIATION 2000

### BUDGETED STATEMENT OF COMPREHENSIVE INCOME - REVISED FOR THE YEAR TO 31st MARCH 2021

	Budget	Budget
	2021	2020
	£	£
Turnover	4,300,919	4,861,169
Less Operating Costs	<u>-3,187,900</u>	<u>-3,674,540</u>
Operating Surplus/Deficit	1,113,019	1,186,629
Gain on RTB Sales	0	0
Interest Receivable	3,400	2,200
Interest Payable	-723,500	-740,007
Other Finance Charges	0	0
<b>Net Surplus</b>	<u><b>392,919</b></u>	<u><b>448,822</b></u>
Other Comprehensive Income	0	0
<b>Net Surplus</b>	<u><b>392,919</b></u>	<u><b>448,822</b></u>



# HILLHEAD HOUSING ASSOCIATION 2000

## BUDGETED INCOME & EXPENDITURE FROM LETTINGS

	Budget	Budget
INCOME	2021	2020
	£	£
Rental Income - Houses	3,798,800	3,668,700
Rental Income - Garages	3,600	4,000
	<u>3,802,400</u>	<u>3,672,700</u>
Voids	-38,000	-36,700
Net Rental Income	<u>3,764,400</u>	<u>3,636,000</u>
Grant Income	45,000	47,000
Grant Released From Deferred Income	439,819	439,819
<b>Total Income From Lettings</b>	<b><u>4,249,219</u></b>	<b><u>4,122,819</u></b>
<b>EXPENDITURE</b>		
Management & Maintenance Admin	1,195,683	1,122,703
Resident Participation	0	2,500
	<u>1,195,683</u>	<u>1,125,203</u>
Reactive Repairs	410,000	396,800
Cyclical Maintenance	278,900	232,200
Major Repairs	96,200	91,200
Bad Debts	56,400	54,540
Depreciation	1,004,400	965,000
	<u>3,041,583</u>	<u>2,864,943</u>
<b>Surplus from Lettings</b>	<b><u>1,207,637</u></b>	<b><u>1,257,876</u></b>

## BUDGETED INCOME & EXPENDITURE FROM OTHER ACTIVITIES

			Budget	Budget
	INC	EXP	2020/21 SURPLUS	2019/20 SURPLUS
Welfare Rights	12,000	86,618	-74,618	-49,948
Wider Action	0	20,000	-20,000	-21,300
Services to Other RSLs	39,700	39,700	0	0
<b>TOTAL</b>	<b>51,700</b>	<b>146,318</b>	<b>-94,618</b>	<b>-71,248</b>
<b>INCOME &amp; EXP FROM LETTINGS</b>	<b>4,249,219</b>	<b>3,041,583</b>	<b>1,207,637</b>	<b>1,257,876</b>
<b>TOTAL INCOME &amp; EXP</b>	<b><u>4,300,919</u></b>	<b><u>3,187,900</u></b>	<b><u>1,113,019</u></b>	<b><u>1,186,628</u></b>

# HILLHEAD HOUSING ASSOCIATION 2000

## BUDGET ASSUMPTIONS

2020/21

## LETTINGS

## INCOME

- 1 The rent increase for the year is 3.1%.  
RPI at Oct 2019 was 2.1%.  
Every 1% rent increase will generate an additional £36,800 in rental income.
- 2 Void levels are estimated to be 1.00% of rental income.
- 3 Revenue grant income consists of grants for Stage 3 Adaptations - £45,000.
- 4 Deferred income amortised in the year amounts to £439,819

## EXPENDITURE - STAFF COSTS

- 1 Salaries are based on an increase of 1.6%.
- 2 Staff Costs are based on the existing staff structure being in place from 1st April 2020.
- 3 Pensions- The Association is now offering a defined contribution scheme only to all staff, Staff who choose not to join this scheme will join the auto enrolment scheme from which they can opt out if they wish.  
Hillhead HA scheme - employer's rate - 8.45% - 18 members.  
Auto enrolment scheme - employer's rate - 3% - 3 members.  
No pension scheme - 3 members  
Pension costs, excluding the deficit contribution will be £61,200.
- 4 Indirect staff costs include the external provision of development and finance services.

## EXPENDITURE - ESTATE COSTS

Reactive Maint.	£	Cyclical Maint.	£
Direct Costs	262,200	Gas Servicing	118,800
Voids	127,300	Landscaping	49,500
Void Security	3,000	Electrical Testing	34,800
Void Clearances	8,200	Painting	58,000
Landlords Electric Supply	6,100	Gas Audit	6,300
Playpark Maintenance	2,000	Gutter Cleaning	10,000
Community Gardens	1,200	Close Cleaning	1,500
	<u>410,000</u>		<u>278,900</u>

## Major Repairs

	REVENUE	CAPITAL	TOTAL
	£	£	£
Environmental Works	0	500,000	500,000
Stage 3 Adaptations	43,000	0	43,000
Heat Detection Upgrades	0	137,600	137,600
Central Heating Systems	0	10,000	10,000
168 Hillhead Road	50,000	0	50,000
Ventilation	3,200	0	3,200
	<u>96,200</u>	<u>647,600</u>	<u>743,800</u>

# HILLHEAD HOUSING ASSOCIATION 2000

BUDGET ASSUMPTIONS 2020/21

LETTINGS (continued)

## EXPENDITURE - OVERHEADS

- 1 Advertising includes the cost of four newsletters in the year, an annual report and other other miscellaneous promotional events.
- 2 Audit Fees:- Internal Audit (£4,000), External Audit (£10,500).
- 3 Bank charges include charges from Alipay, Bankline and new automated payment system.
- 4 General expenses include: a Tenants Loyalty Scheme, catering, tenants prizes, communities fund, donations, Health at Work schemes and general sundries.
- 5 Van costs include fuel and insurance costs as well as general maintenance costs for two vans.
- 6 Insurance costs will increase in line with recent renewals.
- 7 Equipment maintenance includes hardware & software maintenance, web site development, and the maintenance of various alarms and items of equipment eg phones, photocopier, franking machine etc.
- 8 Subscriptions include: SFHA (£10,700), SHARE (£4,300) EVH (£4,800), Advice UK (£1,500), Benchmarking club (£2,000), GWSHF (£1,300) as well as several other minor costs.
- 9 Staff and committee training allow for the cost of courses and seminars throughout the year and the attendance at conferences.
- 10 Professional fees relate to GDPR/FOI regulations, procurement advice, Life Cycle Costings review, stock condition surveys, employment law.

## OTHER ACTIVITIES

- 1 Two Welfare Rights Officers will be employed throughout 2019/20. This service will no longer attract Big lottery Funding although Caledonia (formerly Anonine HA) will continue to contribute (£12,000) to these costs.

- 2 Wider action projects will consist of:

	Staff Costs £	Other Costs £	Income £	Net Cost £
Tenancy Support Service	0	20,000	0	20,000
	0	20,000	0	20,000

- 3 The Association will also provide Director services to Abbronnill HA, generating income of £39,700.

## OTHER ASSUMPTIONS - INCOME & EXPENDITURE ACCOUNT

- 1 Interest receipts in the year will amount to £3,400.
- 2 Interest costs will be incurred as a result of drawing down funds from the Royal Bank of Scotland. In addition, non utilisation fees will be incurred in respect of the amount of loans not drawn down. Interest costs - £710,100. Non Utilisation Fees - £13,400. Interest charges are based on LIBOR which is assumed to be at a rate of 1%.
- 3 Actual payments towards the SHAPS pension deficit will amount to £54,346.

# HILLHEAD HOUSING ASSOCIATION 2000

## BUDGETED STATEMENT OF FINANCIAL POSITION

	Budget		Budget	
	31.03.21		31.03.20	
	£		£	
<b>Fixed Assets</b>				
Housing Properties - Cost	33,714,248		33,066,648	
less Depreciation	<u>-8,244,357</u>	25,469,891	<u>-7,239,957</u>	25,826,691
Other Non Current Assets		1,023,611		1,045,011
Total Non Current Assets		<u>26,493,502</u>		<u>26,871,702</u>
<b>Current Assets</b>				
Receivables	193,219		193,219	
Cash	<u>1,733,297</u>	1,926,516	<u>1,631,343</u>	1,824,562
<b>Liabilities &lt; One Year</b>				
Miscellaneous	-224,472		-224,472	
Loans	-175,000		-175,000	
Pension Deficit	<u>0</u>	-399,472	<u>0</u>	-399,472
<b>Net Current Assets</b>		<u>1,527,044</u>		<u>1,425,090</u>
<b>Total Assets Less Current Liabilities</b>		<b>28,020,546</b>		<b>28,296,792</b>
<b>Liabilities &gt; One Year</b>				
Loans	-13,584,000		-13,759,000	
Repayable Grant	-680,000		-680,000	
Pension Liability	<u>0</u>	-14,264,000	<u>0</u>	-14,439,000
SHAPS Pension Liability		-286,837		-341,183
<b>Deferred Income</b>				
HAG	-12,142,549		-12,569,649	
Other Housing Assets	-397,547		-410,266	
Other Non Housing Grants	<u>0</u>	-12,540,096	<u>0</u>	-12,979,915
<b>Total Net Assets</b>		<u>929,613</u>		<u>536,694</u>
<b>Capital &amp; Reserves</b>				
Share Capital		60		60
Revenue Reserves		1,216,390		877,817
SHAPS Pension		-286,837		-341,183
Total Capital & Reserves		<u>929,613</u>		<u>536,694</u>

## HILLHEAD HOUSING ASSOCIATION 2000

### BALANCE SHEET ASSUMPTIONS

- 1 The Braes o' Yetts developmet will have been completed by March 2021 and no further expenditure will be incurred on this development in this year.

Although further new build developments are being considered, no costs are included in this budget for any additional capital expenditure this year.

Other capital expenditure	£
Environmental Works	500,000
Heat detection upgrades	137,600
Misc components	10,000
	<u>647,600</u>

- 2 Accumulated depreciation will be £8.244, including the charge of £1.004m for the year.
- 3 The cost of other fixed assets purchased in the year will be £10,000. This will include the purchase of new furniture & equipment.
- 4 By the end of March 2021 the Association will own 830 properties.
- 5 Debtors balances are base on the balance at March 2019 adjusted for movements in 2019/20 and 2020/21.
- 5 The Association's cash balances will fluctuate during the year and will eventually settle at £1.733m at March 2021, an overall increase of just over £100,000.
- 6 There should be no need to draw down any additional funds from RBS in the year.  
A furrther £175,000 will be repaid towards Facility A in accordance with the repayment schedule.  
The net balance of RBS loans outstanding at March 2021 will be £13.759m
- 7 Liabilities due within one year will consist of loans due within one year and miscellaneous creditors.
- 8 Liabilities due after one year will consist of the balance of loans and the grant repayable to the Scottish Government,
- 9 It has been assumed that there will be no movement in the SHAPS pension liability apart from the pension deficit payment. The balance of this liability at March 2021 is therefore assumed to be £286,837
- 10 Deferred Income is in respect of capital grants received that have yet to be written back to reserves.
- 11 The Association's total net assets at March 2021 will be £929,613

**HILLHEAD HOUSING ASSOCIATION 2000**  
**ANNUAL CASHFLOW STATEMENT FOR THE YEAR TO 31 MARCH 2021**

	Budget	Budget
	2020/21	2019/20
	£	£
<b>Net Cashflow From Operating Activities</b>		
Operating Surplus	1,113,019	1,186,629
Depreciation - Housing	1,004,400	965,000
Depreciation - Other	31,400	29,700
Amortisation of Capital Grants	-439,819	-439,819
Change in Debtors	0	-24,000
Change in Creditors	0	-1,222,402
Change in Pension Deficit Creditor	-54,346	-47,817
Other Pension Costs	0	0
	<u>1,654,654</u>	<u>447,291</u>
<b>Investing Activities</b>		
Cost of New Housing	0	-529,266
Cost of New Components	-647,600	-647,600
Cost of Other Fixed Assets	-10,000	-35,000
Capital Grants Received	0	0
Sales Income	0	0
	<u>-657,600</u>	<u>-1,211,866</u>
<b>Financing Activities</b>		
Interest Received	3,400	2,200
Interest Paid	-723,500	-740,007
Loans Drawn Down	0	1,000,000
Loans Repaid	-175,000	-175,000
	<u>-895,100</u>	<u>87,193</u>
<b>Increase in Cash</b>	<u><u>101,954</u></u>	<u><u>-677,382</u></u>
Closing Cash	1,733,297	1,631,343
Opening Cash	<u>1,631,343</u>	<u>2,308,725</u>
	<u><u>101,954</u></u>	<u><u>-677,382</u></u>



# HILLHEAD HOUSING ASSOCIATION 2000 MANAGEMENT EXPENSES ANALYSIS

	Budget	Budget
	2020/21	2019/20
	£	£
<b>Staff Costs</b>		
Gross Pay	744,000	716,300
NIC	71,300	68,900
Pension	61,200	56,100
Expenses	3,000	1,700
	<u>879,500</u>	<u>843,000</u>
Finance Services	30,000	30,000
Maintenance Services	0	0
Development Services	1,200	29,000
	<u>910,700</u>	<u>902,000</u>
<b>Estate Costs</b>		
Reactive Repairs	410,000	396,800
Cyclical maintenance	278,900	232,200
Major Repairs	96,200	91,200
Bad Debts	56,400	54,540
Depreciation - Housing	1,004,400	965,000
	<u>1,845,900</u>	<u>1,739,740</u>
<b>Overheads</b>		
Advertising	8,000	9,000
Audit Fees	14,500	14,500
Bank Charges	15,000	15,000
Committee Expenses	2,000	2,300
Depreciation - Other	31,400	29,700
General Expenses	11,500	10,200
Van Costs	10,000	10,000
Heating, Lighting, Cleaning	12,500	12,500
Insurance - Housing	81,400	66,000
Insurance - Other	22,400	16,000
Legal Fees - Housing	25,000	25,000
Legal Fees - Other	5,000	5,000
Office Equipment - Maintenance	46,400	41,000
Office Maintenance	4,500	500
Printing & Stationery	5,000	5,000
Postage	7,000	7,000
Rent & Rates etc	2,000	2,000
Subscriptions	31,600	16,200
Staff Recruitment	3,000	10,000
Telephones	10,500	11,600
Training - Committee	16,600	13,000
Training - Staff	17,300	11,500
	<u>382,600</u>	<u>333,000</u>
<b>Other</b>		
Professional Fees	28,700	18,500
Resident Participation	0	2,500
Wider Action	20,000	678,800
	<u>48,700</u>	<u>699,800</u>
<b>TOTAL</b>	<u><u>3,187,900</u></u>	<u><u>3,674,540</u></u>

HILLHEAD HOUSING ASSOCIATION 2000

MANAGEMENT EXPENSES ANALYSIS 2020/21

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	ADJ	TOTAL
<b>Staff Costs</b>														
Gross Pay	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	0	744,000
NIC	3,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	0	71,300
Pension	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	0	61,200
Expenses	250	250	250	250	250	250	250	250	250	250	250	250	0	3,000
	70,550	73,550	73,550	73,550	73,550	73,550	73,550	73,550	73,550	73,550	73,550	73,450	0	879,500
<b>Finance Services</b>														
Maintenance Services	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	0	30,000
Development Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	100	100	100	100	100	100	100	100	100	100	100	100	0	1,200
	73,150	76,150	76,150	76,150	76,150	76,150	76,150	76,150	76,150	76,150	76,150	76,050	0	910,700
<b>Estate Costs</b>														
Reactive Repairs	27,200	32,700	35,000	32,100	32,600	37,000	33,100	33,700	36,100	37,200	36,700	36,600	0	410,000
Cyclical maintenance	18,300	16,700	25,400	43,300	16,700	25,400	43,300	15,500	32,200	12,100	10,500	19,500	0	278,900
Major Repairs	0	0	0	50,000	0	13,000	0	0	15,600	0	0	17,600	0	96,200
Bad Debts	0	0	0	0	0	28,200	0	0	0	0	0	28,200	0	56,400
Depreciation - Housing	0	0	0	0	0	0	0	0	0	0	0	0	0	1,004,400
	45,500	49,400	60,400	125,400	49,300	103,600	76,400	49,200	83,900	49,300	47,200	101,900	0	1,845,900
<b>Overheads</b>														
Advertising	0	0	1,300	0	0	1,700	2,000	0	1,300	0	0	1,700	0	8,000
Audit Fees	0	0	2,000	0	0	1,000	0	0	1,000	0	0	10,500	0	14,500
Bank Charges	0	0	3,750	0	0	3,750	0	0	3,750	0	0	3,750	0	15,000
Committee Expenses	0	0	500	0	0	500	0	0	500	0	0	500	0	2,000
Depreciation - Other	0	0	0	0	0	0	0	0	0	0	0	0	31,400	31,400
General Expenses	400	400	1,350	400	400	2,450	400	400	2,050	400	400	2,450	0	11,500
Van Costs	0	0	5,150	0	400	1,100	0	0	1,425	0	825	1,100	0	10,000
Heating, Lighting, Cleaning	0	0	3,125	0	0	3,125	0	0	3,125	0	0	3,125	0	12,500
Insurance - Housing	19,400	0	62,000	0	0	0	0	0	0	0	0	0	0	81,400
Insurance - Other	5,100	0	17,300	0	0	0	0	0	0	0	0	0	0	22,400
Legal Fees - Housing	0	0	6,250	0	0	6,250	0	0	6,250	0	0	6,250	0	25,000
Legal Fees - Other	0	0	1,250	0	0	1,250	0	0	1,250	0	0	1,250	0	5,000
Office Equipment - Maintenance	13,150	0	21,850	0	0	3,550	2,110	0	2,850	0	0	2,890	0	46,400
Office Maintenance	0	0	0	0	0	2,250	0	0	0	0	0	2,250	0	4,500
Printing & Stationery	0	0	1,250	0	0	1,250	0	0	1,250	0	0	1,250	0	5,000
Postage	0	0	1,750	0	0	1,750	0	0	1,750	0	0	1,750	0	7,000
Rent & Rates etc	0	0	500	0	0	500	0	0	500	0	1,975	0	0	2,000
Subscriptions	25,360	0	1,845	750	0	800	870	0	0	0	0	0	0	31,600
Staff Recruitment	3,000	0	0	0	0	0	0	0	0	0	0	0	0	3,000
Telephones	0	0	2,600	0	0	2,600	0	0	2,600	0	0	2,700	0	10,500
Training - Committee	600	600	1,500	3,400	600	1,500	1,200	600	2,300	600	600	3,100	0	16,600
Training - Staff	5,850	250	250	250	250	5,250	3,750	250	250	250	250	450	0	17,300
	72,860	1,250	135,520	4,800	1,650	40,575	10,330	1,250	32,150	3,225	2,075	45,515	31,400	382,600
<b>Other</b>														
Professional Fees	13,900	1,100	3,600	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,300	0	28,700
Resident Participation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wider Action	0	0	5,000	0	0	5,000	0	0	5,000	0	0	5,000	0	20,000
	13,900	1,100	8,600	1,100	1,100	6,100	1,100	1,100	6,100	1,100	1,100	6,300	0	48,700
<b>TOTAL</b>	205,410	127,900	280,670	207,450	128,200	226,425	163,980	127,700	198,300	129,775	126,525	229,765	1,035,800	3,187,900

# HILLHEAD HOUSING ASSOCIATION 2000

## MANAGEMENT EXPENSES ANALYSIS

2020/21

Staff Costs	H&M ADMIN	RES PART	SERVICE CHARGES	REACT	CYC	MR	BAD DEBTS	DEPN	W/FARE	WIDER ACTION	FACTOR	RTB	ABRON HILL	EDC
Gross Pay	744,000													
NIC	71,300													
Pension	61,200													
Expenses	3,000													
	879,500	760,300	0	0	0	0	0	0	0	79,500	0	0	39,700	0
Finance Services	30,000													
Maintenance Services	0													
Development Services	1,200													
	910,700	791,500	0	0	0	0	0	0	79,500	0	0	0	39,700	0
<b>Estate Costs</b>														
Reactive Repairs	410,000	0	0	410,000		0	0	0	0	0	0	0	0	0
Cyclical maintenance	278,900	0	0		278,900	0	0	0	0	0	0	0	0	0
Major Repairs	96,200	0	0			96,200	0	0	0	0	0	0	0	0
Bad Debts	56,400	0	0			0	56,400	0	0	0	0	0	0	0
Depreciation - Housing	1,004,400	0	0			0	0	1,004,400	0	0	0	0	0	0
	1,845,900	0	0	410,000	278,900	96,200	56,400	1,004,400	0	0	0	0	0	0
<b>Overheads</b>														
Advertising	8,000													
Audit Fees	14,500													
Bank Charges	15,000													
Committee Expenses	2,000													
Depreciation - Other	31,400													
General Expenses	11,500													
Van Costs	10,000													
Heating, Lighting, Cleaning	12,500													
Insurance - Housing	81,400													
Insurance - Other	22,400													
Legal Fees - Housing	25,000													
Legal Fees - Other	5,000													
Office Equipment - Maintenance	46,400													
Office Maintenance	4,500													
Printing & Stationery	5,000													
Postage	7,000													
Rent & Rates etc	2,000													
Subscriptions	31,600													
Staff Recruitment	3,000													
Telephones	10,500													
Training - Committee	16,600													
Training - Staff	17,300													
	382,600	375,483	0	0	0	0	0	0	7,118	0	0	0	0	0
<b>Other</b>														
Professional Fees	28,700													
Resident Participation	0													
Wider Action	20,000													
	48,700	28,700	0	0	0	0	0	0	0	20,000	0	0	0	0
<b>TOTAL</b>	3,187,900	1,195,683	0	0	410,000	278,900	96,200	56,400	1,004,400	86,618	20,000	0	39,700	0

# HILLHEAD HOUSNG ASSOCIATION 2000

## REVENUE INCOME ANALYSIS

2020/21

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
<b>Rental Income</b>													
Houses	316,600	316,600	316,500	316,600	316,600	316,500	316,600	316,600	316,600	316,500	316,600	316,500	0 3,798,800
Garages	300	300	300	300	300	300	300	300	300	300	300	300	0 3,600
	316,900	316,900	316,800	316,900	316,900	316,800	316,900	316,900	316,900	316,800	316,900	316,800	0 3,802,400
<b>Voids</b>													
Houses	-3,100	-3,200	-3,200	-3,100	-3,200	-3,200	-3,100	-3,200	-3,200	-3,100	-3,200	-3,200	0 -38,000
Garages	0	0	0	0	0	0	0	0	0	0	0	0	0 0
	313,800	313,700	313,600	313,800	313,700	313,600	313,800	313,700	313,600	313,800	313,700	313,600	0 3,764,400
<b>Grants etc - Lettings</b>													
Grants - Stage 3 Adaptations	0	0	11,000	0	0	11,000	0	0	11,000	0	0	12,000	0 45,000
	0	0	0	0	0	0	0	0	0	0	0	0	0 0
	0	0	11,000	0	0	11,000	0	0	11,000	0	0	12,000	0 45,000
<b>Grants etc - Other Income</b>													
Grants - Welfare Rights	0	0	0	0	0	0	0	0	0	0	0	0	0 0
Income From Antoinine HA	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0 12,000
Income From Arlet HA	0	0	0	0	0	0	0	0	0	0	0	0	0 0
Grants - Wider Action	0	0	0	0	0	0	0	0	0	0	0	0	0 0
Grants - Community Growing Project	0	0	0	0	0	0	0	0	0	0	0	0	0 0
Income From Other RSLs	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,400	0 39,700
	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,400	0 51,700
<b>Capital Grants Amortised</b>													
HAG	0	0	0	0	0	0	0	0	0	0	0	0	0 427,100
Other Housing Grants	0	0	0	0	0	0	0	0	0	0	0	0	0 12,719
Other Non Housing Grants	0	0	0	0	0	0	0	0	0	0	0	0	0 0
	0	0	0	0	0	0	0	0	0	0	0	0	0 439,819
	318,100	318,000	328,900	318,100	318,000	328,900	318,100	318,000	328,900	318,100	318,000	330,000	439,819 4,300,919
<b>Turnover</b>													
	313,800	313,700	324,600	313,800	324,600	313,700	313,800	313,700	324,600	313,800	313,700	325,600	439,819 4,249,219
	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,400	0 51,700
	318,100	318,000	328,900	318,100	318,000	328,900	318,100	318,000	328,900	318,100	318,000	330,000	439,819 4,300,919
<b>Other Income</b>													
Right to Buy - Income	0	0	0	0	0	0	0	0	0	0	0	0	0 0
Repaid to EDC	0	0	0	0	0	0	0	0	0	0	0	0	0 0
Transaction Costs	0	0	0	0	0	0	0	0	0	0	0	0	0 0
Staff Costs	0	0	0	0	0	0	0	0	0	0	0	0	0 0
Net gain on RTB	0	0	0	0	0	0	0	0	0	0	0	0	0 0
<b>Interest Receipts</b>													
Interest Payments	0	0	900	0	0	700	0	0	800	0	0	1,000	0 3,400
	0	0	180,900	0	0	180,900	0	0	180,900	0	0	180,800	723,500

# HILLHEAD HOUSING ASSOCIATION 2000

## CAPITAL WORKS - INCOME AND EXPENDITURE 2020/21

EXPENDITURE	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
New Boilers	0	0	0	2,000	0	0	2,000	0	0	2,000	0	0	4,000
Environmental Works	0	0	0	0	0	250,000	0	0	0	250,000	0	0	500,000
Smoke Alarms	0	0	0	0	45,900	0	0	0	45,900	0	0	0	137,600
Braes O' Yetts	0	0	0	0	0	0	0	0	0	0	0	0	0
Development Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0
Equipment	0	0	0	2,000	45,900	250,000	2,000	0	45,900	252,000	0	0	647,600
	0	0	0	2,500	0	0	2,500	0	0	2,500	0	0	10,000
	0	0	0	4,500	45,900	250,000	4,500	0	45,900	254,500	0	0	657,600

### Capital Income

HAG Braes O' Yetts - Grants	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0

### Loans Drawn Down

	0	0	0	0	0	0	0	0	0	0	0	0	0

# HILLHEAD HOUSING ASSOCIATION 2000

## MONTHLY CASHFLOW STATEMENT 2020/21

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	ANNUAL SUMMARY
<b>Opening Balance</b>	1,631,343	1,739,504	1,925,075	1,609,276	1,669,497	1,604,768	1,518,014	1,667,605	1,807,476	1,498,947	1,682,743	1,869,689	1,631,343
<b>Income</b>													
Rental Income	313,800	313,700	313,600	313,800	313,700	313,600	313,800	313,700	313,600	313,800	313,700	313,600	3,764,400
Grant Income - Lettings	0	0	11,000	0	0	11,000	0	0	11,000	0	0	12,000	45,000
Other Income	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,400	51,700
RTB Income - Net	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Received	0	0	900	0	0	700	0	0	800	0	0	1,000	3,400
Grant Income - Capital	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Income	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans Drawn Down	0	0	0	0	0	0	0	0	0	0	0	0	0
	318,100	318,000	329,800	318,100	318,000	329,600	318,100	318,000	329,700	318,100	318,000	331,000	3,864,500
<b>Expenditure</b>													
Staff Costs	73,150	76,150	76,150	76,150	76,150	76,150	76,150	76,150	76,150	76,150	76,150	76,050	910,700
Estate Costs	45,500	49,400	60,400	125,400	49,300	75,400	76,400	49,200	83,900	49,300	47,200	73,700	785,100
Bad Debts	0	0	0	0	0	28,200	0	0	0	0	0	28,200	56,400
Overheads	72,860	1,250	135,520	4,800	1,650	40,575	10,330	1,250	32,150	3,225	2,075	45,515	351,200
Other	13,900	1,100	8,600	1,100	1,100	6,100	1,100	1,100	6,100	1,100	1,100	6,300	48,700
Interest payable	0	0	180,900	0	0	180,900	0	0	180,900	0	0	180,800	723,500
Loan Capital Repayable	0	0	175,000	0	0	0	0	0	0	0	0	0	175,000
Capital Expenditure - Housing	0	0	2,000	45,900	250,000	2,000	0	45,900	252,000	0	0	49,800	647,600
Capital Expenditure - Other	0	0	2,500	0	0	2,500	0	0	2,500	0	0	2,500	10,000
Pension Deficit Costs	4,529	4,529	4,529	4,529	4,529	4,529	4,529	4,529	4,529	4,529	4,529	4,527	54,346
Change in Creditors	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase in Debtors	0	0	0	0	0	0	0	0	0	0	0	0	0
	209,939	132,429	645,599	257,879	382,729	416,354	168,509	178,129	638,229	134,304	131,054	467,392	3,762,546

<b>Closing Balance</b>	1,739,504	1,925,075	1,609,276	1,669,497	1,604,768	1,518,014	1,667,605	1,807,476	1,498,947	1,682,743	1,869,689	1,733,297	1,733,297
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# HILLHEAD HOUSING ASSOCIATION 2000

## RATIO ANALYSIS

	Revised Budget 2020/21	Original Budget 2019/20	Actual 2018/19	SHR Average 2018/19
<b>Costs</b>				
Management Costs per Unit (£)	1,441	1,356	1,273	1,491
Reactive Maintenance per Unit (£)	494	478	429	568
Planned Maintenance per Unit (£)	452	390	375	490
<b>Primary Ratios</b>				
Interest Cover (%)	57.8%	60.7%	434.0%	1540.6%
Gearing (%)	1366.8%	2419.0%	13060.6%	220.3%
<b>Efficiency</b>				
Voids (%)	1.0%	1.0%	0.6%	1.1%
Gross Rent Arrears - exc EDC (%)	4.4%	4.7%	4.8%	n/a
Net Rent Arrears - exc EDC (%)	2.0%	2.0%	2.2%	3.1%
Bad Debts (%)	1.5%	1.5%	0.6%	0.8%
Staff Costs/Turnover (%)	21.7%	18.3%	19.3%	23.0%
Overheads etc/Turnover (%)	8.9%	6.9%	8.1%	n/a
Key Mgmt Costs/Staff Costs (%)	7.8%	8.1%	9.1%	16.4%
Turnover per unit (£)	5,182	5,857	4,984	6,629
<b>Liquidity</b>				
Current Ratio	2.3	2.2	1.2	2.3
<b>Profitability</b>				
Gross Surplus (%)	25.9%	24.4%	32.7%	14.8%
Net Surplus (%)	9.1%	9.2%	6.7%	8.1%
EBITDA (%)	34.2%	30.9%	51.3%	23.4%
(Earnings Before Interest, Tax, Depreciation, Amortisation)				
<b>Financing</b>				
Debt Burden (yrs)	3.4	3.0	3.4	2.0
Debt per Unit (£)	17,396	17,607	17,066	11,044
Net Debt per Unit (£)	15,308	15,642	14,208	7,235
<b>Diversification</b>				
Income From Non Rental Activities (%)	12.5%	24.1%	14.6%	20.2%
Other Activities Surplus/Operating Surplus (%)	-8.5%	-7.5%	-2.7%	38.4%



# **HILLHEAD HOUSING ASSOCIATION 2000**

## **BUDGET 2020/21**

### **COVENANTS**

The updated business plan has been submitted to the Royal Bank of Scotland and has been approved by them. A revised loan agreement has also been agreed and this contains a new set of financial covenants.

The covenants and the Association's budgeted performance are shown below.

	<b>COVENANT</b>	<b>BUDGET 2020/21</b>	<b>Comply</b>
<b>Asset Cover - Max</b>	£ 25,891,966	£ 13,759,000	YES
<p>The most recent stock valuation was provided by Jones Lang Lasalle (JLL) in April 2019 for 802 properties. This valuation does not include the Braes o' Yetts development (22 units) or the ROTS development (6 units).</p>			
<b>Interest Cover - Min</b>	110%	135%	YES
<p>This covenant will be tested annually at each financial year end and monitored (but not tested) quarterly in line with the quarterly management accounts.</p>			
<b>Gearing - Max</b>	60.00%	40.81%	YES
<p>This covenant may be tested at any time by reference to the latest applicable information.</p>			
<b>Net Assets - Min</b>	£0	£929,613	YES

This is an agreed waiver to a condition in the revised loan agreement that states that the value of the Association's assets must not be less than its liabilities.

# HILLHEAD HOUSING ASSOCIATION 2000 CASHFLOW ANALYSIS WITH BUSINESS PLAN

to be updated

	BUSINESS PLAN - YR 2	REVISED BUDGET 2020/21	VARIANCE	
<b>Opening Balance</b>	1,631,343	1,631,343	0	Same starting point assumed.
<b>Income</b>				
Rental Income	3,804,548	3,798,800	-5,748	
Other Rents	4,100	3,600	-500	
Voids	-38,045	-38,000	45	
Bad Debits	-57,068	-56,400	668	
Loans Drawn Down	0	0	0	
Interest Receivable	8,688	3,400	-5,288	
Capital Grants	0	0	0	
RTB Income	0	0	0	
Shared Equity Sales	0	0	0	
Other Income	97,426	96,700	-726	
<b>Total Income</b>	<u>3,819,649</u>	<u>3,808,100</u>	<u>-11,549</u>	Lower rent increase applied
				Less cash invested and lower interest rates assumed
<b>Expenditure</b>				
Capital Costs	715,142	647,600	67,542	Difference in split between capital and revenue item
Major Repairs	59,493	96,200	-36,707	Difference in split between capital and revenue item
Cyclical Maintenance	222,236	278,900	-56,664	Increase in cyclical programme.
Reactive maintenance	367,652	410,000	-42,348	Increase in reactive maintenance costs assumed.
Property Insurance	71,750	81,400	-9,650	Increase in insurance premiums assumed.
Mgmt/Maint Admin Costs	1,102,539	1,082,883	19,657	Lower staff costs/overheads in budget.
Other Costs	159,209	146,318	12,892	Less costs being recharged and lower WRO Costs.
Other Fixed Assets	5,125	10,000	-4,875	Higher estimated costs included in budgeted.
Interest Payable	751,343	723,500	27,843	Lower interest rates assumed in budget.
Loan Capital Repaid	175,000	175,000	0	
Pension Deficit Payment	54,346	54,346	0	
Drs/Crs Movement	-85,290	0	-85,290	Change in assumed movement of debtors & credito
	<u>3,598,545</u>	<u>3,706,146</u>	<u>-107,601</u>	
<b>Closing Balance</b>	<u>1,852,447</u>	<u>1,733,297</u>	<u>-119,150</u>	

## Agenda Item 5

# Report

<b>Classification:</b>	Open
<b>To:</b>	Management Committee
<b>From:</b>	Stephen Macintyre
<b>Meeting Date:</b>	5 February 2020
<b>Subject:</b>	Management Accounts to 31 December 2019 Draft Budget to 31 March 2021

### 1. Management Accounts to 30 September 2019

Pat Long from FMD Financial Services will be in attendance to present the Management Accounts for the period to 31 December 2020. A narrative report is attached for Members' information.

### 2. Draft Budget 20/21

A draft Budget for the year to 31 March 2021 and an accompanying narrative report are attached to this Report.

### 3. Recommendations

It is recommended that the Management Committee consider and approve the attached finance Reports.

#### Report Prepared by



**Stephen Macintyre**  
Director  
29 January 2020

<b>Regulatory Compliance</b>	<p><b>Standard 3 The RSL manages its resources to ensure its financial well being, while maintaining rents at a level that tenants can afford to pay.</b></p> <p>3.1 The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes, and control costs effectively. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times</p> <p>3.5 The RSL monitors, reports on and complies any covenants it has agreed with funders. The governing body assesses the risks of these not being complied with and takes appropriate action to mitigate and manage them.</p>
<b>Financial Impact</b>	High
<b>Risk Assessment</b>	High. As a debt funded organisation we have robust financial monitoring systems in place to ensure our ongoing financial status is managed effectively to minimise any financial risk.



## FINANCIAL REGULATIONS POLICY

Last reviewed by Management Committee: 25/1/17

Date due for review: January 2020

The information in this document is available in other languages or on tape/CD, in large print and also in Braille.

For details contact the Association on 0141 578 0200 or e-mail: [admin@hillheadhousing.org](mailto:admin@hillheadhousing.org)

本文件所載資料備有中文 (廣東話) 版本，也可以製作成錄音帶/光碟，以及利用特大字體和點字印製，以供索取。  
欲知有關詳情，請聯絡本協會，電話：0141 578 0200，或向我們發送電郵，電郵地址：  
[admin@hillheadhousing.org](mailto:admin@hillheadhousing.org)

Tha am fiosrachadh anns an sgrìobhainn seo ri fhaicinn ann an Gàidhlig no air taip/CD, sa chlà mhor agus cuideachd ann an Clò nan Dall.  
Airson tuilleadh fiosrachaidh, cuiribh fios dhan Chomann air 0141 578 0200 no cuiribh post-dealain gu: [admin@hillheadhousing.org](mailto:admin@hillheadhousing.org)

इस दस्तावेज़ में दी गई जानकारी हिन्दी में भी या टेप, सी डी, बड़ी छाप और ब्रैल में भी उपलब्ध है। विवरण के लिए ऐप्लिकेशन को नम्बर 0141 578 0200 पर या ई-मेल के द्वारा सम्पर्क करें : [admin@hillheadhousing.org](mailto:admin@hillheadhousing.org)

ਇਸ ਦਸਤਾਵੇਜ਼ ਵਿਚ ਦਿੱਤੀ ਗਈ ਜਾਣਕਾਰੀ ਪੰਜਾਬੀ ਵਿੱਚ ਵੀ ਜਾਂ ਟੇਪ, ਸੀ ਡੀ, ਵੱਡੀ ਛਪਾਈ ਅਤੇ ਬ੍ਰੇਲ 'ਤੇ ਵੀ ਉਪਲਬਧ ਹੈ। ਵੇਰਵੇ ਲਈ ਐਪਲਿਕੇਸ਼ਨ ਨੂੰ ਨੰਬਰ 0141 578 0200 'ਤੇ ਜਾਂ ਈ-ਮੇਲ ਰਾਹੀਂ ਸੰਪਰਕ ਕਰੋ : [admin@hillheadhousing.org](mailto:admin@hillheadhousing.org)

اس دستاویز میں درج معلومات اردو زبان یا آڈیو ٹیپ / سی ڈی، بڑی طباعت اور بریل میں بھی دستیاب ہیں۔  
تفصیلات کے لئے ایپلیکیشن سے ٹیلیفون نمبر 0141 578 0200 یا ای میل [admin@hillheadhousing.org](mailto:admin@hillheadhousing.org) کے ذریعے رابطہ قائم کریں۔

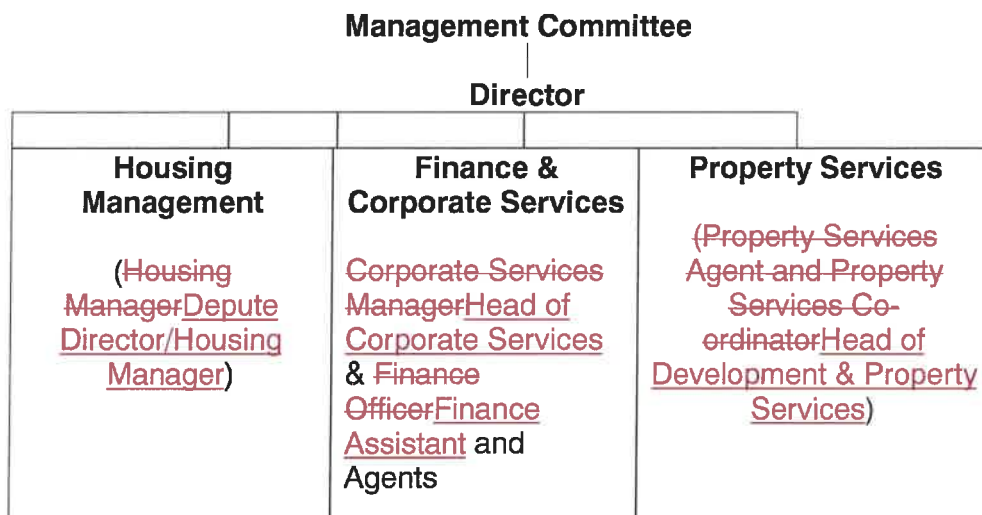
# **HILLHEAD HOUSING ASSOCIATION 2000 LTD**

## **Financial Regulations**

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## 1 Introduction

- 1.1 All Housing Associations are expected to exercise a high quality of financial management in all aspects of their business activities. In ~~April~~ February 2019 ~~2012~~ the Scottish Housing Regulator published revised Regulatory Standards of Governance and Financial Management.
- 1.2 The Regulatory Standards of Governance and Financial Management expect Associations to adhere to a robust set of financial regulations that is appropriate for the organisation and which cover all aspects of financial management. These financial regulations must be reviewed regularly, updated and rigorously adhered to by all staff.
- 1.3 Hillhead Housing Association 2000's financial regulations are based on the following management structure: -



- 1.4 The Association currently operates under the SFHA charitable Model Rules (Scotland) 2013 amended to reflect management committee composition which are the constitution of the organisation.
- 1.5 The standing orders of the Association detail how the business of the organisation shall be run and include responsibilities, powers and remits of each Committee or Sub-Committee.
- 1.6 The financial regulations detail Committee and staff responsibilities together with details of generally accepted best practice.
- 1.7 The financial procedures set out how these regulations shall be implemented.
- 1.8 A full review of the regulations shall take place at least every three years with an interim review taking place on an annual basis or earlier if deemed appropriate by the Management Committee.

1.9 Nothing in these Financial Regulations shall override instructions from or conditions imposed by the Scottish Government, Accounting Standards Board, the Scottish Housing Regulator, Financial Conduct Authority, and any other appropriate statutory organisation or any relevant current legislation. Nothing in the supporting Financial Procedures or policies will override the principles embodied in the Regulations.

1.10 Compliance with the Financial Regulations is compulsory for all staff. It is the responsibility of section heads to ensure that all staff are aware of the existence and content of these regulations.

~~1.11 A mini-audit will be conducted on an annual basis to ensure that the financial regulations are being fully adhered. These financial regulations and procedures may be subject to an internal audit as determined by the Management Committee.~~

## **2 Management Committee Responsibilities**

2.1 The Management Committee has ultimate responsibility for all aspects of the Association's affairs.

2.2 Statute requires the Management Committee to prepare financial statements for each financial year and it is the Management Committee who is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association.

2.3 The Management Committee are also responsible for safeguarding the assets of the organisation and for taking reasonable steps to prevent and detect fraud and other irregularities.

2.4 Members also have a duty towards the Association, its staff, tenants of Hillhead Housing Association 2000 and the Community and must therefore take steps to satisfy themselves that they receive all necessary information to allow reasoned and justifiable bases for decision making. This advice may need to be sought from external professional advisors where necessary. They must also ensure they have the skills and knowledge they need to be effective in their role. They must at all times seek to identify risks to the Association and mitigate the same.

## **3 Staff Officer Responsibilities**

3.1 The Director is responsible to the Management Committee for the implementation of strategic, policy and procedural decisions taken by the Management Committee and the day to day management of the Association. The Director is also responsible for the promotion of the Association and for co-ordinating the activities of other Senior Officers. The Director is

responsible for ensuring the Management Committee receives all information and relevant guidance and training which it requires to meet its obligations.

- 3.2 All Senior Staff are responsible for ensuring staff members within their section understand their respective roles and responsibilities and for monitoring their performance against the same. They must ensure they and their staff are open about, and accountable for, all they do. They are responsible for the security and control of all assets, cash and materials relating to their section. They are also responsible for managing the financial budgets allocated to their area of responsibility.
- 3.3 Staff will provide the Management Committee with all relevant information necessary to allow reasoned and justifiable bases for decision making.
- 3.4 The responsibilities and duties of all staff members shall be contained within a suitable job description. The responsibilities and duties of the Finance and ~~Property Services~~ Agents are contained within the relevant Minutes of Agreement.

#### 4 Accounting

- 4.1 All accounting procedures of the Association shall be determined by the Association's Finance Agents in consultation with the Director and ~~Finance Officer~~Finance Assistant. These procedures must take account of statute, good practice and current guidance.
- 4.2 The format of the Association's financial records shall be determined by the Association's Finance Agents in consultation with the Director and ~~Finance Officer~~Finance Assistant and must take account of audit requirements, good practice and current guidance.
- 4.3 The allocation of accounting duties should where possible take account of segregation of duties and records should be regularly updated.
- 4.4 The following financial books and records will be kept:

Book	Format	Officer Responsible
Cashbook	Electronic	<del>Finance Officer</del> <u>Finance Assistant</u>
Petty Cash Book	Electronic	<del>Finance Officer</del> <u>Finance Assistant</u>
Journal Register	Electronic	<del>Finance Officer</del> <u>Finance Assistant</u>
Nominal Ledger	Electronic	<del>Finance Officer</del> <u>Finance Assistant</u>
Purchase Ledger	Electronic	<del>Finance Officer</del> <u>Finance Assistant</u>



Sales Ledger	Electronic	<del>Finance Officer</del> <u>Finance Assistant</u>
Rent Ledger	Electronic	<del>Housing Manager</del> <u>Depute Director/Housing Manager</u>
Property Register	Electronic	<del>Housing Manager</del> <u>Depute Director/Housing Manager</u>
Register of Other Fixed Assets	Electronic and Paper	<del>Finance Officer</del> <u>Finance Assistant, Corporate Services Manager</u> <u>Head of Corporate Services</u>
Capital Contract Records	Electronic	<del>Property Services Agent</del> <u>Head of Development and Property Services</u>
Loan Register	Paper and Electronic	<del>Director</del>
Payroll Records	Electronic and Paper	<del>Finance Officer</del> <u>Finance Assistant</u>
Register of Disposals	Paper	<del>Corporate Services Manager</del> <u>Head of Corporate Services</u>
Register of Frauds and Bribery	Paper	<del>Corporate Services Manager</del> <u>Head of Corporate Services</u>
Register of Interests	Paper	<del>Corporate Services Manager</del> <u>Head of Corporate Services</u>
Register of Members	Paper	<del>Corporate Services Manager</del> <u>Head of Corporate Services</u>
Complaints Register	Electronic	<del>Corporate Services Manager</del> <u>Head of Corporate Services</u>
Register of Payments and Benefits	Paper	<del>Corporate Services Manager</del> <u>Head of Corporate Services</u>
Register of Gifts and Hospitality	Paper	<del>Corporate Services Manager</del> <u>Head of Corporate Services</u>
Tender Register	Paper	<del>Corporate Services Manager</del> <u>Head of Corporate Services</u>
Seal Register	Paper	<del>Corporate Services Manager</del> <u>Head of Corporate Services</u>

- 4.5 These books and records may be held on computer files or as part of computer systems and shall be updated on a monthly basis. All accounting policies of the Association shall be contained within the annual financial statements and shall be reviewed annually.

## **5 Audit Requirements**

The internal and external audit functions shall be overseen by the Audit Committee.

### **External Audit**

- 5.1 Preparation of annual accounts is to commence as soon as possible after the financial year-end and draft accounts together with audit schedules are to be prepared for the auditors by the time the audit commences.
- 5.2 The audit should commence within five months from the financial year end. A timetable is to be agreed in advance of the year end with the auditors.
- 5.3 Draft accounts are to be submitted to the Management Committee at the meeting prior to the Annual General Meeting [for approval and signing](#).
- 5.4 Final audited accounts are to be adopted at the Annual General Meeting. These accounts should be signed and submitted to The Scottish Housing Regulator, lenders, OSCR and to the Financial ~~conduct~~-[Conduct](#) Authority within required timescales.
- 5.5 The external auditor will provide reports and accounts direct to the Management Committee and will also have the power to convene a meeting with the Audit Committee by notifying the Chairperson of the Audit Committee.
- 5.6 Whenever any matter arises which involves or is thought to involve irregularities concerning cash, stores or other property of the Association or any suspected irregularity in the exercise of the functions of the Association, the Line Manager or Director concerned shall forthwith notify the external auditor who shall take steps as he or she considers necessary by way of investigation and report. In the event that the irregularity may involve a Member of the Senior Management Team then the Scottish Housing Regulator should be informed as a "Notifiable Event".
- 5.7 The role of the external auditors must be clearly detailed in an Engagement Letter, which shall be reviewed every three years in accordance with Scottish Housing Regulator – Regulatory Framework, Governance and Financial Management, [April-February 20192](#). In addition a Management Letter must be received annually by the Management Committee for consideration and response, and the Association shall review its external auditors every 5 years unless the service level dictates otherwise.

### **Internal Audit**

- 5.8 Internal auditors will be appointed to carry out a rolling programme of reviews of the effectiveness and application of internal controls and procedures, including an annual review of adherence to the Financial Regulations and Financial Procedures.
- 5.9 Internal auditors will be appointed following a tendering process and will be appointed for a maximum of ~~three~~ four years (subject to an annual renewal of the appointment).
- 5.10 A rolling programme for internal audit shall be agreed by the Management Committee (or relevant subcommittee) based on current risk assessments. The setting of the internal audit programme shall take account of concerns or recommendations from the Senior Management Team.
- 5.11 The Management Committee (or appropriate subcommittee) will review all internal audit reports and progress reports and will monitor the implementation of all agreed actions within set timescales.
- 5.12 The internal auditor will have access to all locations, staff, records and physical assets necessary for the performance of their role. Staff will provide the internal auditor with any explanations necessary as part of their review. No limitations will be placed on the scope of their review. Any such limitations will be reported to the Management Committee as soon as is practical.
- 5.13 The internal auditor may be asked to participate or advise in discussions relating to the formulation and installation of new systems, controls and procedures. Final responsibility with such matters will rest with the Management Committee.
- 5.14 The internal auditor may assist in the protection of the assets of the Association by carrying out regular reviews of operations in order to detect system weaknesses, inefficiencies, fraud, misappropriation and losses due to waste or maladministration. Final responsibility with such matters will rest with the Management Committee.
- 5.15 The internal auditor will also monitor compliance with the Association's Financial Regulations and Procedures as part of internal audit reviews. Final responsibility with such matters will rest with the Management Committee.

## **6 Fraud Bribery and Errors**

- 6.1 The primary responsibility for the prevention and detection of fraud and errors rests with the Management Committee. The external auditor may plan his audit in order to have a reasonable expectation of detecting material misstatements in the financial statements, whether caused by fraud or errors.

- 6.2 All matters relating to Fraud policy, reporting and associated matters are outlined in the Associations Fraud policy.

## **7 Business Planning**

- 7.1 The Association shall have in place an annual business plan document which sets out the strategic direction of the Association. The Management Committee is ultimately responsible for the governance and direction of the Association and it is recognised that the business plan should represent a joint understanding by staff and Committee of what the Association wants to achieve, the choices available and the key risks faced by the Association. The business plan shall therefore be produced by the Management Committee and the Senior Management Team in consultation with staff, tenants and other stakeholders as necessary.
- 7.2 The content of the business plan should recognise and reflect the current SHR's Business Planning Recommended Practise for RSL's, it should include:
- Vision and values
  - Profile of AssociationCo-operative and achievements (including analysis of our customer profile, stock, rents, performance and asset management
  - Analysis of Operating Environment (using PEST, SWOT and Risk Analysis)
  - Strategic Objective
  - Annual Delivery Plan
  - Financial Analysis (including scenario planning and sensitivity testing)
- 7.3 On an annual basis, the Director has delegated authority for the preparation of a detailed operational plan for the Association on behalf of the Management Committee, within the framework of the business plan.
- 7.4 The Director shall produce an annual timetable to accompany the business planning process detailing the stages, processes and responsibilities in order to achieve the timetable.
- 7.5 The operational plan will set departmental performance targets and KPIs, and shall feed into the annual budget setting process and the Association's risk management procedures.
- 7.6 On at least a quarterly basis progress against operational targets shall be reported to the Management Committee. These reports shall be supported by the management accounts, other section reports and the risk register to ensure all aspects of the business plan are linked together and operating effectively.

- 7.7 On at least an annual basis the achievement of strategic objectives will be considered and reported to the Management Committee.
- 7.8 The Association shall take account of the SHR document on Recommended Practice-Business Planning produced in December 2015 in its business planning process.

## **8 Financial Forecasting**

- 8.1 The Finance Agent is responsible for long term financial planning on behalf of the Association.
- 8.2 Long term financial forecasts shall be prepared in accordance with timescales noted at clause 8.4 and shall be forwarded to all lenders as well as external and internal auditors for information and consideration. Formal feedback shall be sought from all parties reading the assumptions employed and the financial outturns.
- 8.3 The Association prepares and submits 5 year financial projections to SHR in the prescribed format and within the relevant timescales, which have been presented to and approved by the Management Committee, all in accordance with existing guidance from SHR. A copy of this information shall be submitted to lenders and external auditors.
- 8.4 The Association shall undertake a review of its long-term projections on an annual basis in order to ensure that the projected annual position remains on target with the 30 year income and expenditure, balance sheet and cash-flow projections. A full and detailed business plan review shall be undertaken annually. Appropriate sensitivity analysis must be applied to the long-term projections with details being incorporated into the business plan document.
- 8.5 The content of the 30 year financial forecasts shall include the following information as a minimum:
- Details of main assumptions employed and sources of information
  - Statement of Comprehensive Income for 30 years
  - Statement of Financial Position projections for 30 years
  - Cash Flow projections for 30 years
  - Key performance indicators data and peer comparisons
  - Covenant compliance schedules
  - Appropriate sensitivity analysis
  - Schedules for all income and cost information and assumptions
  - Supporting narrative to confirm an overview of the projected outturns, any areas for further consideration, any areas of concern and any actions required that flow from production of the final information.
- 8.6 While the overall responsibility for this information lies with finance it is essential that an appropriate level of input from all senior staff is accounted for

within the long term financial plans. In particular, the areas of rent levels, rent increases, maintenance costs, staffing levels and costs and future development activity require agreed input.

- 8.7 Given the impact that inflation and interest rates may have on the expected financial position, the Finance Agent shall seek information from lenders regarding future expected rates for these areas. In addition any real cost increase assumptions should take account of lender and value advice.
- 8.8 The Finance Agent shall produce an annual timetable to accompany the financial forecasting process and this shall take account of:
- Provision of, review and agreement on future maintenance plans
  - Provision of, review and agreement on rental, staffing and development assumptions
  - Production of draft projections
  - Management team discussion, review and agreement of draft projections
  - Reporting to Management Committee for approval
  - Provision of information to external parties
  - Feedback to Management Committee from external parties
- 8.9 The importance of financial forecasting in relation to the Association's overall business planning process is recognised and timetables applicable to both processes require to be carefully aligned.

## **9 Budgeting**

### **Preparation, Review and Approval**

- 9.1 An annual budget must be approved by the Management Committee of the Association prior to the start of the financial year to which it relates. The setting of the annual budget forms part of the annual business planning cycle and will reflect the Association's current business plan, operational plans and longer term financial forecasts.
- 9.2 This annual budget will comprise of:
- A clear statement of main assumptions and sources of information underlying the budget
  - Projected Statement of Comprehensive Income
  - Projected Statement of Financial Position
  - Projected Cash Flow Statement
  - Detailed capital budgets for all projects
  - Monthly cash flow projections
  - Monthly income and expenditure details
  - Cost allocation information
  - Appropriate ratio analysis
  - Loan covenant compliance performance



- Any summary narrative commentary necessary for a clear understanding of the budget

9.3 The budget will be prepared by the Finance Agent/~~Officer~~ Assistant on a roll over basis each year, taking into account the prior year budget, year to date variances and any known changes linking to the Business Plan. The Finance Agent/~~Officer~~ Assistant will put in place a timetable which will take account of:

- Provision of budget planning information from budget holders
- Review of planned, cyclical and major repairs to be undertaken in line with the 30 year plan
- Submission of draft budget to Senior staff and budget holders for review and approval
- Submission of draft budget to Management Committee for review and discussion including the impact of any options or sensitivities where there is a potential material financial effect over the 12 month period.
- Amendments as a result of Management Committee review
- Final approval of the budget by the Management Committee

#### **Budgetary Control**

9.4 The Management Committee have power to delegate the authority to spend up to the approved budget limit. Delegation of budgetary responsibility and accountability, together with identified budget holders and limits of authority, are contained within the detailed financial procedures.

9.5 Where additional or non budgeted expenditure of a material nature, defined as sums over £10,000 is identified, authorisation is to be sought from the Management Committee or through delegated powers to the Office Bearers.

9.6 Nothing in these financial regulations shall prevent an identified budget holder from incurring expenditure which is essential to meet any immediate needs created by an emergency, subject to such action being reported forthwith to the Management Committee.

9.7 The ~~Finance Officer~~ Finance Assistant and Finance Agents shall keep the Management Committee informed, each quarter, as to the state of the Association's finances by preparing management accounts on a quarterly basis and shall report on the statutory accounts of each financial year, within six months of the financial year end, to the Management Committee.

9.8 Where an identified budget holder proposes a new policy, or variation of existing policy, or a variation in the means or time scale of implementing an existing policy, that has not already been dealt with in the internal management plan and budget, then the Finance Agents must be consulted in order that a report can be presented to the Management Committee, outlining possible effects that the proposition will have on the Association's finances.

- 9.9 On a quarterly basis the Association shall prepare Management Accounts that shall compare actual results to date (from the books of account) with the estimates contained within the Budget. Material variances must be clearly explained within the narrative supporting the Management Accounts. In addition, the effect of likely future events on the financial position should be contained within the quarterly management accounts together with details of the currently projected financial position of the Association at the year end.
- 9.10 The Association shall undertake a review of its long-term projections on an annual basis in order to ensure that the projected annual position remains on target with the long term estimates. A full and detailed review (incorporating income and expenditure, balance sheet, performance indicators and covenant compliance) shall be undertaken every three years unless circumstances dictate that an earlier review is necessary. Appropriate sensitivity analysis must be applied to the long-term projections with details being incorporated into the Internal Management Plan.

## HILLHEAD HOUSING ASSOCIATION 2000

### BUDGET SETTING TIMETABLE

- |   |  |                                   |
|---|--|-----------------------------------|
| 1 | <del>Finance Officer</del> <u>Finance Assistant</u> requests budget information  | Mid November                      |
| 2 | Budget Holders provide budget info to <del>Finance Officer</del> <u>Finance Assistant</u>  | Early December                    |
| 3 | Director and Management Team to agree draft budget submission to <del>Finance Officer</del> <u>Finance Agent Assistant</u>   | Mid December                      |
| 4 | Initial draft budget provided to Director by <del>Finance Officer</del> <u>Finance Assistant Agent</u>   | Late December                     |
| 5 | Any revisions to initial draft budget submitted to <del>Finance Officer</del> <u>Finance Agent Assistant</u> . Final Draft Budget submitted to <u>FMD Finance Agent</u> for review | Mid January                       |
| 6 | Final draft budget presented to management committee   | End January or Beginning February |
| 7 | Any further revisions to final draft budget are amended by the <del>Finance Officer</del> <u>Finance Assistant Agent</u> and reviewed by the Director <u>and</u>                   | Mid February                      |



[members of the Management Team](#). In the event that there may be an impact upon the Business Plan then revisions will be submitted to the Finance Agents.

- 9 Final budget agreed by management committee Beginning March

## 10 **Income and Cash Controls**

- 10.1 The collection of all money due to the Association shall be under the supervision of identified budget holders.
- 10.2 All employees shall furnish the Finance & Corporate Services department with such particulars in connection with work done, goods supplied or services rendered and of all other amounts due as may be required in order to record correctly all sums due to the Association. Procedures on the issuing of invoices for the recovery of income are outlined in the Association's financial procedures.
- 10.3 Procedures for the receipt of funds are as noted within the Association's Financial Procedures.
- 10.4 No income due shall be written off as a bad debt without the authorisation of the Management Committee.
- 10.5 Bank accounts held by the Association and cheque/BACS/Faster Payments signing details are contained within the Association's detailed financial procedures. A list of authorised signatories are held by the bank and updated as required.
- 10.6 Procedures for the receipt of funds are detailed in the financial procedures.

- 10.7 Petty cash procedures are detailed in the Association's financial procedures.
- 10.8 All bank accounts must be reconciled to the relevant books of account on a monthly basis by the ~~Finance Officer~~Finance Assistant who shall make arrangements for the safe custody of all banking documents including cheques.

## **11 Property Register**

- 11.1 A property register will be maintained by the ~~Housing Manager~~Depute Director/Housing Manager recording an adequate description of the physical characteristics of each house owned.
- 11.2 For each house owned, the property register will include the following financial data:
- current rent being charged
  - review dates
- 11.3 The property register will be maintained in an electronic format on the Omniledger system.

## **12 Fixed Asset Register**

- 12.1 The Association shall maintain a fixed asset register detailing all furniture, fittings and equipment and other items classed as capital assets, owned by the organisation. The register should detail acquisition date, disposal date, estimated useful life for depreciation purposes and cost. In addition, copies of invoices relating to each asset purchased shall be contained within the register, which may be held in electronic format.
- 12.2 The Association shall undertake annual reviews of the register to verify continued ownership and existence of these fixed assets. This task shall be undertaken by the Finance and Corporate Services Assistant with the ~~Finance Officer~~Finance Assistant carrying out an annual review.
- 12.3 Equipment Maintenance contracts and leasing contracts shall be entered into for such fixed assets as appropriate and a separate register shall be held by the Association. Details to be inserted on these registers include; service provider, start date, termination date, and asset being maintained/leased and cost. This register shall be updated on an annual basis by the ~~Finance Officer~~Finance Assistant and may be held in an electronic format.

12.4 Details of any asset/equipment disposals, including details of sums received (if applicable), shall be reported to and authorised by the Management Committee.

12.5 The Finance ~~and Corporate Services~~ Team will ensure a register of all properties owned by the Association is maintained and kept up to date. The housing properties register shall ensure the Association complies with the requirements of component accounting. The current housing register used by the Association is known as the component accounting spreadsheet. This holds records of all housing assets by phase, split into relevant components. Component and property replacements and disposals, along with depreciation charges of housing property assets shall be updated on the component accounting spreadsheet in a timely manner. Copy invoices for all replacements will be kept in a file within the finance department. This task is undertaken by the ~~Finance Officer~~ Finance Assistant on a monthly basis.

### **13     Depreciation**

13.1 Any fixed asset owned by the Association will be depreciated in accordance with current accounting practice for Registered Social Landlords.

13.2 Categories of other fixed assets and rates of depreciation will be determined by the Finance Agents.

13.3 Small items of capital cost are reviewed on an individual basis may be treated as repairs and replacements and written off in the year of expenditure

13.4 Depreciation of housing properties shall be made in accordance with current component accounting guidelines and materiality levels as per the accounting policies.

### **14     Procurements, Contracts and Tendering**

14.1 All contracts entered into by the Association require the authorisation and signature of the Management Committee. All works, good and services will be

procured in accordance with the terms of the Association's Procurement Policy.

14.2 Where contracts for new build or major repairs project's are ~~made-paid~~ by instalments, the ~~Finance Officer~~ Finance Assistant shall arrange for the keeping of a register of contracts, which will show:-

- the state of accounts on each contract between the Association and the contractor together with other related payments e.g. professional fees:
- the sources of funding for each contract and the amount of funding drawn down to date.

14.3 Payment to contractors on account of contracts shall be made only on a certificate issued by the supervising officer (or architect, engineer or consultant) and authorised by the Head of Development and Property Services ~~Agent~~. The Management Committee shall be provided with quarterly updates on the progress of all main contracts, including a summary of the position of accounts on each contract.

## **15. New Projects**

15.1 Prior to committing the Association to any new projects or activities a full options appraisal and financial assessment shall be carried out and reported to the Management Committee for consideration and approval.

15.2 In the event that the new project or activity results in a net financial cost to the Association then the overall impact on the Associations long term financial projections requires to be considered and reported on as part of the overall assessment report.

15.3 External specialist and legal advice shall be taken where appropriate.

## **16 Risk Management**

16.1 The Association's approach to managing risk is detailed within the Risk Management Policy.

- 16.2 The Association's Management Committee shall monitor the effectiveness of the above policy and receives quarterly reports on changes to the Risk Register which is maintained by the Director.

## **17 Receivables Control**

- 17.1 Rental income payments are the main source of revenue income for the Association and operational procedures shall be reviewed regularly in order to monitor their effectiveness. A quarterly report on rental information, to be determined by the ~~Housing Manager~~Depute Director/Housing Manager, shall be presented to the relevant committee or sub-committee.
- 17.2 Where external funding for projects is made available to the Association all grant claims must be submitted timeously by the ~~Finance Officer~~Finance Assistant in order to ensure receipt of funds prior to payment. Aids and Adaptations Grant Claims are submitted by the Property Services Officer.
- 17.3 The Association acknowledges the requirement to maximise income collection in order to generate as much income as possible via interest receipts.
- 17.4 All other sums due and outstanding to the Association shall be summarised within the quarterly management accounts. Such sums shall include insurance claims outstanding and chargeable repairs due to the Association.
- 17.5 All amounts written off as irrecoverable must be formally reported on and approved by the Management Committee. Responsibility for debtor control within the Association is as follows:-
- Rent Arrears: ~~Housing Manager~~Depute Director/Housing Manager
  - HAG/: ~~Finance Officer~~Finance Assistant
  - Other Grant Claims: Director
  - Insurance Claims: ~~Finance Officer~~Finance Assistant
  - Rechargeable Repairs: ~~Finance Officer~~Finance Assistant

## **18 Value for Money**

- 18.1 The Association shall seek to obtain value for money in terms of its fixed asset investments, its contractual commitments and in its day to day operational activities.
- 18.2 The selection of an appropriate method of procurement, the use of tendering procedures, the selection of appropriate financing options, a balancing of

quality and cost or other appropriate cost-benefit analysis shall be undertaken by the Association in its decision making process.

18.3 The Association's Audit Committee shall consider the issue of value for money achieved by the Association as appropriate.

18.4 A value for money statement shall be produced by the Association and reviewed annually in order to reflect current business plan assumptions.

## **19 Insurances**

19.1 The Association's ~~Finance Officer~~Finance Assistant shall affect all insurance cover subject to the Director confirming cover requirements.

19.2 All Senior Managers of the Association shall advise the ~~Finance Officer~~Finance Assistant in writing of events likely to result in a change to the Association's insurance requirements.

19.3 The ~~Finance Officer~~Finance Assistant, in consultation with the management team, shall review all insurances during the year and report to the Management Committee thereon.

19.4 The submission of all property insurance claims is the responsibility of the Property Services Department. All other claims shall be the responsibility of the ~~Finance Officer~~Finance Assistant under the supervision of the Director.

19.5 No individual shall enter into any correspondence or dialogue with anyone that may jeopardise the Association's position or potential liability.

19.6 The Director will be responsible for the display of the Employer Liability Insurance certificate in the public reception area in each place of business.

## **20 Security**

20.1 The books and registers detailed in Section 5, together with other relevant papers, Association registers or information must be securely stored when not in use.

20.2 All information held on computer must be backed up on a daily basis with this back up being stored outwith the Office overnight. Remaining portable hard drives will be stored within the Association's fire proof safe. It is the responsibility of the Association's ~~Finance Officer~~Corporate Services Team (or Customer Services Assistant in his absence) to undertake this task.

20.3 Appropriate antivirus protection must be installed on computers and is set to update automatically. In addition the Association's IT support provider carries out monthly checks of every computer.. The ~~Corporate Services Manager~~ Systems Support Officer will be responsible for managing quarterly external system checks. Matters pertaining to information technology shall be the responsibility of the ~~Systems Support Officer~~ Corporate Services Manager. In conducting its operations the Association must comply with all aspects of current Data Protection legislation all such matters is the responsibility of the ~~Corporate Services Manager~~ Head of Corporate Services (Data Controller).

20.4 All senior staff are responsible for maintaining proper and adequate security at all times for furniture, equipment, cash and other assets under their control. The Director is responsible for overall security and any risks to the Association must be notified to the Director immediately.

20.5 Current staff members are all office key holders including the office cleaners. One Office Bearer who lives locally shall also be a nominated Key Holder.

20.6 The petty cash box will be held in the office safe at all times unless in use. The keys to the box are held by the Finance and Corporate Services Team in a locked drawer during working hours and in the safe overnight.

Access to the safe is restricted to:

- Director
- ~~Corporate Services Manager~~ Head of Corporate Services
- ~~Finance Officer~~
- Finance and Corporate Services Team Assistant
- ~~Receptionist~~

20.7 ~~The~~ safe is accessed via a combination code. This will be changed on at least every six months by the ~~Finance Officer~~ Finance Assistant and communicated to all authorised staff.

Under no circumstances should other staff members be given access to the safe, told the safe combination code, or retain possession of the petty cash box keys. In all cases petty cash keys must be retained in the possession of the authorised staff member who, under no circumstances, should leave keys unattended.

20.8 The loss of office, property or petty cash keys must be notified to the Director immediately.

20.9 Further information on security issues is contained with the Association's Data Security Policy.



- 20.10 Petty cash box and any other cash held in the office prior to banking must be held in locked safe. Un-issued cheques and bank giro deposits etc should also be stored in locked safe.

## 21 Treasury Management

- 21.1 The Association will create and maintain as the cornerstones for effective treasury management [and takes account of the CIPFA Code of Practice on Treasury Management 2017](#):
- 21.2 A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities.  
-Suitable treasury management ~~practises~~ [practices](#) (TMPs), setting out the manner in which the Association will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- 21.3 The content of the policy statement and TMP's will follow the recommended contained in the Sections 6 and 7 of the ~~code~~[Code](#), subject only to amendment where necessary to reflect the particular circumstances of the Association. Such amendments will not result in the Association materially deviating from Code of key principals.
- 21.4 The Association's Management Committee will receive reports on its treasury management policies, ~~practises~~ [practices](#) and activities, including as a minimum, an annual review strategy and plan in advance of the year, a mid-term review and an annual report after its close, in the form of prescribed in its TMP's.
- 21.5 The Association delegates responsibility for the implementation and regular monitoring of its treasury management policies and procedures to the Management Committee and for the execution and administration of treasury management decisions to the Finance Agent, who will act in accordance with the Associations policy statement and TMP's.
- 21.6 The Association nominates the Audit Sub Committee to be responsible for ensuring scrutiny of the treasury management strategy and policies.
- 21.7 The Association will submit an annual Loan Portfolio returns to the Scottish Housing Regulator as well as ~~interim return's on a quarterly basis in yYear~~ [Returns as necessary](#):-

## 22 Travel, Subsistence & Other Allowances

- 22.1 All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be authorised and paid in accordance with the



Association's policies and procedures on Committee Members' and Staff Expenses.

## **23     Gifts, Hospitality & Interests**

- 23.1 The giving and receiving of gifts and hospitality shall be in accordance with the Association's policy.
- 23.2 All Committee Members and staff shall ensure that they declare any interests with regards to any aspects of the Association's activities, as required by the Association's Payments and Benefits to Staff and Committee policy and Gifts and Hospitality policy.

## **24.    Benchmarking and Performance Analysis**

- 24.1 The Association's Director shall ensure that reports will be submitted to the Management Committee on the following areas: -
- (a) Analysis of Business Plan targets achieved
  - (b) Comparison of results with SHR published ratios and statistics
  - (c) Comparison of results with Association's annual budget
  - (d) Comparison of actual and estimated loan covenant results.
  - (e) Annual Return on the Charter (ARC)

The Association's Management Committee may consider issues arising from the above in greater detail.

- 24.2 All Senior Staff are responsible for the provision of information attaching to their department in line with an agreed timetable confirmed by the Director and included within the operational plan. Section Heads when providing relevant data or statistics summaries shall email the detailed calculations or file attachments that represent the source of the summary data or statistics provided. The Director or a delegated representative shall audit relevant information provided in order to ensure accuracy and consistency of reporting.

## **25     Donations**

- 25.1 The Management Committee will set aside an agreed amount each year for donations. All requests for donations will require approval from the Management Committee and will be reported to Association Members at the Annual General Meeting. Information on all donations will be included in the Association's Annual Report.

## **26     Incurring and Authorising Expenditure**

- 26.1 Only those staff with the delegated authority to do so will incur an expenditure commitment or authorise a payment. No payments will be made unless the payment has been checked and signed off by those with the appropriate authority.
- 26.2 The Management Committee approve budgets prior to the beginning of the financial year and staff have delegated authority to spend within these budgets subject to Standing Orders and the current Scheme of Delegated Authority.
- 26.3 Any non-emergency expenditure up to £10,000 in total outwith set budgetary limits may be approved by the Director who shall report such matters for retrospective approval to the Management Committee.

## HILLHEAD HOUSING ASSOCIATION 2000

### FINANCIAL REGULATIONS - APPENDIX 1

#### AUTHORISATION LEVELS

##### 1. General Expenditure:

- a) Spend up to £~~1,500~~3,000 - All budget holders within their own budget areas.
- b) Spend £~~1,501-3,001~~ to £5,000 - As above with the authorisation by the Director/Depute Director.
- c) Spend £5,001 to £~~10,000~~15,000 - 3 written quotations to be received with approval required by the Director/Depute Director. (Quotations to be recorded in the Quotations Register)
- d) Over £~~10,000~~15,001 - Full tender procedures apply.

##### 2. Property Services Authorisation:

#### AUTHORITY TO INSTRUCT WORKS

AMOUNT	DESIGNATION
Up to £ <del>250</del> <u>500</u>	Property Services Assistant/ <u>Property Services Officer</u>
£ <del>251-£1,500</del> <u>Up to £1,500</u>	Property Services Officer
£1,501 - £5,000	Property Services Officer with authorisation of <del>Property Services Co-ordinator</del> <u>Head of Development &amp; Property Services</u> / <u>Property Services Agent</u>
£5,001 - £ <del>10</del> <u>15</u> ,000	Invite 3 quotes
£ <del>10</del> <u>15</u> ,001 and over	Formal tender procedures

#### AUTHORITY TO AUTHORISE INVOICES

AMOUNT	DESIGNATION
Up to £250	<del>Checked by Property Service Assistant (Property Services) and then authorised by Property Services Officer</del>
£ <del>251-£5,000</del> <u>Up to £20,000</u>	Checked by Property Services <u>Assistant</u> /Officer and then authorised by <del>Property Services Co-ordinator</del> <u>Head of Development &amp; Property Services</u> <del>or</del>

	<del>Property Services Agent</del>
£ <del>5</del> 20,001 and over	Checked by Property Services Officer and then authorised by <del>Property Services Co-ordinator</del> <u>Head of Development &amp; Property Services</u> or <del>Property Services Agent</del>

**3. Petty Cash:**

~~Finance Officer~~Finance Assistant- Spend up to £250

Plus Committee Expenses of any amount - providing claim form has been checked by the Corporate Service Manager/~~Finance Officer~~Finance Assistant.

All other disbursements to be checked by the Corporate Service Manager/Director.

**4. Credit Card:**

Spend up to £2,500 – Director

Spend up to £2,500 – ~~Property Services Co-ordinator~~Head of Development & Property Services

Spend up to £2,500 – ~~Corporate Services Manager~~Head of Corporate Services

The overall credit limit is £7,500 in any one month.

**5.** Payments relating to payroll (e.g. wages, Inland Revenue, Pensions Trust etc) will be determined by the reports produced by the payroll process.

**6. Virements** – Director up to £~~1~~5,000.

## **BUDGET HOLDERS- APPENDIX 2**

Director	Employee Costs Consultants Advertising & Promotion Committee Expenses Staff Recruitment Donations General Legal fees Other Fixed Assets New Build Projects Audit Fee (Internal & External) Bank Charges Subscriptions Insurance Wider Action	
<del>Housing — Manager</del> <u>Depute Director/Housing Manager</u>	Bad Debts Tenant Participation Wider Action Legal Fees Housing	
<del>Corporate — Services</del> <u>ManagerHead of Corporate Services</u>	General Expenses Heat, Light & Cleaning Office Equipment Maintenance Printing & Stationery Postage Rent & Rates Telephones Staff/Committee Training Subscriptions Staff Recruitment	
<del>Head of Development &amp; Property Services</del> <u>Agent/Property Service co-ordinator</u>	Reactive Maintenance Void Costs Major Repairs Cyclical Maintenance Estate Management Component Replacement Costs Office Repairs/Estate Caretaker Vehicle Running Costs	

**APPENDIX 3**

Please sign below that you have read and understood the Financial Regulations  
Policy approved <date>

1.	_____	Date:	_____
2.	_____	Date:	_____
3.	_____	Date:	_____
4.	_____	Date:	_____
5.	_____	Date:	_____
6.	_____	Date:	_____
7.	_____	Date:	_____
8.	_____	Date:	_____
9.	_____	Date:	_____
10.	_____	Date:	_____
11.	_____	Date:	_____
12.	_____	Date:	_____
13.	_____	Date:	_____
14.	_____	Date:	_____
15.	_____	Date:	_____
16.	_____	Date:	_____
17.	_____	Date:	_____
18.	_____	Date:	_____
19.	_____	Date:	_____
	_____		_____

20.	_____	Date:	_____
21.	_____	Date:	_____
22.	_____	Date:	_____
23.	_____	Date:	_____
24.	_____	Date:	_____
25.	_____	Date:	_____
26.	_____	Date:	_____



## FINANCIAL PROCEDURES POLICY

Last reviewed by Management Committee : 25/1/17

Date due for review: January 2020

The information in this document is available in other languages or on tape/CD, in large print and also in Braille.

For details contact the Association on  
0141 578 0200 or e-mail: [admin@hillheadhousing.org](mailto:admin@hillheadhousing.org)

本文件所載資料備有中文(廣東話)版本,也可以製作成錄音帶/光碟,以及利用特大字體和凸字印製,以供索取。  
欲知有關詳情,請聯絡本協會,電話:0141 578 0200,或向我們發送電郵,電郵地址:  
[admin@hillheadhousing.org](mailto:admin@hillheadhousing.org)

Tha am fiosrachadh anns an sgrìobhainn seo ri fhaotainn ann an Gàidhlig no air teip/CD, sa chlà mòr agus cuideachd ann an Clò nan Dall.  
Airson tuilleadh fiosrachaidh, cuiribh fios dhan Chomann air 0141 578 0200 no cuiribh post-dealain gu: [admin@hillheadhousing.org](mailto:admin@hillheadhousing.org)

इस दस्तावेज़ में दी गई जानकारी हिन्दी में भी या टेप, सी डी, बड़ी छाप और ब्रैल में भी उपलब्ध है। विवरण के लिए एसोसिएशन को नम्बर 0141 578 0200 पर या ई-मेल के द्वारा सम्पर्क करें:  
[admin@hillheadhousing.org](mailto:admin@hillheadhousing.org)

ਇਸ ਦਸਤਾਵੇਜ਼ ਵਿਚ ਦਿੱਤੀ ਗਈ ਜਾਣਕਾਰੀ ਪੰਜਾਬੀ ਵਿੱਚ ਵੀ ਜਾਂ ਟੇਪ, ਸੀ ਡੀ, ਵੱਡੀ ਛਪਾਈ ਅਤੇ ਬ੍ਰੈਲ 'ਤੇ ਵੀ ਉਪਲਬਧ ਹੈ। ਵੇਰਵੇ ਲਈ ਐਸੋਸੀਏਸ਼ਨ ਨੂੰ ਨੰਬਰ 0141 578 0200 'ਤੇ ਜਾਂ ਈ-ਮੇਲ ਰਾਹੀਂ ਸੰਪਰਕ ਕਰੋ:  
[admin@hillheadhousing.org](mailto:admin@hillheadhousing.org)

اس دستاویز میں درج معلومات اردو زبان یا ڈیویس / سی ڈی، بڑی طباعت اور بریل میں بھی دستیاب ہیں۔  
تفصیلات کے لئے ایسوسی ایشن سے ٹیلیفون نمبر 0141 578 0200 یا ای میل [admin@hillheadhousing.org](mailto:admin@hillheadhousing.org) کے ذریعے رابطہ قائم کریں۔



## **HILLHEAD HOUSING ASSOCIATION 2000**

### **Financial Procedures**

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## 1 INTRODUCTION

- 1.1 In order to facilitate the efficient and effective operation of the organisation in matters relating to finance, a series of financial controls have been established. This is also to ensure compliance with Standard 3 of the Scottish Housing Regulator ('SHR') Regulatory Standards of Governance and Financial Management.
- 1.2 These controls incorporate basic elements of financial control which exist in most organisations as well as those which may be unique to the Association.
- 1.3 It is in the interests of the organisation that these controls are made known and are adhered to by both Staff and Committee members. In this respect, the co-operation of all concerned is essential.
- 1.4 These procedures shall be reviewed and updated as necessary at least every 3 years in conjunction with the Director and approved by the Management Committee.
- 1.5 The Association must ensure that where records of a financial nature are kept outwith the finance section that consultation and agreement with the finance section is undertaken and reached in order to ensure that the manner in which records are kept is appropriate for audit purposes.
- 1.6 In addition, consultation with finance agents must take place for all transactions which shall have a material financial effect, including any maintenance, purchase or leasing agreements.
- 1.7 It is essential that finance agents be notified immediately of any event which has, or may have, material financial implications for the Association.
- 1.8 These procedures together with the Financial Regulations form part of the overall system of financial and management control and take account of the [regulatory standards of Governance and Financial Management](#)~~Scottish Housing Regulator (SHR).~~
- 1.9 In the event of failure to follow agreed procedures action may be taken against the offending individual(s) under the Association's disciplinary procedures/Code of Conduct.

## **2      CONTENT OF ANNUAL BUDGET**

- 2.1 The value of the budget statement as a Management tool should be recognised and under no circumstances should the organisation be operating without a comprehensive budget document.
- 2.2 The budget setting process must allow adequate input from all sections within the Association. The Finance Agent shall issue a formal and detailed budget information request in October of each financial year to budget holders. The ~~Finance Officer~~ Finance Assistant has responsibility for co-ordinating the supply of information to the Finance Agent within agreed timescales.
- 2.3 Budget holders have been determined across the Association. Budget holders are responsible for providing detailed information to inform the annual setting of budgets. They are also responsible for monitoring actual income and expenditure against their allocated budget codes, and providing detailed information to the Finance Team with regards any significant variances.
- 2.4 The Management Committee shall consider a draft budget for the year in February of each year, also approving the indicative annual rent increase at that point, and then approving the final budget document in March of each year. The final budget document approved for the year must contain appropriate supporting narrative, including details of main assumptions employed; material changes from the previous year, appropriate ratio analysis, covenant compliance review and detailed cash flow projections.
- 2.5 On completion of the annual budget a copy shall be sent to external auditors and all funders.
- 2.6 ~~Budget variance reports shall be issued monthly to Senior Staff and budget holders. Budget holders are expected to formally explain variances to the finance team to allow the preparation of the quarterly management accounts and related Management Committee report. Each staff member should be aware of budgets within their control and should have in place effective tools for managing their budgets throughout the year. Any requirement to exceed a budget should be drawn to the attention of the Director / Depute Director immediately and a report submitted to the relevant Committee for approval.~~

2.7 All Senior Staff and budget holders should be aware of the budgets within their control and should have in place effective tools for managing their budgets throughout the year. Any requirements to exceed a budget should be drawn to the attention of the Director immediately and a report submitted to the Committee for approval.

2.8 The final agreed budget document should include the following in detail:-

- ✧ base budgetary assumptions;
- ✧ key financial performance ratios;
- ✧ projected capital expenditure on housing projects on a scheme by scheme basis;
- ✧ sources of funding of housing projects by way of grants, loans and internal funding on a scheme by scheme basis;
- ✧ projected capital receipts by way of house sales [e.g. shared equity](#) and other activities, including repayments of grants and loans;
- ✧ planned procurement of office equipment;
- ✧ other planned expenditure on capital items and sources of funding (e.g. special needs adaptations);
- ✧ summary of rent-setting mechanism indicating changes in rent levels at the start and during the budget period;
- ✧ projected level of day to day maintenance and cyclical expenditure;
- ✧ anticipated major repairs programme, analysed to show the cost of new components (to be capitalised) and other costs (to be charged to the profit & loss account);
- ✧ projected staff costs;
- ✧ projected overhead costs;
- ✧ [Income from other services](#)
- ✧ allocation of all direct and indirect expenditure to cost centres.

- ✧ rental and service income less voids, bad debts, operating costs and loan interest;
  - ✧ any other operating income, including grant income and related expenditure;
  - ✧ anticipated level of investment income and other interest payments;
  - ✧ taxation (if appropriate);
  - ✧ designated reserves transfers (if appropriate);
  - ✧ Summary of anticipated movements in cashflow and working capital during budget period reconciling with anticipated surplus or deficit on operational activities.
- 
- ✧ Summary budgeted Statement of Comprehensive ~~Income~~ Income
  - ✧
  - ✧ Analysis of budgeted income & expenditure and surplus/deficit between letting and non letting activities,
  - ✧ Allocation of income & expenditure to cost centres within letting and non letting activities,
  - ✧ Analysis of budgeted performance against lenders covenants,
  - ✧ Budgeted Statement of Financial Position
- 
- ✧ Ratio Analysis,
  - ✧ Budgeted Cashflow Statement.

### **3 CONTENT OF MANAGEMENT ACCOUNTS**

- 3.1 A set of management accounts should be presented to the management committee every quarter with a narrative summary. The management accounts should compare cumulative estimated and actual figures since the start of the budget period.
- 3.2 The quarterly management accounts should include the effect of likely future events on the financial position together with details of the currently projected financial position of the Association at the year-end.
- 3.3 Management accounts should include the following;
- A summary Statement of Comprehensive Income and narrative
  - An analysis of income and expenditure and surplus/deficit between letting and non letting activities
  - Allocation of income and expenditure to cost centres within letting and non-letting activities
  - Details of Interest payments and receipts
  - Analysis of [RTB-Shared Equity](#) sales
  - A Statement of Financial Position
  - [A Cash Flow Statement](#)
  - An analysis of capital income and expenditure
  - An analysis of receivables
  - An analysis of payables
  - An analysis of cash/[working](#) balances

- A comparison of management expenses with a variance analysis report for significant variances including analysis of Cyclical and Major repairs expenditure
- A comparison of key financial ratios
- A comparison of financial performance against lenders covenants.
- Forecast of income and expenditure against budget



#### **4      COSTING OF ACTIVITIES**

- 4.1 All costs should be allocated to an appropriate cost centre in order that the cost of each activity (cost centre) of the Association can be established.
- 4.2 Two initial areas of activity should be recognised both of which should be further analysed: [Letting Activities and a Non Letting Activities](#).
- 4.3 Letting Activities consist of;
- Management & maintenance admin costs,
  - Services,
  - Reactive maintenance,
  - Cyclical maintenance,
  - Major repairs,
  - Bad debts,
  - Property Depreciation
- 4.4 Non Letting Activities consist of any other operating activity not included within letting activities. Common examples include;
- Wider action,
  - Welfare rights [and other services](#)
- 4.5 All admin staff costs and overheads relating to letting activities will be allocated to Management & maintenance admin costs (and services if applicable). Reactive, cyclical and major repairs will include only direct costs.
- 4.6 Staff costs and overheads may be allocated to non letting activities if appropriate and staff should record time spent in each area of activity if necessary.

## **5      BUDGETARY RESPONSIBILITY, ACCOUNTABILITY AND CONTROL**

5.1 The Management Committee is responsible for approval of the annual budget. Once approved, the budget is to be used for comparison with actual results, and as the basis for authority to incur expenditure.

5.2 Budgetary responsibility, accountability and control is delegated by the Management Committee to various staff budget holders, based on the approved annual budget, as detailed below.

<b><u>Area of responsibility, accountability and control</u></b>	<b><u>Budget Holders</u></b>
--	------------------------------

<b><u>Property Services</u></b>	
---------------------------------	--

- |  |  |
|--|--|
| <ul style="list-style-type: none"><li>• Capital expenditure on schemes</li><li>• Grant receipts for schemes</li><li>• Day to day repairs expenditure</li><li>• Cyclical repairs expenditure</li><li>• Major repairs expenditure</li><li>• Aids &amp; Adaptations</li><li>• Estate management costs</li><li>• New components</li><li>• Owner Occupier Contributions for <a href="#">planned renewals</a> <a href="#">common works</a></li></ul> |  |
|--|--|

[Head of Development and Property Services Agent](#)

<b><u>Finance</u></b>	
-----------------------	--

- |  |  |
|--|--|
| <ul style="list-style-type: none"><li>• Salaries, overheads and administration costs</li><li>• Grant receipts for major repair and cyclical works</li><li>• Interest, income and expenditure</li><li>• Other income and expenditure due</li><li>• Other fixed assets</li><li>• Loan finance</li><li>• Reserves</li><li>• Tenants re charge debtors</li></ul> |  |
|--|--|

Director, [Finance Officer](#) [Finance Assistant](#) and [Corporate Services Manager](#) [Head of Corporate Services](#)

Delegation of budgetary responsibility, accountability and control to staff is detailed in the financial procedures section covering budget holders.

## **6 BUDGET HOLDERS & LIMITS OF AUTHORITY**

Expenditure Limits are detailed in Appendix One

### **DIRECTOR**

#### ***Salaries, overheads and administrative costs***

Salaries, overheads and administrative costs that are authorised by the Director are detailed below, provided they are within approved budget limits.

- salaries provision (for any additional staffing required)
- audit fees
- insurance policies
- staff recruitment
- subsistence
- ~~training~~
- travelling expenses
- ~~promotional expenses~~
- ~~management committee expenses~~

#### ***Other fixed assets***

Other fixed assets covering computer and also office equipment, fixtures and fittings are authorised by the Director, providing they are within approved budget limits.

### **HEAD OF DEVELOPMENT AND PROPERTY SERVICES AGENT**

#### ***Maintenance***

All expenditure on estate management relating to the maintenance of properties will be authorised by the ~~Property Services Co-ordinator~~Head of Development & Property Services or ~~Property Services Agent~~, providing they are within approved funding limits for the project, or alternatively are within approved budgets. All amounts to be paid will be passed to the ~~Finance Officer~~Finance Assistant after being authorised.

Maintenance expenditure to be authorised by the ~~Property Services Co-ordinator~~Head of Development & Property Services or ~~Property Services Agent~~ is detailed below.

- day to day repairs and void repairs
- cyclical repairs
- services expenditure
- property maintenance agreements
- external factors repairs

- legal and professional fees relating to the maintenance of property
- tenant re-charges
- office maintenance
- aids & adaptations

### ***Capital contracts and major repairs***

Capital expenditure in respect of development schemes expenditure will be authorised by the [Head of Development and](#) Property Services [Agent](#) providing they are within approved funding limits for the project. All amounts to be claimed and paid will be passed to ~~Finance Officer~~ [Finance Assistant](#) after being authorised by the [Head of Development and](#) Property Services ~~Agent~~.

The cost of major repair programmes should show the details of the cost of new components (to be capitalised) and other costs (to be charged to the profit & loss account).

Payments to contractors will be made upon receipt of Architect's Certificate and/or Quantity Surveyor's valuation

### ***Development revenue expenditure***

Revenue expenditure relating to development activities will be authorised by the [Head of Development and](#) Property Services [Agent](#), providing this is within approved budgets.

## **DEPUTE DIRECTOR/HOUSING MANAGER**

### ***Housing Management***

Expenditure in respect of housing management will be authorised by the [Depute Director](#)/Housing Manager, providing they are within approved funding limits for the project, or alternatively are within approved budgets. All amounts to be claimed or paid will be passed to the ~~Finance Officer~~ [Finance Assistant](#) after being authorised by the [Depute Director](#)/Housing Manager. Housing management expenditure to be authorised by the [Depute Director](#)/Housing Manager is categorised as detailed below.

- legal and professional fees relating to the management of property
- decant costs
- ~~Statutory Homeless and~~ Disturbance Payments
- rent refunds

All cheque requisitions supported by internally generated documents, for example rent refunds, must be authorised by the [Depute Director](#)/Housing Manager.

## **CORPORATE SERVICES MANAGER/HEAD OF CORPORATE SERVICES**

### ***Overheads and administrative costs***

Overheads and administrative costs provided they are within approved budget limits. Costs may include for example:-

- postage, stationery and photocopier
- sundry expenses
- printing
- telephone
- cleaning costs
- affiliation fees [and subscriptions to professional bodies](#)
- computer training and maintenance
- [staff recruitment](#)
- [promotional expenses](#)
- [staff and committee training](#)
- [management committee expenses](#)

### ***Other fixed assets***

Other fixed assets covering computer and also office equipment, fixtures and fittings are authorised by the [Corporate Services Manager/Head of Corporate Services](#), providing they are within approved budget limits.

### ***Interest payments and loan repayments***

Interest payments and loan repayments will be [paid as authorised by the Finance Officer/Finance Assistant subject to consultation with the Finance Agents, providing they are within budget, or alternatively are](#) required to meet contractual obligations under the terms of the loan finance.

### ***Treasury investment***

The Management Committee will approve treasury investments in line with the Treasury Management policy. Between meetings these powers are delegated to the Director, who must consult with an office bearer, before exercising these

powers. Transfers of balances and re-investment of funds will be delegated to the ~~Finance Officer~~Finance Assistant and authorised by the Director.

### ***Loans***

Loans will be approved by the Management Committee. The Director and Finance Agents have delegated power to liaise and negotiate with Lenders but final acceptance of terms of Loan Agreements will be approved by the Management Committee.

## BUDGET SETTING TIMETABLE

1	<del>Finance Officer</del> <del>Finance Assistant</del> <del>Agent</del> requests budget information	Mid November
2	Budget Holders provide budget info to <del>Finance Officer</del> <del>Finance Assistant</del>	Early December
3	Director and Management Team to agree draft budget submission to <del>Finance</del> <del>Officer</del> <del>Finance Assistant</del> <del>Agent</del>	Mid December
4	Initial draft budget provided to Director by <del>Finance Officer</del> <del>Finance Agent</del>	Mid December
5	Any revisions to initial draft budget submitted to <del>Finance Officer</del> <del>Finance Assistant</del> <del>Agent</del> . Final Draft Budget submitted to <del>FMD</del> <del>Finance</del> <del>Agents</del> for review	Mid January
6	Final draft budget presented to management committee	End of January Beginning February
7	Any further revisions to final draft budget are amended by the <del>Finance Officer</del> <del>Finance</del> <del>Assistant</del> <del>gent</del> and reviewed by the Director <u>and members of the Management Team</u> . In the event that there may be an impact upon the Business Plan then revisions will be submitted to the Finance Agents.	Mid February
9	Final budget agreed by management committee	Beginning March

## 7 INVOICES/ORDERS

- 7.1 The Association does not operate a Purchase Order System. The purchase of all non-maintenance goods and services shall be on request to the budget holder who must have delegated authority and grant permission for the goods to be ordered.

- 7.2 A list of ~~approved-current~~ suppliers is in place and shall be revised annually, ~~and approved by the Management Committee~~. Goods and services should be ordered from these ~~se-approved-ss~~ suppliers wherever possible. On request a new supplier can be added to the system, ~~but this should be approved by the Director and an addition to approved suppliers form should be completed and verified.~~
- 7.3 When the invoice for the goods is received, the ~~Finance and Corporate Services Assistant Team~~ shall date stamp the invoice, ~~and grid stamp the invoice~~ and enter details in the invoice register.
- 7.4 The invoice should then be passed to the staff member responsible for ~~checking and /approving the invoice via the electronic work-tray system~~. The invoice, ~~When authorised, should be returned to the Finance Officer~~ Finance Assistant will prepare for payment.
- ~~7.5 Invoices for Maintenance works shall follow the above procedure with the following exceptions:-~~
- ~~(iii) The Property Services Team is responsible for issuing repair orders.~~
  - ~~(ii) In the event that actual costs cannot be specified, an estimated cost should be contained on the order.~~
  - ~~(v)(i) It is the responsibility of the Property Services Team to ensure the appropriate coding of the repair invoices.~~
- 7.6 Authorised invoices for payment should be contained within a cheque payment or a BACS/Fast Payments payment list in accordance with the relevant procedure.
- 7.7 Delivery notes should be maintained by the ~~Finance Officer~~ Finance Assistant and attached to the invoice on receipt.
- 7.8 It is the responsibility of the ~~Finance Officer~~ Finance Assistant to review the invoice register, at least bi-monthly, to ensure no overdue accounts exist. Where supplier statements are received, supplier statement reconciliation will be carried out on at least a monthly basis along with an aged creditors listing to identify any overdue invoices.
- 7.9 Where any invoices are issued by the organisation they should be dated, numbered and maintained in an appropriate register by the ~~Finance Officer~~ Finance Assistant.



## 8 CHEQUE AND FASTER PAYMENTS

8.1 ~~The payment listing along with all relevant purchase invoices shall be passed to the Director and Chairperson to review and authorise. The payment listing shall be retained on file to evidence this authorisation.~~

8.2 ~~Payment shall be made via online banking by the Finance Officer and a Faster Payment authorisation report issued to the Director who will counter authorise the report via online banking. A final payment report should then be printed off via online banking which should match the original Fast Payment report. Cheques/ and BACS/ Fast Payments shall be presented for signature on a two-weekly basis.~~

8.1 Requests for payments must be supported by an authorised invoice or an authorised payment request form

8.2 Cheques and BACS/Fast Payments shall be presented for payment twice per month

8.3 All cheques must require two signatures, ~~with no more than one staff member signing each cheque.~~ A copy of the cheque signatories ([Appendix 2](#)) are held with the bank and should be updated as required.

8.4 The Association currently operates the following cheque accounts with the Royal Bank of Scotland:-

- day to day current account
- rent account

8.5 On authorisation, the original payment list should be filed ~~in the appropriate finance cabinet file,~~ with a copy of the list and invoices approved ~~being inserted into the expenditure vouchers lever arch folder.~~

Payments to creditors shall be made in accordance with any contractual obligation. Where no contractual obligation exists, payment should normally be made within 30 days. Cheques/[Faster payments](#) should then be issued to the payee together with a suitable remittance advice confirming payment details. Cheques issued should run in numerical order.

- 8.6 In the event that no invoice is available, e.g. petty cash, rent refund, etc., a completed ~~cheque-payment~~ request voucher must be available and be fully authorised in accordance with the invoice procedures. It is the responsibility of the Line Manager requesting payment to complete the ~~cheque-payment~~ request voucher.
- 8.7 Bank ~~Reconciliation~~ statements for all bank accounts must be ~~prepared reconciled~~ monthly by the ~~Finance Officer~~ ~~Finance Assistant and checked by the Finance Agent~~. The Association ~~may also make~~ ~~makes~~ payments via the Bankline system and all contractors ~~and suppliers~~ shall be paid by Faster Payment. A cheque can be issued in the absence of bank details.
- 8.8 To allow payments to be made by Faster Payment the Association must receive details of the payee's bank details in writing or by email. These details should be confirmed with a known contact of the payee before acceptance. Changes to these details must also only be accepted in writing or email and confirmed with a known contact of the payee before acceptance. Under no circumstances must bank details or changes to bank details be accepted by telephone.
- 8.9 Payments via Faster Payments shall follow the same process as noted above with 2 signatories signing off the Faster Payments payment list for processing. ~~The Director~~ ~~Members of the Management team~~ and the Chairperson ~~shall~~ have password protected ability to authorise fast payments and the ~~Finance Officer~~ ~~Finance Assistant~~ shall be responsible for payment processing once all authorisations have been made.
- 8.10 All payments made by the Association are able to be reviewed by ~~FMD~~ ~~Finance Agent~~, external auditors, senior staff and Committee members, under Committee direction, at any time. ~~In addition, on an annual basis, payment processing, shall be subject to internal audit.~~

## **9 RECEIPT OF MONIES**

- 9.1 The Association accepts all forms of payment methods except cash or unless in exceptional circumstances and has appropriate controls in place to safeguard all sources of income.
- 9.2 Cheque and cash receipts coming into the office via the postal service should be entered into the mail book by the receptionist or a member of the Finance and Corporate Team. The entry should detail who has made the payment, date of receipt and sum received. A receipt will be forwarded in due course.

- 9.3 These receipts together with the remittance vouchers should be passed to the ~~Finance Officer~~Finance Assistant who should enter the appropriate details in the pay in book prior to banking. Cheques of a material amount over £10,000 must normally be banked on the day of receipt prior to close of banking.
- 9.4 Cheques and cash received in person should be counted for accuracy by ~~receptionist or~~ a member of the ~~finance and~~ corporate services team. The front receipt should be passed to the payee-payer with the copy receipt being retained in the receipt book.
- 9.5 Any and all such sums received should be transferred to the safe immediately together with details of the payment. The ~~Finance Officer~~Finance Assistant will notify the relevant section if necessary twice a week. ~~The Finance Officer should confirm at least monthly, receipt of all such sums collected by reviewing and signing the receipt book retained at reception. Any discrepancies should be reported to the Director immediately.~~
- 9.6 ~~Banking should be performed by the Customer Services Assistant or the Finance Officer twice a week on a Tuesday and Friday. No more than £5,000~~ should be held in the safe at any one time in line with the Associations Insurance Policy. ~~A maximum amount of £15,000 will be collected by Security Plus Ltd.~~ All cheques should be deposited at the bank by the ~~Finance Officer~~Finance Assistant.
- 9.7 ~~A secondary check must be performed by the Finance officer. This should involve a check of the spreadsheet passed to Housing to confirm that the deposit has been lodged in the bank account as noted on the bank statements.~~
- 9.8 ~~All deposits must be identified via remittance advice note or substitute invoice voucher. These confirmations shall be filed in the income vouchers lever arch file maintained by the Finance Officer~~
- 9.9 Any Cash payments received should ~~not be left unattended during the banking process and should be~~ or locked in the safe at all times.
- 9.10 Payments can be made using the Chip and Pin terminal located at reception in person or over the telephone. A copy of a receipt is given to the tenant in person or posted for telephone payments if requested. ~~The front receipt is passed to the appropriate section for allocation purposes.~~
- 9.11 The ~~Finance Officer~~Finance Assistant or ~~Finance and~~ Corporate Services Assistant perform daily z totals for reconciliation purposes using the Supervisor's card which is held in the locked drawer. No card details are

stored on the Information Management system for compliance purposes as per [The Data Protection Act 1998 with current GDPR regulations](#).

## 10 PETTY CASH

- 10.1 All petty cash cheques should be requested by the ~~Finance Officer~~[Finance Assistant](#) and signed by two authorised signatories. The petty cash level shall be maintained at no more that ~~£700-500~~ at any one time. Payments from Petty Cash are strictly for items where it is not possible to be invoiced or the amount is nominal.
- 10.2 All petty cash disbursements must be accompanied by a receipt and/or a petty cash voucher signed by the parties making and receiving payment. The petty cash vouchers must contain details of what the expense refers to and must be dated as at time of payment.
- 10.3 It is preferable that any Staff expenses and Staff Social refunds are paid via the wages system as opposed to via petty cash.
- 10.4 At no time should the petty cash fund be used by any Staff/Committee member for purposes other than expenditure wholly and necessarily incurred on official business. The person responsible for the handling of petty cash and associated records must be clearly defined. Currently this is the ~~Finance Officer~~[Finance Assistant](#) or the Corporate Services Assistant~~s~~.
- 10.5 It is essential that the petty cash box remains in a safe or locked cabinet unless cash deposits/disbursements are being made.
- 10.6 Monthly checks on the petty cash records should be made by an official other than Staff member responsible for maintaining the petty cash system. Currently this is the ~~Corporate Services Manager~~[Head of](#)

Corporate Services or the Director but could be carried out by another member of the Management Team.

Any petty cash ~~shortage discrepancy~~ which cannot be identified must be ~~advised declared to a member of the Management Team to the Finance Agents, Director or Office Bearers~~ without delay.

10.7 Petty cash transactions shall be posted by the way of a journal into Omniledger on a monthly basis. The journal should be processed by the ~~Finance Officer~~Finance Assistant ~~a reviewed by the Finance Agent.~~ The ~~Finance Officer~~Finance Assistant shall, on a monthly basis, reconcile the petty cash balance to the petty cash book, and to the petty cash nominal code on Omniledger. Any variances shall be investigated and rectified in a timely manner.

10.8 ~~Although not encouraged, if for any reason money is paid into petty cash eg. postage used for personal mail or donations a petty cash paid in form should be completed, with the original receipt or back up as evidence of the payment in.~~

10.9 The expected petty cash usage is for the following items:

Reimbursements of sundry expenses

Gas/Electricity top ups ~~re-for~~ voids and materials and supplies ~~re-for the Estates~~ Staff-Caretaker.

Sundry office supplies such as tea/coffee/milk and ~~Cleaning~~cleaning equipment

Committee subsistence amounts up to approved levels

Goodwill gestures

Donations to local groups with prior agreement of the Management Committee

## **11 SALARIES/EXPENSES**

11.1 Salary and wage increases arising from staff promotions, ~~incremental increases or pay awards- should be reported to the HR Sub Committee and must be~~ approved by the Management Committee prior to any payment being made.

11.2 Any changes in salary amounts due must be confirmed in writing to the individual staff member with a copy of the letter being retained in the personnel files. It is the responsibility of the Director and ~~Corporate Service Manager~~Head of Corporate Services to ensure that all relevant information with regards to payroll is provided to the ~~Finance~~

- ~~Officer~~Finance Assistant. This should include approved starters and leaver information and approved salary changes.
- 11.3 Any request for overtime should be approved by the Director/~~Depute Director~~ in advance where possible and any claim should be accompanied by an overtime form signed by the individual requesting payment and authorised by the Director.
- 11.4 Any request for reimbursement of expenses/mileage costs should be accompanied by an expenses claim form signed by the individual requesting payment and authorised in accordance with the Financial Regulations. Receipts should be provided where possible.
- 11.5 ~~The Director~~A member of the Management Team shall sign the Faster Payment listing ~~to evidence this review and~~ thus authorising the Finance ~~Team Assistant~~ to process the payroll payment via online banking. The ~~Finance Officer~~Finance Assistant shall process the payment and the ~~Director and~~ Chairperson will counter authorise the report via online banking. A final report should then be printed off via online banking which should match the original BACs report.
- 11.6 A report should be downloaded from online banking once the payment is made, attached to the approved BACs listing and the approved payroll information spreadsheet and retained on file. All sickness absences of over 7 calendar days require a medical certificate signed by a doctor. All sickness absences of 5 working days or less require completion of a self-certification sickness form.
- 11.7 For the purposes of ~~statutory sick pay~~absence management the ~~Finance Officer~~Finance Assistant must be made aware of all absences from work arising from sickness.
- 11.8 Any voluntary deductions from pay must be supported by written authorisation given by the employee.
- 11.~~89~~ Salary processing is the responsibility of the ~~Finance Officer~~Finance Assistant. The ~~Finance Officer~~Finance Assistant is responsible for submission of all PAYE returns and Pension contributions in accordance with the statutory timetables.
- 11.910 Salary payments are due to reach the staff members' bank account on the 27<sup>th</sup> day of each month and shall be processed to ensure adherence with this timetable. The payment period in December will vary in line with holiday dates.



## 12 COMMITTEE EXPENSES

- 12.1 All claims for reimbursement of expenses must be accompanied by an expenses claim form signed by the individual requesting payment and countersigned by the Association's ~~Finance Officer~~[Finance Assistant](#)
- 12.2 Where possible receipts must be obtained and attached with any claim made.
- 12.3 Whilst it is preferred that payment by cheque should be made, it is recognised that payments via petty cash ~~will~~[may](#) be required. No cheque signatory may sign a cheque payable to themselves.
- 12.4 Where payment is made to a 3<sup>rd</sup> party in respect of childminding/[carer](#) expenses, proof of payment must be provided.
- 12.5 All committee members are authorised, acting reasonably, to use the Association's taxi account for authorised business only. All taxi outward journeys are booked by ~~the Finance and a member of the~~ Corporate Services ~~assistant~~[Team](#).
- 12.6 All expenses paid will be available for inspection by the Director/[Depute director](#) and Committee members. Payment of expenses shall be made in accordance with the Committee Expenses Policy.

## 13 CREDIT CARDS

- 13.1 The Association has three Credit Cards with RBS held in the name of the Director, ~~Corporate Services Manager~~[Head of Corporate Services](#) and the ~~Property Services Co-ordinator~~[Head of Development & Property Services](#). The card holders have a responsibility to ensure the card's safe keeping. If the cards are held in the office they should be placed in the office safe.
- 13.2 The credit card is held for use in limited circumstances. ~~A~~[and](#) any item which can be purchased through the Invoices/Orders system described at section 6 above should be [carried out by this method](#). All items purchased should be for business purposes and must be made by the card holder only in line with authorised levels as per Appendix 1. Under no

circumstance should the card be used by a non-card holder to make purchases. Purchases on the credit card will be reviewed on a monthly basis by the Finance ~~Team Assistant to identify where this principle has not been adhered to.~~

13.3 The credit cards shall have a combined threshold of £7,500. This shall be reviewed annually and adjusted if considered necessary. Changes to the credit card limit must be justified to and approved by the Director.

13.4 The credit cards shall be held safely by the designated persons and no credit cards details should be saved/stored on any external [websites](#).

13.5 When a purchase has been made the receipt should then be passed to the Finance [Department Assistant](#) to be filed in the Finance Department's credit card file within the correct month. All goods should be delivered to the Association's offices and checked to ensure that the order is accurate.

13.6 When the monthly credit card statement is received, it must be date stamped. The ~~Finance Officer~~[Finance Assistant](#) will ensure that each transaction on the statement has a receipt. Any discrepancies should be queried and resolved immediately and details of any missing receipts should be documented and signed by the card holder.

13.7 When the monthly credit card statement is received all charges must be reviewed, queried (where required) and authorised by the Director prior to the relevant direct debit date.

13.8. ~~There should be no circumstances under which the~~ credit card [should not be is](#) used ~~in error and~~ for any other purpose than in relation to business for the Association. Any such occurrence must be formally reported to the Director ~~./Depute Director~~

[Stopped here on Friday 17 Jan](#)

## 14 **RECHARGEABLE REPAIRS**

14.1 General procedures relating to rechargeable repairs are contained within ~~the Rechargeable Repairs Policy a separate Chargeable Repairs procedures notes retained by the Property Services Section.~~

14.2 Procedures relating to the receipt of funds for rechargeable repairs activity are noted within the receipt of funds financial procedure.



- 14.3 It is the responsibility of the ~~Property Corporate Services Team Assistant~~ ~~and the Receptionist~~ to code the rechargeable invoices in an appropriate manner in order to confirm ~~to finance~~ any invoices to be recharged. This should be in a form of a letter and copies of relevant repair orders.
- 14.4 Invoices in respect of rechargeable repairs shall be prepared ~~by the Finance Officer~~ Finance Assistant on a quarterly basis.
- 14.5 A copy of all Rechargeable Repairs invoices shall be retained by the ~~Finance Officer~~ Finance Assistant who shall produce a full reconciliation, at each quarter ~~—end~~, detailing date of issue, name, address, amount invoiced, payment date and closing balances.
- 14.6 The Aged debtor balance is reviewed on an annual basis and if required a write off report will be presented to the Management Committee for approval.

## 15 INSURANCE CLAIMS

- 15.1 The submission of all property insurance claims is the responsibility of the Property Services Team.
- 15.2 Whilst it is the responsibility of the Property Services Officer ~~(not Agent)~~ to advise and liaise with the loss adjuster on property claims, the ~~Property Services Co-ordinator~~Head of Development & Property Services and Agent, ~~Finance Officer~~Finance Assistant and the Director must be made aware, at the outset, of any potential material claims and be kept informed regarding progress.
- 15.3 It is the responsibility of the budget holder to code invoices in an appropriate manner in order to confirm, to finance, any invoices subject to a claim.
- 15.4 Copies of all claims should be retained by the Property Services Team ~~(not Agent)~~ in an Insurance Claims on electronic file which should contain a summary sheet detailing date of incident, date of claim, address, claim amount, payment received and date of receipt.
- 15.5 The ~~Finance Officer~~Finance Assistant should agree the balances outstanding at each month end with the trial balance control account for insurance claims. Any differences should be investigated and resolved promptly.
- 15.6 A claim is made by a staff member that does not arise from the Association's negligence this may be repudiated by the insurers. The insurers may subsequently accept a claim if the individual member of staff demonstrates that they cannot make a claim against their own insurance policy either because they have no policy or because their own insurers have confirmed in writing that they will not accept the claim.

## 16 PROPERTY SERVICES BUDGET REVIEW

- 16.1 The annual budget setting process will allocate the level of funds available for day to day, cyclical and major repair maintenance works.
- 16.2 The allocation of funds will exclude any salary costs, recoverable costs and overhead allocation and will refer solely to monies available for repairs by outside contractors.
- 16.3 Finance/Senior staff will liaise prior to the commencement of the financial year for the purposes of agreeing an annual maintenance/repairs plan to be submitted to Committee for approval.
- 16.4 The Property Services ~~Team~~Officer and Finance Team will maintain detailed project accounts for all major works, development works or where contractor payment is in instalments. This shall be updated on at least a monthly basis in collaboration with the ~~Finance Officer~~Finance Assistant to monitor actual spend on each project and identify any significant under or over spend.
- 16.5 The Property Services Team is responsible for ensuring that expenditure remains within budget and managing any significant variances. They are also responsible for providing sufficient explanation to the Finance Team for management accounts purposes. The Property Services ~~Team~~Officer must ensure that all contractors hold up to date and valid insurance cover.
- 16.6 Where it is expected that specific repair projects will exceed procurement policy limits the appropriate procedures as outlined in the Procurement Policy must be observed unless it is necessary to carry out the work immediately in order to prevent danger to life, limb or property.
- 16.7 Projections of cyclical maintenance/major repair works must be compiled under the control of the Director and Property Services Team. Currently the Association have a 30 year planned maintenance programme, which will be reviewed annually in order to allow incorporation of the financial effects into the revised long term financial projections.
- 16.8 There may be circumstances when the Management Committee may wish to deviate from the approved budget. Any decisions made must be recorded in the minute of the meeting and any subsequent variances from the original budget shall be noted through the normal quarterly management accounts.

## **17 RIGHT TO BUY SHARED EQUITY**

~~17.1~~ General procedures relating to ~~Right to Buy~~ Shared Equity sales are contained within the separate ~~RTB-SE~~ procedure guide retained by the Housing Management ~~and Property Services section~~ Teams.

~~17.2~~ Right to Buy applications are processed by the Finance Officer ~~Finance Assistant~~.

~~17.3~~ The Finance Officer ~~Finance Assistant~~ prepares reports on each RTB sale which is then included in the quarterly management accounts. Calculation of discount entitlement is carried out by the Finance Officer ~~Finance Assistant~~ and is then checked by the Housing Manager.

## **18 COMPONENT ACCOUNTING**

18.1 Programmes of work that will be capitalised will be determined annually within the annual budget, although priorities may change throughout the year, any changes must be agreed and approved by the Management Committee.

18.2 All information of replacements/disposals must be given to the Finance Officer ~~Finance Team Assistant~~; this includes the date of renewal/disposal and amounts.

18.3 The ~~Finance Officer~~ Finance Team Assistant will administer an excel database of all assets, replacements, disposals and depreciation calculations. The ~~Finance Officer~~ Finance Team Assistant is responsible for maintaining the component database, updating it ~~at least once a quarter~~ annually. The Finance Agent should ensure the accuracy of changes made to the database ~~on at least a quarterly basis~~ annually.

18.4 Journal entries must be posted annually for component replacements, disposals and the depreciation charge, once the database has been appropriately updated. The ~~Finance Officer~~ Finance Assistant will be responsible for producing the journal entry and this will be checked by the Finance Agent for review in line with component database.

## HILLHEAD HOUSING ASSOCIATION 2000

### FINANCIAL PROCEDURES - APPENDIX 1

#### AUTHORISATION LEVELS

##### 1. General Expenditure:

- a) Spend up to ~~£1,500~~£3,000 - All budget holders within their own budget areas.
- b) Spend ~~£33,001~~ to £5,000 - As above with the authorisation by the Director/~~Depute Director~~.
- c) Spend £5,001 to ~~£4015,000~~ - 3 written quotations to be received with approval required by the Director/~~Depute Director~~.  
(Quotations to be recorded in the Quotations Register)
- d) Over ~~£4015,000-001~~ - Full tender procedures apply.

##### 2. Property Services Authorisation:

#### AUTHORITY TO INSTRUCT WORKS

AMOUNT	DESIGNATION
Up to <del>£250</del> £500	Property Services Assistant/ <del>Property Services Officer</del>
<del>£251- Up to -</del> £1,500	Property Services Officer
£1,501 - £5,000	Property Services Officer with authorisation of <del>Property Services Co-ordinator</del> Head of Development & Property Services/ <del>Property Services Agent</del>
£5,001 - <del>£4015,000</del>	Invite 3 quotes
<del>£4015,001</del> and over	Formal tender procedures

#### AUTHORITY TO AUTHORISE INVOICES

AMOUNT	DESIGNATION
Up to £250	<del>Checked by Property Service Assistant ( Property Services) and then authorised by Property Services Officer</del>
<del>£251-£5,000</del> Up to £20,000	Checked by Property Services <del>Assistant/</del> Officer and then authorised by <del>Property Services Co-ordinator</del> Head of Development & Property Services <del>or</del> Property Services Agent

£ <del>5,000</del> <u>20,001</u> and over	Checked by Property Services Officer and then authorised by <del>Property Services Co-ordinator</del> <u>Head of Development &amp; Property Services or Property Services Agent</u>
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**3. Petty Cash:**

~~Finance Officer~~Finance Assistant- Authorise spend up to £250 ~~Spend up to~~

Plus Committee Expenses of any amount - providing claim form has been checked by the ~~Corporate Service Manager~~Head of Corporate Services/~~Finance Officer~~Finance Assistant.

All other disbursements to be checked by the ~~Corporate Service Manager~~Head of Corporate Services/Director/Depute Director.

**4. Credit Card:**

Spend up to £2,500 – Director

Spend up to £2,500 – ~~Property Services Co-ordinator~~Head of Development & Property Services

Spend up to £2,500 – ~~Corporate Services Manager~~Head of Corporate Services

The overall credit limit is £7,500 in any one month.

**5.** Payments relating to payroll (e.g. wages, Inland Revenue, Pensions Trust etc) will be determined by the reports produced by the payroll process.

**6. Virements** – Director up to £~~5,000~~15,000.

## HILLHEAD HOUSING ASSOCIATION 2000

### FINANCIAL PROCEDURES - APPENDIX 2

#### Cheque Signatories

Stephen Macintyre Director

Catherine McKiernan Depute Director

Stephen Tait Head of Development & Property Services

Amanda White Head of Corporate Services

Laura Tait Finance Assistant

Claire Taylor Chairperson

Lisa Scott Vice Chairperson

Stuart Niven Treasurer



## Agenda Item 6(i)

# Report

<b>Classification:</b>	Open
<b>To:</b>	Management Committee
<b>From:</b>	Stephen Tait
<b>Meeting Date:</b>	5 February 2020
<b>Subject:</b>	Development Report

### 1. Grant Planning Target (GPT) – 2019/2020

The GPT for 2019/20 is £0.443m. This includes grant for the CALA Homes development site and Stage 3 adaptations.

To date no spend or draw down has been achieved in relation to the CALA development.

Stage 3 medical adaptation Grant received has been noted within the Property Services Report.

### 2. Braes O' Yetts

As previously reported final handover of Phase 3 units took place on 16 September 2020. This included all of the 8 shared equity units. The final Shared Equity unit sale completed on 25 October 2020.

Overall sale receipts totalled £844,600.00 with equity stakes purchased at 60% (5 units) 61%, 65% and 67%. The agreed Scottish Government grant at tender stage based on all equity stakes at 60% was £319,552.00. With the final equity stakes/sales income being higher this means the final



approved Scottish Government grant for the shared equity units has been reduced to £296,952.54.

A claim for Stage 2 adaptation works carried out at both wheelchair units prior to handover has been approved by Scottish Government with a total payment of £6952.10 having been received.

The property services team continue to monitor defects and issue these for action by Barratt as required.

### **3. Cala Homes – Fauldhead & Chryston Road**

As previously reported the issue regarding the mitigation of noise from the neighbouring social club means the number of affordable housing units at the Fauldhead Road site will reduce from 60 to approximately 23. At a meeting on 30 October 2019 Ian Conway agreed to provide copies of the new proposed site layouts as soon as they become available, to date these have not been issued.

Ian also agreed to provide affordable housing unit cost information, house type drawings and contact details for the neighbouring site owned by Taylor Wimpey. Again none of this information has been received.

Ian indicated that the earliest he expected a planning application to be submitted would be January 2020.

Despite attempting to contact Ian Conway via e mail and telephone calls, at the time of writing the report no further updates have been issued. It is assumed therefore that the Planning Application has not yet been submitted, having searched EDC Planning Application portal, this appears to be the case.

As previously noted the SHIP has set aside an indicative grant allocation for these sites in 19/20 of £0.4M and £1M in 20/20. However a tender application cannot be submitted until the site layout and unit numbers have been confirmed. The Tender Application will determine the extent of private finance required.

At this stage it appears unlikely we will achieve any spend in 19/20.

### **4. Estate Based Regeneration Strategy**

P1 Solutions commenced work on site on 19 August 2019. To date phase one works have been completed within time scale and under budget which has allowed for some of the next phase fencing works to be brought forward.

The standard of work so far has been excellent with only some minor issues requiring to be addressed.

We have a site presence each day and our Property Services Officer has measured and agreed payments in total of £195,157 to date with additional fencing works still currently ongoing.

It has been noted that some changes have been made to the original works detailed in the architects' drawings, due to fencing deteriorating since the time of survey or in other instances fencing has been upgraded by tenants/owners. These changes are being closely monitored.

## **5. Wider Role Projects**

### **Wider Role & Community Regeneration Sub Committee**

As Committee are aware the new Wider Role & Community Regeneration Sub Committee now oversee all Wider Role Projects including:

- Community Garden Steering Group
- Canal Cycle Path
- Cycling Scotland
- Antonnie Wall Mural Project

A copy of the minutes the Sub Committee meeting which was held on 15 January 2020 are included within the papers.

#### Canal Cycle Path update

As noted within Directors Report.

#### Association Community and Gala Days

The Wider Role and Community Regeneration Sub Committee suggested that the Association should consider arranging another gala day. The Management Committee are requested to discuss this further. The committee would also like to arrange a community day in Spring, the focus of this day would be looking after your community to raise awareness of the littering in the area.

**Development Report prepared by  
Property Services Team  
29 January 2020**

<b>Regulatory Compliance</b>	<p>Standard 1 The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.</p> <p>Standard 2. The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.</p> <p>Standard 4, The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.</p>
<b>Financial Impact</b>	<p>Medium – The budget for the Environmental Works does not allow for significant variation</p> <p>Low - No legal and/or spend commitments have been made to the CALA development sites.</p>
<b>Risk Assessment</b>	<p>Low – Savings required relating to Environmental works may not be positively received by the Tenants, however it now seems unlikely this will be required.</p>

## Agenda Item 6(ii) Report

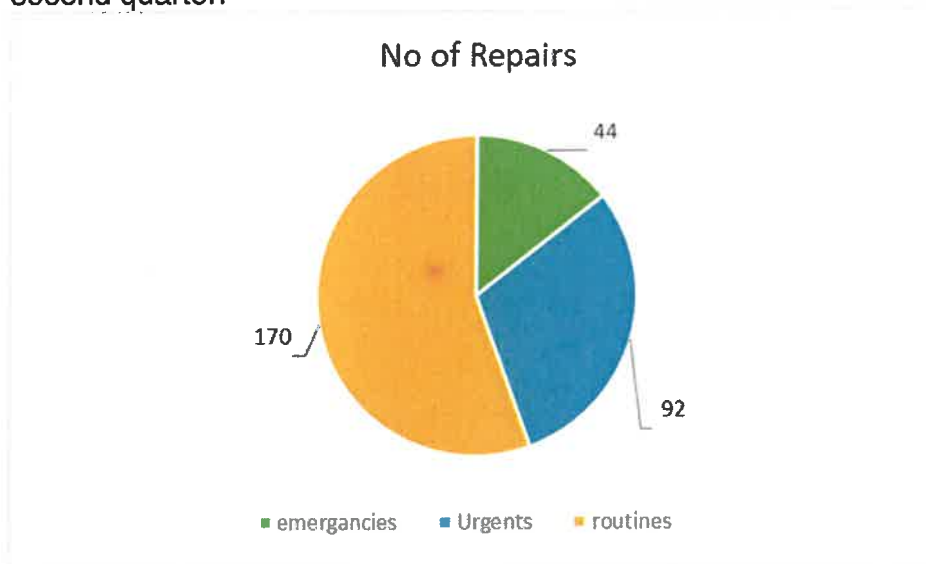
<b>Classification:</b>	Open
<b>To:</b>	Management Committee
<b>From:</b>	Stephen Tait
<b>Meeting Date:</b>	5 February 2020
<b>Subject:</b>	Maintenance Report

### 1. Reactive Repairs Contract – Rodgers & Johnston

**Q2 1 July 2019 to 30 September 2019**

	REPAIRS NOTIFIED	REPAIRS ON TIME	%AGE COMPLETED ON TIME	KPI
EMERGENCY	44	42	95.45	100%
URGENT	92	91	98.91	95%
ROUTINE	170	169	99.41	95%

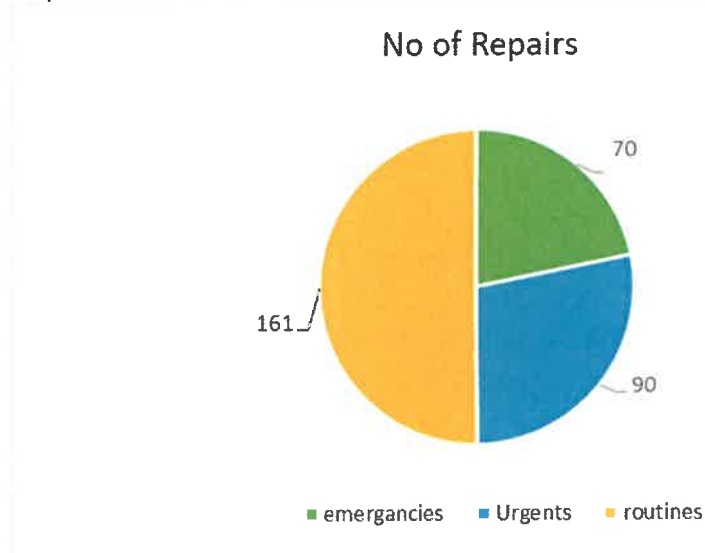
The pie chart below further demonstrates the split in repairs during the second quarter:



**Q3 1 October 2019 to 31 December 2019**

	REPAIRS NOTIFIED	REPAIRS ON TIME	%AGE COMPLETED ON TIME	KPI
EMERGENCY	70	68	97.14	100%
URGENT	90	89	98.89	95%
ROUTINE	161	160	99.38	95%

The pie chart below further demonstrates the split in repairs during the third quarter:



**Indicators Nos. 11 and 12**

The average length of time taken to complete emergency and non-emergency repairs during quarter 2 was as follows:

- Emergency Repairs 1 hour 15 Minutes
- Non-emergency Repairs 3 days

The average length of time taken to complete emergency and non-emergency repairs during quarter 3 was as follows:

- Emergency Repairs 1 Hour 14 Minutes
- Non-emergency Repairs 3 days

The Scottish Housing Regulator (SHR) has confirmed that the Scottish Average (SA) for completion of emergency repairs during 18/19 was 3.6 hours. Regarding non-emergency repairs, the SHR has confirmed that the SA time to complete a non-emergency repairs was 6.6 days. The Association's results therefore compare very favourably with the SA.

Management accounts for the year confirm the following spend:

	REACTIVE REPAIRS INCL VAT	BUDGET	VARIANCE
April	£10,764.39	£10,000	-£764.39
May	£16,230.24	£15,500	-£730.24
June	£6,649.57	£15,500	+£8,850.43
July	£13,295.99	£14,000	+£704.01
August	£23,841.11	£15,000	-£8,841.11
September	£16,932.15	£15,500	-£1,432.15
October	£16,877.22	£16,000	-£877.22
November	£13,492.03	£16,000	+£2,507.97
December	£14,219.85	£16,000	+£1,780.15
January			
February			
March			
<b>Total</b>	<b>£132,302.55</b>	<b>£133,500</b>	<b>+£1,197.45</b>

The above costs refer to the reactive contract only and do not include void costs or other reactive repairs completed by other contractors.

The table above confirms that actual spend to date is less than budgeted for this year.

Full details of all costs are reported per the Management Accounts, including costs to be recharged. Costs in relation to voids are reported elsewhere.

The number of reactive repairs carried out compared to the previous 2 years was as follows:

	2017/18	2018/19	2019/20
Q1	317	338	246
Q2	342	343	306
Q3	372	315	321
Q4	364	305	
<b>Total</b>	<b>1,395</b>	<b>1301</b>	<b>873</b>

The number of reactive repairs carried out to the end of Q3 of 2019/20 is therefore 13% less than the same period in the last financial year. The position will continue to be monitored over the coming months.

The total number of properties that became void to the end of December 2019 was 47 compared to 41 in the same period last year. Attached is a section of the simplified “voids spreadsheet” monitored by the Property Services Team.

The total spend on voids from 1 April 2019 to the 31 December 2019, including repairs, clearances and security was £80,883 compared to a budget figure of £100,944 for this period. The average spend on void properties is therefore £1,720 per unit.

## **Procurement**

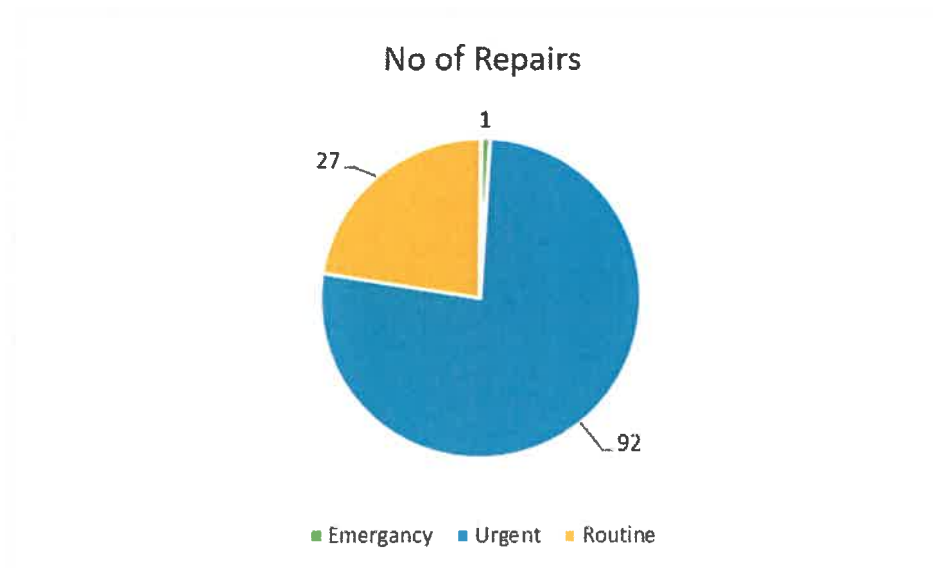
The current contract is due to end on 31 March 2020. We are currently advertising the new contract via Public Contracts Scotland. The closing date for submissions is 13 February 2020 with the procurement panel due to assess all submissions on 19 February 2020 from 10am. As this is a joint procurement exercise the panel will be made up of staff and committee from both Abonhill H.A and Hillhead H.A. It is requested that one committee member from each organisation sit on the panel.

## **2. Gas Services Maintenance Contract – James Frew**

### **Q2- 1 July 2019 to 30 September 2019**

	REPAIRS NOTIFIED	REPAIRS ON TIME	%AGE COMPLETED ON TIME	KPI
EMERGENCY	1	1	100%	100%
URGENT	92	92	100%	95%
ROUTINE	27	27	100%	95%

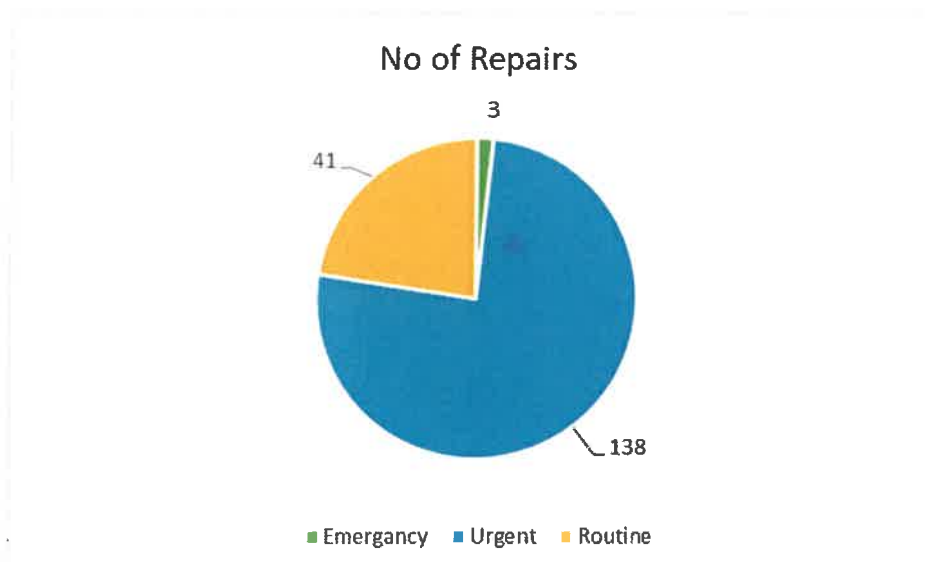
The pie chart further demonstrates the split in repairs during the second quarter:



**Q3- 1 October 2019 to 31 November 2019**

	REPAIRS NOTIFIED	REPAIRS ON TIME	%AGE COMPLETED ON TIME	KPI
EMERGENCY	3	3	100%	100%
URGENT	138	138	100%	95%
ROUTINE	41	38	92.68%	95%

The pie chart further demonstrates the split in repairs during the third quarter:





Indicators Nos. 11 and 12

Regarding the average length of time taken to complete emergency and non-emergency repairs the reporting period Q2, was as follows:

- Emergency Repairs 1 hour 19 minutes
- Non-emergency Repairs 2 days

Regarding the average length of time taken to complete emergency and non-emergency repairs the reporting period Q3, was as follows:

- Emergency Repairs 1 hour 13 minutes
- Non-emergency Repairs 2 days

As highlighted above, the gas contractor's performance in terms of completion times is also very favourable compared to the SA.

Management accounts for the year confirm the following:

	<b>GAS SERVICING &amp; REPAIRS INCL VAT</b>	<b>BUDGET</b>	<b>VARIANCE</b>
April	£10,574.49	£9,444	-£1,130.49
May	£13,822.44	£9,444	-£4,378.44
June	£12,525.61	£9,444	-£3,081.61
July	£9,859.12	£9,444	-£415.12
August	£9,501.21	£9,444	-£57.21
September	£9,459.87	£9,444	-£15.87
October	£7,917.52	£9,444	+£1,526.48
November	£8,991.99	£9,444	+£452.01
December	£10,014.94	£9,444	-£570.94
January			
February			
March			
<b>Total</b>	<b>£92,667.19</b>	<b>£84,996</b>	<b>-£7,671.19</b>

The table above confirms that actual spend to date is slightly more than budgeted for. However as detailed within previous reports, the number of services completed each month can vary significantly.

The above figures include for servicing of boilers, testing of smoke alarms and CO detectors, as well as reactive repairs. One-off costs in relation to new heating systems or boilers are reported elsewhere within the management accounts by the finance section.

Regarding servicing of gas boilers the current situation is as follows:

**Indicator No. 15**

	Number of houses	%
Houses with gas appliances (All Stock)	823	100%
Houses with valid CP12 certificates	823	100%
Houses with valid CP12 certificates where service is complete (All Stock)	813	98.8%
Houses where gas supply capped and CP12 certificate received	10	1.2%
Houses where CP12 certificate was overdue (serviced or capped)	0	0

Of the 10 properties where the gas supply has been capped, these are regularly monitored.

**External Gas Servicing Audits**

With regard to external audits, the following confirms the number of audits carried out during the year:

Quarter	No. Of Services	No. Of Audits	% audited
Q1	250	27	11%
Q2	161	22	14%
Q3	175	11	6%
Q4			
<b>Total for year to date</b>	<b>586</b>	<b>60</b>	<b>10%</b>

No concerns were raised within the Q2 gas audit reports, we are still to receive the report for Q3. Access for Q3 visits was limited however as per our policy we continue to meet the 10% audit target overall.

**3. Repairs Right First Time – Indicator 13**

The number of repairs completed right first time is collated for the ARC and will be reported at a later date.

**4. Average Number of Reactive Repairs completed per occupied property – Indicator C13**

The average number of reactive repairs completed per occupied property will be confirmed after the year end as in previous years.

## 5. Pre and Post Inspections

The level of pre-inspections carried out during the quarter was as follows:

MONTH	NO. OF REPAIRS	NO. OF PRE-INSPECTIONS	%AGE INSPECTED
April	118	35	30%
May	101	54	53%
June	90	40	44%
July	139	30	22%
August	121	23	19%
September	125	18	14%
October	114	33	30%
November	108	28	26%
December	109	30	27%
January			
February			
March			
Total	1025	291	28%
Average/month	114	32	28%

The average level of pre-inspections carried out during Q1- Q3 was 28% compared to the target of 15%. (Please note that inspections are not carried out to emergency repairs or “out-of-office hours” repairs).

The level of post-inspections carried out during the quarter was as follows:-

MONTH	NO. OF REPAIRS	NO. OF POST INSPECTIONS	%AGE INSPECTED
April	177	23	12%
May	153	52	34%
June	138	51	37%
July	169	22	13%
August	158	27	17%
September	154	23	15%
October	161	25	16%
November	171	38	22%
December	161	33	20%
January			
February			
March			
Total	1442	294	20%
Average/month	160	33	20%

An average of 20% post inspections were carried out during Q1- Q3 compared to the target of 15% within the policy. (Please note that post inspections are carried out to emergency repairs as well as repairs notified during "out-of-office" hours). The post inspections carried out again showed that the quality of workmanship was to a high standard.

## **6. Landscape Maintenance Contract**

McDermott Contracts Ltd have recently been taken over by Nurture Landscapes Ltd. This is a similar situation to a previous contract, when JMK Groundcare who provided landscaping services to the Association were taken over by Nurture.

The terms of the takeover agreement mean that many of McDermott employees have been transferred to Nurture and will remain working on our contract, should it be extended.

Considering McDermott performance over the growing season, it is fair to suggest there were a number of areas where we could look for improvement, this was also the case previously when Nurture were the incumbent contractor.

The agreed contract period is due to run for a further two years maximum (pending review at the end of each growing season). The terms of the contract will remain the same, including the rates.

Having reviewed the tender report following the procurement exercise in both 2016 and 2019 the current rates are less than what was paid during the 2016-2018 contract period. The 2019 procurement exercise saw Nurture placed 3<sup>rd</sup> from 8 bidders when considering quality/price.

It is recommended that the Landscape Maintenance Contract be extended for a further 1 year (over the growing period). Staff will engage early with the Nurture supervisory team and clearly detail the standards expected. We will carefully monitor Nurtures performance over the growing season to try to ensure standards are being met and maintained.

Committee are asked to approve the recommendation to extend the Landscape Maintenance Contract for a further year (growing season). The final year extension will be dependent on performance.

## **7. Cyclical Works**

### **Electrical Testing**

The number of properties due to be tested during 19/20 is 263. This has been split into 4 phases. To date 154 properties have been tested. The

contractor has noted that access is proving difficult to arrange. In an attempt to complete as many tests as possible if the contractor is unable to gain access it may be prudent to attempt to arrange the electrical test on the same day as the gas service. Progress will continue to be monitored.

### **Carbon Monoxide Detector checks**

CO detectors continue to be tested by James Frew at the time of gas servicing.

### **Smoke Alarm Testing**

James Frew continues to test smoke alarms at the time of gas servicing.

## **8. Stage 3 Medical Adaptations – Indicator No. 22**

The budget allocated by Scottish Government for adaptations in financial year 2019/20 is £43,000. The current position is as follows:

No. of referrals received	18
No of adaptations requested	19
No. completed	12
No. issued (awaiting completion)	2
Awaiting quote	3
Cancelled	2

A referral for a major adaptation has been received. An architect has been appointed to carry out feasibility works and will submit sketch proposals to the planning department for pre-application guidance.

Grant received to date for quarter 1 and 2 equals £9,311.82. A claim for £7,979.95 has been submitted for Q3. Approximately £12,656 worth of work has been issued in Quarter 4 and we are still awaiting 3 quotes which is likely to mean we spend all our grant allocation.

## **9. Insurance Claims**

There are currently no claims active with the insurers.

**10. Tenant satisfaction Survey – Indicator No. 16**

Tenants' responses for Q2 are as follows:

	Very satisfied	Fairly satisfied	Neither satisfied nor dissatisfied	Fairly dissatisfied	Very dissatisfied	Don't know/no Opinion/ No Answer
Quality of the work:-	58	4	2	0	0	1
Quality of the repair service provided by the Association:-	49	4	0	0	0	12

Tenants' responses for Q3 are as follows:

	Very satisfied	Fairly satisfied	Neither satisfied nor dissatisfied	Fairly dissatisfied	Very dissatisfied	Don't know/no Opinion/ No Answer
Quality of the work:-	60	5	0	0	2	0
Quality of the repair service provided by the Association:-	53	3	0	0	1	10

Since late October 2018 tenant satisfaction surveys have been issued to all tenants who have indicated via text (Deeplake System) that they wish to take part. Although this has reduced the number of questionnaires issued the percentage returned has increased as demonstrated within the table for Q2 & Q3.

Q2	TSS issued following text request
No issued	100
No returned	65
% returned	65%

Q3	TSS issued following text request
No issued	89
No returned	67
% returned	75%

Taking account of the returned forms in Q2 and Q3, 99% of tenants were satisfied with the repairs service. Any tenants reporting dissatisfaction were subsequently contacted by a member of the Property Services team. This compares very favourably with the Scottish Average reported by the SHR at 91.7% for 2018/19.

#### **11. Repairs Appointments Kept – Indicator No. 14**

The following table confirms the number of appointments made and the number kept (per information provided by the tenants) during Q1 – Q3:

<b>QUARTER</b>	<b>No. of Appointments made by contractors</b>	<b>No. of Appointments kept</b>	<b>% of Appointments kept</b>
Q1	30	29	97%
Q2	54	52	96%
Q3	52	52	100%
Q4			
<b>Total</b>	<b>136</b>	<b>133</b>	<b>98%</b>

The SHR has now confirmed that the SA during 18/19 was 95.6%. The Association's average is currently 97.79%.

#### **13. Remedial Works – Phase 6 Windows**

A recent report received from Janex Windows has confirmed the following

- 84 windows have been replaced over 47 addresses
- 3 addresses are proving difficult to access where 5 windows are to be fitted

We anticipate there may be additional windows that require to be replaced, following full survey of addresses that remain outstanding.

#### **14. Scottish Housing Quality Standards – Indicators C24 – 29 inclusive and 7 and 8**

There remains only one property that does not meet the SHQS due to the tenant refusing the works. The SHR has confirmed that the Scottish Average in terms of SHQS compliance during 18/19 was 94.2%. The Association's compliance to date is 99.9% of the stock (Indicator 7).

## 15. EESSH

The number of properties now known to comply with EESSH, is as follows:

- Number of properties within the scope of the EESSH- 830 (810)
- Properties known meeting the EESSH standard - 713 (336)
- Properties unknown if meeting the EESSH standard – 117 (474)

The numbers highlighted in red above are the figures reported in the first EESSH return i.e. 41% meeting the standard. The number of properties now known to meet the EESSH is 85.90%. As previously confirmed, work is ongoing in order to identify the total number of properties meeting the standard. Number of properties within the scope of EESSH had previously reduced due to Right to Buy sales, however the 6 properties bought via the ROTS scheme are included as well as the 22 properties at BOYs in the figures meaning the numbers have increased.

## 16. New Fire & Carbon Monoxide Detection Regulations

Training has been provided by AICO and our Estates Staff are now AICO approved installers. This has allowed us to carry out upgrade works in house. Resulting in more control of the programme and budget.

To date 330 properties are now up to standard, this includes the B.O.Y development. Our in house team continue to install new alarms.

The cost for our in house team to upgrade properties to the new standard, range from £166 to £205 per property depending on house type and current installation.

The programme is ongoing with a view to ensure all properties meet the standard by February 2021.

**Report prepared by  
Property Services Team  
29 January 2020**

<b>Regulatory Compliance</b>	Standard 1 The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.  Standard 4, The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.
<b>Financial Impact</b>	Medium – Overspend at Quarter End is not of material significance Voids continue to be within budget, however it is anticipated this will rise by the end of Q4
<b>Risk Assessment</b>	Medium. Ongoing control and monitoring of Budgets ensures that risks of overspend are minimised. Medium – Contractors performance in relation to timescales, Right First Time are favourable against Scottish Average.



	Medium - Janex Window Replacement, although works have been progressed, tenants may be unhappy with requiring new windows so soon after original installation. Although programme almost complete.
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Keys Received Date	Void Inspection date	Date Passed to HM	Days with PM
24/07/18			
20/05/19	21/05/2019	31/05/2019	11
13/02/19			
01/04/19	02/04/2019	27/06/2019	87
19/06/19	19/06/2019	28/06/2019	9
23/04/19	23/04/2019	02/05/2019	9
04/06/19	04/06/2019	07/06/2019	3
29/04/19	30/04/2019	13/05/2019	14
11/06/19	11/06/2019	26/06/2019	15
28/05/19	28/05/2019	16/10/2019	141
30/05/19	30/05/2019	17/06/2019	18
23/05/19	23/05/2019	30/05/2019	7
10/06/19	10/06/2019	18/06/2019	8
16/05/19	16/05/2019		
28/06/19	28/06/2019	08/07/2019	10
08/04/19	08/04/2019	07/08/2019	121
23/04/19	23/04/2019	10/05/2019	17
07/06/19	10/06/2019	31/07/2019	54
03/04/19	10/04/2019	18/04/2019	15
30/08/19	30/08/2019	13/09/2019	14
06/08/19	06/08/2019	23/08/2019	17
05/08/19	06/08/2019	21/08/2019	16
16/07/19	16/07/2019	22/08/2019	37
02/07/19	02/07/2019	09/07/2019	7
16/07/19	17/07/2019	12/09/2019	58
10/08/19	12/08/2019	21/08/2019	11
19/08/19	19/08/2019	04/09/2019	16
21/08/19	21/08/2019	06/09/2019	16
08/10/19	08/10/2019	24/10/2019	16
25/07/19	25/07/2019	08/11/2019	106
30/08/19	30/08/2019	10/09/2019	11
28/11/19	28/11/2019	19/12/2019	21
21/10/19	21/10/2019	24/10/2019	3
04/10/19	04/10/2019	16/10/2019	12
28/10/19	30/10/2019	17/12/2019	50
07/10/19	07/10/2019	05/12/2019	59
22/10/19	23/10/2019	05/12/2019	44
13/11/19	14/11/2019	20/11/2019	7
28/10/19	29/10/2019	07/11/2019	10
02/12/19	08/10/2019	18/12/2019	16

08/11/19	08/11/2019	27/11/2019	19
11/11/19	11/11/2019	22/11/2019	11
21/11/19	21/11/2019	04/12/2019	13
18/11/19	18/11/2019	25/11/2019	7
25/11/19	27/11/2019	23/12/2019	28
04/12/19	07/12/2019		
23/12/19	07/01/2020	15/01/2020	23
06/12/19	06/12/2019	11/12/2019	5
11/12/19	12/12/2019	10/01/2020	30

**Comment if >10 days**

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Property with housing - works complete

major structural work required - awaiting building warrant and SP works  
woodworm in bathroom

new bath and new back door

Clear out plus earthing + paint work (remove 59 days major repairs safety)

Major works dampness in property and artex to be removed job order issued to test artex 30/4/19 artex removed 10/5/19. damp proofing works required issued 26/6/19 completed

Death, orbis clear out property, awaited for quote, clear out completed 5/07/2019, 18 days From clear out. (remove 14 calendar days to remove items per technical guidance)

Problem with earthing in property, Electric works delayed handover by 7 days, (7 days excluded per technical guidance safety)

Problem with earth and scottish power, Void works completed in 10 days but had to wait for S.P works to do electric test (remove 27 days major repairs safety)

Problem with earth and scottish power, Void works completed in 10 days but had to wait for S.P works to do electric test (remove 48 days major repairs safety)

Major plaster works, plaster walls in bathroom and hall and bedroom  
delay to get gas meter reset

Major works and Décor works, full house re-decorated new window install

Problem With Flu At boiler  
email 24/1/19 @16.17

dampness in property in kitchen and bedroom due to condensation build up at chimney in loft, ceilings and walls will require drying out period

Earthing Problems Reported before house became void, works completed 29/11/2019 (remove 54 days major repairs safety)

rotwork in bathroom survey job order issued 23/10/19, works complete 22/11/19. Asbestos backboard to be encapsulated work issued to test 23/10/19 work completed 14/11/19 (remove 31 days major repairs safety)  
keys handed in 3.30pm

Dampness in property due to condensation

Problem getting power on in house at start and Gary and Toms workload  
Décor was bad, Tenant given Décor allowance

Orbis to clear out, requested 25/11/2019,cleared,30/11/2019. Décor to be done  
Orbis to clear out,requested on 5/12/2019 as took photos of property,clear out compl 17/12/19

Deafening problems