Yoker Housing Association Limited

Business Plan 2019 / 2020 / 2021 / 2022 / 2023 / 2024

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Yoker Housing Association Limited
Incorporated on the 15th of June 1979
2310 Dumbarton Road, Yoker, Glasgow G14 0JS

FCA Registration No. 1998(R)S
Registered with The Scottish Housing Regulator No. HAL 208
Scottish Charity No. SC 036604

Contents

1.0 Introduction

The management committee and staff of Yoker Housing Association Limited (the Association) have produced this Business Plan to set out our vision, mission, values, objectives and plans for the five years through to the end of March 2024.

This Business Plan will inform the relationships we have with tenants and other residents with whom we have day-to-day contact as well as funders, regulatory bodies and others who have a direct or indirect interest in our work. We (the management committee) will review and update this Business Plan on an annual basis.

In producing this Business Plan we have taken account of the Scottish Housing Regulator's "Recommended Practice" on business planning published in December 2015.

2.0 Purpose of this Business Plan

The purpose of the Business Plan is to:

- Help us to understand the opportunities and threats in our operating environment as well as our own internal strengths and weaknesses.
- Set out our key strategic objectives and the actions we will take to deliver them.
- Confirm that we have the resources necessary to carry out these actions, identifying or mitigating any risks to the delivery of these actions.
- Provide a framework with which we can monitor our progress and measure our success in achieving our objectives.

3.0 The Business Planning Process

The key stages in developing this Business Plan are as follows.

- the business planning timetable is agreed
- data is collected and strategic analysis is undertaken
- our vision, values and strategic objectives are reviewed
- an action plan for the years ahead is prepared
- risks to the delivery of the plan are assessed
- business plan and budget are approved in draft
- consultation is carried out
- final business plan is approved subject to the outcome of consultation
- objectives and targets are communicated to staff
- monitoring and review takes place

Our business planning approach has changed to address regulatory compliance concerns raised following an independent review carried out during 2019. The business planning process was therefore on this occasion condensed and the business planning timetable shortened to ensure the plan was completed within a reasonable timeframe.

The business plan is closely linked to our approach to asset management, finance and risk. Major changes in our approach in these areas can have a significant impact on delivery of our overall business plan. Therefore, we must ensure that the business plan takes account of any change in approach in these areas. We have incorporated our asset management strategy and risk management strategy within our business plan to reflect this interdependence.

We will formally review our Business Plan on an annual basis with the next review scheduled for the summer of 2020.

4.0 Consultation

In preparing the Business Plan, we consulted key stakeholders including our tenants and other residents and our own staff. Their feedback was used to inform the final content and format of the plan.

Tenant consultation was facilitated through the Association's website where the business plan was made available to all interested parties. We issued a circular to all local residents making them aware of the consultation exercise and the availability of the business plan for review. On the day the circular was issued and the subsequent day, website traffic increased by around four hundred percent and three hundred percent respectively. This suggested that the circular had been effective in raising interest from those tenants and other residents who had access to the internet.

The circular also provided notice of an "open day" held at the Association's offices where staff and committee representatives would be available to answer questions and obtain feedback. This facilitated access to those residents who did not have internet access or did not wish to provide feedback through the Association's website. The option of providing the business plan in an alternative format was taken up by one tenant.

The feedback obtained from the consultation was highly supportive of the Association's approach and of the overall vision and values within the business plan. Without exception, all those who attended the open day expressed the view that the Association should continue on its current path and endorsed its strategic objectives.

About Us

1.0 Constitutional arrangements

Yoker Housing Association Limited is a co-operative and community benefit society registered with the Financial Services Authority (Registration No. 1998(R)S) and a recognised Scottish charity registered with the Office of the Scottish Charity Regulator (Registration No. 036604). The Association was incorporated on the 15th of June 1979 and is registered with the Scottish Housing Regulator as a Registered Social Landlord (Registration No. HAL208).

The Association is a community-based housing association controlled by a management committee constituted mainly of local residents and operating primarily in the Yoker area within the City of Glasgow. Operating from its registered office within a mile of almost all of its customers, the Association is very much at the heart of the local community.

2.0 Management structure

The Association is managed by a non-executive board of trustees – the Management Committee – who meet formally at least eight times each year. The primary function of the Management Committee is to agree strategic objectives, the policies to be adopted in achieving those objectives and to review performance against those objectives while ensuring good governance of the Association and its assets.

At the date of compiling this plan the Association had 312 members. All new tenants and owners are encouraged to become members of the Association as a matter of routine and to ensure that the Association's membership remains representative of the community it serves. Staff also ensure that those who express an interest in joining the Management Committee are actively encouraged to do so through initial discussion with a senior member of staff or the Chairperson of the Association.

The Management Committee play no role in the day-to-day operations of the Association. This function is fulfilled by executive staff employed for the purpose. Our staff team is led by Christopher Forrest (Director) who has been with the Association for over twenty-five years. His background is in finance and information technology. Christopher is supported by Lesley Bryce (Senior Property Services Officer) and Kevin Freeman (Senior Housing Services Officer). Lesley has been with the Association for over thirty-two years. Her background is in property development and refurbishment. Kevin has been with the Association for over seventeen years. His background is in housing management. The Association currently employs a total of 11 staff members.

The current management and staff structure is summarised and attached at Section 19.

3.0 Our housing stock

The Association was formed in response to the poor housing conditions found within tenement housing stock in the local area. This formed the catalyst for action by local residents, supported by Glasgow City Council, to deal with a problem which had been created by years of neglect and lack of investment primarily by absentee landlords.

The Association currently has a total housing stock of 639 units acquired on a piecemeal basis over the course of the last forty years. Most of this stock is red sandstone tenement property acquired and modernised under a programme of comprehensive tenement improvement between 1979 and 2008. A total of 500 housing units are categorised as improved tenement properties. In addition to these improved units, the Association currently has 2 unimproved tenement properties.

The majority of the Association's other housing stock takes the form of "new build" housing units with the oldest of these being a 46-unit scheme completed in 1986. In 2009, the Association completed two further "new build" developments comprising a total of 68 housing units and in 2010 a further 15-unit scheme was completed. This provides the Association with a total of 129 "new build" housing units.

The Association's current housing stock is completed by the inclusion of 8 properties acquired under the Scottish Governments "Mortgage to Rent" Scheme.

A more detailed analysis of the Association's current housing is attached at Section 20.

4.0 Our achievements

Since its formation, the Association has helped to transform the local community it serves through the physical regeneration of the local environment. This has been a catalyst for upward social mobility, the regeneration of local business, higher levels of owner-occupation and bringing back into use many homes that had fallen into disuse and disrepair.

4.0 Our achievements (Continued)

The Association has been a vehicle for capital investment of over fifty million pounds and has used its own revenues for environmental improvements and re-investment in local housing stock through planned and reactive maintenance.

The Association invested in new office premises almost ten years ago in recognition of the inaccessibility of its previous premises. This not only removed physical barriers to access for tenants and other users but has also facilitated financial inclusion through regular weekly money advice surgeries in partnership with Drumchapel Money Advice services.

In partnership with the Scottish Government and the Association's maintenance and development contractors, it has also provided employment opportunities to almost thirty young people over the last five years. As a result of the training provided, more than half have gone on to obtain permanent full-time employment in the construction industry.

At the end of March 2019, except for two exempt unimproved properties, all the Association's 639 homes had achieved the Scottish Housing Quality Standard and the 2020 Energy Efficiency Standard for Social Housing.

All this has been achieved without burdening current and future tenants with loan debt and while maintaining rents at levels that are affordable and amongst the lowest charged nationally.

5.0 Our strengths

In preparation of the Business Plan, we have identified our current strengths. We are keen to build on these as we develop the Association over the lifetime of the Business Plan and beyond. These include:

<u>Our people</u>
We have successfully refreshed our management committee in recognition of the fact that many of our previous committee members were approaching retirement. We have ensured that those who understand our customers best – local tenants and residents – continue to represent the strongest voice on our management committee. Management committee and staff are engaged and open to further learning and development opportunities. Staff are well qualified and reliable – we have very low staff turnover and very low illness absence.

<u>Community based</u>
We firmly believe that the best run organisations are those that remain close to the users of their services. Being based in our local community keeps us in touch with and accessible to our tenants and other customers.

<u>Our asset management</u>
Our properties meet the Scottish Housing Quality Standard and Energy Efficiency Standard for Social Housing 2020 and we provide a responsive and efficient repair service to our customers.

<u>Financial strength</u>
We are in a strong financial position with a low cost base, no debt and enough cash reserves to fund our current development plans and planned investment in existing properties.

<u>Rent levels</u>
Our rents are affordable to our tenants and are amongst the lowest by comparison to those charges by other Registered Social Landlords – both locally and nationally. This also provides us with significant "head-room" to increase rent levels in real terms should this be required to meet financial demands in the future.

<u>Our systems</u>
We have excellent bespoke systems for collecting and processing data which are not reliant upon specialist providers, are flexible and are maintained in-house at minimal cost.

5.0 Our strengths (Continued)

Maintenance
Service delivery is strong in all areas with levels of tenant satisfaction, key performance indicators, audit and budget performance reflecting that strength.

Customer satisfaction
We receive persistently high levels of satisfaction for the services we provide across all areas of our activities. In most cases these remain well above the national averages.

Voids
When properties become vacant we carry out any necessary repair works and re-allocate the properties within very short timescales – maximising the use of our assets and reducing the risk of rent loss and vandalism.

6.0 Our weaknesses

In preparation of this Business Plan, we have also identified our current weaknesses and where we need to strengthen our business over the lifetime of the Business Plan. These include:

Our people
We recognise that we have a very small, highly skilled and highly paid staff team, some of whom are already eligible for early retirement and could retire within the life of this Business Plan. While our succession planning process will ensure that we have or can replace most of these skills with existing personnel, we recognise that there will be an inevitable loss of experience and that some of these skills may have to be acquired externally. In these circumstances, we have the resource potential and capacity to make appropriate interim arrangements should that be necessary.

Regulatory engagement
Since 2017 we have had medium engagement with the Scottish Housing Regulator concerning our governance of the Association. This has culminated in a recent report that identified weaknesses in our compliance with the guidance that underpins Regulatory Standards. We recognise that we may have been too focussed upon operational performance and outcomes in the past.

We are now working towards addressing the identified weaknesses and changing our focus away from operational matters to develop a more strategic approach moving forward.

Our systems
While seen as a strength, the fact that we have bespoke systems that require specialist skills and knowledge is also seen as a weakness –it exposes us to risk if such knowledge is lost. We have recognised this weakness and have put in place training and development that will distribute this specialist knowledge and skill to a wider range of staff throughout the Association.

Our housing stock
We recognise that most of our housing stock takes the form of old red sandstone tenements which are expensive to manage and maintain. While the Association has majority ownership in many of these tenement buildings, there are a significant number of tenements where our ownership is in the minority. This presents challenges for the maintenance of these buildings at a time when many of their components may be approaching the end of their useful lives.

Rent levels
Our rent levels remain amongst the most affordable both locally and nationally. However, there is continued pressure from our funders to increase rent levels in order to reduce the capital cost of development. There is the possibility that our low rent levels may become an obstacle to the development of affordable housing in the future.

7.0 Opportunities

As well as considering the strengths and weaknesses of the Association, we have also considered the opportunities that we may be able to take over the course of the next five years and beyond. These include:

Land acquisition for new build housing
The Association has identified the former site of Yoker Primary School as a suitable site for development and is currently carrying out a feasibility study into the possibility of developing up to sixty housing units on the site. This has been built into our financial planning model.

Completion of local tenement refurbishment
There remain seven unimproved tenement closes within the local area. These are in a serious state of disrepair and in many cases have been abandoned by their owners due to the failure to obtain agreement to carry out common improvements. The Association will continue to make representation on behalf of residents in an effort to obtain funding to support comprehensive tenement improvement through private sector grant and social housing grant funding.

Tenement property acquisitions
Property acquisitions that enable the Association to obtain majority ownership within tenement closes where we already have an interest will continue to be pursued. Where social housing grant funding for such acquisitions can be obtained then we will take the opportunity to pursue such acquisitions and ensure that we have increased control over the repair and maintenance of common areas.

New committee members
The Association will continue to take the opportunity to refresh and enhance the membership of the management committee with a view to introducing people with new skills and experience that can strengthen the overall governance capacity of the management committee.

Regulatory engagement
The Association's current level of regulatory engagement with the Scottish Housing Regulator is also viewed by the Association as an opportunity. It has been recognised that the Association's approach to meeting the Regulatory Standards of Governance and Financial Management has fallen short of the expectations of the Scottish Housing Regulator in terms of compliance. The move towards compliance in advance of publishing our first Annual Assurance Statement is seen as an opportunity for existing committee members and staff to embed new methods and develop new skills.

8.0 Threats

Current threats to the delivery of our plans include the following.

Regulatory engagement
Continued medium levels of regulatory engagement are not only a weakness and an opportunity but also constitute a threat to the delivery of the Association's plans. Resources are inevitably re-directed from day-to-day operations to deal with requests for information and there is the risk that regulatory engagement can escalate with a corresponding impact upon our development programme and costs associated with high levels of engagement.

The Association hopes to mitigate this threat by complying with the guidance that underpins the Regulatory Standards of Governance and Financial Performance as quickly as is reasonably practicable.

Limited local development opportunities
Although there are currently sites available for development in the local area, these are limited. This restricts the capacity for the Association to continue to reduce unit costs, improve productivity levels and meet the continuous improvement in efficiencies that are expected.

Unless the Association considers development out-with its traditional areas of operations there is limited scope to deal with this threat.

8.0 Threats (Continued)

Mixed tenure

The carrying out of repairs and maintenance to existing housing stock is a key aspect to the delivery of the Association's strategic objectives. In many cases this work involves the repair and maintenance of common areas within our tenement stock. Where the Association is in minority ownership, the carrying out of common repairs can be difficult without the approval of sharing owners. This represents a real threat to the ability of the Association to maintain its own housing stock and meet the expectations of tenants.

The Association is actively looking to acquire additional housing stock in closes where it has minority ownership in order to limit this threat in the longer term.

Welfare reform

In common with all Registered Social Landlords, a significant proportion of the Association's income takes the form of direct housing payments. Changes in welfare benefits and the introduction of Universal Credit is a potential threat to the certainty of that income source. Delays in processing claims can lead to tenants getting into arrears of rent with consequences for the recoverability of the arrears and the costs of collection in terms of management resources.

The Association is less exposed to this threat than many as direct housing payments currently represent around forty percent of our rent collected. Nonetheless we will continue to monitor the level of our arrears with a view to allocating additional resources if there is a clear indication of a problem.

Committee turnover

The Association has experienced a high level of turnover in recent years as many long-standing committee members have retired and some new committee members have been unable to continue due to work commitments, family commitments or health reasons. While the Association continues to actively encourage local representation, it is recognised that high levels of turnover do not give confidence to our regulators and we must do more to discourage applications for membership that are not sustainable.

We are actively trying to address this issue by ensuring that those that express an interest in joining the management committee are made fully aware of the commitment required including the learning and development requirements of the role.

Brexit

The continued uncertainty surrounding the consequences of Brexit and in particular a no-deal Brexit, represent a significant threat to all business entities at this time. The exact nature of the impact on the Association is difficult to predict but it is likely to have an inflationary impact in the construction and construction supply sector which is in turn likely to impact upon our maintenance costs. Our own analysis suggests that it may also have an impact on housing demand from certain minority European ethnic groups.

The Association's financial position appears robust in these circumstances with stress testing suggesting that the Association's financial position remains resilient even when faced with significant and long-term increases in maintenance costs.

The demand for housing also appears resilient with current demand out-stripping supply by around ten times annual turnover of available stock.

9.0 Conclusion

The Association is currently going through a period of change and this will involve continuing effort by both the management committee and staff to see it through. We have identified the key weaknesses and the threats to the delivery of our plans but remain positive that we have the necessary underlying core strengths to meet these challenges and take advantage of opportunities as they arise.

Our Vision

Affordable homes … simply delivered

This simple statement reflects the Association's overall approach and ethos.

In delivering affordable homes, we adopt a simple and straightforward business model. We don't consider our sector to be complicated … we build and develop homes, allocate them to those in need, collect rent and carry out maintenance. We believe the services of a Registered Social Landlord such as us can be simply delivered!

Our Mission Statement

"To provide good quality, affordable housing and housing related services to those in the greatest housing need"

Our Values

As a non-profit making organisation, registered charity and community controlled registered social landlord, our values are important both to us and to our principal stakeholders. We have therefore considered carefully what our core values currently are and should aspire to be in developing the Business Plan. Those values are:

- Accountability
- Approachability
- Community
- Excellence
- Fairness
- Honesty
- Integrity
- Openness
- Sustainability

Our Operating Environment

1.0 Introduction

The Association does not operate in isolation and in developing our business plan we have considered the wider operating environment using a PESTEL analysis. Some aspects of our operating environment will have a greater impact upon our plans than others. Some of the main factors are detailed below.

2.0 The economy

The economy of Scotland and of the United Kingdom continues to grow. This growth is expected to remain relatively low with estimates of around 1.0% to 1.5% for Scotland projected for 2019.

The main threat to the economy of Scotland and the United Kingdom remains the United Kingdom's exit from the European Union – the impact and the uncertainty around the timing of the departure present major challenges to many businesses – particularly those who rely upon migrant labour and those involved in both the import and export of goods from and to the European Union. These issues are not likely to have a significant direct impact upon the Association.

However, construction and maintenance costs for both material and labour may be subject to inflationary pressures and as such we have tested the robustness of our financial projections to account for these potential inflationary shocks.

The Association's financial strength, absence of loan debt and high levels of demand for its housing mean that it is well placed to deal with the economic shocks that might flow from a United Kingdom "no deal" exit from the European Union.

3.0 Welfare reform

The role out of Universal Credit and welfare reform in general has been slower than originally anticipated. It remains the stated aim of the United Kingdom government to role out welfare reform despite the clear challenges and criticism from many sectors.

The Association is better placed than most Registered Social Landlords to deal with the impact of welfare reform as it is rolled out across the country. With less than 41% of income generated from direct housing payments, the Association has the 34th lowest dependency upon direct housing payments out of the 185 other RSLs and local authorities in Scotland.

4.0 Fire safety

The tragic events of Grenfell Tower in June 2017 continue to influence fire safety policy today. The Scottish Government has introduced new fire safety regulations that will come into force during the life of this business plan. These involve supplementing existing smoke alarms with interlinked heat sensors and the installation of carbon monoxide sensors where these are not already present.

The Association has included these measures within its plans and included them within the budgeted expenditure for the first two years of the Business Plan.

5.0 Pension liabilities

The reduction in long-term interest rates that has persisted since 2008 has had a profound impact upon pension provision. Many organisations in both the public and private sector have been unable to sustain their commitment to provide a guaranteed sum in retirement for their employees. This has resulted in many employers restricting their defined benefit pension schemes to existing employees and closing their scheme to new entrants. Some employers have had no choice but to close their scheme to future accrual for both existing employees and new entrants.

The Association recognises the value placed upon the provision of a defined benefit pension by its staff but acknowledges that this valued benefit presents a measure of risk to the Association as an employer. While the financial projections within this Business Plan adopt prudent assumptions in terms of the financial commitments that may be expected, the Association will continue to review the affordability of providing this staff benefit and is committed to carrying out an independent review into affordability every three years.

6.0 Fuel poverty and energy efficiency

The cost of energy is an on-going issue for those on low incomes. The move away from gas central heating systems to electricity will present challenges at a time when demand on electrical infrastructure is increasing as Scotland moves towards a carbon neutral economy.

The Association is currently developing passive houses with a view to reducing fuel poverty and helping the Scottish Government on its way to achieving carbon neutral status. However, the technology remains expensive and this has an impact on the cost of construction.

With pressure on social housing grant capital subsidy levels there is pressure to increase rent levels with a view to reducing the capital grant element. Providing passive houses to address fuel poverty could therefore lead to higher, more unaffordable rents which of course simply changes the nature of the poverty. It is hoped that as the technology further develops the Association will be able to build more homes to passive house standard without compromising the affordability of rent levels.

7.0 Regulation

The Association faces an increasing burden of regulation not only from the Scottish Housing Regulator but also as a result of the General Data Protection Regulation and the extension of the Freedom of Information (Scotland) Act to include Registered Social Landlords.

It is recognised that this can create a disproportionately greater burden upon smaller organisations such as ourselves. It remains to be seen whether the Association will be able to maintain rents at levels as affordable as they currently are as the full cost of meeting regulations is met.

8.0 Conclusion

The Association is operating in a dynamic environment and faces competing pressures for resources at a time of great economic uncertainty. However, it faces these challenges from a position of financial strength with low rents, high levels of customer satisfaction and a programme of investment that requires no borrowing for the foreseeable future.

Our Strategic Objectives

1.0 Financial management, corporate governance & corporate sustainability

To ensure that Yoker HA Ltd's work is underpinned by effective financial administrative and management processes within a framework of effective corporate governance

2.0 Human resources and health and safety

To ensure that Yoker HA Ltd has sufficiently trained and experienced committee members, suitably qualified staff and satisfies all health, safety and environmental requirements and legislation

3.0 Resident participation and communication

To actively support resident engagement and communication in the management, maintenance and development of their homes

4.0 Housing management service and tenancy sustainment

To provide a quality customer service experience to tenants and factored owners which supports sustainable tenancies and delivers customer satisfaction

5.0 Reactive and planned maintenance services

To invest in existing housing stock to ensure that Yoker HA Ltd continues to provide good quality housing

6.0 Acquisition, construction and adaptation of homes

To contribute to the supply of quality affordable and sustainable homes where financially viable

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Strategic Objectives - Performance Monitoring Measures

Strategic objectives - Compliance 2019 / 2020		Qtr to 30 Jun	Qtr to 30 Sep	Qtr to 31 Dec	Qtr to 31 Mar	TREND	Year-To-Date
Strategic Objective 1 Financial Management, Corporate Governance & Corporate Sustainability	To ensure that Yoker HA Ltd's work is underpinned by effective financial administrative and management processes within a framework of effective corporate governance	70.0%					70.0%
Strategic Objective 2 Human resources and health and safety	To ensure that Yoker HA Ltd has sufficiently trained and experienced committee members, suitably qualified staff and satisfies all legislative, health, safety and environmental requirements	66.7%					66.7%
Strategic Objective 3 Resident participation and communication	To actively support resident engagement and communication in the management, maintenance and development of their homes	87.5%					87.5%
Strategic Objective 4 Housing management service and tenancy sustainment	To provide a quality customer service experience to tenants and factored owners which supports sustainable tenancies and delivers customer satisfaction	50.0%					50.0%
Strategic Objective 5 Reactive & planned maintenance services	To invest in existing housing stock to ensure that Yoker HA Ltd continues to provide good quality housing	83.3%					83.3%
Strategic Objective 6 Acquisition, construction and adaptation of homes	To contribute to the supply of quality affordable and sustainable homes where financially viable	42.9%					42.9%

Key:

= Improving trend - positive quarterly result
= No trend - neutral quarterly result
= Deteriorating trend - negative quarterly result

High level of compliance with strategic objectives	Medium level of compliance with strategic objectives	Low level of compliance with strategic objectives

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Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Financial Statements Return Statistics) (AFSR)		Out-turn 2018 / 2019	Performance indicators 2019 / 2020					Target 2019 / 2020	Comments
				Q1	Q2	Q3	Q4	YTD		
Strategic Objective 1 *To ensure that Yoker HA Ltd's work is underpinned by effective financial administrative and management processes within a framework of effective corporate governance*	01.	Current Ratio (SHR)	2.8	3.2				3.2	3.3	Cash at bank is yet to reach the budgeted figure for the year as a whole. It is anticipated that the cash target for the year will be met and that the current ratio target will be achieved.
	02.	Current Ratio (excluding deferred social housing grants)	8.9	11.7				11.7	12.4	
	03.	Debt per unit	£0	£0				£0	£0	No borrowings currently anticipated.
Financial Management, Corporate Governance & Corporate Sustainability Measured by 10 KPIs reported quarterly	04.	Staff costs / turnover	14.27%	13.65%				13.65%	14.04%	Staff costs lower than anticipated due to the receipt of £3,000 employment allowance from HMRC. Turnover higher than expected due to receipt of unanticipated People and Communities Fund (PCF) Grant
	05.	Staff costs / turnover (excluding deferred grant income)	19.80%	18.44%				18.44%	19.44%	
	06.	Management & maintenance administration costs per unit	£1,099	£1,050				£1,050	£1,052	No material difference between budget and performance for the first quarter of the current year.
	07.	Reactive repair costs per unit	£518	£394				£394	£500	Due to seasonal factors, reactive maintenance costs are lower than budgeted for Q1. This is likely to continue into Q2 but be reversed into Q3 and Q4.
	08.	Planned repair costs per unit	£286	£124				£124	£542	The majority of planned maintenance expenditure is due to be incurred in Q3 and Q4 with survey work and procurement processes being completed in Q1 and Q2. Consequently the Association has an underspend in Q1.
	09.	Staff costs / unit	£710	£690				£690	£722	See comments for KPIs 04 & 05 above.
	10.	Minimum cash balance	£2.58m	£3.74m				£3.74m	£3.61m	Minimum cash balance higher than anticipated as Q1 expenditure lower and corresponding surplus higher than budgeted.

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Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Financial Statements Return Statistics) (AFSR)		Target	Performance indicators 2019 / 2020							Projected Out-turn	Comments
			2019 / 2020	Q1	Q2	Q3	Q4	TREND	Year-to-Date		2019 / 2020	
Strategic Objective 1 *To ensure that Yoker HA Ltd's work is underpinned by effective financial administrative and management processes within a framework of effective corporate governance*	01.	Current Ratio (SHR)	3.3	3.2				↑	3.2	✗	3.3	Target not yet met for year but positive trend and target expected to be met or exceeded.
	02.	Current Ratio (excluding deferred social housing grants)	12.4	11.7				↑	11.7	✗	12.4	See comments for KPIs 01 above.
	03.	Debt per unit	£0	£0				→	£0	✓	£0	Target met. Trend is flat as no change from Q4 of prior year.
Financial Management, Corporate Governance & Corporate Sustainability Measured by 10 KPIs reported quarterly	04.	Staff costs / turnover	14.04%	13.65%				↑	13.65%	✓	14.04%	Target met and positive trend relative to prior year out-turn. Anticipate meeting or achieving target for year.
	05.	Staff costs / turnover (excluding deferred grant income)	19.44%	18.44%				↑	18.44%	✓	19.44%	
	06.	Management & maintenance administration costs per unit	£1,052	£1,050				↑	£1,050	✓	£1,052	Target met with the positive trend reflecting improvement over out-turn figures for previous year. Anticipate achieving target for year.
	07.	Reactive repair costs per unit	£500	£394				↑	£394	✓	£500	Although positive trend and within target - seasonal factors likely to reverse trend in subsequent quarters. However anticipate achieving target for year.
	08.	Planned repair costs per unit	£542	£124				↓	£124	✗	£542	Below target for Q1 and negative trend relative to prior year out-turn. However remain on schedule to achieve target for year.
	09.	Staff costs / unit	£722	£690				↑	£690	✓	£722	See comments for KPIs 04 & 05 above.
	10.	Minimum cash balance	£3.61m	£3.74m				↑	£3.74m	✓	£3.74m	Target met for year and expected to be exceeded as cash flows anticipated to be positive for Q2 to Q4.

Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)		Out-turn 2018 / 2019	Performance indicators 2019 / 2020					Target 2019 / 2020	Comments
				Q1	Q2	Q3	Q4	YTD		
Strategic Objective 2 *To ensure that Yoker HA Ltd has sufficiently trained and experienced committee members, suitably qualified staff and satisfies all health, safety and environmental requirements and legislation*	11.	Minimum number of committee members	14	12				12	10	Currently above minimum with possibility of introducing new committee members through AGM or advertising to meet any skills gaps identified through SHARE committee training and development report.
	12.	Committee meeting attendance levels during the year	62%	63%				63%	75%	Improvement on out-turn figures for 2018 / 2019 but below target. Committee need to improve attendance by attending at least three out of every four meetings.
	13.	Committee members meeting minimum eight hours training per annum	60%	69%				69%	75%	Improvement on 2018 / 2019 out-turn but below the current year target. Training courses booked over the next few months will increase the numbers achieving the minimum required training.
	14.	Percentage of staff turnover during the year	0.00%	0.00%				0.00%	0.00%	No staff changes during the year-to-date.
	15.	Staff absence days lost as a percentage of days available	0.84%	1.22%				1.22%	2.49%	Attributable to one staff member who had 7 days of illness absence to attend hospital and recover from surgery.
	16.	Gas safety checks undertaken and completed by the anniversary due date	99.52%	100.00%				100.00%	100.00%	All gas safety checks completed by their anniversary due date during Q1.
Human resources and health and safety Measured by 9 KPIs reported quarterly	17.	Number of failed accesses for gas safety checks	0	0				0	0	Access gained to all properties for the carrying out of their gas safety checks.
	18.	Number of forced entries for gas safety checks	2	1				1	0	One forced entry - Association was able to contact tenant prior to action but tenant stated that he was away from home and would not be able to facilitate access.
	19.	Number of breaches of Health and Safety legislation within the office premises	0	0				0	0	No health and safety breaches reported or identified from office inspection.

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Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)		Target 2019 / 2020	Performance indicators 2019 / 2020							Projected Out-turn 2019 / 2020	Comments
				Q1	Q2	Q3	Q4	TREND	Year-to-Date			
Strategic Objective 2 *To ensure that Yoker HA Ltd has sufficiently trained and experienced committee members, suitably qualified staff and satisfies all health, safety and environmental requirements and legislation*	11.	Minimum number of committee members	10	12				↓	12	✓	12	Target met for year but negative trend attributable to loss of two committee members since Q4 of previousyear.
	12.	Committee meeting attendance levels during the year	75%	63%				↑	63%	✗	72%	Trend is positive based on prior year out-turn but below target for Q1. Projected out-turn based upon achieving targets for Q2 to Q4.
	13.	Committee members meeting minimum eight hours training per annum	75%	69%				↑	69%	✗	75%	Target not met for Q1 but positive trend means target expected to be met by year end.
	14.	Percentage of staff turnover during the year	0.00%	0.00%				→	0.00%	✓	0.00%	Target for year met in Q1 and no movement from prior year gives flat trend.
	15.	Staff absence days lost as a percentage of days available	2.49%	1.22%				↓	1.22%	✓	1.22%	Target met in Q1 but negative trend relative to prior year out-turn. Projected out-turn based upon Q1 experience but still within target for year.
	16.	Gas safety checks undertaken and completed by the anniversary due date	100%	100%				↑	100%	✓	100%	Target met and positive trend reflecting improvement over prior year. Anticipate achieving 100% target for year.
Human resources and health and safety	17.	Number of failed accesses for gas safety checks	0	0				→	0	✓	0	Target met and trend flat as unchanged from prior year out-turn.
Measured by 9 KPIs reported quarterly	18.	Number of forced entries for gas safety checks	0	1				↓	1	✗	1	Target not met and negative trend reflects movement from prior year. Projected out-turn reflects Q1 performance.
	19.	Number of breaches of Health and Safety legislation within the office premises	0	0				→	0	✓	0	Target met and flat trend as no Health and Safety breaches in Q1 or in out-turn for prior year.

Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)		Out-turn 2018 / 2019	Performance indicators 2019 / 2020					Target 2019 / 2020	Comments
				Q1	Q2	Q3	Q4	YTD		
Strategic Objective 3 *To actively support resident engagement and communication in the management, maintenance and development of their homes*	20.	Tenant representation on the Association's management committee	82%	85%				85.37%	80%	Above target - no further action required at this time.
	21.	Owner-occupier representation on the Association's management committee	7.1%	7.3%				7.3%	10%	Below target - one owner-occupier representative currently on management committee - two required to meet target.
	22.	Percentage of 1st Stage Complaints resolved within required timescale	100.00%	100.00%				100.00%	100%	All 5 complaints resolved within target timescales.
	23.	Percentage of 2nd Stage Complaints resolved within required timescale	100.00%	NULL				NULL	100%	No second stage complaints received during Q1.
Resident participation and communication Measured by 8 KPIs reported quarterly	24.	Percentage of 1st Stage Complaints upheld	50.00%	40.00%				40.00%	50%	2 out of 5 complaints upheld.
	25.	Percentage of 2nd Stage Complaints upheld	33.33%	NULL				NULL	50%	No second stage complaints received during Q1.
	26.	Number of formal complaints upheld by the Scottish Public Services Ombudsman	0	0				0	0	No formal complaints made to or upheld by the Scottish Public Services Ombudsman.
	27.	Customers satisfied with service received from staff when reporting repairs	95.92%	100.00%				100.00%	98%	Of the 22 tenants who responded in the survey, all were either very satisfied or fairly satisfied with the service received.

Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)		Target 2019 / 2020	Performance indicators 2019 / 2020 Q1	Q2	Q3	Q4	TREND	Year-to-Date		Projected Out-turn 2019 / 2020	Comments
Strategic Objective 3 *To actively support resident engagement and communication in the management, maintenance and development of their homes*	20.	Tenant representation on the Association's management committee	80%	85.37%				↑	85.37%	✓	85.37%	Target met at end of Q1 and positive trend relative to prior year out-turn. Projected out-turn based upon Q1 experience.
	21.	Owner-occupier representation on the Association's management committee	10%	7.30%				↑	7.30%	✗	6.67%	Target not met at end of Q1 but positive trend relative to prior year out-turn. Projection based upon full committee and only one owner-occupier representative.
	22.	Percentage of 1st Stage Complaints resolved within required timescale	100%	100.00%				→	100.00%	✓	100.00%	Target met in Q1 and flat trend as maintained performance from previous year.
	23.	Percentage of 2nd Stage Complaints resolved within required timescale	100%	NULL				→	NULL	✓	100.00%	Target met by default in Q1 as no 2nd stage complaints received. Projected out-turn anticipates that any 2nd stage complaints will be resolved within target.
Resident participation and communication Measured by 8 KPIs reported quarterly	24.	Percentage of 1st Stage Complaints upheld	50%	40.00%				↑	40.00%	✓	40.00%	Target met and positive trend relative to prior year out-turn. Projected out-turn reflects Q1 experience.
	25.	Percentage of 2nd Stage Complaints upheld	50%	NULL				→	NULL	✓	50.00%	See comment at KPI 23 above.
	26.	Number of formal complaints upheld by the Scottish Public Services Ombudsman	0	0				→	0	✓	0	Performance met and trend flat as consistent with prior year out-turn.
	27.	Customers satisfied with service received from staff when reporting repairs	98%	100.00%				→	100.00%	✓	99.50%	Target met in Q1 and positive trend reflected in improved performance relative to prior year out-turn.

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Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)		Out-turn 2018 / 2019	Performance indicators 2019 / 2020					Target 2019 / 2020	Comments
				Q1	Q2	Q3	Q4	YTD		
Strategic Objective 4 *To provide a quality customer service experience to tenants and factored owners which supports sustainable tenancies and delivers customer satisfaction*	28.	New tenants satisfied with quality of information when signing-up for their property	100.00%	100.00%				100.00%	100%	All 5 of the tenants who responded to the questionnaire were either very or fairly satisfied.
	29.	New tenants who felt terms of tenancy were explained well when signing-up for their property	100.00%	100.00%				100.00%	96%	All 5 of the tenants who responded to the questionnaire were either very or fairly satisfied.
	30.	Re-let times - all stock	6.91 Days	10.18 Days				10.18 Days	5.00 Days	3 properties greater than two weeks - 33 days recovery of possession - 26 days abandonment - 15 days poor condition required new kitchen. Excluding these - 5.43 days average for remaining eight properties.
	31.	Void rent loss	0.14%	0.16%				0.16%	0.10%	Increased void rent loss as a result of under-performance in re-let times - see KPI 30 above comment.
	32.	Rent arrears	3.41%	3.46%				3.46%	3.00%	Above target for Q1 - adjusting for outstanding Universal Credit (UC) receipts, this figure would reduce to 3.41%.
Housing management service and tenancy sustainment Measured by 10 KPIs reported quarterly	33.	Proportion of rent collected received by direct payment of housing costs	41.09%	37.72%				37.72%	40.00%	Reduction in receipt of direct payment costs during Q1 has contributed to achieving target. This may be a timing impact of the introduction of UC.
	34.	Rent collected as a percentage of total rent due	100.33%	97.45%				97.45%	100.00%	An increase in arrears of rent together with a reduction in rent prepaid during Q1 has resulted in the Association recovering less than 100% of the rent due for the quarter.
	35.	Percentage of anti-social complaint cases resolved within target timescales	100.00%	100.00%				100.00%	100.00%	1 anti-social behaviour complaint resolved within target timescale during Q1.
	36.	Percentage of tenancy offers refused	22.03%	35.00%				35.00%	25.00%	7 of 20 offers in Q1 refused: 3 due to property location; 1 due to change in circumstances; 1 due to parking restrictions; 1 accepted another offer of housing; 1 withdrew application to stay with dependent.
	37.	Percentage of tenancies sustained for more than one year	95.65%	100.00%				100.00%	95.00%	8 tenancies out of 8 created in Q1 of 2018 / 2019 sustained for more than one year.

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Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)		Target	Performance indicators 2019 / 2020							Projected Out-turn	Comments
			2019 / 2020	Q1	Q2	Q3	Q4	TREND	Year-to-Date		2019 / 2020	
Strategic Objective 4 *To provide a quality customer service experience to tenants and factored owners which supports sustainable tenancies and delivers customer satisfaction*	28.	New tenants satisfied with quality of information when signing-up for their property	100%	100%				⇨	100%	✓	100%	Target met with flat trend consistent with prior year out-turn results.
	29.	New tenants who felt terms of tenancy were explained well when signing-up for their property	96%	100%				⇨	100%	✓	97%	Target met with flat trend consistent with prior year out-turn results. Projection informed by Q1 out-turn.
	30.	Re-let times - all stock	5.00 Days	10.18 Days				⇩	10.18 Days	✗	6.30 Days	Target not met. Negative trend relative to prior year out-turn results. Projection informed by Q1 out-turn.
	31.	Void rent loss	0.10%	0.16%				⇩	0.16%	✗	0.12%	Target not met. Negative trend relative to prior year out-turn results. Projection informed by Q1 out-turn.
	32.	Rent arrears	3%	3.46%				⇩	3.46%	✗	3.12%	Target not met. Negative trend relative to prior year out-turn results. Projection informed by Q1 out-turn.
Housing management service and tenancy sustainment Measured by 10 KPIs reported quarterly	33.	Proportion of rent collected received by direct payment of housing costs	40%	37.72%				⇧	37.72%	✓	39.43%	Target met and positive trend relative to prior year out-turn. Projected out-turn for year informed by Q1 results.
	34.	Rent collected as a percentage of total rent due	100%	97.45%				⇩	97.45%	✗	99.40%	Target not met. Negative trend relative to prior year out-turn results. Projection informed by Q1 out-turn.
	35.	Percentage of anti-social complaint cases resolved within target timescales	100%	100%				⇨	100%	✓	100%	Target met with flat trend consistent with prior year out-turn results.
	36.	Percentage of tenancy offers refused	25%	35%				⇩	35%	✗	28%	Target not met and negative trend relative to prior year out-turn results. Projected out-turn informed by Q1 results.
	37.	Percentage of tenancies sustained for more than one year	95%	100%				⇧	100%	✓	96%	Target met and positive trend relative to prior year out-turn. Projected out-turn for year informed by Q1 results.

Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)		Out-turn 2018 / 2019	Performance indicators 2019 / 2020					Target 2019 / 2020	Comments
				Q1	Q2	Q3	Q4	YTD		
Strategic Objective 5 *To invest in existing housing stock to ensure that Yoker HA Ltd provides good quality housing*	38.	Average length of time to complete emergency repairs	1.73 Hrs	0.97 Hrs				0.97 Hrs	2.00 Hrs	Performance in Q1 is well within the target for the year and represents an improvement on the out-turn performance for the previous year.
	39.	Emergency repairs completed within target response times	96.90%	100.00%				100.00%	100.00%	29 out of a total of 29 emergency repairs were completed within the target response time in Q1.
	40.	Average length of time to complete non-emergency repairs	0.89 Days	0.66 Hrs				0.66 Hrs	2.00 Days	Performance in Q1 is lower than the target for the year and is an improvement on the out-turn performance for the previous year.
Reactive and planned maintenance services Measured by 12 KPIs reporting quarterly	41.	Non-emergency repairs completed within target response times	99.89%	100.00%				100.00%	100.00%	388 out of a total of 388 non-emergency repairs were completed within the target response time in Q1.
	42.	Reactive repairs completed right first time	99.09%	99.74%				99.74%	99.00%	1 out of a total of 388 non-emergency repairs were completed "right first time". This Q1 performance is within target for the year and an improvement on the previous year out-turn figure.
	43.	Tenant satisfaction with reactive repairs service (in-house surveys)	95.92%	100.00%				100.00%	95.00%	Of the 22 tenants who returned a survey form in Q1, all 22 said that they were either satisfied or very satisfied with the reactive repairs service provided.
	44.	Tenants satisfied with the standard of their home on taking up new tenancy (in-house surveys)	88.89%	60.00%				60.00%	92.50%	3 of the 5 tenants were either very or fairly satisfied - the remaining 2 tenants were neither satisfied nor dissatisfied.
	45.	Planned maintenance actual spend measured against budgeted spend	53.13%	25.75%				25.75%	100.00%	Underspend relates almost entirely to remedial works contract at 18 Drysdale Street - works anticipated to commence in Q1 will not commence until Q2 following completion of procurement process.
	46.	Planned maintenance works completed measured against programmed	88.00%	100.00%				100.00%	100.00%	Works programmed to be completed in Q1 were completed.
	47.	Proportion of housing stock meeting SHQS by year end	99.69%	99.69%				99.69%	99.69%	All lettable stock now meet standard - two exempt properties mean 637 out of 639 total meet standard.
	48.	Proportion of housing stock meeting EESSH by year end	99.69%	99.69%				99.69%	99.69%	All lettable stock now meet standard - two exempt properties mean 637 out of 639 total meet standard.
	49.	Average number of reactive repairs completed per property available for let during the year	2.98	2.44				2.44	2.72	388 repairs in Q1 carried out - lower than target and improvement on prior year out-turn figures but likely seasonal element influencing the performance.

Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)		Target	Performance indicators 2019 / 2020							Projected Out-turn	Comments
			2019 / 2020	Q1	Q2	Q3	Q4	TREND	Year-to-Date		2019 / 2020	
Strategic Objective 5 *To invest in existing housing stock to ensure that Yoker HA Ltd provides good quality housing*	38.	Average length of time to complete emergency repairs	2.00 Hrs	0.97 Hrs				↑	0.97 Hrs	✓	1.74 Hrs	Positive trend relative to prior year out-turn. Target met in Q1 and projected out-turn for current year expected to exceed target.
	39.	Emergency repairs completed within target response times	100%	100%				↑	100%	✓	100%	Positive trend relative to prior year out-turn. Target met in Q1 and projected out-turn for current year expected to exceed target.
	40.	Average length of time to complete non-emergency repairs	2 Days	0.66 Days				↑	0.66 Days	✓	1.67 Days	Positive trend relative to prior year out-turn. Target met in Q1 and projected out-turn for current year expected to exceed target.
Reactive and planned maintenance services Measured by 12 KPIs reporting quarterly	41.	Non-emergency repairs completed within target response times	100%	100%				↑	100%	✓	100%	Positive trend relative to prior year out-turn. Target met in Q1 and projected out-turn for current year expected to exceed target.
	42.	Reactive repairs completed right first time	99%	99.74%				↑	99.74%	✓	99.19%	Positive trend relative to prior year out-turn. Target met in Q1 and projected out-turn for current year expected to exceed target.
	43.	Tenant satisfaction with reactive repairs service (in-house surveys)	95%	100%				↑	100%	✓	96%	Positive trend relative to prior year out-turn. Target met in Q1 and projected out-turn for current year expected to exceed target.
	44.	Tenants satisfied with the standard of their home on taking up new tenancy (in-house surveys)	92.5%	60%				↓	60%	✗	84%	Target not met. Negative trend relative to prior year out-turn and may not achieve annual target based upon Q1 results.
	45.	Planned maintenance actual spend measured against budgeted spend	100%	25.75%				↓	25.75%	✗	81.44%	Target not met. Negative trend relative to prior year out-turn figures. Expenditure in Q2 to Q4 so may yet meet or exceed the projected out-turn and achieve target for year.
	46.	Planned maintenance works completed measured against programmed	100%	100%				↑	100%	✓	100%	Target met and positive trend based on prior year out-turn performance. Programmed work on target to be completed by year end.
	47.	Proportion of housing stock meeting SHQS by year end	99.69%	99.69%				→	99.69%	✓	99.69%	Target met with flat trend reflecting no change from prior year performance. Projection reflects maximum possible performance based upon current housing stock.
	48.	Proportion of housing stock meeting EESSH by year end	99.69%	99.69%				→	99.69%	✓	99.69%	Target met with flat trend reflecting no change from prior year performance. Projection reflects maximum possible performance based upon current housing stock.
	49.	Average number of reactive repairs completed per property available for let during the year	2.72	2.44				↑	2.44	✓	2.65	Target met with a positive trend relative to prior year out-turn. However seasonal variation may impact on performance and projected out-turn.

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)		Out-turn 2018 / 2019	Performance indicators 2019 / 2020					Target 2019 / 2020	Comments
				Q1	Q2	Q3	Q4	YTD		
Strategic Objective 6 *To contribute to the supply of quality affordable and sustainable homes where financially viable*	50.	Open market property acquisitions	1	0				0	0	No suitable tenement acquisition opportunities have arisen to date.
	51.	Percentage of Stage 3 Adaptations budget expended	75.95%	0.00%				0.00%	100.00%	No adaptations budget spend in Q1 - claims for work in Q1 will be made in Q2.
	52.	Average time in days taken to complete medical adaptations (in days)	39.80 Days	20.00 Days				20.00 Days	35.00 Days	1 adaptation requested and completed during Q1 well within target.
Acquisition, construction and adaptation of homes Measured by 7 KPIs reported quarterly	53.	Percentage of approved medical adaptations completed	83.3%	20.00%				20.0%	100.0%	1 of 5 adaptations requested were completed in Q1. Remaining 4 requested towards the end of Q1 and will be completed in Q2.
	54.	Percentage of Scottish Government funded capital budget (excluding Stage 3 Adaptations) expended	32.6%	4.65%				4.65%	100.0%	£77,925 out of a total budget of £1,676,000 spend in Q1. Anticipate accelerated spend in subsequent quarters as Blawarthill Hospital site development progresses.
	55.	New / refurbished homes - site starts	19	0				0	0	No new site starts anticipated in 2019 / 2020.
	56.	New / refurbished homes - completions	0	0				0	19	No completions in Q1.

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Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)	Target 2019 / 2020	Performance indicators 2019 / 2020							Projected Outturn 2019 / 2020	Comments
			Q1	Q2	Q3	Q4	TREND	Year-to-Date			
Strategic Objective 6 *To contribute to the supply of quality affordable and sustainable homes where financially viable*	50. Open market property acquisitions	0	0				↓	0	✓	0	No specific target so target met by default. Negative trend reflects movement relative to prior year.
	51. Percentage of Stage 3 Adaptations budget expended	100%	0%				↓	0%	✗	100%	Below target in Q1 but pipeline work carried out will be claimed in Q2 and demand likely to exceed available funds for year so target expected to be met.
	52. Average time in days taken to complete medical adaptations (in days)	35 Days	20 Days				↑	20 Days	✓	31 Days	Target achieved for Q1 and projected out-turn based upon Q1 experience. Positive trend reflects improvement over prior year out-turn.
Acquisition, construction and adaptation of homes Measured by 7 KPIs reported quarterly	53. Percentage of approved medical adaptations completed	100%	20%				↓	20%	✗	100%	Below target for Q1 but approvals towards end of Q1 will be completed in Q2. Anticipate achieving target for year. Q1 trend reflects comparison with prior year.
	54. Percentage of Scottish Government funded capital budget (excluding Stage 3 Adaptations) expended	100%	4.65%				↓	4.65%	✗	100.00%	Target not met for Q1 due to delayed progress of Blawarthill Hospital site. Expenditure profile back-end loaded so projected out-turn currently remains achievable.
	55. New / refurbished homes - site starts	0	0				↓	0	✓	0	No anticipated site starts so target met by default. Negative trend reflects movement relative to prior year.
	56. New / refurbished homes - completions	19	0				→	0	✗	4	Target of 19 completions unlikely due to delays in commencement of site start for new build element of Blawarthill Hospital site.

1.0 Introduction

The Association's approach to benchmarking performance is to consider both a local and national context.

It is recognised that the Association is in a competing market for customers and that the Association's main "competitors" are other local housing providers operating primarily to the west of the City of Glasgow – in and adjacent to the Dumbarton Road corridor. Accordingly, the Association benchmarks performance against the following Registered Social Landlords (RSLs).

- Cernach Housing Association Limited
- Charing Cross Housing Association Limited
- Clydebank Housing Association Limited
- Dalmuir Park Housing Association Limited
- Drumchapel Housing Co-operative Limited
- Glasgow Housing Association Limited
- Glasgow West Housing Association Limited
- Kendoon Housing Association Limited
- Kingsridge Cleddans Housing Association Limited
- Partick Housing Association Limited
- Pineview Housing Association Limited
- Trafalgar Housing Association Limited
- Whiteinch & Scotstoun Housing Association Limited
- Yorkhill Housing Association Limited

In addition, the Association benchmarks performance against similarly sized RSLs. This benchmarking group includes all RSLs nationally with between 600 and 700 self-contained housing units. The following RSLs are included within this benchmarking group.

- ANCHO Limited
- Cadder Housing Association Limited
- Dalmuir Park Housing Association Limited
- Easthall Park Housing Association Limited
- Lochaber Housing Association Limited
- Lochalsh & Skye Housing Association Limited
- North View Housing Association Limited
- Ore Valley Housing Association Limited
- West Whitlawburn Housing Co-operative Limited

However, it is recognised that focusing purely on size and locality could potentially skew performance comparisons as these may not provide adequate assessment against the wider RSL network. The Association therefore also benchmarks performance nationally against all RSLs* and against the Scottish average*.

*[As published in the Annual Return on the Charter (ARC) and Annual Financial Statements Return (AFSR) by the Scottish Housing Regulator (SHR).]

2.0 Key Performance Benchmarks

Benchmarking data is used to measure performance across a wide range of performance targets linked to the Association's strategic objectives and detailed below. This section benchmarks key performance data against the Scottish averages as follows.

- Rent levels
- Voids
- Rent arrears
- Bad debts written off
- Staff costs / turnover
- Management and maintenance administration
- Repairs and maintenance
- Debt per unit

The benchmarking data is derived from the latest available ARC data published by the SHR and covers the twelve-month period to the end of March 2018.

2.1 Rent Levels

The Association had an average weekly rent per unit in 2017 / 18 of £67.99 which was well below the national average of £76.23. The Association ranks nationally in the **first quartile**, having the 19th lowest rent level in comparison to the other **186 RSLs and local authorities**.

2.2 Voids

For the year to the end of March 2018, rent loss from void properties amounted to 0.16% of total rental income, significantly below the national average of 0.85%. The Association was ranked nationally in the **first quartile**, having the 34th lowest rent loss from voids in comparison to the other **186 RSLs and local authorities**.

2.3 Rent Arrears

At the 31st of March 2018, the Association had rent arrears amounting to 3.7% of rent receivable for the year then ended. This compared favourably with the national average of 5.41% and meant that the Association was ranked 97th in comparison to the other **186 RSLs and local authorities**. This placed the Association within the **median quartile** for rent arrears.

2.4 Bad Debts Written Off

For the year to the end of March 2018, bad debts written off amounted to 0.2% of total rental income, significantly below the national average of 0.75%. The Association was ranked nationally in the **first quartile**, having the 22nd lowest rent loss from bad debts in comparison to the other **157 RSLs** ranked in the published statistics.

2.5 Staff Costs / Turnover

Staff costs as a proportion of turnover for the year ending the 31st of March 2018 amounted to 12.8% - significantly lower than the national average of 23.0%. This ranked the Association with the 11th lowest proportion of turnover spent on staff costs nationally and placed the Association's performance in the **first quartile** compared to the **157 RSLs** ranked in the published statistics.

A significant proportion of the Association's turnover is derived from deferred Social Housing Grant (SHG) received historically. It is recognised that this can distort figures when drawing comparisons with other organisations that have enjoyed less favourable levels of grant subsidy. The Association therefore also considers staff costs as a proportion of turnover excluding deferred SHG as follows.

Staff costs as a proportion of turnover (excluding SHG) for the year ending the 31st of March 2018 amounted to 17.7% - significantly lower than the national average of 25.6%. This ranked the Association with the 24th lowest proportion of turnover spent on staff costs nationally and placed the Association's performance in the **first quartile** compared to the **157 RSLs** ranked in the published statistics.

2.6 Management and Maintenance Administration Expenditure

During the year ending the 31st of March 2018, the Association expenditure on management and maintenance administration amounted to £1,019 per unit which was considerably lower than the national average of £1,474 per unit. This ranked the Association 24th lowest and placed performance in the **first quartile** in comparison with the other **157 RSLs** included in the published statistics.

2.7 Planned Repairs and Maintenance

Expenditure on planned repairs and maintenance amounted to £452 per unit for the year ending on the 31st of March 2018. This compared to the national average of £481 per unit. When compared to the other **157 RSLs** in the published statistics, the Association was the 64th lowest and placed performance in the **median quartile** for expenditure on planned maintenance.

2.8 Reactive Repairs and Maintenance

Expenditure on reactive repairs and maintenance amounted to £481 per unit for the year ending on the 31st of March 2018 compared to the national average of £546 per unit. The Association was the 64th lowest for reactive repairs expenditure and placed performance in the **median quartile** when compared to the other **157 RSLs** in the published statistics,

2.9 Debt per unit

At the 31st of March 2018 the Association had debt amounting to £nil per unit compared to the national average of £10,958 per unit. Together with a further eight RSLs nationally, this ranked the Association with the **lowest** level of debt per unit compared to the other **157 RSLs** in the published statistics.

3.0 Conclusions

The above analysis demonstrates that the Association compares favourably against national benchmarks for rents, voids, rent arrears, bad debts, staff costs, administration costs, maintenance costs and debt per unit. In fact, in most cases the Association's performance is significantly better than national benchmarks and falls within the first quartile which places performance amongst the best in the sector.

This performance belies the fact that the Association is the 48th smallest RSL nationally with 639 housing units compared to the national average of almost 1854 housing units.

Yoker Housing Association Limited
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Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity		Key performance indicators (Annual Financial Statements Return Statistics) (AFSR)	Yoker HA Ltd 2017 / 2018	Glasgow HA Ltd 2017 / 2018	ARC Scottish average - as published by SHR 2017 / 2018	Locality Benchmark Group Average 2017 / 2018	Size Benchmark Group Average 2017 / 2018	National Benchmark Group Rank (out of 157) 2017 / 2018	Locality Benchmark Group Rank (out of 14) 2017 / 2018	Size Benchmark Group Rank (out of 8) 2017 / 2018
Strategic Objective 1 *To ensure that Yoker HA Ltd's work is underpinned by effective financial administrative and management processes within a framework of effective corporate governance*	01.	Current Ratio (SHR)	2.2	0.8	2.4	2.9	1.8	60	9	3
	02.	Current Ratio (excluding deferred social housing grants)	9.1	1.0	3.3	5.1	4.0	8	2	1
	03.	Debt per unit	£0	£20,251	£10,958	£4,351	£9,813	1	1	1
Financial Management, Corporate Governance & Corporate Sustainability Measured by 10 KPIs reported quarterly	04.	Staff costs / turnover	12.80%	32.70%	23.05%	21.97%	24.55%	11	1	1
	05.	Staff costs / turnover (excluding deferred grant income)	17.70%	36.10%	25.60%	25.71%	29.44%	24	1	1
	06.	Management & maintenance administration costs per unit	£1,019	£1,211	£1,474	£1,404	£1,534	24	1	1
	07.	Reactive repair costs per unit	£481	£734	£546	£471	£522	70	9	4
	08.	Planned repair costs per unit	£452	£417	£481	£364	£335	64	4	2
	09.	Staff costs / unit	£668	£1,570	£1,932	£1,074	£1,402	9	1	1
	10.	Minimum cash balance	£2.05m	No info	No info	No info	No info	No info	No info	No info

Yoker Housing Association Limited
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Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Financial Statements Return Statistics) (AFSR)	Cernach (812 Units)	Charing Cross (533 Units)	Clydebank (1141 Units)	Dalmuir Park (689 Units)	Drumchapel (480 Units)	Glasgow West (1490 Units)	Kendoon (319 Units)	Kingsridge Cleddans (292 Units)	Partick (1820 Units)	Pineview (556 Units)	Trafalgar (302 Units)	Whiteinch & Scotstoun (1300 Units)	Yoker (638 Units)	Yorkhill (456 Units)	Locality Benchmark Average 2017 / 2018 (773 Units)
Strategic Objective 1 *To ensure that Yoker HA Ltd's work is underpinned by effective financial administrative and management processes within a framework of effective corporate governance*	01. Current Ratio (SHR)	3.8	1.2	4.4	2.3	1.8	10.2	1.2	2.2	0.9	2.7	2.3	3.3	2.2	2.3	2.9
	02. Current Ratio (excluding deferred social housing grants)	6.0	1.2	6.3	4.8	2.9	17.0	2.1	4.7	1.0	5.0	4.2	3.3	9.1	3.2	5.1
	03. Debt per unit	£4,868	£3,905	£2,393	£876	£6,596	£1,705	£9,456	£4,597	£8,446	£7,323	£5,625	£1,755	£0	£3,365	£4,351
Financial Management, Corporate Governance & Corporate Sustainability Measured by 10 KPIs reported quarterly	04. Staff costs / turnover	16.00%	30.00%	23.20%	28.80%	20.20%	31.20%	13.50%	16.60%	25.70%	19.00%	17.70%	25.40%	12.80%	27.50%	21.97%
	05. Staff costs / turnover (excluding deferred grant income)	18.20%	30.10%	26.30%	34.30%	24.50%	35.60%	17.70%	22.20%	26.20%	25.00%	24.40%	25.40%	17.70%	32.40%	25.71%
	06. Management & maintenance administration costs per unit	£1,051	£1,432	£1,095	£1,959	£1,360	£1,741	£1,377	£1,283	£1,252	£1,293	£1,438	£1,664	£1,019	£1,698	£1,404
	07. Reactive repair costs per unit	£398	£866	£401	£575	£473	£561	£424	£311	£542	£334	£384	£509	£481	£338	£471
	08. Planned repair costs per unit	£482	£349	£215	£255	£530	£595	£274	£342	£241	£391	£318	£270	£452	£381	£364
	09. Staff costs / unit	£736	£1,432	£964	£1,561	£1,058	£1,531	£768	£855	£1,073	£1,000	£893	£1,219	£668	£1,274	£1,074
	10. Minimum cash balance	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A

Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Financial Statements Return Statistics) (AFSR)	Cadder (641 Units)	Dalmuir Park (689 Units)	Easthall Park (694 Units)	Lochalsh and Skye (695 Units)	North View (675 Units)	Ore Valley (674 Units)	West Whitlawburn (644 Units)	Yoker (638 Units)	Size Benchmark Average 2017 / 2018 (669 Units)
Strategic Objective 1 *To ensure that Yoker HA Ltd's work is underpinned by effective financial administrative and management processes within a framework of effective corporate governance*	01. Current Ratio (SHR)	1.6	2.3	1.6	2.4	0.8	2.2	1.1	2.2	1.8
	02. Current Ratio (excluding deferred social housing grants)	1.7	4.8	3.3	6.6	1.2	3.1	1.9	9.1	4.0
	03. Debt per unit	£7,243	£777	£10,828	£21,984	£9,748	£22,090	£5,834	£0	£9,813
Financial Management, Corporate Governance & Corporate Sustainability Measured by 10 KPIs reported quarterly	04. Staff costs / turnover	36.30%	28.80%	19.00%	23.80%	26.40%	17.20%	32.10%	12.80%	24.55%
	05. Staff costs / turnover (excluding deferred grant income)	37.20%	34.30%	25.80%	29.80%	29.00%	19.40%	42.30%	17.70%	29.44%
	06. Management & maintenance administration costs per unit	£1,370	£1,959	£1,232	£1,099	£1,782	£1,366	£2,443	£1,019	£1,534
	07. Reactive repair costs per unit	£505	£575	£358	£626	£466	£346	£820	£481	£522
	08. Planned repair costs per unit	£251	£255	£253	£356	£556	£418	£141	£452	£335
	09. Staff costs / unit	£1,770	£1,561	£962	£1,964	£1,262	£821	£2,208	£668	£1,402
	10. Minimum cash balance	No info	No info	No info	No info	No info	No info	No info	No info	N/A

Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)		Yoker HA Ltd 2017 / 2018	Glasgow HA Ltd 2017 / 2018	ARC Scottish average - as published by SHR 2017 / 2018	Locality Benchmark Group Average 2017 / 2018	Size Benchmark Group Average 2017 / 2018	National Benchmark Group Rank (out of 189) 2017 / 2018	Locality Benchmark Group Rank (out of 14) 2017 / 2018	Size Benchmark Group Rank (out of 8) 2017 / 2018
Strategic Objective 2 *To ensure that Yoker HA Ltd has sufficiently trained and experienced committee members, suitably qualified staff and satisfies all health, safety and environmental requirements and legislation*	11.	Minimum number of committee members	12	No info	No info	No info	No info	No info	No info	No info
	12.	Committee meeting attendance levels during the year	64.00%	No info	No info	No info	No info	No info	No info	No info
	13.	Committee members meeting minimum eight hours training per annum	58.33%	No info	No info	No info	No info	No info	No info	No info
	14.	Percentage of staff turnover during the year	0.00%	8.98%	11.76%	8.36%	7.87%	1	1	1
	15.	Staff absence days lost as a percentage of days available	0.19%	3.25%	3.94%	5.78%	4.17%	5	1	1
	16.	Gas safety checks undertaken and completed by the anniversary due date	99.84%	100.00%	99.81%	99.24%	99.98%	152	10	8
Human resources and health and safety Measured by 9 KPIs reported quarterly	17.	Number of failed accesses for gas safety checks	0	No info	No info	No info	No info	No info	No info	No info
	18.	Number of forced entries for gas safety checks	0	No info	No info	No info	No info	No info	No info	No info
	19.	Number of breaches of Health and Safety legislation within the office premises	0	No info	No info	No info	No info	No info	No info	No info

Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)		Cernach (812 Units)	Charing Cross (533 Units)	Clydebank (1141 Units)	Dalmuir Park (689 Units)	Drumchapel (480 Units)	Glasgow West (1490 Units)	Kendoon (319 Units)	Kingsridge Cleddans (292 Units)	Partick (1820 Units)	Pineview (556 Units)	Trafalgar (302 Units)	Whiteinch & Scotstoun (1300 Units)	Yoker (638 Units)	Yorkhill (456 Units)	Locality Benchmark Average 2017 / 2018 (773 Units)
Strategic Objective 2 *To ensure that Yoker HA Ltd has sufficiently trained and experienced committee members, suitably qualified staff and satisfies all health, safety and environmental requirements and legislation*	11.	Minimum number of committee members	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	12.	Committee meeting attendance levels during the year	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	13.	Committee members meeting minimum eight hours training per annum	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	14.	Percentage of staff turnover during the year	7.50%	6.25%	8.31%	20.75%	9.09%	17.48%	0.00%	0.00%	34.65%	8.40%	0.00%	4.58%	0.00%	0.00%	8.36%
	15.	Staff absence days lost as a percentage of days available	3.60%	5.01%	4.12%	10.54%	4.47%	3.53%	14.70%	5.29%	3.04%	12.81%	8.29%	1.40%	0.19%	3.90%	5.78%
	16.	Gas safety checks undertaken and completed by the anniversary due date	99.87%	100.00%	99.82%	100.00%	100.00%	95.78%	94.36%	100.00%	99.94%	100.00%	100.00%	100.00%	99.84%	99.76%	99.24%
Human resources and health and safety Measured by 9 KPIs reported quarterly	17.	Number of failed accesses for gas safety checks	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	18.	Number of forced entries for gas safety checks	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	19.	Number of breaches of Health and Safety legislation within the office premises	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A

Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)		Cadder (641 Units)	Dalmuir Park (689 Units)	Easthall Park (694 Units)	Lochalsh and Skye (695 Units)	North View (675 Units)	Ore Valley (674 Units)	West Whitlawburn (644 Units)	Yoker (638 Units)	Size Benchmark Average 2017 / 2018 (669 Units)
Strategic Objective 2 *To ensure that Yoker HA Ltd has sufficiently trained and experienced committee members, suitably qualified staff and satisfies all health, safety and environmental requirements and legislation*	11.	Minimum number of committee members	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	12.	Committee meeting attendance levels during the year	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	13.	Committee members meeting minimum eight hours training per annum	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	14.	Percentage of staff turnover during the year	22.41%	20.75%	9.26%	0.00%	5.00%	5.56%	0.00%	0.00%	7.87%
	15.	Staff absence days lost as a percentage of days available	4.79%	10.54%	5.72%	2.70%	4.50%	1.15%	3.80%	0.19%	4.17%
	16.	Gas safety checks undertaken and completed by the anniversary due date	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.84%	99.98%
Human resources and health and safety Measured by 9 KPIs reported quarterly	17.	Number of failed accesses for gas safety checks	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	18.	Number of forced entries for gas safety checks	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	19.	Number of breaches of Health and Safety legislation within the office premises	No info	No info	No info	No info	No info	No info	No info	No info	N/A

Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)		Yoker HA Ltd 2017 / 2018	Glasgow HA Ltd 2017 / 2018	ARC Scottish average - as published by SHR 2017 / 2018	Locality Benchmark Group Average 2017 / 2018	Size Benchmark Group Average 2017 / 2018	National Benchmark Group Rank (out of 189) 2017 / 2018	Locality Benchmark Group Rank (out of 14) 2017 / 2018	Size Benchmark Group Rank (out of 8) 2017 / 2018
Strategic Objective 3 *To actively support resident engagement and communication in the management, maintenance and development of their homes*	20.	Tenant representation on the Association's management committee	92.00%	No info	No info	No info	No info	No info	No info	No info
	21.	Owner-occupier representation on the Association's management committee	8.3%	No info	No info	No info	No info	No info	No info	No info
	22.	Percentage of 1st Stage Complaints resolved within required timescale	100.00%	95.51%	86.27%	90.70%	95.57%	1	1	1
	23.	Percentage of 2nd Stage Complaints resolved within required timescale	100.00%	100.00%	83.36%	90.81%	85.71%	1	1	1
Resident participation and communication Measured by 8 KPIs reported quarterly	24.	Percentage of 1st Stage Complaints upheld	40.00%	56.73%	54.26%	46.63%	39.77%	46	5	3
	25.	Percentage of 2nd Stage Complaints upheld	80.00%	60.14%	48.95%	42.91%	51.56%	140	9	7
	26.	Number of formal complaints upheld by the Scottish Public Services Ombudsman	0	No info	No info	No info	No info	No info	No info	No info
	27.	Customers satisfied with service received from staff when reporting repairs	97.00%	No info	No info	No info	No info	No info	No info	No info

Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)	Cernach (812 Units)	Charing Cross (533 Units)	Clydebank (1141 Units)	Dalmuir Park (689 Units)	Drumchapel (480 Units)	Glasgow West (1490 Units)	Kendoon (319 Units)	Kingsridge Cleddans (292 Units)	Partick (1820 Units)	Pineview (556 Units)	Trafalgar (302 Units)	Whiteinch & Scotstoun (1300 Units)	Yoker (638 Units)	Yorkhill (456 Units)	Locality Benchmark Average 2017 / 2018 (773 Units)
Strategic Objective 3 *To actively support resident engagement and communication in the management, maintenance and development of their homes*	20. Tenant representation on the Association's management committee	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	21. Owner-occupier representation on the Association's management committee	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	22. Percentage of 1st Stage Complaints resolved within required timescale	100.00%	44.44%	100.00%	85.71%	92.86%	91.89%	100.00%	85.71%	100.00%	89.66%	NULL	88.89%	100.00%	100.00%	90.70%
	23. Percentage of 2nd Stage Complaints resolved within required timescale	100.00%	100.00%	100.00%	33.33%	100.00%	71.43%	NULL	100.00%	100.00%	NULL	NULL	100.00%	100.00%	94.12%	90.81%
Resident participation and communication Measured by 8 KPIs reported quarterly	24. Percentage of 1st Stage Complaints upheld	46.15%	0.00%	67.16%	57.14%	85.71%	54.95%	13.04%	42.86%	14.29%	72.41%	NULL	33.33%	40.00%	79.17%	46.63%
	25. Percentage of 2nd Stage Complaints upheld	100.00%	0.00%	71.43%	33.33%	100.00%	61.90%	NULL	0.00%	0.00%	NULL	NULL	7.69%	80.00%	17.65%	42.91%
	26. Number of formal complaints upheld by the Scottish Public Services Ombudsman	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	27. Customers satisfied with service received from staff when reporting repairs	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A

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Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)		Cadder (641 Units)	Dalmuir Park (689 Units)	Easthall Park (694 Units)	Lochalsh and Skye (695 Units)	North View (675 Units)	Ore Valley (674 Units)	West Whitlawburn (644 Units)	Yoker (638 Units)	Size Benchmark Average 2017 / 2018 (669 Units)
Strategic Objective 3 *To actively support resident engagement and communication in the management, maintenance and development of their homes*	20.	Tenant representation on the Association's management committee	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	21.	Owner-occupier representation on the Association's management committee	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	22.	Percentage of 1st Stage Complaints resolved within required timescale	90.70%	85.71%	92.59%	100.00%	NULL	100.00%	100.00%	100.00%	95.57%
	23.	Percentage of 2nd Stage Complaints resolved within required timescale	100.00%	33.33%	100.00%	100.00%	NULL	100.00%	66.67%	100.00%	85.71%
Resident participation and communication Measured by 8 KPIs reported quarterly	24.	Percentage of 1st Stage Complaints upheld	44.19%	57.14%	55.56%	44.00%	NULL	37.50%	0.00%	40.00%	39.77%
	25.	Percentage of 2nd Stage Complaints upheld	55.56%	33.33%	15.38%	50.00%	NULL	60.00%	66.67%	80.00%	51.56%
	26.	Number of formal complaints upheld by the Scottish Public Services Ombudsman	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	27.	Customers satisfied with service received from staff when reporting repairs	No info	No info	No info	No info	No info	No info	No info	No info	N/A

Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)		Yoker HA Ltd 2017 / 2018	Glasgow HA Ltd 2017 / 2018	ARC Scottish average - as published by SHR 2017 / 2018	Locality Benchmark Group Average 2017 / 2018	Size Benchmark Group Average 2017 / 2018	National Benchmark Group Rank (out of 189) 2017 / 2018	Locality Benchmark Group Rank (out of 14) 2017 / 2018	Size Benchmark Group Rank (out of 8) 2017 / 2018
Strategic Objective 4 *To provide a quality customer service experience to tenants and factored owners which supports sustainable tenancies and delivers customer satisfaction*	28.	New tenants satisfied with quality of information when signing-up for their property	100.00%	No info	No info	No info	No info	No info	No info	No info
	29.	New tenants who felt terms of tenancy were explained well when signing-up for their property	95.00%	No info	No info	No info	No info	No info	No info	No info
	30.	Re-let times - all stock	8.04 Days	14.85 Days	30.72 Days	14.30 Days	17.12 Days	25	4	1
	31.	Void rent loss	0.16%	0.39%	0.85%	0.34%	0.41%	34	5	2
	32.	Rent arrears	3.70%	3.62%	5.41%	3.68%	4.86%	97	9	3
Housing management service and tenancy sustainment Measured by 10 KPIs reported quarterly	33.	Proportion of rent collected received by direct payment of housing costs	40.77%	64.15%	53.65%	51.82%	50.86%	34	1	2
	34.	Rent collected as a percentage of total rent due	100.10%	99.29%	99.38%	99.50%	98.72%	51	8	1
	35.	Percentage of anti-social complaint cases resolved within target timescales	100.00%	96.71%	87.88%	91.73%	90.46%	2	1	1
	36.	Percentage of tenancy offers refused	36.99%	28.79%	35.86%	27.40%	34.33%	123	10	4
	37.	Percentage of tenancies sustained for more than one year	91.94%	90.54%	88.66%	92.06%	90.39%	70	9	3

Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)		Cernach (812 Units)	Charing Cross (533 Units)	Clydebank (1141 Units)	Dalmuir Park (689 Units)	Drumchapel (480 Units)	Glasgow West (1490 Units)	Kendoon (319 Units)	Kingsridge Cleddans (292 Units)	Partick (1820 Units)	Pineview (556 Units)	Trafalgar (302 Units)	Whiteinch & Scotstoun (1300 Units)	Yoker (638 Units)	Yorkhill (456 Units)	Locality Benchmark Average 2017 / 2018 (773 Units)
Strategic Objective 4 *To provide a quality customer service experience to tenants and factored owners which supports sustainable tenancies and delivers customer satisfaction*	28.	New tenants satisfied with quality of information when signing-up for their property	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	29.	New tenants who felt terms of tenancy were explained well when signing-up for their property	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	30.	Re-let times - all stock	9.16 Days	11.79 Days	15.36 Days	23.11 Days	6.24 Days	13.99 Days	28.44 Days	11.33 Days	17.31 Days	2.59 Days	3.00 Days	29.04 Days	8.04 Days	20.79 Days	14.30 Days
	31.	Void rent loss	0.13%	0.26%	0.33%	0.78%	0.15%	0.32%	0.69%	0.20%	0.29%	0.05%	0.08%	1.04%	0.16%	0.28%	0.34%
	32.	Rent arrears	2.56%	2.07%	3.59%	5.38%	2.04%	1.39%	6.83%	5.38%	2.31%	3.16%	2.26%	7.01%	3.70%	3.82%	3.68%
Housing management service and tenancy sustainment Measured by 10 KPIs reported quarterly	33.	Proportion of rent collected received by direct payment of housing costs	56.84%	55.98%	46.06%	46.86%	53.52%	49.57%	60.05%	48.22%	55.34%	51.06%	41.18%	62.38%	40.77%	57.70%	51.82%
	34.	Rent collected as a percentage of total rent due	100.89%	100.58%	98.46%	98.29%	100.39%	100.19%	99.13%	99.23%	100.22%	98.83%	100.61%	98.13%	100.10%	97.99%	99.50%
	35.	Percentage of anti-social complaint cases resolved within target timescales	100.00%	50.00%	96.00%	80.00%	90.32%	96.55%	97.22%	100.00%	90.38%	100.00%	100.00%	96.30%	100.00%	87.50%	91.73%
	36.	Percentage of tenancy offers refused	0.00%	31.58%	33.88%	40.26%	8.70%	33.71%	57.81%	0.00%	39.62%	20.41%	3.13%	52.45%	36.99%	25.00%	27.40%
	37.	Percentage of tenancies sustained for more than one year	92.50%	85.71%	88.66%	85.53%	91.67%	97.39%	93.55%	95.24%	95.83%	88.00%	93.75%	93.07%	91.94%	96.00%	92.06%

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Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)		Cadder (641 Units)	Dalmuir Park (689 Units)	Easthall Park (694 Units)	Lochalsh and Skye (695 Units)	North View (675 Units)	Ore Valley (674 Units)	West Whitlawburn (644 Units)	Yoker (638 Units)	Size Benchmark Average 2017 / 2018 (669 Units)
Strategic Objective 4 *To provide a quality customer service experience to tenants and factored owners which supports sustainable tenancies and delivers customer satisfaction*	28.	New tenants satisfied with quality of information when signing-up for their property	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	29.	New tenants who felt terms of tenancy were explained well when signing-up for their property	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	30.	Re-let times - all stock	34.39 Days	23.11 Days	8.74 Days	10.15 Days	12.91 Days	15.70 Days	23.91 Days	8.04 Days	17.12 Days
	31.	Void rent loss	0.56%	0.78%	0.11%	0.36%	0.27%	0.38%	0.64%	0.16%	0.41%
	32.	Rent arrears	4.93%	5.38%	2.74%	2.47%	4.54%	5.58%	9.50%	3.70%	4.86%
Housing management service and tenancy sustainment Measured by 10 KPIs reported quarterly	33.	Proportion of rent collected received by direct payment of housing costs	59.52%	46.86%	55.76%	34.72%	71.38%	40.83%	57.06%	40.77%	50.86%
	34.	Rent collected as a percentage of total rent due	97.94%	98.29%	100.06%	97.52%	98.97%	98.76%	98.14%	100.10%	98.72%
	35.	Percentage of anti-social complaint cases resolved within target timescales	100.00%	80.00%	88.05%	80.00%	92.50%	92.86%	90.24%	100.00%	90.46%
	36.	Percentage of tenancy offers refused	60.00%	40.26%	0.00%	27.27%	50.00%	20.37%	39.71%	36.99%	34.33%
	37.	Percentage of tenancies sustained for more than one year	90.70%	85.53%	86.96%	96.97%	90.20%	95.31%	85.48%	91.94%	90.39%

Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)		Yoker HA Ltd 2017 / 2018	Glasgow HA Ltd 2017 / 2018	ARC Scottish average - as published by SHR 2017 / 2018	Locality Benchmark Group Average 2017 / 2018	Size Benchmark Group Average 2017 / 2018	National Benchmark Group Rank (out of 189) 2017 / 2018	Locality Benchmark Group Rank (out of 14) 2017 / 2018	Size Benchmark Group Rank (out of 8) 2017 / 2018
Strategic Objective 5 *To invest in existing housing stock to ensure that Yoker HA Ltd provides good quality housing*	38.	Average length of time to complete emergency repairs	1.60 Hrs	3.16 Hrs	3.96 Hrs	1.98 Hrs	2.33 Hrs	30	5	2
	39.	Emergency repairs completed within target response times	100.00%	No info	No info	No info	No info	No info	No info	No info
	40.	Average length of time to complete non-emergency repairs	1.14 Days	6.05 Days	6.38 Days	3.01 Days	3.18 Days	3	1	1
Reactive and planned maintenance services Measured by 12 KPIs reporting quarterly	41.	Non-emergency repairs completed within target response times	100.00%	No info	No info	No info	No info	No info	No info	No info
	42.	Reactive repairs completed right first time	97.79%	95.73%	92.23%	95.63%	95.43%	38	6	2
	43.	Tenant satisfaction with reactive repairs service (in-house surveys)	90.00%	No info	No info	No info	No info	No info	No info	No info
	44.	Tenants satisfied with the standard of their home on taking up new tenancy (in-house surveys)	89.00%	No info	No info	No info	No info	No info	No info	No info
	45.	Planned maintenance actual spend measured against budgeted spend	27.78%	No info	No info	No info	No info	No info	No info	No info
	46.	Planned maintenance works completed measured against programmed	100.00%	No info	No info	No info	No info	No info	No info	No info
	47.	Proportion of housing stock meeting SHQS by year end	99.69%	98.35%	94.20%	94.60%	98.58%	49	5	3
	48.	Proportion of housing stock meeting EESSH by year end	98.12%	97.18%	82.72%	87.79%	90.16%	32	5	3
	49.	Average number of reactive repairs completed per property available for let during the year	2.93	3.79	3.41	3.17	3.35	65	5	2

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Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)	Cernach (812 Units)	Charing Cross (533 Units)	Clydebank (1141 Units)	Dalmuir Park (689 Units)	Drumchapel (480 Units)	Glasgow West (1490 Units)	Kendoon (319 Units)	Kingsridge Cleddans (292 Units)	Partick (1820 Units)	Pineview (556 Units)	Trafalgar (302 Units)	Whiteinch & Scotstoun (1300 Units)	Yoker (638 Units)	Yorkhill (456 Units)	Locality Benchmark Average 2017 / 2018 (773 Units)
Strategic Objective 5 *To invest in existing housing stock to ensure that Yoker HA Ltd provides good quality housing*	38. Average length of time to complete emergency repairs	0.82 Hrs	1.80 Hrs	2.48 Hrs	1.74 Hrs	2.10 Hrs	3.50 Hrs	2.55 Hrs	2.67 Hrs	1.50 Hrs	1.83 Hrs	1.20 Hrs	2.37 Hrs	1.60 Hrs	1.55 Hrs	1.98 Hrs
	39. Emergency repairs completed within target response times	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	40. Average length of time to complete non-emergency repairs	2.46 Days	3.14 Days	3.69 Days	3.85 Days	2.03 Days	4.22 Days	2.99 Days	1.95 Days	4.19 Days	2.32 Days	3.15 Days	4.10 Days	1.14 Days	2.91 Days	3.01 Days
Reactive and planned maintenance services Measured by 12 KPIs reporting quarterly	41. Non-emergency repairs completed within target response times	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	42. Reactive repairs completed right first time	95.24%	97.17%	79.82%	90.85%	99.33%	93.72%	96.95%	98.76%	97.02%	96.89%	98.94%	97.95%	97.79%	98.36%	95.63%
	43. Tenant satisfaction with reactive repairs service (in-house surveys)	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	44. Tenants satisfied with the standard of their home on taking up new tenancy (in-house surveys)	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	45. Planned maintenance actual spend measured against budgeted spend	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	46. Planned maintenance works completed measured against programmed	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	47. Proportion of housing stock meeting SHQS by year end	98.61%	87.38%	98.17%	100.00%	99.58%	84.25%	100.00%	100.00%	97.44%	100.00%	94.33%	94.83%	99.69%	70.18%	94.60%
	48. Proportion of housing stock meeting EESSH by year end	94.44%	72.18%	79.45%	72.91%	98.12%	53.23%	100.00%	100.00%	96.74%	99.06%	100.00%	92.06%	98.12%	72.81%	87.79%
	49. Average number of reactive repairs completed per property available for let during the year	2.79	4.41	3.01	3.29	3.38	3.26	3.11	3.43	3.37	3.11	2.72	2.73	2.93	2.82	3.17

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Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)		Cadder (641 Units)	Dalmuir Park (689 Units)	Easthall Park (694 Units)	Lochalsh and Skye (695 Units)	North View (675 Units)	Ore Valley (674 Units)	West Whitlawburn (644 Units)	Yoker (638 Units)	Size Benchmark Average 2017 / 2018 (669 Units)
Strategic Objective 5 *To invest in existing housing stock to ensure that Yoker HA Ltd provides good quality housing*	38.	Average length of time to complete emergency repairs	1.83 Hrs	1.74 Hrs	2.57 Hrs	3.28 Hrs	2.27 Hrs	1.40 Hrs	3.98 Hrs	1.60 Hrs	2.33 Hrs
	39.	Emergency repairs completed within target response times	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	40.	Average length of time to complete non-emergency repairs	3.02 Days	3.85 Days	3.36 Days	3.45 Days	3.02 Days	5.03 Days	2.58 Days	1.14 Days	3.18 Days
Reactive and planned maintenance services Measured by 12 KPIs reporting quarterly	41.	Non-emergency repairs completed within target response times	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	42.	Reactive repairs completed right first time	96.08%	90.85%	93.00%	93.91%	96.52%	98.73%	96.55%	97.79%	95.43%
	43.	Tenant satisfaction with reactive repairs service (in-house surveys)	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	44.	Tenants satisfied with the standard of their home on taking up new tenancy (in-house surveys)	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	45.	Planned maintenance actual spend measured against budgeted spend	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	46.	Planned maintenance works completed measured against programmed	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	47.	Proportion of housing stock meeting SHQS by year end	94.07%	100.00%	100.00%	99.08%	99.55%	97.33%	98.91%	99.69%	98.58%
	48.	Proportion of housing stock meeting EESSH by year end	100.00%	72.91%	96.83%	82.13%	94.76%	76.56%	100.00%	98.12%	90.16%
	49.	Average number of reactive repairs completed per property available for let during the year	3.2	3.29	3.32	1.95	4.95	4.01	3.14	2.93	3.4

Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)	Yoker HA Ltd 2017 / 2018	Glasgow HA Ltd 2017 / 2018	ARC Scottish average - as published by SHR 2017 / 2018	Locality Benchmark Group Average 2017 / 2018	Size Benchmark Group Average 2017 / 2018	National Benchmark Group Rank (out of 189) 2017 / 2018	Locality Benchmark Group Rank (out of 14) 2017 / 2018	Size Benchmark Group Rank (out of 8) 2017 / 2018
Strategic Objective 6 *To contribute to the supply of quality affordable and sustainable homes where financially viable*	50. Open market property acquisitions	0	No info	No info	No info	No info	No info	No info	No info
	51. Percentage of Stage 3 Adaptations budget expended	62.10%	No info	No info	No info	No info	No info	No info	No info
	52. Average time in days taken to complete medical adaptations (in days)	42.33 Days	19.47 Days	51.28 Days	55.15 Days	53.49 Days	78	8	6
Acquisition, construction and adaptation of homes Measured by 7 KPIs reported quarterly	53. Percentage of approved medical adaptations completed	100.0%	95.55%	84.30%	90.40%	92.16%	1	1	1
	54. Percentage of Scottish Government funded capital budget (excluding Stage 3 Adaptations) expended	46.82%	No info	No info	No info	No info	No info	No info	No info
	55. New / refurbished homes - site starts	0	No info	No info	No info	No info	No info	No info	No info
	56. New / refurbished homes - completions	0	No info	No info	No info	No info	No info	No info	No info

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Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)	Cernach (812 Units)	Charing Cross (533 Units)	Clydebank (1141 Units)	Dalmuir Park (689 Units)	Drumchapel (480 Units)	Glasgow West (1490 Units)	Kendoon (319 Units)	Kingsridge Cleddans (292 Units)	Partick (1820 Units)	Pineview (556 Units)	Trafalgar (302 Units)	Whiteinch & Scotstoun (1300 Units)	Yoker (638 Units)	Yorkhill (456 Units)	Locality Benchmark Average 2017 / 2018 (773 Units)
Strategic Objective 6 *To contribute to the supply of quality affordable and sustainable homes where financially viable*	50. Open market property acquisitions	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	51. Percentage of Stage 3 Adaptations budget expended	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	52. Average time in days taken to complete medical adaptations (in days)	31.95	98.38	121.00	46.82	27.70	111.00	9.50	77.60	21.43	40.88	75.71	49.86	42.33	18.00	55.15
Acquisition, construction and adaptation of homes Measured by 7 KPIs reported quarterly	53. Percentage of approved medical adaptations completed	100.0%	50.0%	49.0%	100.0%	100.0%	83.3%	100.0%	83.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	90.40%
	54. Percentage of Scottish Government funded capital budget (excluding Stage 3 Adaptations) expended	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	55. New / refurbished homes - site starts	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	56. New / refurbished homes - completions	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	No info	N/A

Strategic Objectives - Performance Monitoring Measures

Strategic objective and corresponding performance activity	Key performance indicators (Annual Return on the Charter Statistics) (ARC)	Cadder (641 Units)	Dalmuir Park (689 Units)	Easthall Park (694 Units)	Lochalsh and Skye (695 Units)	North View (675 Units)	Ore Valley (674 Units)	West Whitlawburn (644 Units)	Yoker (673 Units)	Size Benchmark Average 2017 / 2018 (673 Units)
Strategic Objective 6 *To contribute to the supply of quality affordable and sustainable homes where financially viable*	50. Open market property acquisitions	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	51. Percentage of Stage 3 Adaptations budget expended	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	52. Average time in days taken to complete medical adaptations (in days)	53.11 Days	46.82 Days	29.53 Days	75.00 Days	55.00 Days	33.96 Days	92.18 Days	42.33 Days	53.49 Days
Acquisition, construction and adaptation of homes Measured by 7 KPIs reported quarterly	53. Percentage of approved medical adaptations completed	90.0%	100.0%	76.0%	100.0%	91.3%	100.0%	80.0%	100.0%	92.16%
	54. Percentage of Scottish Government funded capital budget (excluding Stage 3 Adaptations) expended	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	55. New / refurbished homes - site starts	No info	No info	No info	No info	No info	No info	No info	No info	N/A
	56. New / refurbished homes - completions	No info	No info	No info	No info	No info	No info	No info	No info	N/A

1.0 Introduction

Maintaining the affordability of rents for those on the lowest incomes is a fundamental concern to the Association as a provider of affordable homes and is reflected in our vision statement.

The Scottish Housing Regulator (SHR) rightly places considerable emphasis on the need for Registered Social Landlords (RSLs) to ensure that they are setting rent levels that remain affordable to tenants both now and in the future. Real increases in rent levels that are consistently above inflation are unlikely to be sustainable in the longer term. The Association's long-term business planning model supports this view with assumed rent increases being restricted to inflation only.

The Association consults extensively with tenants prior to any decision regarding rent increases and provides a range of information to tenants as part of the consultation exercise. Affordability of rents is a key element of that exercise and is considered as a matter of routine by the management committee prior to deciding what (if any) rent increase should be applied each year.

2.0 Assessing Affordability

In assessing rent affordability, the Association has adopted the generally recognised criteria of measuring rent as a proportion of income.

Where rent charges are more than thirty percent of income, they are generally considered to be unaffordable. Rent charges of between twenty-five and thirty percent of income are considered to be moderately affordable. Rent charges that are less than twenty-five percent of income are considered to be affordable. These are nationally recognised benchmarks of affordability and the Association has used the Scottish Federation of Housing Association's rent affordability tool as the basis for assessing the affordability of its rents.

In the absence of detailed income data for individual households, the Association has measured the affordability of its rents against the income levels of statutory minimum wage and national living wage. This ensures that irrespective of actual income, rent affordability is being benchmarked against the income levels of those in the lowest paid income brackets.

The analysis considered single income households, households with one full-time and one part-time income and households with two full-time incomes. It considered affordability in terms of the local and national context against average rents charged between 1 April 2018 and 31 March 2019 based upon the information published by the SHR from the Annual Return on the Charter (ARC) 2018.

The analysis summarised in Tables 1A to 1D below shows that the Association's average rents are affordable for all two income households (whether one full-time and one part-time or both full-time) with the one exception being the average 5+ Apt property being unaffordable to earners (one full-time, one part-time) on National Minimum Wage for 18 to 20-year olds.

The Association's average 2 Apt, 3 Apt and 4 Apt property rents are affordable or moderately affordable for young single persons on National Living Wage. Average 2 Apt and 3 Apt rents are affordable or moderately affordable for single persons over twenty-one years old on National Minimum Wage. However, none of the Association's properties are on average affordable to single persons under the age of twenty on National Minimum Wage.

Comparing the Association to the RSL sector as a whole, the Association's average rent charges rank within the first quartile for affordability for all property sizes.

A separate analysis also looked at the rent being charged for the Association's individual properties in terms of their affordability against the various income households mentioned above. This analysis summarised in Tables 2A to 2D below, shows that the Association is at least able to provide moderately affordable homes even to the lowest income household group of single incomes on National Minimum Wage.

3.0 Tenant Consultation

As part of its annual consultation on rent charges, the Association asks tenants to provide feedback on their assessment of the affordability of the rent they are being charged.

The results of the latest consultation carried out during 2018 / 2019 revealed that 78.3% considered their rent to be affordable, 16.6% considered their rent to be neither affordable or unaffordable.

4.0 Conclusion

The assessment above is based upon independent data produced by the SHR and the rent affordability tool provided by the Scottish Federation of Housing Associations. It clearly indicates that the Association is providing affordable rents and that in doing so it is significantly outperforming the majority of other RSLs in the sector.

Consultation with our own tenants also confirms that this is the case with only 5.1% considering their rent to be unaffordable.

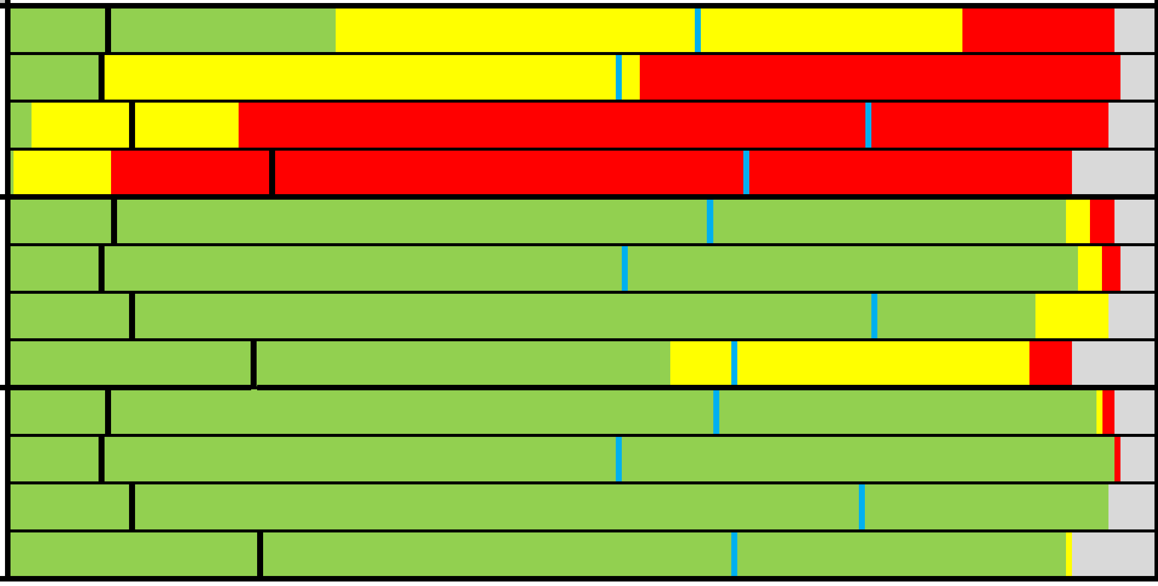
The Association will continue to monitor rent levels throughout the period of this business plan with a view to ensuring that our rent charges remain affordable to those on the lowest incomes.

Rent Affordability - National Benchmarking Group Matrix

Table 1A

National Living Wage (NLW) income group

All RSLs in Scotland with average rent levels ranked from most affordable to least affordable



Household	Size	Affordable	Moderately affordable	Not affordable	Null Returns	Total	YHA Ltd Ranking	GHA Ltd Ranking
Single person (in full-time employment)	2 Apt	54	103	25	7	189	17	114
	3 Apt	15	89	79	6	189	16	100
	4 Apt	4	34	143	8	189	21	142
	5+ Apt	1	16	158	14	189	44	122
Couple (1 in full-time, 1 in part-time employment)	2 Apt	174	4	4	7	189	18	116
	3 Apt	176	4	3	6	189	16	102
	4 Apt	169	12	0	8	189	21	143
	5+ Apt	109	59	7	14	189	41	120
Couple (2 in full-time employment)	2 Apt	179	1	2	7	189	17	117
	3 Apt	182	0	1	6	189	16	101
	4 Apt	181	0	0	8	189	21	141
	5+ Apt	174	1	0	14	189	42	120

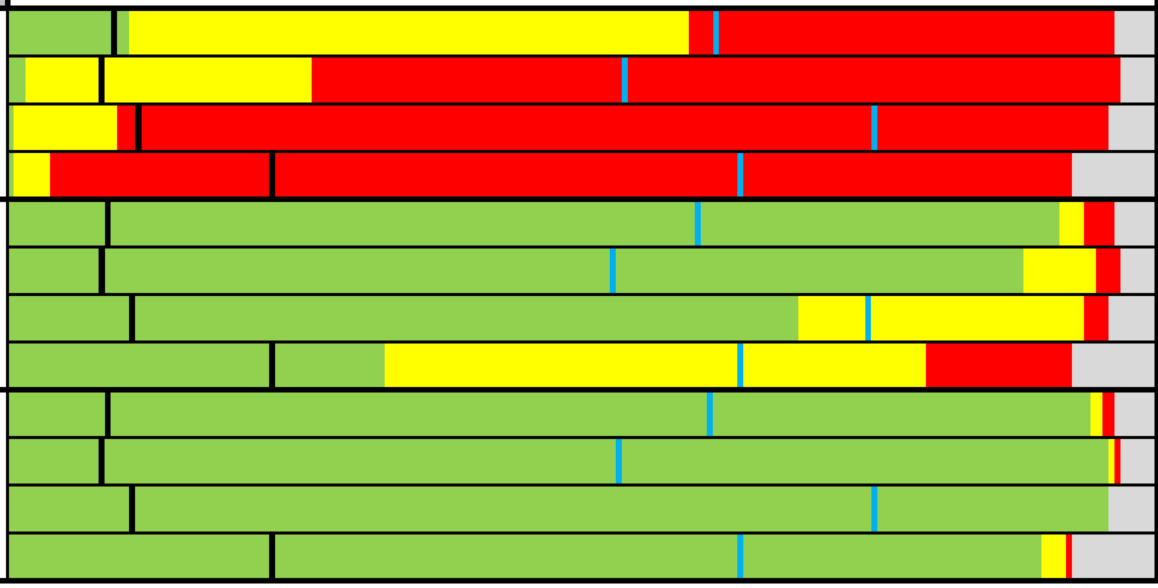
Number of RSLs with average rents in the following categories: Affordable, Moderately affordable, Not affordable, Null Returns.

denotes Yoker HA Ltd ranking position — denotes The Glasgow HA Ltd ranking position

Table 1B

National Minimum Wage (NMW) (for 25 yrs old and above) income group

All RSLs in Scotland with average rent levels ranked from most affordable to least affordable



Household	Size	Affordable	Moderately affordable	Not affordable	Null Returns	Total	YHA Ltd Ranking	GHA Ltd Ranking
Single person (in full-time employment)	2 Apt	20	92	70	7	189	18	117
	3 Apt	3	47	133	6	189	16	102
	4 Apt	1	17	163	8	189	22	143
	5+ Apt	1	6	168	14	189	44	121
Couple (1 in full-time, 1 in part-time employment)	2 Apt	173	4	5	7	189	17	114
	3 Apt	167	12	4	6	189	16	100
	4 Apt	130	47	4	8	189	21	142
	5+ Apt	62	89	24	14	189	44	121
Couple (2 in full-time employment)	2 Apt	178	2	2	7	189	17	116
	3 Apt	181	1	1	6	189	16	101
	4 Apt	181	0	0	8	189	21	143
	5+ Apt	170	4	1	14	189	44	121

Number of RSLs with average rents in the following categories: Affordable, Moderately affordable, Not affordable, Null Returns.

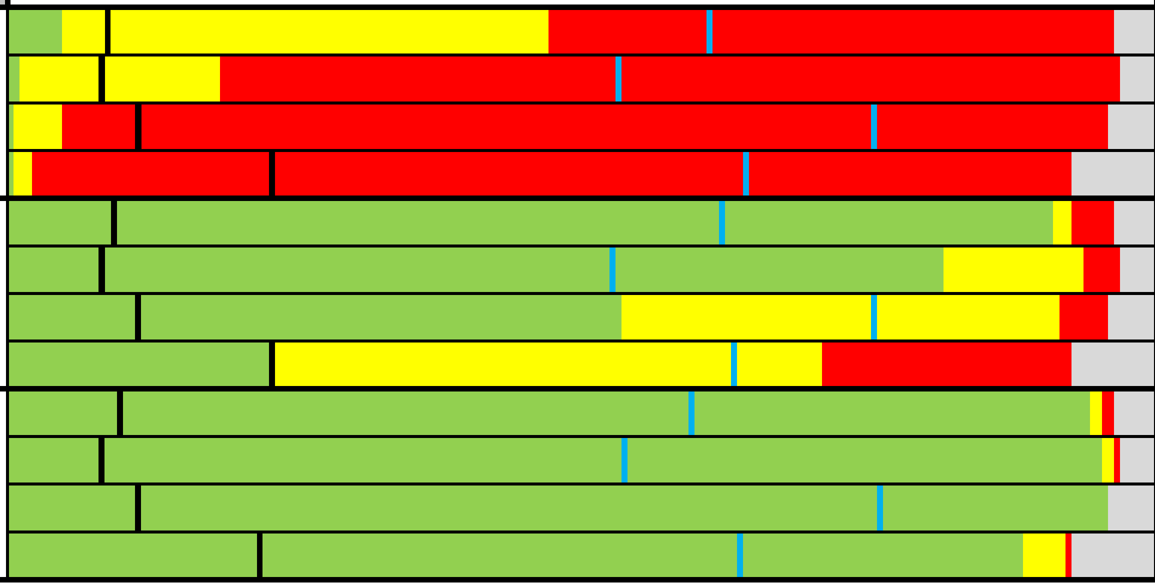
denotes Yoker HA Ltd ranking position — denotes The Glasgow HA Ltd ranking position

Rent Affordability - National Benchmarking Group Matrix

Table 1C

National Minimum Wage (NMW) (for 21 to 24 yr olds) income group

All RSLs in Scotland with average rent levels ranked from most affordable to least affordable



Household	Size	Affordable	Moderately affordable	Not affordable	Null Returns	Total	YHA Ltd Ranking	GHA Ltd Ranking
Single person (in full-time employment)	2 Apt	9	80	93	7	189	17	116
	3 Apt	2	33	148	6	189	16	101
	4 Apt	1	8	172	8	189	22	143
	5+ Apt	1	3	171	14	189	44	122
Couple (1 in full-time, 1 in part-time employment)	2 Apt	172	3	7	7	189	18	118
	3 Apt	154	23	6	6	189	16	100
	4 Apt	101	72	8	8	189	22	143
	5+ Apt	43	91	41	14	189	44	120
Couple (2 in full-time employment)	2 Apt	178	2	2	7	189	17	113
	3 Apt	180	2	1	6	189	16	102
	4 Apt	181	0	0	8	189	22	144
	5+ Apt	167	7	1	14	189	42	121

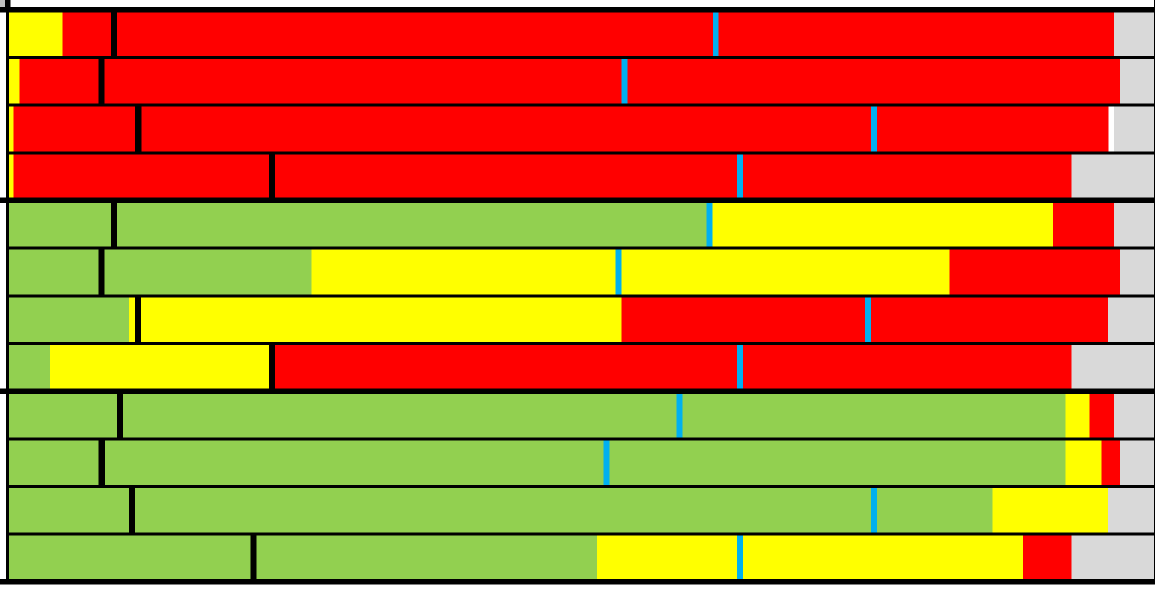
Number of RSLs with average rents in the following categories: Affordable, Moderately affordable, Not affordable, Null Returns.

denotes Yoker HA Ltd ranking position — denotes The Glasgow HA Ltd ranking position

Table 1D

National Minimum Wage (NMW) (for 18 to 20 yr olds) income group

All RSLs in Scotland with average rent levels ranked from most affordable to least affordable



Household	Size	Affordable	Moderately affordable	Not affordable	Null Returns	Total	YHA Ltd Ranking	GHA Ltd Ranking
Single person (in full-time employment)	2 Apt	0	9	173	7	189	18	117
	3 Apt	0	2	181	6	189	16	102
	4 Apt	0	1	180	8	189	22	143
	5+ Apt	0	1	174	14	189	44	121
Couple (1 in full-time, 1 in part-time employment)	2 Apt	115	57	10	7	189	18	116
	3 Apt	50	105	28	6	189	16	101
	4 Apt	20	81	80	8	189	22	142
	5+ Apt	7	36	132	14	189	44	121
Couple (2 in full-time employment)	2 Apt	174	4	4	7	189	19	111
	3 Apt	174	6	3	6	189	16	99
	4 Apt	162	19	0	8	189	21	143
	5+ Apt	97	70	8	14	189	41	121

Number of RSLs with average rents in the following categories: Affordable, Moderately affordable, Not affordable, Null Returns.

denotes Yoker HA Ltd ranking position — denotes The Glasgow HA Ltd ranking position

Rent Affordability - Yoker HA Ltd Property Matrix

Table 2A National Living Wage (NLW) income group		All Yoker HA Ltd properties with rent levels ranked from most affordable to least affordable	Number of Yoker HA Ltd properties with rents in the following categories: Affordable	Moderately affordable	Not affordable	Total
Single person	2 Apt		256	11	0	267
(in full-time employment)	3 Apt		136	87	12	235
	4 Apt		7	80	27	114
	5+ Apt		0	2	19	21
Couple	2 Apt		267	0	0	267
(1 in full-time, 1 in part-time employment)	3 Apt		235	0	0	235
	4 Apt		114	0	0	114
	5+ Apt		21	0	0	21
Couple	2 Apt		267	0	0	267
(2 in full-time employment)	3 Apt		235	0	0	235
	4 Apt		114	0	0	114
	5+ Apt		21	0	0	21

Table 2B National Minimum Wage (NMW) (for 25 yrs old and above) income group		All Yoker HA Ltd properties with rent levels ranked from most affordable to least affordable	Number of Yoker HA Ltd properties with rents in the following categories: Affordable	Moderately affordable	Not affordable	Total
Single person	2 Apt		210	47	10	267
(in full-time employment)	3 Apt		14	205	16	235
	4 Apt		1	68	45	114
	5+ Apt		0	0	21	21
Couple	2 Apt		267	0	0	267
(1 in full-time, 1 in part-time employment)	3 Apt		232	3	0	235
	4 Apt		114	0	0	114
	5+ Apt		13	8	0	21
Couple	2 Apt		267	0	0	267
(2 in full-time employment)	3 Apt		235	0	0	235
	4 Apt		114	0	0	114
	5+ Apt		21	0	0	21

Rent Affordability - Yoker HA Ltd Property Matrix

Table 2C National Minimum Wage (NMW) (for 21 to 24 yr olds) income group		All Yoker HA Ltd properties with rent levels ranked from most affordable to least affordable	Number of Yoker HA Ltd properties with rents in the following categories: Affordable	Moderately affordable	Not affordable	Total
Single person	2 Apt		121	135	11	267
(in full-time employment)	3 Apt		3	209	23	235
	4 Apt		1	39	74	114
	5+ Apt		0	0	21	21
Couple	2 Apt		267	0	0	267
(1 in full-time, 1 in part-time employment)	3 Apt		232	3	0	235
	4 Apt		111	3	0	114
	5+ Apt		12	9	0	21
Couple	2 Apt		267	0	0	267
(2 in full-time employment)	3 Apt		235	0	0	235
	4 Apt		114	0	0	114
	5+ Apt		21	0	0	21

Table 2D National Minimum Wage (NMW) (for 18 to 20 yr olds) income group		All Yoker HA Ltd properties with rent levels ranked from most affordable to least affordable	Number of Yoker HA Ltd properties with rents in the following categories: Affordable	Moderately affordable	Not affordable	Total
Single person	2 Apt		0	121	146	267
(in full-time employment)	3 Apt		0	3	232	235
	4 Apt		0	1	113	114
	5+ Apt		0	0	21	21
Couple	2 Apt		257	10	0	267
(1 in full-time, 1 in part-time employment)	3 Apt		219	13	3	235
	4 Apt		71	40	3	114
	5+ Apt		0	12	9	21
Couple	2 Apt		267	0	0	267
(2 in full-time employment)	3 Apt		234	1	0	235
	4 Apt		114	0	0	114
	5+ Apt		21	0	0	21

Section 11.0

1.0 Introduction

The Scottish Social Housing Charter defines the standards and outcomes that Registered Social Landlords (RSLs) are expected to meet and provides a performance framework for those RSLs. Providing value for money (VfM) forms part of that framework.

The Association assesses VfM by comparing various inputs to providing services with the corresponding outputs – in both the local context and in the context of the sector as a whole. This provides a measure of how well the Association is achieving VfM for its tenants and other service users compared to other RSLs.

2.0 Key Inputs

2.1 Rent levels

These are a key input for measuring VfM as they reflect the principle cost to tenants (and taxpayers through direct housing payments) for the provision of our services.

The Association's rents are on average in the **lowest quartile** when compared either to local RSLs or nationally to all RSLs.

The table below illustrates the Association's rent levels ranked by apartment size (1 being the lowest and 189 being the highest) out of the one hundred and eighty-nine landlords who submitted information published by the Scottish Housing Regulator (SHR) in the latest available Annual Return on the Charter (ARC) statistics.

Apartment Size	2 Apt	3 Apt	4 Apt	5+ Apt
National Average Rent [Note 1]	75.68	77.35	83.98	93.29
Yoker HA Ltd – Average Rent	61.80	68.83	76.55	90.63
Yoker HA Ltd – National Ranking	19th lowest	16th lowest	22nd lowest	44th lowest

[Note 1] 2018 / 2019 rent charges based upon rents at 31 March 2018 with average increase from 1 April 2018 applied

The above statistics demonstrate that the Association is providing VfM in terms of the rent levels it charges.

2.2 Housing investment

The replacement, renewal or upgrading of existing housing stock and provision of additional housing are the main items of expenditure in assessing VfM.

The Association has an on-going programme of cyclical planned maintenance works that ensure our existing tenants are seeing a substantial proportion of their rent re-invested in their homes. This programme is fully funded and incorporated within the Association's long-term financial projections.

The current business plan baseline assumptions are that we will invest approximately £3.5m in revenue, £3.2m in component replacement and a further £4.2m in capital over the plan period. This equates to total investment of £10.9m – representing approximately 89% of projected rental income over the same period.

Based upon the latest Annual Financial Statements Return (AFSR) figures published by the SHR, the Association's expenditure on reactive maintenance of £481 was the **70th lowest** compared to the other one hundred and fifty-seven housing providers' details published. This placed the Association in the median quartile for reactive maintenance.

With respect to planned maintenance, the Association's expenditure of £452 per unit was the **64th highest** level of investment when compared to the other one hundred and fifty-seven housing providers' details published.

These figures support the view that the Association is providing VfM by investing in planned maintenance while keeping expenditure on reactive maintenance to within reasonable levels.

The planned investment of £4.2m (£10.3m including Social Housing Grant) for developing housing will contribute to further efficiencies as it will further reduce our unit costs.

2.3 Staff costs
This represents a major input into the VfM assessment as after housing investment it represents the single largest item of expenditure incurred by the Association.

The latest expenditure on staff costs published by the SHR through their analysis of the AFSR for 2018 showed that the Association expended 12.8% of its turnover on staff costs. This compared to an average of 23.0% nationally, 22.0% by other local housing providers and 29.4% for other similarly sized RSLs. This ranked the Association as the 11th lowest for staff costs as a proportion of turnover out of one hundred and fifty-seven housing providers.

Excluding the effect of deferred grants in these figures increases the proportion of turnover on staff costs to 17.7%. This compared to an average of 25.6% nationally, 25.7% by other local housing providers and 29.4% for other similarly sized RSLs. This ranked the Association as the 24th lowest for staff costs as a proportion of turnover out of the one hundred and fifty-seven housing providers.

Using staff cost per unit as an alternative measure of VfM removes the effect of high rents being used to shelter high staff costs. The Association's staff cost per unit amounted to £668 for the year to 31 March 2018. This compared to an average of £1,033 per unit nationally (excluding the top ten outliers), £1,074 per unit by other local housing providers and £1,402 for other similarly sized RSLs. This ranked the Association's staff costs as the 9th lowest out of one hundred and fifty-seven housing providers.

These statistics (irrespective of the measure used) clearly demonstrate that the Association is providing VfM in terms of the staff cost input for service delivery when compared to other RSLs.

2.4 Management & maintenance administration costs
Management & maintenance administration costs represent the last key element of expenditure input used by the Association for assessing VfM.

The 2018 AFSR showed that the Associations £1,019 per unit compared to an average of £1,474 per unit nationally, £1,404 per unit by other local housing providers and £1,534 per unit for other similarly sized RSLs. This ranked the Association's management and maintenance administration costs as the 24th lowest out of one hundred and fifty-seven housing providers.

In terms of overall management and maintenance administration costs, with amongst the lowest costs in the sector, the Association is again clearly demonstrating VfM when compared to other RSLs.

3.0 Key Outputs

3.1 Scottish Housing Quality Standard (SHQS)
This is the housing quality benchmark which all RSL properties are expected to meet and represents the principle physical output from the rent charge.

All the Association's lettable properties currently meet or exceed the SHQS. The Association's staff carry out routine assessments of the internal condition of properties to gain assurance that these elements are continuing to meet the SHQS. An independent survey of all the external elements of the SHQS is also obtained on a five yearly cycle to provide assurance that these elements are also continuing to meet the SHQS.

Two tenement properties held by the Association for future refurbishment and not considered lettable due to the condition of the common areas of the tenement do not meet the SHQS. When these two properties are taken into account, the Association is achieving 99.69% compliance with the SHQS and this ranks the Association 49th best out of the one hundred and eighty-nine other housing providers in the SHRs published statistics.

3.2 Energy Efficiency Standard for Social Housing (EESSH)
All RSL properties are expected to meet this energy efficiency benchmark by the end of March 2020.

The Association has obtained Energy Performance Certificates (EPCs) for all its lettable properties and these provide the independent assurance that all the Association's lettable housing stock met or exceeded the EESSH as of 31 March 2019 – twelve months ahead of the deadline for implementation.

Comparing the Association's performance at 31 March 2018 (the last available published statistics) with other housing providers placed the Association 19th highest out of one hundred and eighty-six in terms of the proportion of housing stock meeting the required standard.

3.3 Rent arrears

A key output indicator of VfM is the level of rent arrears – reflecting the impact and effectiveness of staff input to monitoring and controlling rent recovery.

The Association's rent arrears level of 3.70% compared to a national average per the latest Annual Return on the Charter (ARC) 2018 statistics of 5.41%. This placed the Association with the 97th lowest level of rent arrears and in the median quartile of performance nationally when compared to the one hundred and eighty-nine housing providers in the published figures.

3.4 Void rent loss

Another key indicator of VfM – void rent loss reflects the effectiveness of staff in turning properties that become vacant around and thereby minimising lost rental income.

The Association's void rent loss of 0.16% for the year to the end of March 2018 compared to the national average of 0.85%, the local housing providers' average of 0.34% and similarly sized RSLs' void rent loss average of 0.41%. This placed the Association with the 34th lowest level of void rent loss nationally when compared to the other one hundred and eighty-nine housing providers in the published figures.

3.5 Re-let times

A function of the effectiveness of staff in re-letting vacant properties, re-let times reflect VfM in much the same way as void rent loss.

During the year to 31 March 2018, the Association took an average of 8.04 Days to re-let vacant properties. This compared to a national average of 30.72 days, a locally based RSL average of 14.30 days and an average of 17.12 days for similarly sized RSLs. This placed the Association with the 25th lowest re-let times compared to the other one hundred and eighty-nine housing providers in the published figures.

3.6 Consultation

Tenant and other resident consultation is also facilitated and the Association aims to consult on any changes that are likely to have an impact either directly or indirectly upon residents.

As well as consulting upon the annual rent increase routinely, the Association consults on any proposed major repairs or improvements through one-to-one individual, close or block meetings. The Association has recently introduced a new website that gives access to information on policy reviews scheduled and provides a conduit for the collection of views from tenants.

In the latest tenant satisfaction survey carried out, 87.1% of the Association's tenants were satisfied with the opportunities the Association gave them to participate in its decision-making process, 11.2% expressed no opinion and only 1.7% were dissatisfied. This was better then the national average of 86.0% and ranked the Association 93rd highest out of the one hundred and eighty-two housing providers who provided a response in the published statistics.

4.0 Tenant Assessment

As part of its tenant satisfaction survey carried out every three years, the Association asks tenants for their view of VfM.

The Association's last tenant satisfaction survey carried out showed that 91.8% of tenants thought that their property represented good value for money, 7.3% expressed no opinion and 0.9% felt that it represented poor value for money. This compared to the national average of 83.2% and ranked the Association's tenants as 26th highest out of the one hundred and eighty-two other housing providers in the published statistics.

5.0 Conclusion

The assessment above is primarily based upon the independent data produced by the SHR for assessing performance. It indicates that the Association's outputs are at least as good as, and in many cases significantly better than those of other RSLs. The corresponding inputs are also significantly better than the average with the Association ranking particularly highly for cost efficiency.

The Association is firmly committed to obtaining and continuing to obtain VfM for tenants. This analysis shows that we are already performing significantly better than the RSL sector as a whole in achieving VfM.

Perhaps more importantly, consultation with our own tenants indicates that this is the case.

1.0 Introduction

The Management Committee reviews long term financial planning assumptions on an annual basis following the completion of the audit of its Financial Statements and prior to submission of it's updated Five Year Financial Projections (FYFP) to the Scottish Housing Regulator (SHR). This ensures that the financial model that forms a key element of the Association's business planning process remains as up-to-date and relevant as possible.

The model therefore considers the latest financial performance information available and uses this information to ensure that underlying assumptions remain valid and prudent in its financial forecasting. Prudence remains a key element within the assumptions and reduces the risk that the Association's financial resources will not be available to meet anticipated demands.

The purpose of this section is to provide a detailed overview of the key assumptions which underpin the long-term financial projections.

2.0 Key Assumptions

All year one figures are based upon the budget for the financial year 2019 / 20 approved by the Management Committee on 30 April 2019.

2.01 General inflation

All figures are stated in current (2019/20) prices. The impact of inflation is ignored for long term financial planning as inflating figures across the board has no impact upon the information required for decision making purposes. It is acknowledged that this approach would have to be reviewed if the Association were to include long term borrowings within its financial strategy.

The long-term impact of sustained (real) increases in income or expenditure is however considered as part of the sensitivity analysis included within the plan.

2.02 Rental income

Rental income is based upon the actual rent charges in effect from 1 April 2019 for the Association's six hundred and thirty-nine properties. No real rent increases are assumed (above the general rate of inflation) and therefore any increase in rental income reflects movements in housing stock over the plan period as follows:

- Blawarthill Hospital Refurbishment – 4 additional units from 12/2019
- Blawarthill Hospital New Build – 15 additional units from 10/2020
- Drysdale St / Sandholm Terr New Build – 5 additional units from 07/2021
- Yoker Primary School New Build – 60 additional units from 11/2021

2.03 Void rent loss

Void rent loss is assumed at a rate of 0.05% in year one (budget) and 0.5% from year two of the plan in relation to properties available for let. A specific sum is also included for properties unavailable for let in relation to two unimproved tenement properties that are not in a lettable condition and are held for future tenement refurbishment.

2.04 Grants released from deferred income

Historical grants are released based upon the actual projected release on an individual property basis. These figures are supplemented by estimated releases from the capitalisation of development grants received in respect of the development schemes mentioned at 2.2 above.

It should be noted that grants released from deferred income is a non-cash item and has no impact upon cash flows.

2.05 Housing depreciation

This is calculated from existing property depreciation outstanding on an individual property basis and adjusted for anticipated component replacement through the Association's on-going programme of existing property improvements.

It should be noted that housing depreciation is a non-cash item and has no impact upon cash flows.

2.06 Planned maintenance

Planned maintenance based upon the latest available cost information includes the following cyclical maintenance throughout the plan period:

- Close decoration (5 yearly cycle)
- Gas safety checks (annual cycle)
- Back court maintenance (annual cycle)
- Maintenance of Automatic Opening Vents (AOVs) (fire safety) (annual cycle)
- Garden maintenance (annual cycle)
- Attic fans maintenance (annual cycle)
- Roof inspections and gutter cleaning (annual cycle)
- Legionella testing (5 yearly cycle)
- SHQS surveys (5 yearly cycle)

The following specific additional planned maintenance has been included as follows:

- Rear screen replacement works Dumbarton Road (nine years from 2019 to 2028)
- Fire and heat alarm upgrades (two years from 2019 to 2020)
- Remedial works to Drysdale Street property following structural damage by former tenant (2019)

In addition to the above items, a contingency cost is provided for fabric repairs throughout the plan period based upon the last fabric repair tender price for work carried out at Dumbarton Road and Kelso Street.

Planned maintenance costs within the model are linked to the number of housing units and will therefore increase proportionately with additional units developed over the plan period.

2.07 Reactive maintenance

Reactive maintenance budget costs for 2019/20 were increased over 2018/19 by an uplift to reflect the increase in the National Living Wage. From year two of the plan period reactive maintenance costs are based upon 2019/20 prices.

As with planned maintenance costs, reactive maintenance costs within the model are also linked to the number of housing units and will therefore increase proportionately with additional units developed over the plan period.

2.08 Bad debts

The bad debt charge for year one is budgeted at 1.5% of gross rental income. This increases to 2.5% from year two of the plan period through to year 30.

This represents a significant increase compared to recent experience. It is considered a prudent assumption on the basis that there is uncertainty and risk around the long-term impact of the role out of Universal Credit on rent arrears.

2.09 Staff salary costs

Existing staff levels are assumed to remain constant over the plan period with no general increase in salary scales being assumed and therefore salary costs remaining at 2019/20 prices.

Where an existing member of staff is not currently at the top of their salary scale however, an incremental salary increase has been assumed for each year up until they reach the top of their current scale.

The Association might have anticipated a cyclical reduction in staff salary costs with the through-put of trainees on a three-yearly cycle. However, the decision to retain existing trainees at the end of their three-year training contract was taken by the Management Committee to ensure retention of experience as anticipated retirements were identified as a potential risk to succession planning.

No additional staff are considered necessary to accommodate the planned increase in current housing stock by around 13% over the plan period. Consequently, the Association might expect to see a reduction in staff salary costs as a proportion of rental income and on a per unit basis over the course of the next three to four years.

2.10 Staff pension costs

The Association currently provides a final salary pension option to all new and existing staff. Nine of the current eleven members of staff exercise this option and two members of staff have opted out of auto enrolment in the scheme.

While the option to join remains open to existing staff, it has been assumed from year two onwards that all staff exercise the option to join the scheme. This mitigates the potential financial impact on our plans of those members exercising their right to join the scheme in the future.

The deterioration in market conditions over the last three years with respect to the long-term return on government bonds (gilts) and improvements in overall mortality rates means that the cost of providing a final salary pension is likely to increase significantly for future service. There is likely to be a similar adverse effect upon the funding position of the scheme at the latest triennial valuation date of September 2018.

The Association is yet to obtain details of how this will affect its contributions to the Scottish Housing Associations' Pension Scheme (SHAPS) from 1 April 2020.

A prudent assumption has therefore been built into the financial model that will see the employer contribution for future service increase from 12.6% to 25.2% from 1 April 2020. An additional past service deficit contribution has also been included in the sum of approximately one hundred and seventy-five thousand pounds (being the equivalent of an additional two years past service deficit contribution to the scheme).

This represents a significant increase in costs for future service compared to recent experience. However, such an assumption is considered prudent as it mitigates the risk of the Association being unable to meet its financial commitments because of unexpected increases in pension costs.

2.11 Property management income

Property management services are currently provided by the Association to a total of two hundred and seventy-nine residential and commercial property owners. Following the cessation of Right To Buy, it has been assumed that this number will remain unchanged over the plan period.

With respect to property management fees these are assumed to remain at 2019/20 prices throughout the plan period and as such no movement in property management income is anticipated within the projections.

2.12 Office overheads

The Association's current office premises and running costs are a fixed cost that is likely to meet the business needs of the Association well into the foreseeable future. This would be unlikely to change even with a significant increase in housing stock together with a significant increase in staff accommodation.

All overhead costs are accordingly based upon the 2019/20 budget and prices reflect the 2019/20 base year with no significant variation through the plan period.

2.13 Interest rates

Return on financial deposits has been at historically low levels for the last ten years. The weakness of the United Kingdom economy, continued uncertainty surrounding the timing of any exit from the European Union and the uncertainty surrounding the long-term impact of departure mean that low interest rates are likely to feature for some time into the future.

The Association currently obtains interest rates ranging from 0.1% to 1.15% on short term bank deposits of up to one year. It has been assumed that a rate of 0.75% will be obtained within the long-term financial projections.

No additional planned borrowings are included within the long-term financial projections and the Association currently has no borrowings against existing housing stock. However, for the purposes of financial modelling, a borrowing cost of 8.0% has been assumed within the model.

This ensures prudent pricing of the cost of borrowing if changes to the underlying assumptions generate negative cash flows that require to be funded by borrowings.

2.14 Capital investment – existing housing stock

The Association is committed to re-investing surplus funds in maintaining and improving existing homes as well as developing new homes for affordable rent. The two main elements of capital investment included within the model are therefore capital component replacement within existing housing stock and development of new affordable housing.

Component replacement for year one of the plan is based upon the budget approved for 2019/20 with costs based upon the latest tender prices available for these works. Subsequent component replacement reflects the anticipated replacements as generated by each individual property file and is subject to review based upon an updated condition inspection of each property in advance of any works. Component replacement over the business plan period together with associated cost is detailed in the tables below.

Component replacement numbers (life cycle)	2020 No.	2021 No.	2022 No.	2023 No.	2024 No.
Bathrooms (15 Yrs)	85	30	25	36	89
CH Boilers (15 Yrs)	21	37	22	51	64
CH Radiators (25 Yrs)	1	60	61	23	18
Electrical Infrastructure (25 Yrs)	1	59	66	26	21
Kitchens (15 Yrs)	52	27	30	40	100
Windows (25 yrs)	3	39	53	13	7

Component replacement costs	2020 £	2021 £	2022 £	2023 £	2024 £
Bathrooms	211,900	76,8000	67,900	102,400	253,100
CH Boilers	46,200	83,600	52,700	127,900	160,600
CH Radiators	900	55,500	59,900	23,600	18,500
Electrical Infrastructure	2,000	121,200	143,900	59,300	47,900
Kitchens	136,200	71,900	84,900	118,400	296,000
Windows	17,800	237,000	341,900	87,800	47,300
Total	415,000	646,000	751,200	519,400	823,400

Recent experience suggests that the condition of components scheduled for replacement within the Association's housing stock means that some component replacements may not be necessary within the time frame suggested by the life cycle indicated on their individual property files.

However, adopting a prudent approach to component replacement means that the Association reduces the risk of having to carry out unplanned component replacement at a future date with a consequent impact upon the ability to deliver other planned investment.

2.15 Capital investment – Scottish Housing Quality Standard (SHQS) and Energy Efficiency Standard for Social Housing (EESSH)
No additional capital or revenue investment has been included within the financial base model to achieve compliance with the SHQS or EESSH as all the Association's properties (excluding exemptions) were fully compliant at 31 March 2019.

An independent survey is due to be completed during the year end 31 March 2020 to confirm on-going compliance. In the event that investment is required to maintain the SHQS following that survey, it is considered that the contingency sums referred to above at 2.06 will be sufficient to cover any potential investment required.

2.16 Capital investment – development of new affordable housing
The development of new affordable housing has been included within the planning model based upon the projects identified under item 2.02 above. The timetable for delivery of these projects has been agreed with Glasgow City Council's Development and Regeneration Services (DRS) and included within the Strategy & Development Funding Plan (SDFP) submission for 2019.

All these projects are scheduled to complete within the five-year plan period and the total capital investment (net of Housing Association Grant) required to fund these projects will amount to approximately four million two hundred thousand pounds.

The Association's cash flow projections indicate that this level of investment can be achieved without the need for the Association to incur the costs associated with raising and servicing of private finance. The table below illustrates the anticipated cash flows from new housing investment over the plan period.

Net cash outflows / Year end	2020 £000s	2021 £000s	2022 £000s	2023 £000s	2024 £000s
Blawarthill Hospital Refurbishment (4 units)	200	-	-	-	-
Blawarthill Hospital New Build (15 units)	-	750	-	-	-
Drysdale St / Sandholm Terr New Build (5 units)	-	250	-	-	-
Yoker Primary School New Build (60 units)	-	-	3,000	-	-
Total (84 units)	200	1,000	3,000	-	-

The investment levels for each of these schemes have assumed a maximum Association contribution of fifty thousand pounds per unit. While this is considered a prudent assumption, if tender prices for any scheme required the Association to contribute a higher level of funding then the Management Committee would have to re-appraise the scheme and consider the impact upon current and future cash flows.

It should also be noted that at the date of compiling the plan, a feasibility study is yet to be completed for the Yoker Primary School site. The inclusion of sixty units within this site is at the upper end of expectations. However, this is also considered to be a prudent assumption as it allows the Association to meet other planned financial commitments if the maximum cash demands of the development materialise.

3.0 Conclusion

The above details form the core base assumptions for the short, medium, and long-term financial projections within the Association's current business plan. An impact assessment of various changes in the underlying assumptions to stress test the robustness of the plan is provided as a separate analysis.

However, the core baseline assumptions themselves include prudent underlying assumptions and demonstrate that the Association remains financially viable throughout the plan period. The Association's low rents and lack of borrowings also provide headroom for additional income generation through higher rents or the introduction of borrowings to fund unforeseen levels of expenditure.

Section 13.0

Yoker Housing Association Limited

Business Plan 2019 / 2020 / 2021 / 2022 / 2023 / 2024

Long Term Financial Projections

PROJECTED STATEMENT OF COMPREHENSIVE INCOME	03/2018 Actual £	03/2019 Actual £	03/2020 Year 01 £	03/2021 Year 02 £	03/2022 Year 03 £	03/2023 Year 04 £	03/2024 Year 05 £	03/2025 Year 06 £	03/2026 Year 07 £	03/2027 Year 08 £	03/2028 Year 09 £	03/2029 Year 10 £	03/2030 Year 11 £	03/2031 Year 12 £	03/2032 Year 13 £	03/2033 Year 14 £
Gross Rental Income (0.0% Real Growth)	2,199,200	2,196,482	2,260,100	2,399,000	2,513,500	2,510,100	2,510,100	2,510,100	2,510,100	2,510,100	2,510,100	2,510,100	2,510,100	2,510,100	2,510,100	2,510,100
Gross Service Income	18,943	11,464	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400
Gross rents & service charges	2,218,143	2,207,946	2,273,500	2,412,400	2,526,900	2,523,500	2,523,500	2,523,500	2,523,500	2,523,500	2,523,500	2,523,500	2,523,500	2,523,500	2,523,500	2,523,500
Rent loss from voids	(7,616)	(8,935)	(9,300)	(20,200)	(20,700)	(20,700)	(20,700)	(20,700)	(20,700)	(20,700)	(20,700)	(20,700)	(20,700)	(20,700)	(20,700)	(20,700)
Net rent & service charges	2,210,527	2,199,011	2,264,200	2,392,200	2,506,200	2,502,800	2,502,800	2,502,800	2,502,800	2,502,800	2,502,800	2,502,800	2,502,800	2,502,800	2,502,800	2,502,800
Developments for sale income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants released from deferred income	892,288	886,923	886,000	873,420	860,278	855,335	842,254	841,252	834,892	833,741	827,176	822,818	813,542	810,290	802,895	784,833
Grants from Scottish Ministers	74,885	55,329	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	36,702	35,767	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500
REVENUE	3,214,402	3,177,030	3,186,700	3,302,120	3,402,978	3,394,635	3,381,554	3,380,552	3,374,192	3,373,041	3,366,476	3,362,118	3,352,842	3,349,590	3,342,195	3,324,133
Less: Housing depreciation	(1,058,913)	(1,056,098)	(1,073,100)	(1,081,400)	(1,100,000)	(1,117,700)	(1,148,700)	(1,158,300)	(1,177,000)	(1,193,900)	(1,219,200)	(1,232,600)	(1,251,700)	(1,262,700)	(1,280,500)	(1,285,400)
Impairment charges written (off) / back	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Other operating costs																
Management costs	(418,219)	(450,729)	(420,500)	(549,700)	(468,000)	(474,700)	(474,700)	(474,700)	(474,700)	(474,700)	(474,700)	(474,700)	(474,700)	(474,700)	(474,700)	(474,700)
Planned maintenance - direct costs	(288,176)	(182,678)	(346,200)	(360,300)	(335,100)	(349,000)	(371,600)	(349,000)	(289,600)	(349,000)	(371,600)	(309,000)	(309,000)	(249,600)	(331,600)	(309,000)
Re-active & voids maintenance - direct costs	(306,672)	(330,773)	(319,500)	(337,000)	(357,700)	(374,400)	(374,400)	(374,400)	(374,400)	(374,400)	(374,400)	(374,400)	(374,400)	(374,400)	(374,400)	(374,400)
Maintenance overhead costs	(232,176)	(251,405)	(251,900)	(353,100)	(277,600)	(277,700)	(277,700)	(277,700)	(277,700)	(277,700)	(277,700)	(277,700)	(277,700)	(277,700)	(277,700)	(277,700)
Bad Debts written (off) / back (2.5%)	(3,563)	(6,616)	(34,600)	(59,800)	(62,700)	(62,600)	(62,600)	(62,600)	(62,600)	(62,600)	(62,600)	(62,600)	(62,600)	(62,600)	(62,600)	(62,600)
Developments for sale costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other costs	(57,022)	(4,581)	(51,200)	(59,800)	(50,300)	(50,300)	(50,300)	(50,300)	(50,300)	(50,300)	(50,300)	(50,300)	(50,300)	(50,300)	(50,300)	(50,300)
Operating Costs	(2,364,741)	(2,282,880)	(2,497,000)	(2,801,100)	(2,651,400)	(2,706,400)	(2,760,000)	(2,747,000)	(2,706,300)	(2,782,600)	(2,830,500)	(2,781,300)	(2,800,400)	(2,752,000)	(2,851,800)	(2,834,100)
OPERATING SURPLUS / (DEFICIT)	849,661	894,150	689,700	501,020	751,578	688,235	621,554	633,552	667,892	590,441	535,976	580,818	552,442	597,590	490,395	490,033
Profit / (Loss) on sale of fixed assets	(5,639)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Receivable (.75%)	12,097	18,672	30,700	28,500	26,500	12,700	3,500	4,700	7,100	10,800	13,300	14,400	15,500	16,200	16,400	17,200
Interest Payable (8.0%)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movement in fair value of financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unwinding of discount on pension deficit liability	18,741	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SURPLUS / (DEFICIT) FOR THE YEAR	874,860	912,822	720,400	529,520	778,078	700,935	625,054	638,252	674,992	601,241	549,276	595,218	567,942	613,790	506,795	507,233
Reserves Brought Forward	11,470,912	12,345,772	13,258,600	13,979,000	14,508,520	15,286,598	15,987,533	16,612,587	17,250,839	17,925,831	18,527,072	19,076,348	19,671,566	20,239,508	20,853,298	21,360,093
Reserves Carried Forward	12,345,772	13,258,594	13,979,000	14,508,520	15,286,598	15,987,533	16,612,587	17,250,839	17,925,831	18,527,072	19,076,348	19,671,566	20,239,508	20,853,298	21,360,093	21,867,326

Yoker Housing Association Limited

Business Plan 2019 / 2020 / 2021 / 2022 / 2023 / 2024

Long Term Financial Projections

PROJECTED STATEMENT OF COMPREHENSIVE INCOME	03/2034	03/2035	03/2036	03/2037	03/2038	03/2039	03/2040	03/2041	03/2042	03/2043	03/2044	03/2045	03/2046	03/2047	03/2048	03/2049
	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Gross Rental Income (0.0% Real Growth)	2,510,100	2,510,100	2,510,100	2,510,100	2,510,100	2,510,100	2,510,100	2,510,100	2,510,100	2,510,100	2,510,100	2,510,100	2,510,100	2,510,100	2,510,100	2,510,100
Gross Service Income	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400
Gross rents & service charges	2,523,500	2,523,500	2,523,500	2,523,500	2,523,500	2,523,500	2,523,500	2,523,500	2,523,500	2,523,500	2,523,500	2,523,500	2,523,500	2,523,500	2,523,500	2,523,500
Rent loss from voids	(20,700)	(20,700)	(20,700)	(20,700)	(20,700)	(20,700)	(20,700)	(20,700)	(20,700)	(20,700)	(20,700)	(20,700)	(20,700)	(20,700)	(20,700)	(20,700)
Net rent & service charges	2,502,800	2,502,800	2,502,800	2,502,800	2,502,800	2,502,800	2,502,800	2,502,800	2,502,800	2,502,800	2,502,800	2,502,800	2,502,800	2,502,800	2,502,800	2,502,800
Developments for sale income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants released from deferred income	768,635	709,925	705,632	656,123	638,583	596,213	592,853	561,508	559,167	487,900	457,989	457,988	385,477	277,143	261,934	252,884
Grants from Scottish Ministers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500
REVENUE	3,307,935	3,249,225	3,244,932	3,195,423	3,177,883	3,135,513	3,132,153	3,100,808	3,098,467	3,027,200	2,997,289	2,997,288	2,924,777	2,816,443	2,801,234	2,792,184
Less: Housing depreciation	(1,298,100)	(1,254,000)	(1,258,800)	(1,212,800)	(1,199,500)	(1,164,700)	(1,166,500)	(1,142,500)	(1,145,200)	(1,084,700)	(1,061,000)	(1,061,100)	(1,000,300)	(907,100)	(892,900)	(883,900)
Impairment charges written (off) / back	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Other operating costs																
Management costs	(474,700)	(474,700)	(474,700)	(474,700)	(474,700)	(474,700)	(474,700)	(474,700)	(474,700)	(474,700)	(474,700)	(474,700)	(474,700)	(474,700)	(474,700)	(474,700)
Planned maintenance - direct costs	(309,000)	(309,000)	(272,200)	(309,000)	(309,000)	(309,000)	(331,600)	(249,600)	(309,000)	(309,000)	(331,600)	(309,000)	(249,600)	(309,000)	(331,600)	(309,000)
Re-active & voids maintenance - direct costs	(374,400)	(374,400)	(374,400)	(374,400)	(374,400)	(374,400)	(374,400)	(374,400)	(374,400)	(374,400)	(374,400)	(374,400)	(374,400)	(374,400)	(374,400)	(374,400)
Maintenance overhead costs	(277,700)	(277,700)	(277,700)	(277,700)	(277,700)	(277,700)	(277,700)	(277,700)	(277,700)	(277,700)	(277,700)	(277,700)	(277,700)	(277,700)	(277,700)	(277,700)
Bad Debts written (off) / back (2.5%)	(62,600)	(62,600)	(62,600)	(62,600)	(62,600)	(62,600)	(62,600)	(62,600)	(62,600)	(62,600)	(62,600)	(62,600)	(62,600)	(62,600)	(62,600)	(62,600)
Developments for sale costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other costs	(50,300)	(50,300)	(50,300)	(50,300)	(50,300)	(50,300)	(50,300)	(50,300)	(50,300)	(50,300)	(50,300)	(50,300)	(50,300)	(50,300)	(50,300)	(50,300)
Operating Costs	(2,846,800)	(2,802,700)	(2,770,700)	(2,761,500)	(2,748,200)	(2,713,400)	(2,737,800)	(2,631,800)	(2,693,900)	(2,633,400)	(2,632,300)	(2,609,800)	(2,489,600)	(2,455,800)	(2,464,200)	(2,432,600)
OPERATING SURPLUS / (DEFICIT)	461,135	446,525	474,232	433,923	429,683	422,113	394,353	469,008	404,567	393,800	364,989	387,488	435,177	360,643	337,034	359,584
Profit / (Loss) on sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Receivable (.75%)	18,000	19,200	21,000	24,300	28,600	32,800	35,300	37,700	41,500	45,500	49,500	54,000	57,800	59,900	59,900	61,700
Interest Payable (8.0%)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movement in fair value of financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unwinding of discount on pension deficit liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SURPLUS / (DEFICIT) FOR THE YEAR	479,135	465,725	495,232	458,223	458,283	454,913	429,653	506,708	446,067	439,300	414,489	441,488	492,977	420,543	396,934	421,284
Reserves Brought Forward	21,867,326	22,346,461	22,812,186	23,307,418	23,765,641	24,223,924	24,678,837	25,108,490	25,615,198	26,061,265	26,500,565	26,915,054	27,356,542	27,849,519	28,270,062	28,666,996
Reserves Carried Forward	22,346,461	22,812,186	23,307,418	23,765,641	24,223,924	24,678,837	25,108,490	25,615,198	26,061,265	26,500,565	26,915,054	27,356,542	27,849,519	28,270,062	28,666,996	29,088,280

Long Term Financial Projections

PROJECTED STATEMENT OF FINANCIAL POSITION	03/2018 Actual £	03/2019 Actual £	03/2020 Year 01 £	03/2021 Year 02 £	03/2022 Year 03 £	03/2023 Year 04 £	03/2024 Year 05 £	03/2025 Year 06 £	03/2026 Year 07 £	03/2027 Year 08 £	03/2028 Year 09 £	03/2029 Year 10 £	03/2030 Year 11 £	03/2031 Year 12 £	03/2032 Year 13 £	03/2033 Year 14 £
Non Current Assets																
Housing properties - Gross cost or valuation	50,843,000	51,152,673	53,089,000	57,785,000	63,336,200	63,855,600	64,679,000	64,930,900	65,531,000	66,065,700	66,998,700	67,566,400	68,683,200	69,418,800	70,362,600	71,047,800
Less: Housing Depreciation	(18,828,748)	(19,815,491)	(20,888,600)	(21,970,000)	(23,070,000)	(24,187,700)	(25,336,400)	(26,494,700)	(27,671,700)	(28,865,600)	(30,084,800)	(31,317,400)	(32,569,100)	(33,831,800)	(35,112,300)	(36,397,700)
HAG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	32,014,252	31,337,182	32,200,400	35,815,000	40,266,200	39,667,900	39,342,600	38,436,200	37,859,300	37,200,100	36,913,900	36,249,000	36,114,100	35,587,000	35,250,300	34,650,100
Other non current assets	1,367,357	1,349,429	1,308,500	1,251,600	1,194,700	1,187,800	1,155,900	1,099,000	1,042,100	985,200	928,300	871,400	814,500	757,600	700,700	643,800
TOTAL FIXED ASSETS	33,381,609	32,686,611	33,508,900	37,066,600	41,460,900	40,855,700	40,498,500	39,535,200	38,901,400	38,185,300	37,842,200	37,120,400	36,928,600	36,344,600	35,951,000	35,293,900
Current Assets																
Net rental debtors	13,545	11,392	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400
Other debtors, stock & WIP	43,014	54,696	54,700	54,700	54,700	54,700	54,700	54,700	54,700	54,700	54,700	54,700	54,700	54,700	54,700	54,700
Cash at bank and in hand	2,581,118	3,639,036	3,973,800	3,086,000	312,300	629,900	636,700	1,263,800	1,604,500	1,954,900	1,886,900	2,247,900	2,060,900	2,315,200	2,279,500	2,525,800
TOTAL CURRENT ASSETS	2,637,677	3,705,124	4,039,900	3,152,100	378,400	696,000	702,800	1,329,900	1,670,600	2,021,000	1,953,000	2,314,000	2,127,000	2,381,300	2,345,600	2,591,900
Creditors: Amounts falling due within one year																
Loans & overdrafts due within one year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other short-term creditors	(288,909)	(415,699)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)
TOTAL CURRENT LIABILITIES	(288,909)	(415,699)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)
NET CURRENT ASSETS / (LIABILITIES)	2,348,768	3,289,425	3,624,200	2,736,400	(37,300)	280,300	287,100	914,200	1,254,900	1,605,300	1,537,300	1,898,300	1,711,300	1,965,600	1,929,900	2,176,200
TOTAL ASSETS LESS CURRENT LIABILITIES	35,730,377	35,976,036	37,133,100	39,803,000	41,423,600	41,136,000	40,785,600	40,449,400	40,156,300	39,790,600	39,379,500	39,018,700	38,639,900	38,310,200	37,880,900	37,470,100
Creditors : Amounts falling due after one year																
Due after one year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Income	(23,384,312)	(22,717,130)	(23,153,900)	(25,294,200)	(26,136,800)	(25,148,200)	(24,172,800)	(23,198,300)	(22,230,200)	(21,263,300)	(20,302,900)	(19,346,900)	(18,400,100)	(17,456,700)	(16,520,600)	(15,602,500)
NET ASSETS	12,346,065	13,258,906	13,979,200	14,508,800	15,286,800	15,987,800	16,612,800	17,251,100	17,926,100	18,527,300	19,076,600	19,671,800	20,239,800	20,853,500	21,360,300	21,867,600
Capital & Reserves																
Share capital	293	312	300	300	300	300	300	300	300	300	300	300	300	300	300	300
Restricted, designated & revenue reserves	12,345,772	13,258,594	13,979,000	14,508,500	15,286,600	15,987,500	16,612,600	17,250,800	17,925,800	18,527,100	19,076,300	19,671,600	20,239,500	20,853,300	21,360,100	21,867,300
TOTAL CAPITAL & RESERVES	12,346,065	13,258,906	13,979,300	14,508,800	15,286,900	15,987,800	16,612,900	17,251,100	17,926,100	18,527,400	19,076,600	19,671,900	20,239,800	20,853,600	21,360,400	21,867,600

Yoker Housing Association Limited
Business Plan 2019 / 2020 / 2021 / 2022 / 2023 / 2024

Long Term Financial Projections

PROJECTED STATEMENT OF FINANCIAL POSITION	03/2034	03/2035	03/2036	03/2037	03/2038	03/2039	03/2040	03/2041	03/2042	03/2043	03/2044	03/2045	03/2046	03/2047	03/2048	03/2049
	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Non Current Assets																
Housing properties - Gross cost or valuation	71,901,900	72,450,500	72,912,500	73,231,800	73,669,300	74,441,100	74,919,300	75,355,700	75,814,300	76,204,700	76,536,800	77,080,900	77,993,400	79,076,900	79,444,600	79,728,600
Less: Housing Depreciation	(37,695,800)	(38,949,800)	(40,208,600)	(41,421,400)	(42,620,900)	(43,785,600)	(44,952,100)	(46,094,600)	(47,239,800)	(48,324,500)	(49,385,500)	(50,446,600)	(51,446,900)	(52,354,000)	(53,246,900)	(54,130,800)
HAG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	34,206,100	33,500,700	32,703,900	31,810,400	31,048,400	30,655,500	29,967,200	29,261,100	28,574,500	27,880,200	27,151,300	26,634,300	26,546,500	26,722,900	26,197,700	25,597,800
Other non current assets	586,900	530,000	473,100	416,200	359,300	302,400	245,500	188,600	131,700	74,800	17,900	(39,000)	(95,900)	(152,800)	(209,700)	(266,600)
TOTAL FIXED ASSETS	34,793,000	34,030,700	33,177,000	32,226,600	31,407,700	30,957,900	30,212,700	29,449,700	28,706,200	27,955,000	27,169,200	26,595,300	26,450,600	26,570,100	25,988,000	25,331,200
Current Assets																
Net rental debtors	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400
Other debtors, stock & WIP	54,700	54,700	54,700	54,700	54,700	54,700	54,700	54,700	54,700	54,700	54,700	54,700	54,700	54,700	54,700	54,700
Cash at bank and in hand	2,604,000	2,988,900	3,499,000	4,118,300	4,623,700	4,799,000	5,247,800	5,822,800	6,320,000	6,889,400	7,498,500	7,922,700	8,041,700	7,932,400	8,516,300	9,208,300
TOTAL CURRENT ASSETS	2,670,100	3,055,000	3,565,100	4,184,400	4,689,800	4,865,100	5,313,900	5,888,900	6,386,100	6,955,500	7,564,600	7,988,800	8,107,800	7,998,500	8,582,400	9,274,400
Creditors: Amounts falling due within one year																
Loans & overdrafts due within one year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other short-term creditors	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)
TOTAL CURRENT LIABILITIES	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)	(415,700)
NET CURRENT ASSETS / (LIABILITIES)	2,254,400	2,639,300	3,149,400	3,768,700	4,274,100	4,449,400	4,898,200	5,473,200	5,970,400	6,539,800	7,148,900	7,573,100	7,692,100	7,582,800	8,166,700	8,858,700
TOTAL ASSETS LESS CURRENT LIABILITIES	37,047,400	36,670,000	36,326,400	35,995,300	35,681,800	35,407,300	35,110,900	34,922,900	34,676,600	34,494,800	34,318,100	34,168,400	34,142,700	34,152,900	34,154,700	34,189,900
Creditors : Amounts falling due after one year																
Due after one year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Income	(14,700,700)	(13,857,600)	(13,018,700)	(12,229,400)	(11,457,600)	(10,728,200)	(10,002,200)	(9,307,500)	(8,615,100)	(7,994,000)	(7,402,800)	(6,811,600)	(6,292,900)	(5,882,600)	(5,487,500)	(5,101,400)
NET ASSETS	22,346,700	22,812,400	23,307,700	23,765,900	24,224,200	24,679,100	25,108,700	25,615,400	26,061,500	26,500,800	26,915,300	27,356,800	27,849,800	28,270,300	28,667,200	29,088,500
Capital & Reserves																
Share capital	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300
Restricted, designated & revenue reserves	22,346,500	22,812,200	23,307,400	23,765,600	24,223,900	24,678,800	25,108,500	25,615,200	26,061,300	26,500,600	26,915,100	27,356,500	27,849,500	28,270,100	28,667,000	29,088,300
TOTAL CAPITAL & RESERVES	22,346,800	22,812,500	23,307,700	23,765,900	24,224,200	24,679,100	25,108,800	25,615,500	26,061,600	26,500,900	26,915,400	27,356,800	27,849,800	28,270,400	28,667,300	29,088,600

Yoker Housing Association Limited

Business Plan 2019 / 2020 / 2021 / 2022 / 2023 / 2024

Long Term Financial Projections

PROJECTED CASH FLOW

	03/2018 Actual £	03/2019 Actual £	03/2020 Year 01 £	03/2021 Year 02 £	03/2022 Year 03 £	03/2023 Year 04 £	03/2024 Year 05 £	03/2025 Year 06 £	03/2026 Year 07 £	03/2027 Year 08 £	03/2028 Year 09 £	03/2029 Year 10 £	03/2030 Year 11 £	03/2031 Year 12 £	03/2032 Year 13 £	03/2033 Year 14 £
OPENING CASH & BANK BALANCE	2,090,099	2,581,118	3,639,000	3,973,800	3,086,000	312,300	629,900	636,700	1,263,800	1,604,500	1,954,900	1,886,900	2,247,900	2,060,900	2,315,200	2,279,500
Surplus / (Deficit) Before Tax	874,860	912,822	720,400	529,520	778,078	700,935	625,054	638,252	674,992	601,241	549,276	595,218	567,942	613,790	506,795	507,233
Total Component Replacement Costs (.00%)			(415,000)	(646,000)	(751,200)	(519,400)	(823,400)	(251,900)	(600,100)	(534,700)	(933,000)	(567,700)	(1,116,800)	(735,600)	(943,800)	(685,200)
Blawarthill Hospital Site																
4 Rehabilitation Units			(771,300)													
15 New Build Units			(750,000)	(1,050,000)												
Drysdale Street / Sandholm Terrace																
5 New Build Units				(600,000)												
Yoker Primary School Site																
60 New Build Units				(2,400,000)	(4,800,000)											
Total Housing Property Additions	16,340	(379,030)	(1,936,300)	(4,696,000)	(5,551,200)	(519,400)	(823,400)	(251,900)	(600,100)	(534,700)	(933,000)	(567,700)	(1,116,800)	(735,600)	(943,800)	(685,200)
Total HAG Additions		219,741	1,321,300	3,050,000	1,800,000	-										
Housing Property Depreciation	872,204	1,054,977	1,073,100	1,081,400	1,100,000	1,117,700	1,148,700	1,158,300	1,177,000	1,193,900	1,219,200	1,232,600	1,251,700	1,262,700	1,280,500	1,285,400
Other Fixed Asset Additions	(5,390)	(61,206)	(21,000)	(5,000)	(5,000)	(55,000)	(30,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Other Fixed Asset Depreciation	58,644	61,799	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900
Net Total Fixed Asset Movements	941,798	896,281	499,000	(507,700)	(2,594,300)	605,200	357,200	963,300	633,800	716,100	343,100	721,800	191,800	584,000	393,600	657,100
Net rental debtors	(1,897)	2,153														
Other debtors, stock & WIP	10,682	(11,682)														
Current Asset Movements Excluding Cash	8,785	(9,529)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pension past service deficit liability			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Creditors: Amounts falling due within one year movement	(160,310)	126,790	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pension past service deficit liability			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Creditors: Amounts falling after more than one year movement	(363,759)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss / (Gain) on Disposal of Other Fixed Assets		587														
Other Fixed Asset Disposal Proceeds		16,750														
Deferred Income	(810,361)	(885,802)	(884,600)	(909,620)	(957,478)	(988,535)	(975,454)	(974,452)	(968,092)	(966,941)	(960,376)	(956,018)	(946,742)	(943,490)	(936,095)	(918,033)
Share Capital Written-Off	6	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET CASH INFLOW / (OUTFLOW)	491,019	1,057,918	334,800	(887,800)	(2,773,700)	317,600	6,800	627,100	340,700	350,400	(68,000)	361,000	(187,000)	254,300	(35,700)	246,300
CLOSING CASH & BANK BALANCE	2,581,118	3,639,036	3,973,800	3,086,000	312,300	629,900	636,700	1,263,800	1,604,500	1,954,900	1,886,900	2,247,900	2,060,900	2,315,200	2,279,500	2,525,800

Long Term Financial Projections

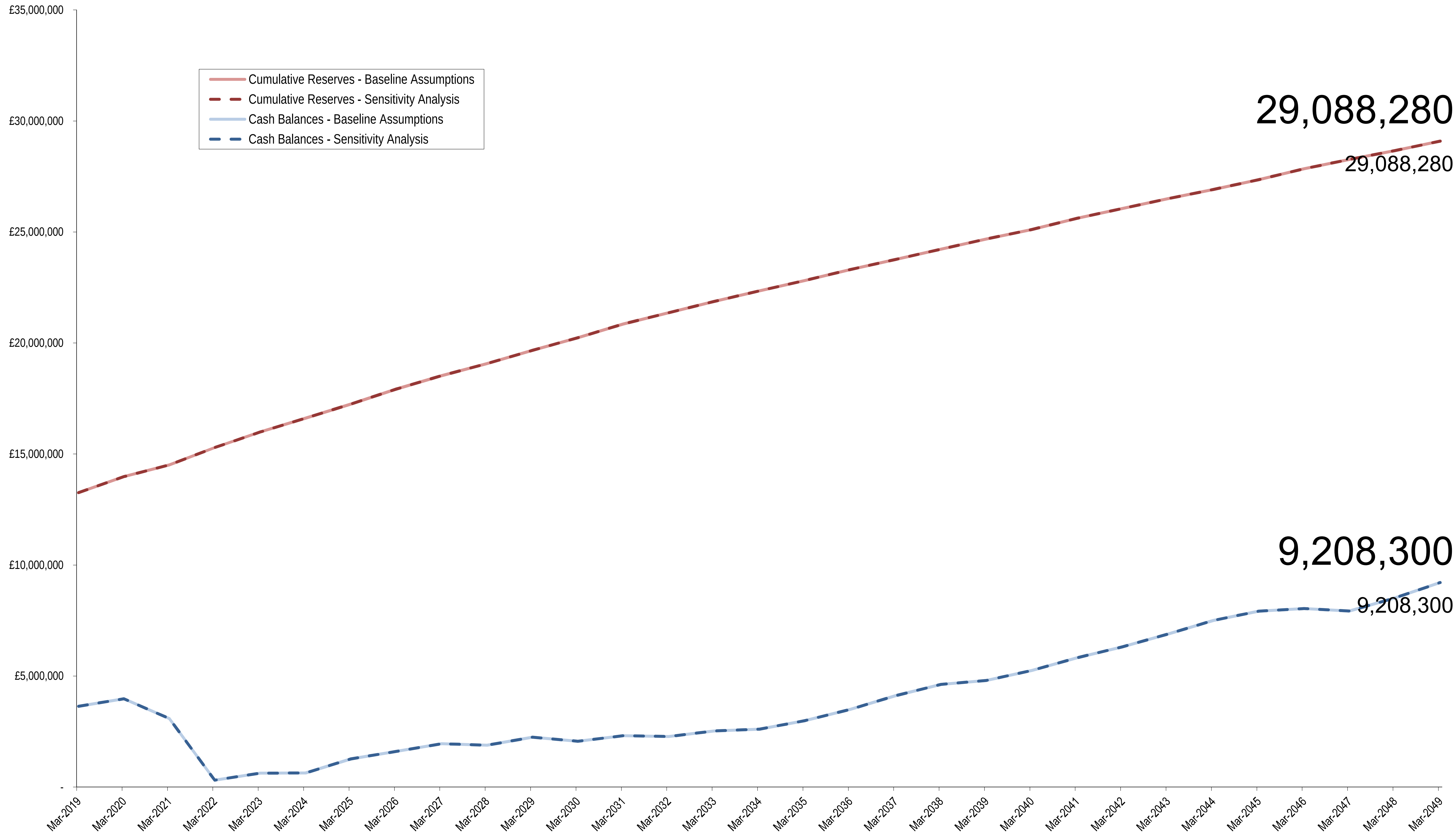
PROJECTED CASH FLOW

	03/2034 Year 15 £	03/2035 Year 16 £	03/2036 Year 17 £	03/2037 Year 18 £	03/2038 Year 19 £	03/2039 Year 20 £	03/2040 Year 21 £	03/2041 Year 22 £	03/2042 Year 23 £	03/2043 Year 24 £	03/2044 Year 25 £	03/2045 Year 26 £	03/2046 Year 27 £	03/2047 Year 28 £	03/2048 Year 29 £	03/2049 Year 30 £
OPENING CASH & BANK BALANCE	2,525,800	2,604,000	2,988,900	3,499,000	4,118,300	4,623,700	4,799,000	5,247,800	5,822,800	6,320,000	6,889,400	7,498,500	7,922,700	8,041,700	7,932,400	8,516,300
Surplus / (Deficit) Before Tax	479,135	465,725	495,232	458,223	458,283	454,913	429,653	506,708	446,067	439,300	414,489	441,488	492,977	420,543	396,934	421,284
Total Component Replacement Costs (.00%)	(854,100)	(548,600)	(462,000)	(319,300)	(437,500)	(771,800)	(478,200)	(436,400)	(458,600)	(390,400)	(332,100)	(544,100)	(912,500)	(1,083,500)	(367,700)	(284,000)
Blawarthill Hospital Site																
4 Rehabilitation Units																
15 New Build Units																
Drysdale Street / Sandholm Terrace																
5 New Build Units																
Yoker Primary School Site																
60 New Build Units																
Total Housing Property Additions	(854,100)	(548,600)	(462,000)	(319,300)	(437,500)	(771,800)	(478,200)	(436,400)	(458,600)	(390,400)	(332,100)	(544,100)	(912,500)	(1,083,500)	(367,700)	(284,000)
Total HAG Additions																
Housing Property Depreciation	1,298,100	1,254,000	1,258,800	1,212,800	1,199,500	1,164,700	1,166,500	1,142,500	1,145,200	1,084,700	1,061,000	1,061,100	1,000,300	907,100	892,900	883,900
Other Fixed Asset Additions	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Other Fixed Asset Depreciation	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900
Net Total Fixed Asset Movements	500,900	762,300	853,700	950,400	818,900	449,800	745,200	763,000	743,500	751,200	785,800	573,900	144,700	(119,500)	582,100	656,800
Net rental debtors																
Other debtors, stock & WIP																
Current Asset Movements Excluding Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pension past service deficit liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Creditors: Amounts falling due within one year movement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pension past service deficit liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Creditors: Amounts falling after more than one year movement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss / (Gain) on Disposal of Other Fixed Assets																
Other Fixed Asset Disposal Proceeds																
Deferred Income	(901,835)	(843,125)	(838,832)	(789,323)	(771,783)	(729,413)	(726,053)	(694,708)	(692,367)	(621,100)	(591,189)	(591,188)	(518,677)	(410,343)	(395,134)	(386,084)
Share Capital Written-Off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET CASH INFLOW / (OUTFLOW)	78,200	384,900	510,100	619,300	505,400	175,300	448,800	575,000	497,200	569,400	609,100	424,200	119,000	(109,300)	583,900	692,000
CLOSING CASH & BANK BALANCE	2,604,000	2,988,900	3,499,000	4,118,300	4,623,700	4,799,000	5,247,800	5,822,800	6,320,000	6,889,400	7,498,500	7,922,700	8,041,700	7,932,400	8,516,300	9,208,300

Yoker Housing Association Limited
Business Plan 2019 / 2020 / 2021 / 2022 / 2023 / 2024

Long Term Financial Projections - Baseline Assumptions

Key Assumptions:
Rent Increasing @ Inflation + 0.00%
Maintenance Costs Increasing @ Inflation + 0.00%
Overhead Costs Increasing @ Inflation + 0.00%
Staff Costs Increasing @ Inflation + 0.00%
Pension Contribution Rate of 25.20%



1.0 Introduction

The long-term financial projections that form the basis for the Association's business plan are based upon certain key assumptions outlined above. As explained within that section, the Association adopts a prudent basis for these assumptions to reduce the down-side risk of projections proving to be inaccurate. Identification and mitigation of the potential risks to the underlying financial projections which underpin the business planning model is an integral part of our business planning process.

The Association adopts a positive approach to risk management which involves:

- Identifying the current risks to the Association's core activity of providing housing services;
- Identifying any additional risks arising or likely to arise during the lifetime of the plan;
- Quantifying and understanding the significance of these risks in terms of their likelihood and impact;
- Prioritising the action required to mitigate the most significant risks to delivery of the Association's plans;
- Considering existing arrangements for avoiding risk where possible and managing those risks that remain unavoidable; and
- Developing plans to assist in the mitigation and control of risk.

Risk management is an on-going process and while the Association's exposure to certain risks will be prevalent throughout the lifetime of the plan period, other risks may increase, reduce, appear or disappear over the same period. As part of the strategy for managing risk, the Association therefore ensures that steps are taken to identify and address risks in all aspects of its operations.

2.0 Identifying and Assessing Risk

A robust sensitivity analysis should test the impact of any changes that might arise to the economic and financial assumptions which underpin the business plan's baseline financial model. Business planning guidance published by the Scottish Housing Regulator (SHR) (12/2015) specifically suggests that the sensitivity analysis should consider the following.

- Economic variables such as interest rates and differential inflation rates for items such as maintenance expenditure, development expenditure and staff costs;
- Exposure to pension obligations including past service deficit obligations and auto-enrolment;
- Forecast rent levels including the possibility of sub-inflationary rent increases;
- Rent losses due to voids, arrears and bad debts;
- Reduced development subsidy levels;
- Disruption to the supply chain such as contractor insolvency or financial instability; and
- Impact of multiple risk factors.

Key risks highlighted by the SHR (04/2019) include:

- The impact of welfare reform;
- Developments in health and social care;
- Meeting the Energy Efficiency Standard for Social Housing (EESSH);
- Treasury management arrangements; and
- Pension liabilities.

Additional emerging risks include:

- Uncertainty surrounding Brexit; and
- The impact of new fire safety standards following the Grenfell Tower fire in 2017.

Not all the above risks are applicable to the Association's business plans. Those risks that do affect the Association are considered in the sensitivity analysis to assess their impact upon the financial viability and robustness of the business plan model.

The Scottish Housing Quality Standard (SHQS) and Energy Efficiency Standard for Social Housing (EESSH) have been met as of 31 March 2019 and this forms a baseline assumption within the business plan. It has also been assumed that rent increases will only rise in line with general price increases throughout the plan period.

4.0 Conclusions

The starting point for the sensitivity analysis is the Association's baseline model assumptions. These assumptions are in themselves already very prudent.

The various scenarios identified at 3.1 to 3.7 above show that only in two out of thirty-two scenarios is cash flow impacted to such an extent that short term loan funding would be required to meet short term working capital requirements:

(1) where there is a cost overrun on the Association's proposed Yoker Primary School development of 20% and this is not funded by Housing Association Grant; and

(2) the capital cost of the Association's component replacement programme increases by 20%.

In all other scenarios, the Association's financial model suggests that cash balances remain positive throughout the short, medium and long term of the current plan period.

The fact that the Association currently has no loan debt and has low rent levels means that it retains significant means to meet any unforeseen shocks and provides the headroom necessary to ensure that even such extreme scenarios are manageable.

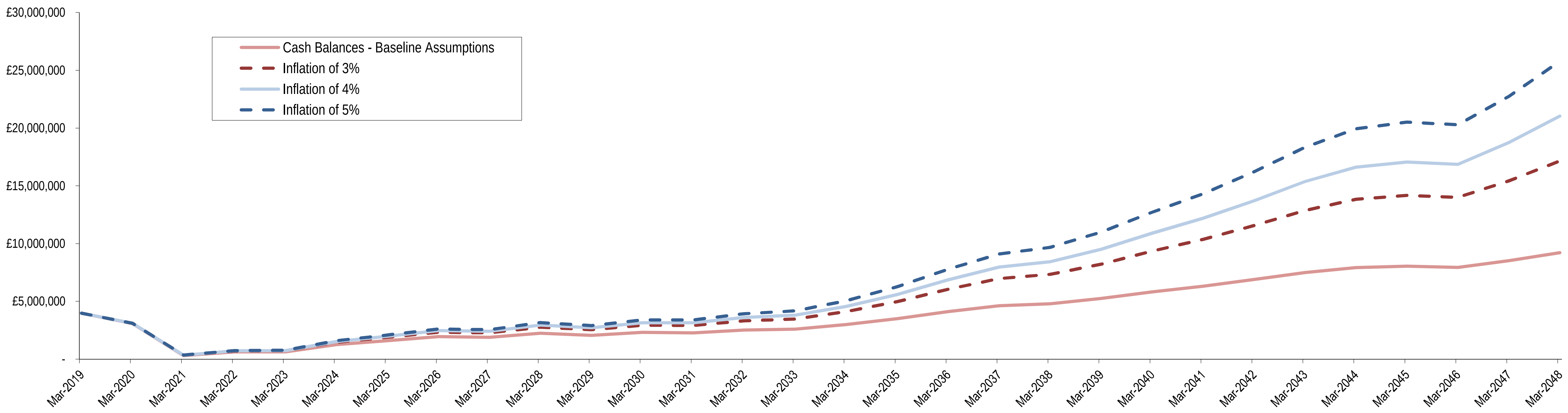
3.0 Risks & Sensitivities

3.1 Inflation assumptions

The impact of general inflation will be negligible for the Association while it remains unexposed to borrowings. Where any organisation has large levels of debt, exposure to interest rate fluctuations can be offset by general inflation as the future value of debt repayments and outstanding capital reduces in real terms over time.

The table below illustrates the impact of inflation on the baseline financial projections in relation to the medium term (Five Years) and long term (Thirty Years).

	Over 5 Years			Over 30 Years			
	Maximum cash balance	Minimum cash balance	Minimum cash balances as a % of operating expenditure	Maximum cash balance	Minimum cash balance	Minimum cash balances as a % of operating expenditure	Risk mitigation measures
Baseline	£3,973,800	£312,300	21.0%	£9,208,300	£312,300	21.0%	
(a) Inflation rate of 3% over life of plan	£3,973,800	£337,800	21.4%	£17,148,100	£337,800	21.4%	Monitored through quarterly management accounts and annual budget setting process.
- variation from baseline	£ -	£25,500	0.4%	£7,939,800	£25,500	0.4%	
(b) Inflation rate of 4% over life of plan	£3,973,800	£345,700	21.4%	£21,030,600	£345,700	21.4%	
- variation from baseline	£ -	£33,400	0.4%	£11,822,300	£33,400	0.4%	
(c) Inflation rate of 5% over life of plan	£3,973,800	£355,500	21.6%	£25,781,700	£355,500	21.6%	
- variation from baseline	£ -	£43,200	0.6%	£16,573,400	£43,200	0.6%	



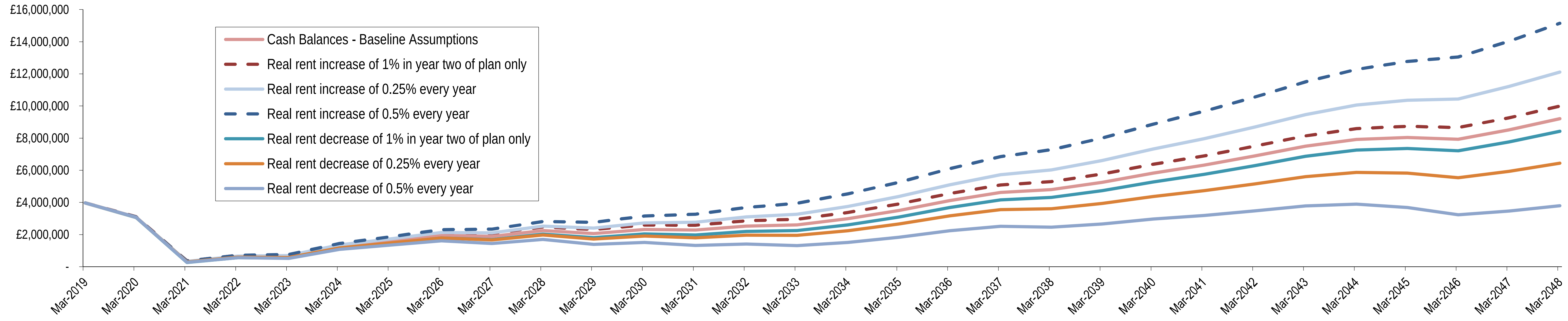
3.0 Risks & Sensitivities

3.2 Rent levels

As almost all of the Association's income comes from rent receivable, fluctuations in the assumptions regarding rent increases can have a significant impact upon the financial plans of the Association.

The table below illustrates the impact of varying the rent increase assumptions on the baseline financial projections in relation to the medium term (Five Years) and long term (Thirty Years).

	Over 5 Years			Over 30 Years			
	Maximum cash balance	Minimum cash balance	Minimum cash balance as a % of operating expenditure	Maximum cash balance	Minimum cash balance	Minimum cash balances as a % of operating expenditure	Risk mitigation measures
Baseline	£3,973,800	£312,300	21.0%	£9,208,300	£312,300	21.0%	
Real rent increase of 1% for year two of plan only (from 1 April 2020)	£3,973,800	£360,100	24.2%	£9,991,300	£360,100	24.2%	Monitored through quarterly management accounts, annual rent review and annual budget setting process.
- variation from baseline	£ -	£47,800	3.2%	£783,000	£47,800	3.2%	
Real rent increase of 0.25% for every year of plan period	£3,973,800	£330,300	22.2%	£12,106,200	£330,300	22.2%	
- variation from baseline	£ -	£18,000	1.2%	£2,897,900	£18,000	1.2%	
Real rent increase of 0.5% for every year of plan period	£3,973,800	£348,400	23.4%	£15,140,400	£348,400	23.4%	
- variation from baseline	£ -	£36,100	2.4%	£5,932,100	£36,100	2.4%	
Real rent decrease of 1% for year two of plan only (from 1 April 2020)	£3,973,800	£264,700	17.8%	£8,429,100	£264,700	17.8%	
- variation from baseline	£ -	(£47,600)	-3.2%	(£779,200)	(£47,600)	-3.2%	
Real rent decrease of 0.25% for every year of plan period	£3,973,800	£294,400	19.8%	£6,439,300	£294,400	19.8%	
- variation from baseline	£ -	(£17,900)	-1.2%	(£2,769,000)	(£17,900)	-1.2%	
Real rent decrease of 0.5% for every year of plan period	£3,973,800	£276,400	18.6%	£3,973,800	£276,400	18.6%	
- variation from baseline	£ -	(£35,900)	-2.4%	(£5,234,500)	(£35,900)	-2.4%	



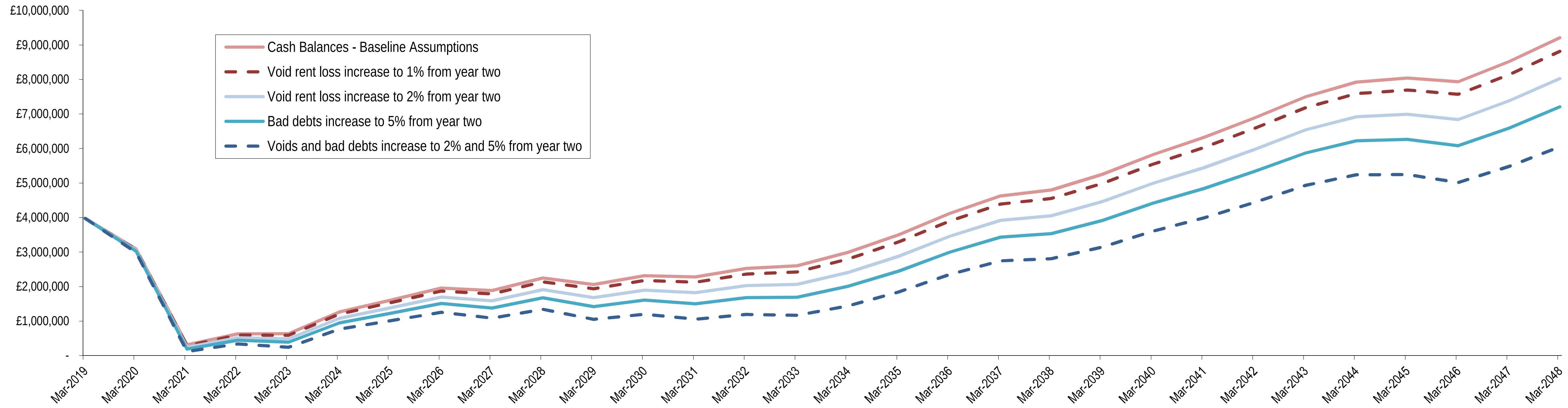
3.0 Risks & Sensitivities

3.3 Voids and Bad Debts

The risk that the Association is unable to allocate properties within a reasonable time scale due to reduced demand or lengthy turn-around times is considered here by varying the level of voids assumed in the baseline financial model. Increased bad debts as a result of increased arrears which might arise from welfare reform is also considered.

The table below illustrates the impact of varying the void and bad debt assumptions on the baseline financial projections in relation to the medium term (Five Years) and long term (Thirty Years).

	Over 5 Years			Over 30 Years			Risk mitigation measures
	Maximum cash balance	Minimum cash balance	Minimum cash balance as a % of operating expenditure	Maximum cash balance	Minimum cash balance	Minimum cash balances as a % of operating expenditure	
Baseline	£3,973,800	£312,300	21.0%	£9,208,300	£312,300	21.0%	
Void rent loss increases from 0.5% to 1% from year two of plan	£3,973,800	£288,200	19.4%	£8,813,800	£288,200	19.4%	Monitored through quarterly KPI reports and quarterly management accounts.
- variation from baseline	£ -	(£24,100)	-1.6%	(£394,500)	(£24,100)	-1.6%	
Void rent loss increases from 0.5% to 2% from year two of plan	£3,973,800	£240,000	16.1%	£8,024,700	£240,000	16.1%	
- variation from baseline	£ -	(£72,300)	-4.9%	(£1,183,600)	(£72,300)	-4.9%	
Bad debts increase from 2.5% to 5% from year two of plan	£3,973,800	£189,700	12.2%	£7,203,200	£189,700	12.2%	
- variation from baseline	£ -	(£122,600)	-8.8%	(£2,005,100)	(£122,600)	-8.8%	
Voids and bad debts increase to 2% and 5% respectively from year two of plan	£3,973,800	£119,200	7.7%	£6,048,800	£119,200	7.7%	
- variation from baseline	£ -	(£193,100)	-13.3%	(£3,159,500)	(£193,100)	-13.3%	



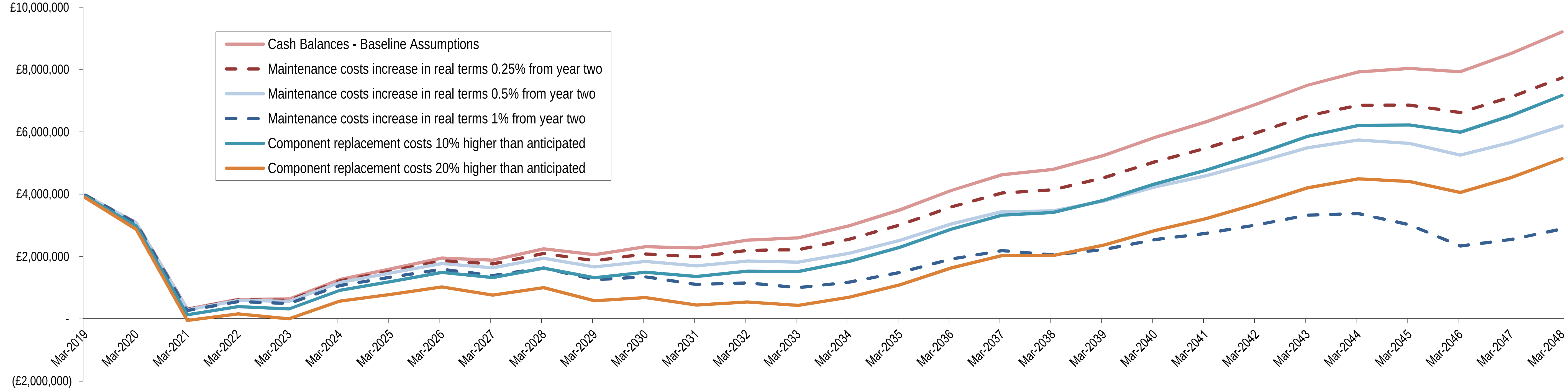
3.0 Risks & Sensitivities

3.4 Reactive and Planned Maintenance

Reactive and planned maintenance costs represent the Association's largest element of expenditure. It is therefore important that the downside risk of underestimating the costs of carrying out both planned and reactive maintenance is considered against the baseline assumptions.

The table below illustrates the impact of varying the maintenance and component replacement cost assumptions on the baseline financial projections in relation to the medium term (Five Years) and long term (Thirty Years).

	Over 5 Years			Over 30 Years			
	Maximum cash balance	Minimum cash balance	Minimum cash balance as a % of operating expenditure	Maximum cash balance	Minimum cash balance	Minimum cash balances as a % of operating expenditure	Risk mitigation measures
Baseline	£3,973,800	£312,300	21.0%	£9,208,300	£312,300	21.0%	
All maintenance costs increase in real terms by 0.25% from year two of plan	£3,973,800	£301,900	20.2%	£7,735,400	£301,900	20.2%	Monitored through quarterly KPI reports, quarterly management accounts and annual budget setting process.
- variation from baseline	£ -	(£10,400)	-0.8%	(£1,472,900)	(£10,400)	-0.8%	
All maintenance costs increase in real terms by 0.5% from year two of plan	£3,973,800	£291,800	19.5%	£6,191,300	£291,800	19.5%	
- variation from baseline	£ -	(£20,500)	-1.5%	(£3,017,000)	(£20,500)	-1.5%	
All maintenance costs increase in real terms by 1% from year two of plan	£3,973,800	£270,900	18.0%	£3,973,800	£270,900	18.0%	
- variation from baseline	£ -	(£41,400)	-3.0%	(£5,234,500)	(£41,400)	-3.0%	
Component replacement costs 10% higher than anticipated	£3,932,300	£130,400	8.8%	£7,175,900	£130,400	8.8%	
- variation from baseline	(£41,500)	(£181,900)	-12.2%	(£2,032,400)	(£181,900)	-12.2%	
Component replacement costs 20% higher than anticipated	£3,890,800	(£51,500)	-3.5%	£5,143,000	(£51,500)	-3.5%	
- variation from baseline	(£83,000)	(£363,800)	-24.5%	(£4,065,300)	(£363,800)	-24.5%	



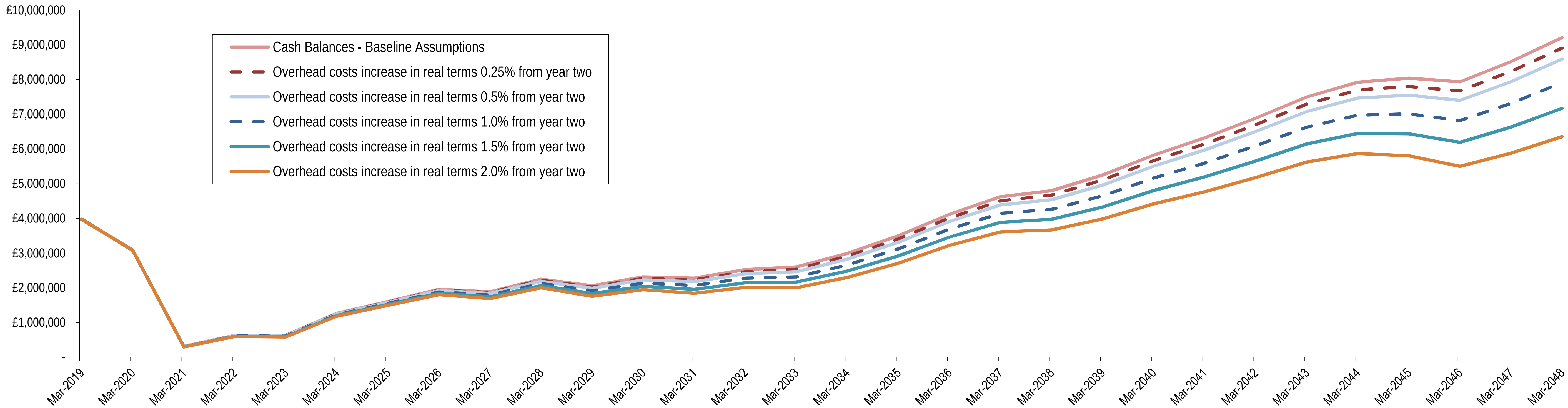
3.0 Risks & Sensitivities

3.5 Overhead Costs

Office overheads (excluding staff costs) represent a relatively small proportion of the Association's total expenditure. However the risk that office overhead costs increase significantly over the plan period is considered here.

The table below illustrates the impact of varying the overhead cost assumptions on the baseline financial projections in relation to the medium term (Five Years) and long term (Thirty Years).

	Over 5 Years			Over 30 Years			
	Maximum cash balance	Minimum cash balance	Minimum cash balance as a % of operating expenditure	Maximum cash balance	Minimum cash balance	Minimum cash balances as a % of operating expenditure	Risk mitigation measures
Baseline	£3,973,800	£312,300	21.0%	£9,208,300	£312,300	21.0%	
All overhead costs increase in real terms by 0.25% from year two of plan	£3,973,800	£310,300	20.8%	£8,904,400	£310,300	20.8%	Monitored through quarterly management accounts and annual budget setting process.
- variation from baseline	£ -	(£2,000)	-0.2%	(£303,900)	(£2,000)	-0.2%	
All overhead costs increase in real terms by 0.5% from year two of plan	£3,973,800	£308,700	20.7%	£8,587,500	£308,700	20.7%	
- variation from baseline	£ -	(£3,600)	-0.3%	(£620,800)	(£3,600)	-0.3%	
All overhead costs increase in real terms by 1% from year two of plan	£3,973,800	£304,900	20.4%	£7,909,800	£304,900	20.4%	
- variation from baseline	£ -	(£7,400)	-0.6%	(£1,298,500)	(£7,400)	-0.6%	
All overhead costs increase in real terms by 1.5% from year two of plan	£3,973,800	£301,100	20.1%	£7,171,300	£301,100	20.1%	
- variation from baseline	£ -	(£11,200)	-0.9%	(£2,037,000)	(£11,200)	-0.9%	
All overhead costs increase in real terms by 2% from year two of plan	£3,973,800	£297,500	19.8%	£6,357,000	£297,500	19.8%	
- variation from baseline	£ -	(£14,800)	-1.2%	(£2,851,300)	(£14,800)	-1.2%	



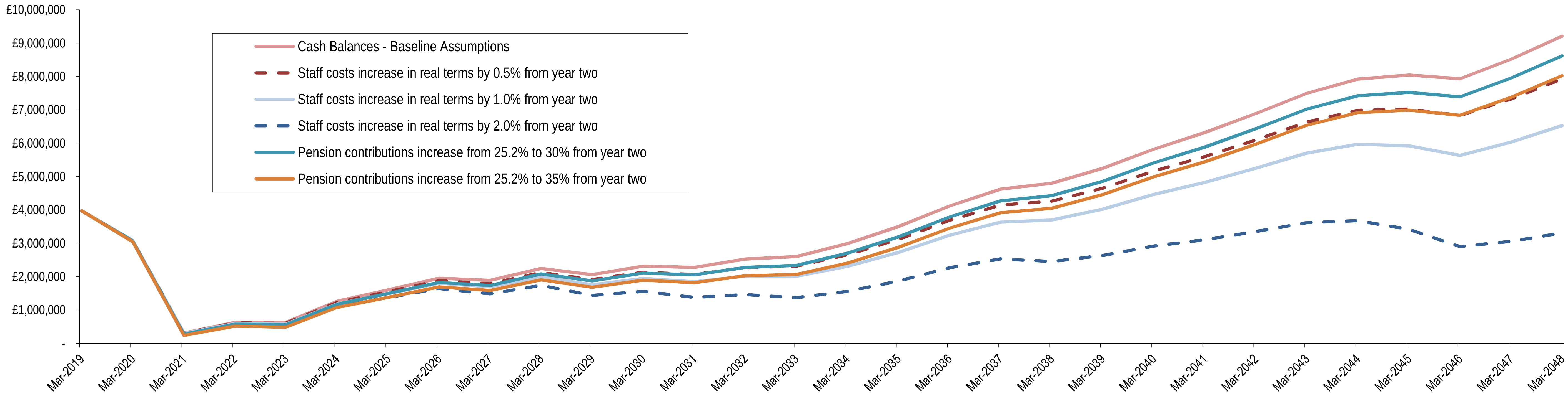
3.0 Risks & Sensitivities

3.6 Staff Costs

Staff costs including pension costs represent the single largest item of revenue expenditure after planned and reactive maintenance costs. Fluctuations from the baseline financial assumptions may therefore result in significant additional risk to the financial plans of the Association and their impact is consdiered here.

The table below illustrates the impact of varying the staff cost assumptions on the baseline financial projections in relation to the medium term (Five Years) and long term (Thirty Years).

	Over 5 Years			Over 30 Years			
	Maximum cash balance	Minimum cash balance	Minimum cash balance as a % of operating expenditure	Maximum cash balance	Minimum cash balance	Minimum cash balances as a % of operating expenditure	Risk mitigation measures
Baseline	£3,973,800	£312,300	21.0%	£9,208,300	£312,300	21.0%	
All staff costs increase in real terms by 0.5% from year two of plan	£3,973,800	£304,300	20.4%	£7,929,500	£304,300	20.4%	Monitored through quarterly KPI reports, quarterly management accounts, annual budget setting process and triennial pension affordability assessment.
- variation from baseline	£ -	(£8,000)	-0.6%	(£1,278,800)	(£8,000)	-0.6%	
All staff costs increase in real terms by 1.0% from year two of plan	£3,973,800	£296,500	19.8%	£6,530,600	£296,500	19.8%	
- variation from baseline	£ -	(£15,800)	-1.2%	(£2,677,700)	(£15,800)	-1.2%	
All staff costs increase in real terms by 2.0% from year two of plan	£3,973,800	£280,700	18.6%	£3,973,800	£280,700	18.6%	
- variation from baseline	£ -	(£31,600)	-2.4%	(£5,234,500)	(£31,600)	-2.4%	
Pension contribution levels increase from 25.2% to 30% from year two of plan	£3,973,800	£276,100	18.3%	£8,620,900	£276,100	18.3%	
- variation from baseline	£ -	(£36,200)	-2.7%	(£587,400)	(£36,200)	-2.7%	
Pension contribution levels increase from 25.2% to 35% from year two of plan	£3,973,800	£238,400	15.6%	£8,022,700	£238,400	15.6%	
- variation from baseline	£ -	(£73,900)	-5.4%	(£1,185,600)	(£73,900)	-5.4%	



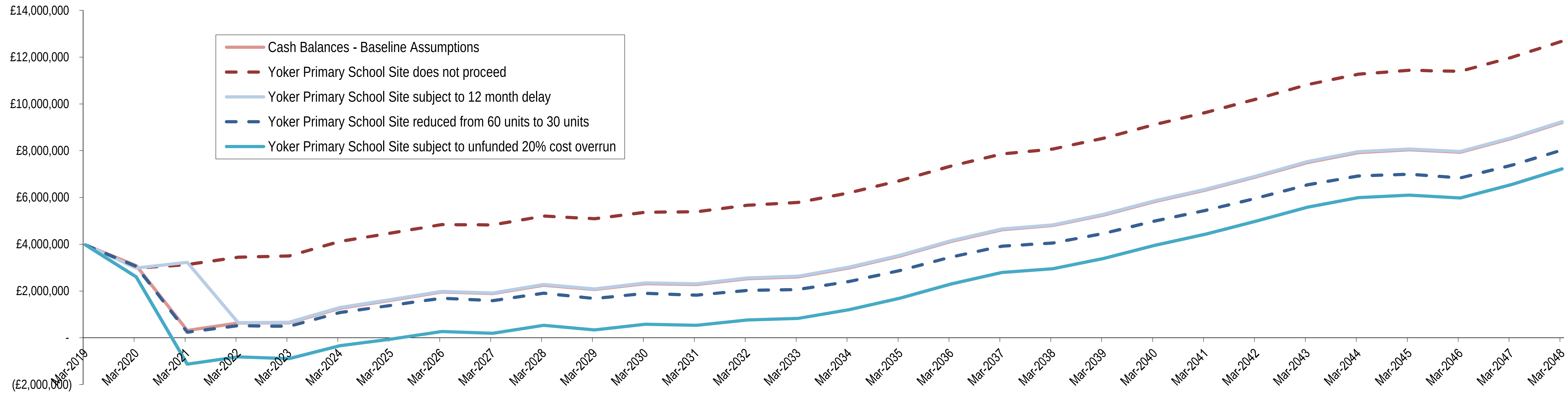
3.0 Risks & Sensitivities

3.7 Development programme

The baseline assumptions include a sixty unit housing development at the Yoker Primary School Site to which the Association is committed in terms of this business plan. The risks associated with not proceeding with the development (pending the outcome of the feasibility study into the scheme), delaying the scheme by up to twelve months, reducing unit numbers and cost increases are all considered here.

The table below illustrates the impact of development risk assumptions on the baseline financial projections in relation to the medium term (Five Years) and long term (Thirty Years).

	Over 5 Years			Over 30 Years			
	Maximum cash balance	Minimum cash balance	Minimum cash balance as a % of operating expenditure	Maximum cash balance	Minimum cash balance	Minimum cash balances as a % of operating expenditure	Risk mitigation measures
Baseline	£3,973,800	£312,300	21.0%	£9,208,300	£312,300	21.0%	
Yoker Primary School Site development does not proceed beyond feasibility study stage	£3,973,800	£2,985,000	180.3%	£12,679,300	£2,985,000	180.3%	Monitored through monthly development scheme update reports and quarterly KPI reports.
- variation from baseline	£ -	£2,672,700	159.3%	£3,471,000	£2,672,700	159.3%	
Yoker Primary School Site development subject to twelve months delay	£3,973,800	£645,600	43.3%	£9,240,600	£645,600	43.3%	
- variation from baseline	£ -	£333,300	22.3%	£32,300	£333,300	22.3%	
Yoker Primary School Site development reduced from 60 units to 30 units	£3,973,800	£238,400	15.6%	£8,022,700	£238,400	15.6%	
- variation from baseline	£ -	(£73,900)	-5.4%	(£1,185,600)	(£73,900)	-5.4%	
Yoker Primary School Site development subject to unfunded 20% cost overrun	£3,973,800	(£1,129,500)	-75.8%	£7,221,800	(£1,129,500)	-75.8%	
- variation from baseline	£ -	(£1,441,800)	-96.8%	(£1,986,500)	(£1,441,800)	-96.8%	



Housing Demand & Demographics

1.0 Introduction

The Association plans to develop new housing during the plan period with the potential for up to eighty-four new homes programmed over the next few years. That investment in new housing can only be supported while the Association continues to experience high demand for its properties.

The Association's current tenant profile is reflected in the charts coloured in green below. These charts show an analysis of current tenants by age and gender. The Association is gathering data on a wider range of equality and diversity information with a view to providing a wider range of analysis in future years.

2.0 Housing Demand

The Association currently enjoys high demand for its properties which is reflected in a healthy waiting list for all property sizes and types. The level of housing demand at the 31st of March 2019 is reflected in the charts coloured red below.

These charts show that the age and gender profile of existing tenants is broadly matched by that of waiting list applicants. This is consistent with the Association operating an open, needs-based allocation system.

These charts also reflect the fact that the overwhelming demand is for two apartment and three apartment properties. In fact, demand for two and three apartment properties was over four times that for four and five apartment properties at the 31st of March 2019. The Association's housing development programme aims to meet that housing demand with predominantly two and three apartment properties being developed over the plan period.

The wider demographic of an ageing population means that much of the Association's existing housing stock will not need the long-term needs of existing tenants. The current development proposals also try to address this imbalance with a reduction in the number of flatted dwellings in favour of predominantly one or two storey properties.

3.0 Demand Trends

The Association has also considered trends in housing demand as part of this business plan review. While the existing waiting list reflects the current housing demand profile, it is recognised that this is merely a snapshot at the 31st of March 2019 and may not reflect future trends.

The charts coloured blue below provide an analysis of the proportion of housing demand by apartment size over the five years to the end of March 2019. These clearly show that the demand profile by apartment size is relatively static with most fluctuations correcting themselves back to a flat trendline.

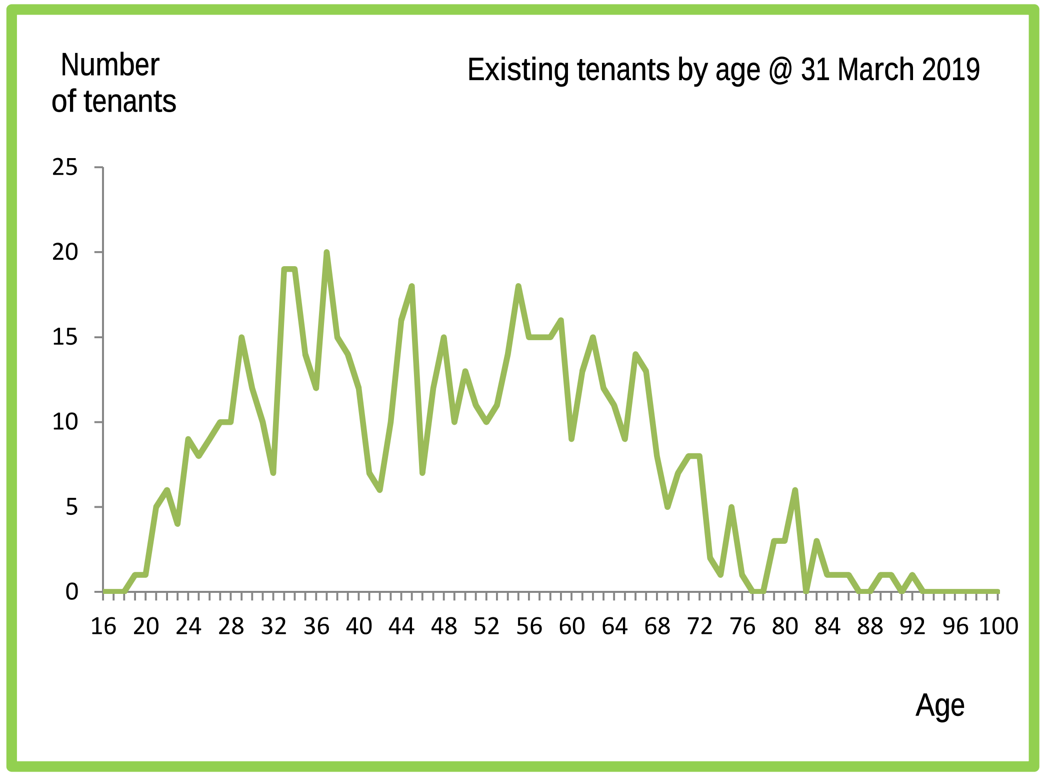
An analysis of minority ethnic housing demand reveals that there is a clear reduction in the demand for housing from the Polish community over the last five years. Over forty-five percent of minority ethnic housing applicants were of Polish origin on the Association's waiting list for housing at the 31st of March 2015. This has reduced dramatically to less than twenty percent at the 31st of March 2019 with the significant drop following the outcome of the Brexit referendum. Black african and those from other ethnic background have now taken over polish as the predominant minority group on the Association's waiting list.

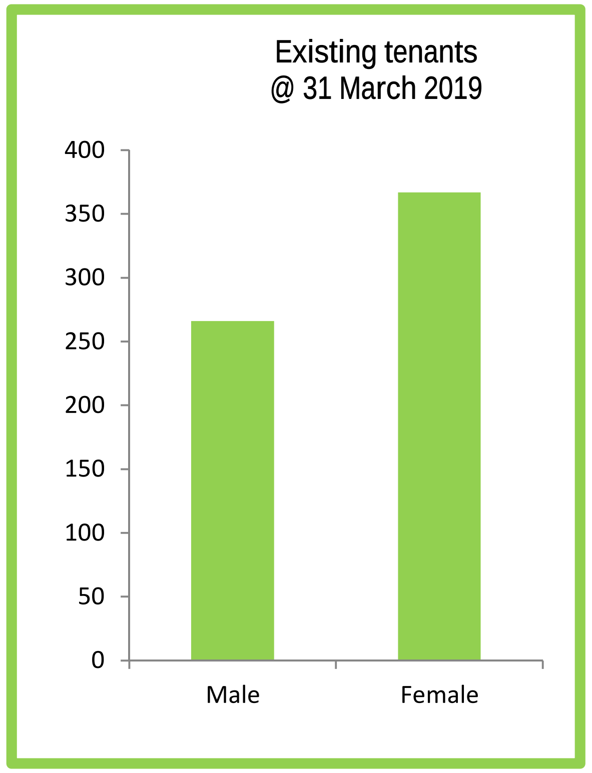
4.0 Conclusions

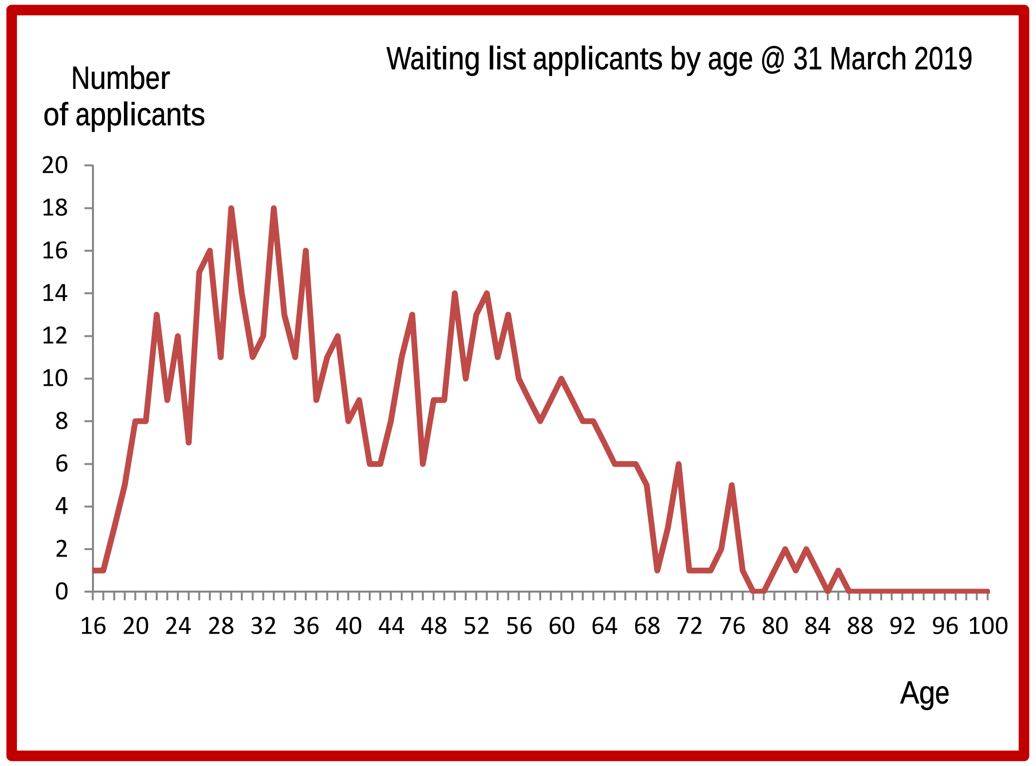
The Association's current waiting list remains healthy for a wide range of house types and sizes. This is reflected in high demand and low void levels with properties rarely remaining vacant for more than a few days. This remains the case despite the clear impact of Brexit on demand from certain minority groups.

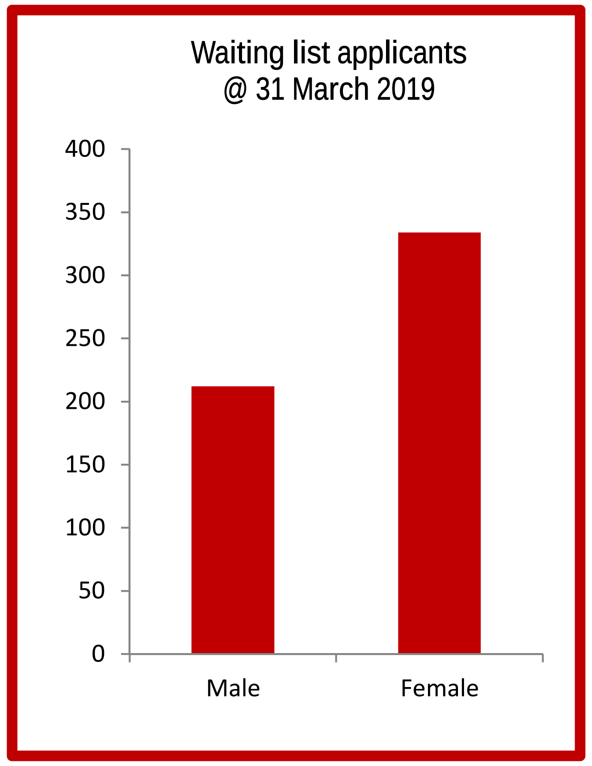
The demand for housing appears to be relatively consistent in terms of apartment sizes based upon our analysis of the waiting list over the last five years. The housing currently being developed is therefore expected to meet that demand both now and in the future.

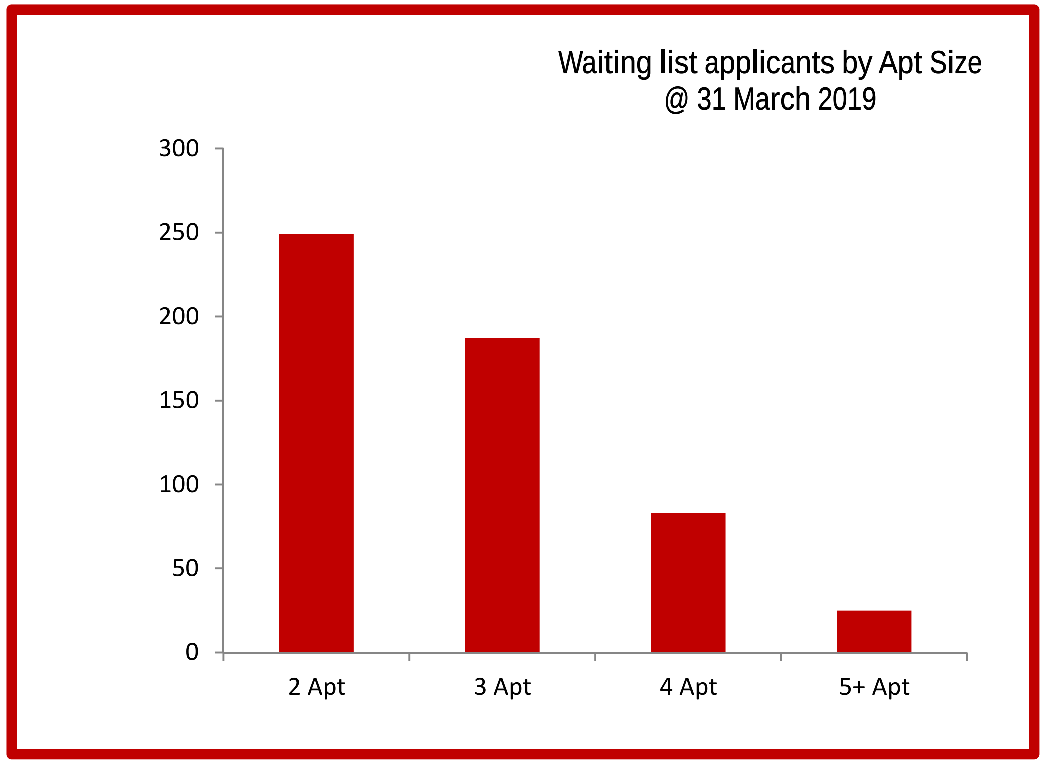
Housing Demand & Demographics - Analysis of Current Tenants and Current Waiting List Applicants



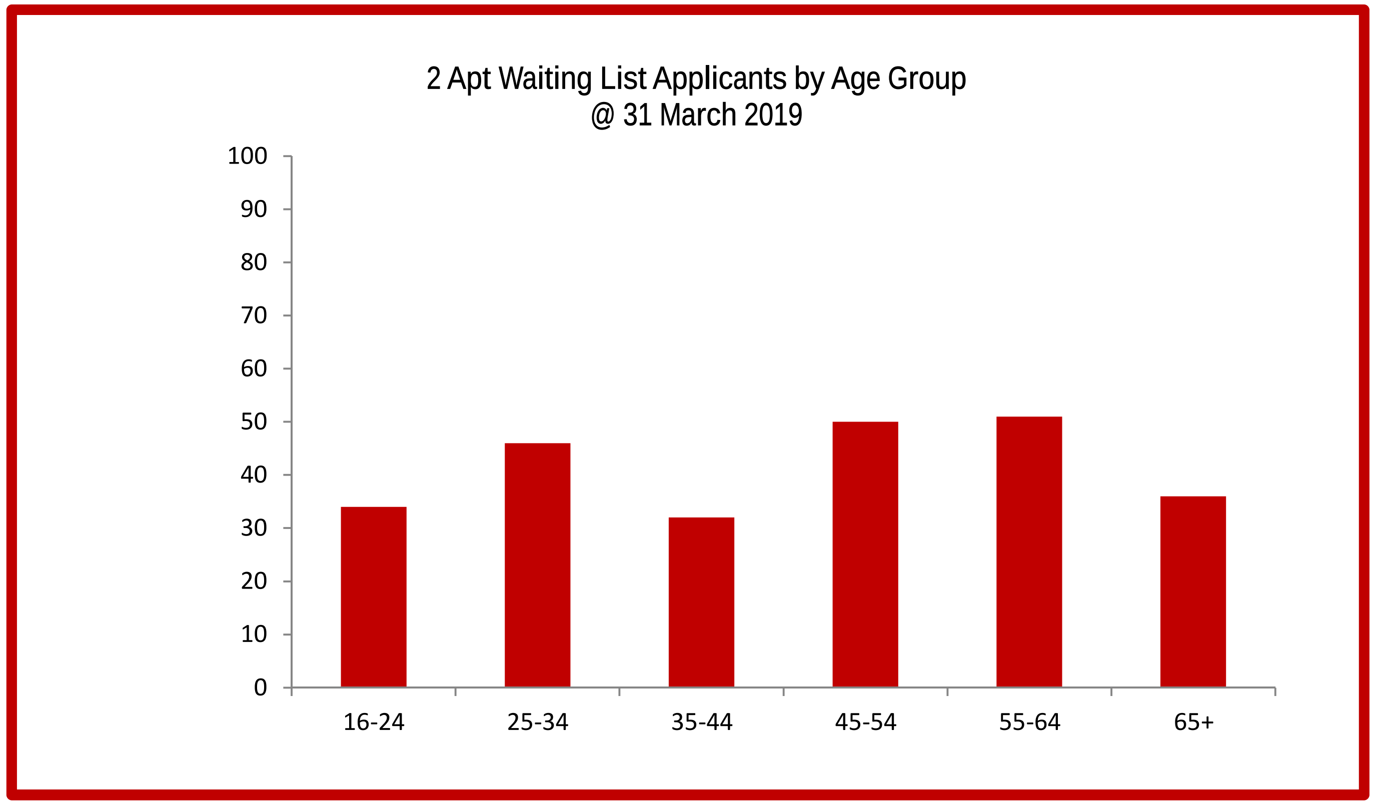


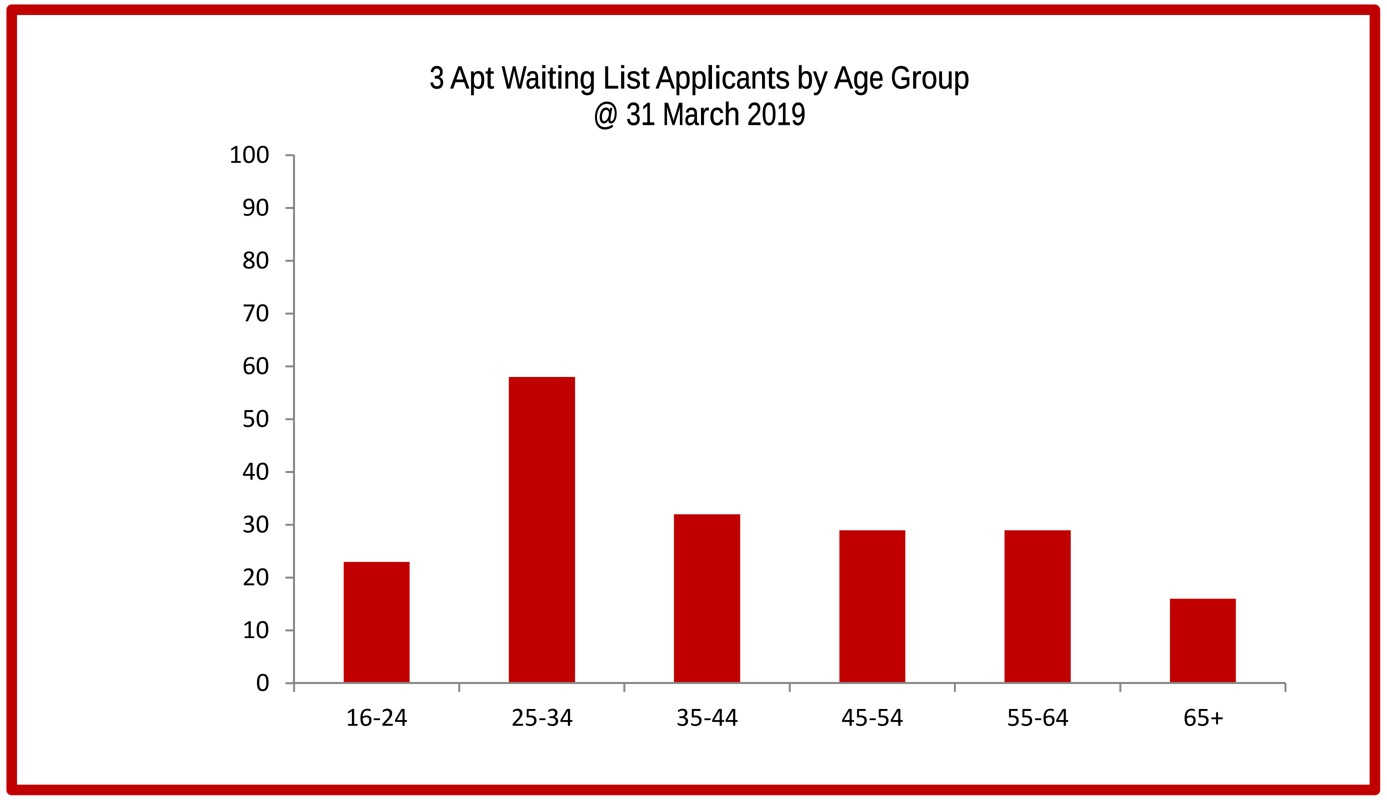


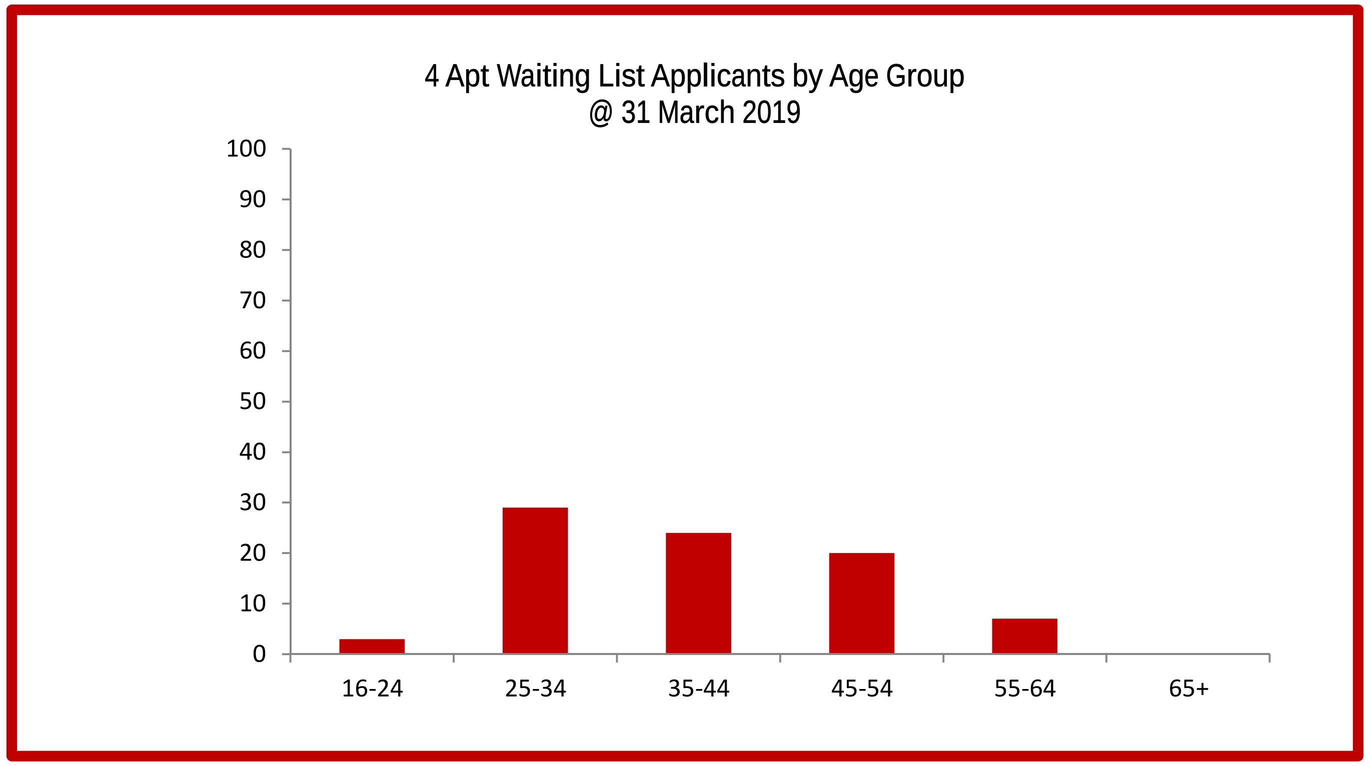


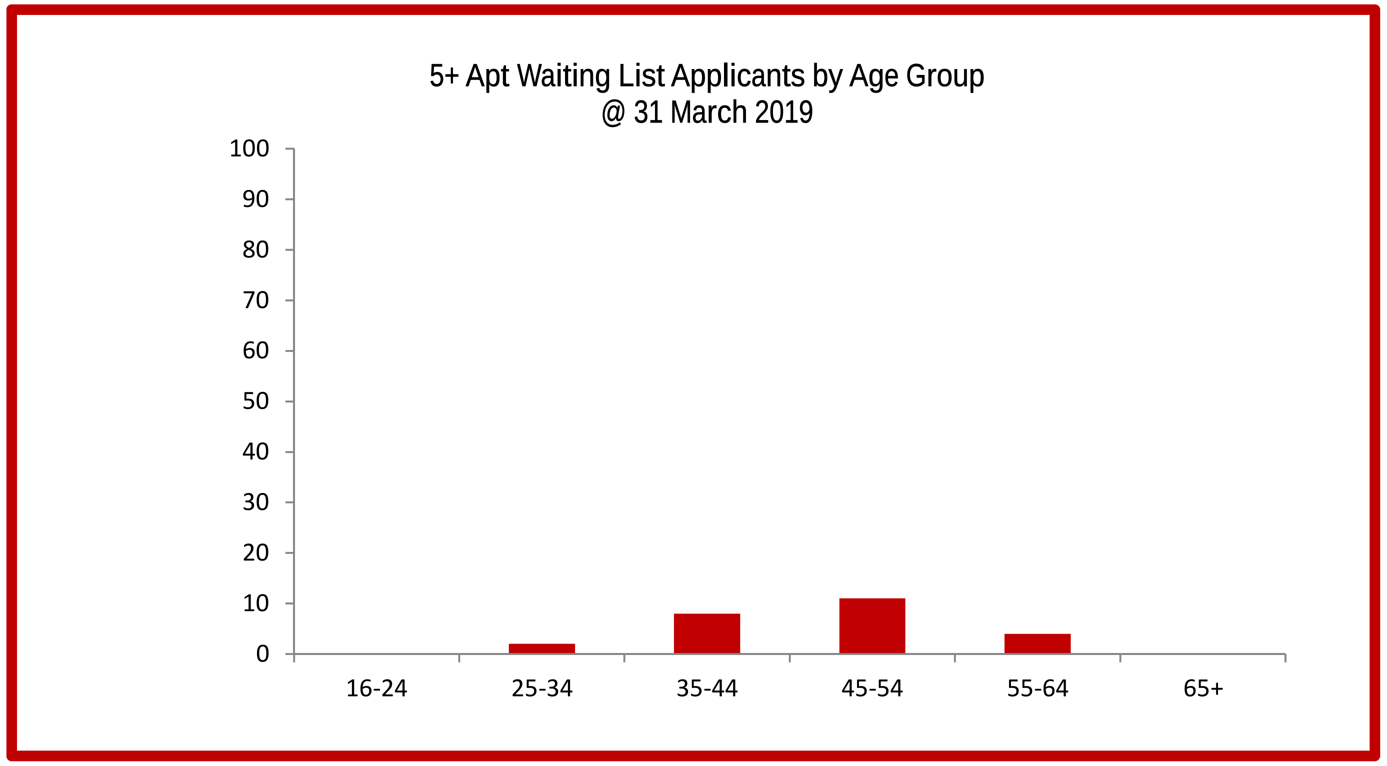


Housing Demand & Demographics - Analysis of Current Tenants and Current Waiting List Applicants

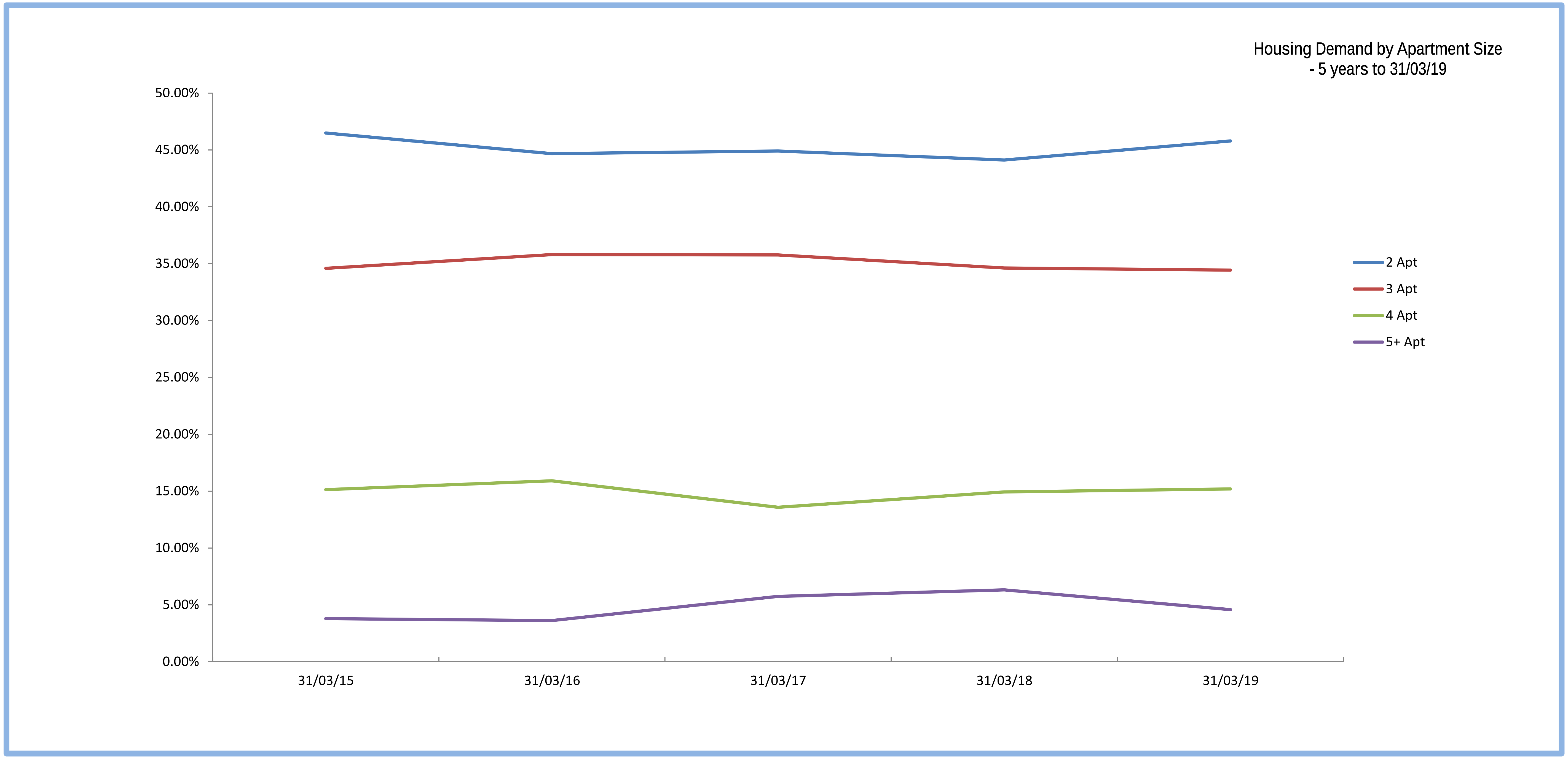




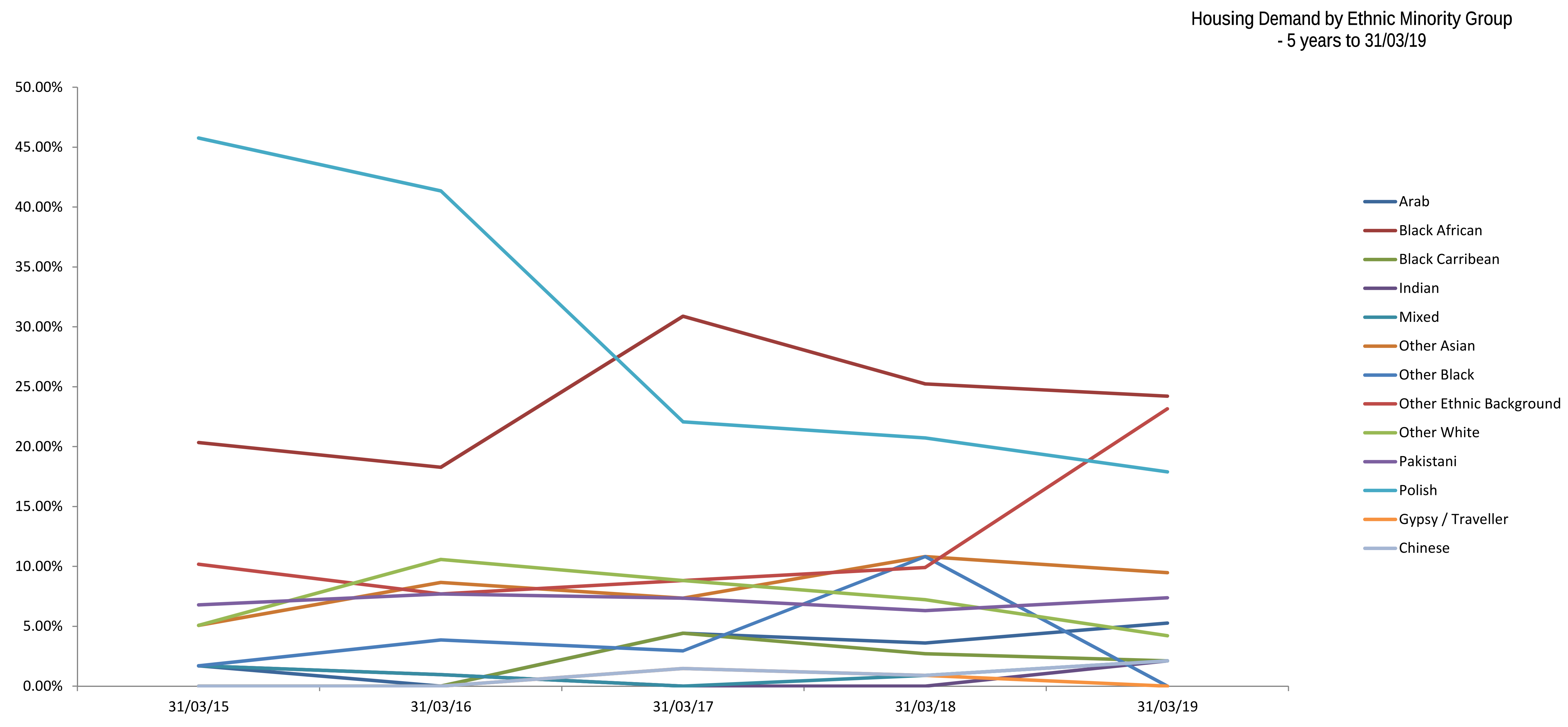




Housing Demand & Demographics - Analysis of Housing Demand by Apartment Size



Housing Demand & Demographics - Analysis of Housing Demand by Ethnic Minority Group



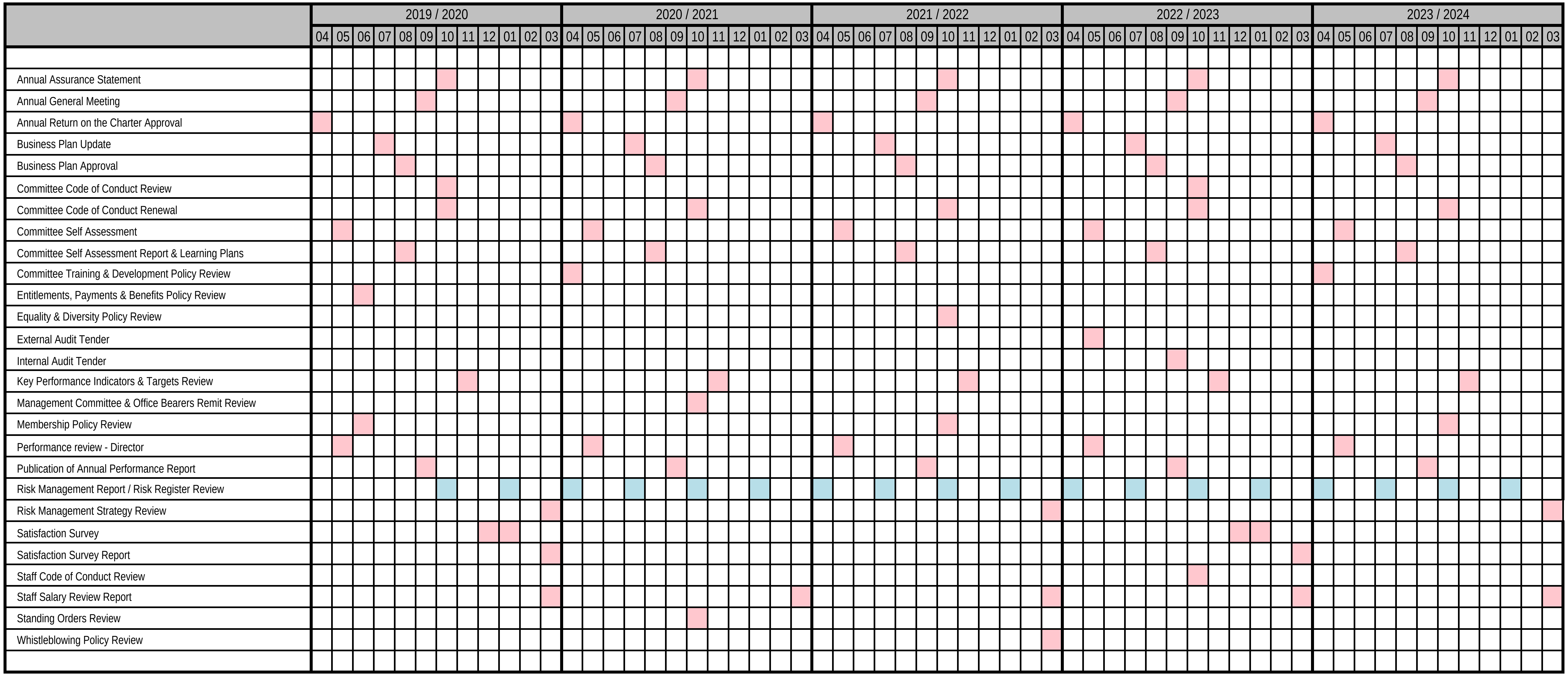
Development Programme Timetable

Financial Year	2019 / 2020				2020 / 2021				2021 / 2022				2022 / 2023				2023 / 2024			
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Blawarthill Hospital Conversion (4 Units)																				
Blawarthill Hospital New Build (15 Units)																				
Drysdale Street / Sandholm Terrace New Build (5 Units)																				
Yoker Primary School Site (60 Units)																				

Key:
= Tender submission to GCC
= Scheme on site
= Scheme completion

Yoker Housing Association Limited
Business Plan 2019 / 2020 / 2021 / 2022 / 2023 / 2024

Corporate Governance Activity Plan



Key
Quarterly / Biannual Reporting Cycle
Annual / Biennial / Triennial Reporting Cycle

Yoker Housing Association Limited
Business Plan 2019 / 2020 / 2021 / 2022 / 2023 / 2024

Housing Services Activity Plan (1 of 2)

	2019 / 2020												2020 / 2021												2021 / 2022												2022 / 2023												2023 / 2024											
	04	05	06	07	08	09	10	11	12	01	02	03	04	05	06	07	08	09	10	11	12	01	02	03	04	05	06	07	08	09	10	11	12	01	02	03	04	05	06	07	08	09	10	11	12	01	02	03	04	05	06	07	08	09	10	11	12	01	02	03
Abandonment Policy																																																													
Allocations to Governing Body / Staff Members Policy																																																													
Annual Legal Action Report																																																													
Annual Neighbour Complaints Report																																																													
Anti-social Behaviour & Neighbour Nuisance Policy																																																													
Assignation Policy																																																													
Complaints Policy																																																													
Dealing with Death Policy																																																													
Estate Management Policy																																																													
Estate Management Services Report																																																													
Freedom of Information Policy																																																													
Harassment Policy																																																													
Housing Application Suspension and Cancellation Policy																																																													
Housing Renewal Area Policy																																																													
Joint Tenant Policy																																																													
Letting Policy																																																													
Lodger Policy																																																													
Minute of Agreement																																																													
Mutual Exchange Policy																																																													
Particular Needs Policy																																																													
Privacy Policy																																																													
Rent Arrears Policy																																																													
Rent Review																																																													
Rent Setting Policy																																																													
Residents Handbook																																																													

Key
Quarterly / Biannual Reporting Cycle
Annual / Biennial / Triennial Reporting Cycle

Housing Services Activity Plan (2 of 2)

	2019 / 2020												2020 / 2021												2021 / 2022												2022 / 2023												2023 / 2024											
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Scottish Secure Tenancy Agreement																																																												
Service Complaints Report																																																												
Settling In Visits Satisfaction Report																																																												
Short Scottish Secure Tenancy Agreement																																																												
Sub-Letting Policy																																																												
Succession Policy																																																												
Tenancy Management Report																																																												
Tenancy Sustainment Report																																																												
Tenant Mobility Report																																																												
Tenant Participation Policy & Strategy																																																												
Termination of Tenancy Satisfaction Report																																																												
Void Management Policy																																																												
Void Property Decoration Allowance Policy																																																												
Waiting List & Allocations Report																																																												

Key
Quarterly / Biannual Reporting Cycle
Annual / Biennial / Triennial Reporting Cycle

Yoker Housing Association Limited
Business Plan 2019 / 2020 / 2021 / 2022 / 2023 / 2024

Property Services Activity Plan

	2019 / 2020											
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Contractor's Selection and Performance Policy												
Approved List of Maintenance Contractors												
Void Management Policy												
Compensation for Improvements Policy												
Maintenance Policy												
Reactive Repairs Policy												
Rechargeable Repairs Policy												
Annual Gas Safety / Service Policy												
Repair Response Times and Categories												
Tendering Policy												
Alterations & Improvements Policy												
Quotations for Minor and Small Works Policy												
Pest Control Policy												
Repair Standards to Unimproved & Decant Properties Policy												
Planned Maintenance Policy												
Emergency Policy and Procedures												
Minimum Lettable Standards Policy												
Stage 3 Adaptations Policy												

	2020 / 2021											
	04	05	06	07	08	09	10	11	12	01	02	03
Contractor's Selection and Performance Policy												
Approved List of Maintenance Contractors												
Void Management Policy												
Compensation for Improvements Policy												
Maintenance Policy												
Reactive Repairs Policy												
Rechargeable Repairs Policy												
Annual Gas Safety / Service Policy												
Repair Response Times and Categories												
Tendering Policy												
Alterations & Improvements Policy												
Quotations for Minor and Small Works Policy												
Pest Control Policy												
Repair Standards to Unimproved & Decant Properties Policy												
Planned Maintenance Policy												
Emergency Policy and Procedures												
Minimum Lettable Standards Policy												
Stage 3 Adaptations Policy												

	2021 / 2022											
	04	05	06	07	08	09	10	11	12	01	02	03
Contractor's Selection and Performance Policy												
Approved List of Maintenance Contractors												
Void Management Policy												
Compensation for Improvements Policy												
Maintenance Policy												
Reactive Repairs Policy												
Rechargeable Repairs Policy												
Annual Gas Safety / Service Policy												
Repair Response Times and Categories												
Tendering Policy												
Alterations & Improvements Policy												
Quotations for Minor and Small Works Policy												
Pest Control Policy												
Repair Standards to Unimproved & Decant Properties Policy												
Planned Maintenance Policy												
Emergency Policy and Procedures												
Minimum Lettable Standards Policy												
Stage 3 Adaptations Policy												

	2022 / 2023											
	04	05	06	07	08	09	10	11	12	01	02	03
Contractor's Selection and Performance Policy												
Approved List of Maintenance Contractors												
Void Management Policy												
Compensation for Improvements Policy												
Maintenance Policy												
Reactive Repairs Policy												
Rechargeable Repairs Policy												
Annual Gas Safety / Service Policy												
Repair Response Times and Categories												
Tendering Policy												
Alterations & Improvements Policy												
Quotations for Minor and Small Works Policy												
Pest Control Policy												
Repair Standards to Unimproved & Decant Properties Policy												
Planned Maintenance Policy												
Emergency Policy and Procedures												
Minimum Lettable Standards Policy												
Stage 3 Adaptations Policy												

	2023 / 2024											
	04	05	06	07	08	09	10	11	12	01	02	03
Contractor's Selection and Performance Policy												
Approved List of Maintenance Contractors												
Void Management Policy												
Compensation for Improvements Policy												
Maintenance Policy												
Reactive Repairs Policy												
Rechargeable Repairs Policy												
Annual Gas Safety / Service Policy												
Repair Response Times and Categories												
Tendering Policy												
Alterations & Improvements Policy												
Quotations for Minor and Small Works Policy												
Pest Control Policy												
Repair Standards to Unimproved & Decant Properties Policy												
Planned Maintenance Policy												
Emergency Policy and Procedures												
Minimum Lettable Standards Policy												
Stage 3 Adaptations Policy												

Key
Quarterly / Biannual Reporting Cycle
Annual / Biennial / Triennial Reporting Cycle

Yoker Housing Association Limited
Business Plan 2019 / 2020 / 2021 / 2022 / 2023 / 2024

Development Services Activity Plan

	2019 / 2020											
	04	05	06	07	08	09	10	11	12	01	02	03
Scheme Report												
Sustainability Policy												
Greening Our Workplace Policy												
Sustainable Housing Design Guide												
Development Policy												
Policy on Recovery of Other Owners' Costs												
Home Loss and Disturbance Payment Policy												
Defects Policy												
Standard Housing Brief for Technical Consultants												
Contractor Insolvency Policy												
Development Contract Control Policy												
Policy to Comply with CDM Regulations												
Tendering Policy												
Approved List of Development Consultants												
Procurement Policy												

	2020 / 2021											
	04	05	06	07	08	09	10	11	12	01	02	03
Scheme Report												
Sustainability Policy												
Greening Our Workplace Policy												
Sustainable Housing Design Guide												
Development Policy												
Policy on Recovery of Other Owners' Costs												
Home Loss and Disturbance Payment Policy												
Defects Policy												
Standard Housing Brief for Technical Consultants												
Contractor Insolvency Policy												
Development Contract Control Policy												
Policy to Comply with CDM Regulations												
Tendering Policy												
Approved List of Development Consultants												
Procurement Policy												

	2021 / 2022											
	04	05	06	07	08	09	10	11	12	01	02	03
Scheme Report												
Sustainability Policy												
Greening Our Workplace Policy												
Sustainable Housing Design Guide												
Development Policy												
Policy on Recovery of Other Owners' Costs												
Home Loss and Disturbance Payment Policy												
Defects Policy												
Standard Housing Brief for Technical Consultants												
Contractor Insolvency Policy												
Development Contract Control Policy												
Policy to Comply with CDM Regulations												
Tendering Policy												
Approved List of Development Consultants												
Procurement Policy												

	2022 / 2023											
	04	05	06	07	08	09	10	11	12	01	02	03
Scheme Report												
Sustainability Policy												
Greening Our Workplace Policy												
Sustainable Housing Design Guide												
Development Policy												
Policy on Recovery of Other Owners' Costs												
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Defects Policy												
Standard Housing Brief for Technical Consultants												
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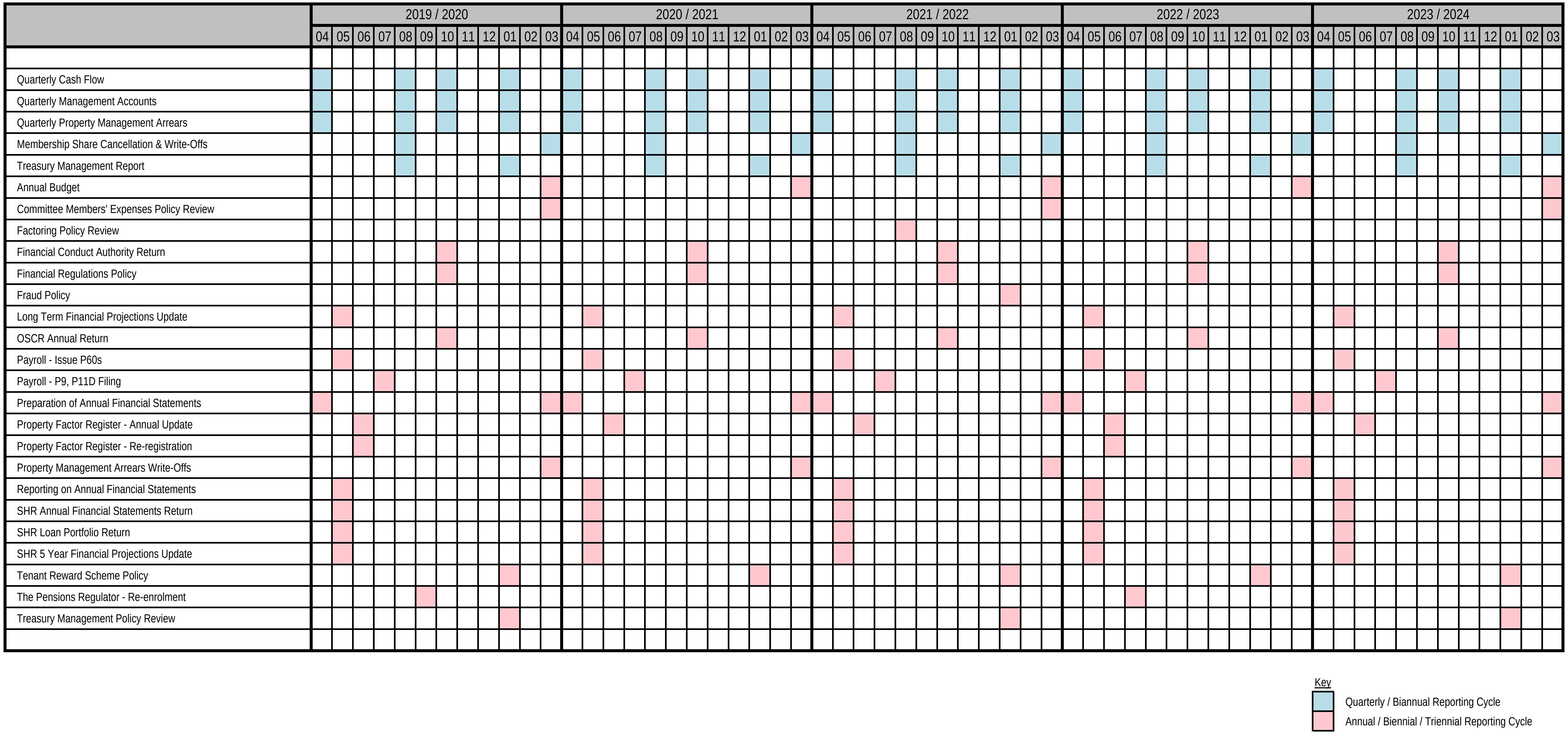
Development Contract Control Policy												
Policy to Comply with CDM Regulations												
Tendering Policy												
Approved List of Development Consultants												
Procurement Policy												

	2023 / 2024											
	04	05	06	07	08	09	10	11	12	01	02	03
Scheme Report												
Sustainability Policy												
Greening Our Workplace Policy												
Sustainable Housing Design Guide												
Development Policy												
Policy on Recovery of Other Owners' Costs												
Home Loss and Disturbance Payment Policy												
Defects Policy												
Standard Housing Brief for Technical Consultants												
Contractor Insolvency Policy												
Development Contract Control Policy												
Policy to Comply with CDM Regulations												
Tendering Policy												
Approved List of Development Consultants												
Procurement Policy												

Key
Monthly Reporting Cycle
Annual / Biennial / Triennial Reporting Cycle

Yoker Housing Association Limited
Business Plan 2019 / 2020 / 2021 / 2022 / 2023 / 2024

Finance Activity Plan



Section 18.0

SWOT Analysis

Strengths	Weaknesses
• Tenant led committee • Community based and accessible • Well managed and maintained homes • Financial strength • No debt or pension liability • Low rents • Experienced and well qualified core staff • Committee open to training and development • Efficient and flexible IT systems • Reliable and professional contractors and consultants • Proactive succession planning • High levels of tenant satisfaction • Low staff turnover • Low staff illness absence • Low voids • Training and development is encouraged for staff	• Small staff team • Staff members pending retirement • Committee turnover • IT system reliance on Director • Regulatory engagement • Old stock that may need increasing repair • Low rents
Opportunities	**Threats**
• Acquiring land to build more housing • Completion of local tenement refurbishment • Acquiring individual tenement flats to increase control • New committee members • Regulatory engagement	• Regulatory engagement • Limited local development opportunities • Mixed tenure in tenements – management challenges • Welfare reform • Committee turnover • Brexit

PESTEL Analysis

Political	Economic
• Welfare reform • Value for money • Glasgow's housing strategy • Rent affordability • Brexit • Housing association grant subsidy levels • Government housing investment priorities	• Interest rates • Inflation / deflation • Employment levels • Lending market liquidity levels • Borrowing rates • Pension costs • Austerity
Social	**Technological**
• Fuel poverty • Deprivation • Anti-social behaviour • Life expectancy • Tenancy sustainment • Tenant expectations • Housing options • Customer satisfaction	• Energy efficiency • Planning • Building Standards • Communications • Information technology • Mobile working
Environmental	**Legal / Regulatory**
• Energy efficiency • Waste management • Emissions	• Housing (Scotland) Act 2014 • Scottish Social Housing Charter • Annual Return on the Charter (ARC) • Scottish Housing Quality Standard (SHQS) • Energy Efficiency Standard for Social Housing (EESSH) • Scottish Housing Regulator – Regulatory Framework • Planning • Building Standards • Fire safety • General Data Protection Regulation (GDPR) • Freedom of Information (Scotland) Act (FOISA)

Organisation Structure

Management Committee [1]

(1) Mary Walker (Chair); (2) Paula Elsby (Vice-Chair); (3) Mary Ballantyne; (4) Elaine Busby; (5) Paul Colvin; (6) Anne Fleming
(7) Anna-Maria Jarvis; (8) Morag Parker; (9) Jospehine Porter; (10) Catriona Walker; (11) Agnieszka Wronowska; (12) Graeme Shields[2]

Staff

Christopher J. Forrest
(Director)
cjfyoker@btconnect.com

Management
DDI (0141) 950 9052
housing@yokerha.org.uk

- Kevin Freeman (Secretary)
  (Senior Housing Services Officer)
- Ann Wilkinson (28/35) [3]
  (Housing Services Officer)
- Alan Morris
  (Administrative Assistant)

Maintenance
DDI (0141) 950 9051
maintenance@yokerha.org.uk

Development
DDI (0141) 950 9054
lesleyyoker@btconnect.com

- Lesley Bryce (28/35) [3]
  (Senior Property Services Officer)
- Shamaiela Azhar (16/35) [3]
  (Property Services Officer)
- Gillian Leitch
  (Property Services Assistant)
- Shannon Newman
  (Administrative Assistant)

Finance
DDI (0141) 950 9053
finance@yokerha.org.uk

- Kirsty Dunlop
  (Finance Services Officer)
- Heather Mullins
  (Administrative Assistant)
- Elizabeth McCourtney (15/35) [3]
  (Office Cleaner)

[1] Non-executive board members
[2] Co-optees
[3] Part-time staff

Yoker Housing Association Limited
Business Plan 2019 / 2020 / 2021 / 2022 / 2023 / 2024

Summary of Housing Stock - Acquisitions and Disposals to 31 March 2019

Ref	Scheme	31.03.2015	Acquisitions / New Build	Amalgamations	Sales (Right to Buy)	Sales (Improvement For Sale)	31.03.2016	Acquisitions / New Build	Amalgamations	Sales (Right to Buy)	Sales (Improvement For Sale)	31.03.2017	Acquisitions / New Build	Amalgamations	Sales (Right to Buy)	Sales (Improvement For Sale)	31.03.2018	Acquisitions / New Build	Amalgamations	Sales (Right to Buy)	Sales (Improvement For Sale)	31.03.2019
01	2370/2378 Dmbrtn Rd	9	-	-	-	-	9	-	-	-	-	9	-	-	-	-	9	-	-	-	-	9
02	9/17 Klso St, 1/7 Klso Pl	24	-	-	-	-	24	-	-	-	-	24	-	-	-	-	24	-	-	-	-	24
03	73/81 Sprshll Terr, 14/20 Klso St	21	-	-	-	-	21	-	-	-	-	21	-	-	-	-	21	-	-	-	-	21
04	4/10 Klso St, 2352 Dmbrtn Rd	19	-	-	-	-	19	-	-	-	-	19	-	-	-	-	19	-	-	-	-	19
05	2316/2324/2334/2342 Dmbrtn Rd	24	-	-	-	-	24	-	-	(1)	-	23	-	-	-	-	23	-	-	-	-	23
06	2273/2279/2285/2291/2297/2303 Dmbrtn Rd	38	-	-	-	-	38	1	-	-	-	39	-	-	(1)	-	38	-	-	-	-	38
07	2309/2315/2321/2327/2333 Dmbrtn Rd	37	-	-	-	-	37	1	-	-	-	38	-	-	(1)	-	37	-	-	-	-	37
08	2341/2349 Dmbrtn Rd, 1/3 Ykr Frry Rd	19	-	-	-	-	19	2	-	-	-	21	-	-	-	-	21	-	-	-	-	21
09	2090/2096/2102/2108 Dmbrtn Rd	28	-	-	-	-	28	-	-	-	-	28	-	-	-	-	28	-	-	-	-	28
10	7 Blwrthll St, 2058/2062/2066/2068/2074 Dmbrtn Rd	32	-	-	-	-	32	1	-	-	-	33	-	-	-	-	33	-	-	-	-	33
11	15,23,31,39,47 Blwrthll St	44	-	-	-	-	44	-	-	-	-	44	-	-	(1)	-	43	-	-	-	-	43
12	48-58 Blwrthll St, 2-10 Drysdle St, 1-59 Sndhlm Terr, 4-22 Sndhlm Pl	46	-	-	-	-	46	-	-	-	-	46	-	-	-	-	46	-	-	-	-	46
13	8/14/20/24 Brnhm Rd	15	-	-	-	-	15	-	-	-	-	15	-	-	-	-	15	-	-	-	-	15
14	1911/1917/1925 Dmbrtn Rd	13	-	-	-	-	13	1	-	-	-	14	-	-	-	-	14	-	-	-	-	14
15	1933/1941/1947/1951 Dmbrtn Rd	19	-	-	-	-	19	-	-	-	-	19	-	-	-	-	19	-	-	-	-	19
16	1955/1959/1963/1965 Dmbrtn Rd	20	1	-	-	-	21	-	-	-	-	21	-	-	-	-	21	-	-	-	-	21
17	1993/2001/2005 Dmbrtn Rd	15	-	-	-	-	15	-	-	-	-	15	-	-	-	-	15	-	-	-	-	15
18	2007/2015/2023 Dmbrtn Rd	11	-	-	-	-	11	-	-	-	-	11	-	-	-	-	11	-	-	-	-	11
19	2029/2033/2037/2043 Dmbrtn Rd	21	-	-	-	-	21	1	-	(1)	-	21	-	-	-	-	21	-	-	-	-	21
20	13/15/17 Bvrie St, 18 Lsswde St	17	1	-	-	-	18	-	-	(1)	-	17	-	-	-	-	17	1	-	-	-	18
21	4/6/8/10 Bvrie St	8	-	-	-	-	8	-	-	-	-	8	-	-	-	-	8	-	-	-	-	8
22	12/14/16 Bvrie St, 24 Lsswde St	15	-	-	-	-	15	-	-	-	-	15	-	-	-	-	15	-	-	-	-	15
23	7/11/15 Grnlw Rd	21	1	-	-	-	22	-	-	-	-	22	-	-	-	-	22	-	-	-	-	22
24	28/32 Lsswde St, 19 Grnlw Rd	14	-	-	-	-	14	-	-	-	-	14	-	-	-	-	14	-	-	-	-	14
25	2202/2208/2210 Dumbarton Rd	10	-	-	-	-	10	1	-	-	-	11	-	-	-	-	11	-	-	-	-	11
26	2196 Dumbarton Rd, Lady Anne St	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	2164/2172/2178/2184/2190 Dumbarton Rd	2	-	-	-	-	2	-	-	-	-	2	-	-	-	-	2	-	-	-	-	2
28		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	1-57 Drysdale St, 36 Drysdale St, 53 Drysdale St	47	-	-	-	-	47	-	-	-	-	47	-	-	-	-	47	-	-	-	-	47
31	10-32 Blawarthill St, 6 Blawarthill St	21	-	-	-	-	21	-	-	-	-	21	-	-	-	-	21	-	-	-	-	21
32		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	1 Yetholm St, 2312 Dumbarton Rd	15	-	-	-	-	15	-	-	-	-	15	-	-	-	-	15	-	-	-	-	15
40	Mortgage to Rent Scheme	8	-	-	-	-	8	-	-	-	-	8	-	-	-	-	8	-	-	-	-	8
Unit Totals		633	3	-	-	-	636	8	-	(3)	-	641	-	-	(3)	-	638	1	-	-	-	639

Asset Management Strategy

Introduction

Yoker Housing Association Ltd ('the Association') understands the importance of adopting an effective asset management strategy to ensure the safeguarding of our assets. There is an explicit link between our business plan and our asset management strategy which is specifically aligned to key business objectives five and six of the Association's business plan as follows.

- To invest in existing housing stock to ensure that Yoker HA Ltd continues to provide good quality housing
- To contribute to the supply of quality affordable and sustainable homes where financially viable

In implementing this strategy, the Association will ensure equality of opportunity across the full range of activities involved. We will not discriminate on the grounds of age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The Scottish Social Housing Charter

The Scottish Housing Regulator (SHR) is the regulatory body for social and local authority housing services in Scotland. The SHR monitors, assesses and reports annually on landlords' performance against the Scottish Social Housing Charter ("the Charter").

The Charter sets out the standards and outcomes that RSL's should achieve. This includes updates on progress with meeting the Scottish Quality Housing Standard (SHQS) and Energy Efficiency Standard for Social Housing (EESSH). All landlords must submit an Annual Return on the Charter (ARC) to the SHR. These reports are made accessible to everyone through the SHR's website. The reports give an indication of landlord performance against peer groups as well as the national average.

There are definite outcomes under the Charter that are especially relevant to our asset management strategy, these are:

Outcome 1: Equalities
Every tenant and other customer have their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services

Outcome 4: Quality of Housing
Social landlords manage their business so that tenants' homes, as a minimum meet the SHQS when they are allocated; are always clean, tidy and in a good state of repair and meet the EESSH.

Outcome 5: Repairs, Maintenance and Improvements
Social landlords manage their business so that tenants' homes are well maintained, with repairs and improvements carried out when required and tenants are given reasonable choices about when work is done.

Outcome 6: Estate Management
Social landlords, working in partnership with other agencies help to ensure as far as reasonably possible that tenants and other customers live in well-maintained neighbourhoods where they feel safe.

Outcome 11: Tenancy Sustainment
Social landlords ensure that tenants get the information they need on how to obtain support to remain in their homes and ensure suitable support is available, including services provided directly by the landlord and other organisations.

Outcome 13: Value for Money
Social landlords manage all aspects of their business so that tenants, owners and other customers receive services that provide improving value for the rent and other charges they pay.

Overview

The Association's asset management strategy is to manage our assets in such a way that they support the wider organisational objectives and contribute to the long-term sustainability of the organisation. The main objectives of the Association's asset management strategy are to:

- continue to meet the SHQS;
- continue to meet the EESSH;
- deliver a quality repairs and maintenance service;
- achieve tenant satisfaction;
- achieve tenancy sustainment;
- continue to adhere to legal and regulatory requirements;
- identifying risks and actions to mitigate the effect of these risks;
- encourage attractive neighbourhoods; and
- produce an action plan detailing our future of asset management.

Effective asset management aims to understand and manage the risks that may affect our assets in their ability to meet and service financial objectives. Housing stock is the Association's primary physical asset, generating most of its income from rents. We also provide a factoring service for owner occupiers and commercial owners which generates a small portion of our overall income. The main part of the Association's expenditure is consumed in the management of its housing stock, carrying out maintenance and in further investment or re-investment.

In order to be effective in its delivery, asset management also requires tenants and others to work together to look after their properties. Sustainable neighbourhoods require to be safe and secure and the overall environment must be an attractive and desirable place to live in.

The level of control that the Association holds varies from close to close depending on the proportion of properties we own within each close. Properties where the Association holds a majority are easier to manage in relation to voting through repair, renewal or maintenance works. Despite having a majority in certain closes, the Association still only proceeds where possible with the agreement of other owners before carrying out communal works as this is considered best practice. Best practice is to adhere to the terms set out in the Deed of Conditions for each tenement where works to the common parts are required. This generally involves calling a meeting of all owners to vote on which works will proceed.

Closes where the Association is in minority ownership can present problems when it comes to upkeep and repairs as other owners may refuse to co-operate making the upkeep of communal areas difficult.

Housing Stock

At the 31st of March 2019, the Association owned 639 self-contained housing units. The stock profile consisted of 89 red sandstone tenements, 8 new build tenements, 50 terraced or semi-detached houses, 19 cottage flats and 3 four-in-a-block properties. 8 of these properties were acquired through the Scottish Government's Mortgage-To-Rent scheme.

Stock varies in size from 2 apartments to 5 apartments. A breakdown of our stock by house type, age and size is provided in the tables below:

House type	No.
Tenement Flats	534
Tenement Maisonettes	13
Other flats	37
Houses	52
Four-in-a-block	3

Age	No.
Pre 1919	502
1919-1944	3
1945-1964	1
1965-1982	0
1983-2002	50
Post 2002	83

Size	No.
2 Apt	269
3 Apt	235
4 Apt	114
5 Apt	21

Housing Stock (Continued)

The Association works hard to ensure that core stock is well looked after. Looking after core stock covers both the physical property itself as well as the area in which it exists. Although properties are an asset to the organisation, it is important to understand that they are also tenant's homes. It is therefore essential to take the view of a responsible landlord when making decisions about these assets.

The Association holds information on all its properties including its factored properties. These records are kept up-to-date at all times by ensuring the recording of relevant information is incorporated into the processes of each department of the organisation (e.g. estate management visits, void inspections, SHQS inspections).

Stock Condition / Property Database

The Association provides quality homes for our tenants and this is reflected in our performance in the ARC when benchmarked against our peer group. The results from our latest satisfaction survey show that 84% of our tenants were satisfied with the standard of their home and 88% satisfied with the quality of their home.

Stock condition surveys are carried out by the Association on a continuous basis as they become void and remedial work is carried out where necessary to ensure compliance to standards set for RSL's. These surveys provide a good indication of our properties over a wide range of elements and information is used to keep records of these assets up-to-date.

Each property has two dedicated files containing data relevant to that specific property, one of which is solely to measure its compliance with SHQS. Developing our property records this way allows the Association to implement our asset management strategy in such a way that it allows us to:

- forecast planned / cyclical maintenance for business planning purposes
- identify properties that are meeting SHQS / EESSH
- prioritise stock that is performing poorly / investigate potential investment routes

Holding up-to-date information on assets allows the Association to plan for the lifespan of the components in our properties such as bathrooms, kitchens, central heating and door entry systems. It also helps when deciding budgets as to how many properties need to have these components replaced and the expected date thereof. Budgets can then be projected for the following year as well as on a longer timescale to accommodate the Association's business plan.

Once the physical asset information is known, the rental income can be calculated based on this up-to-date component information. Rent is calculated based on the size of apartment and the amenities it contains within it. Once established, rental income streams can then be projected on five years and on a thirty years basis in line with the Association's long-term planning model.

Our housing stock is maintained on a day to day basis through our general repairs service where tenants report routine repairs for their properties as and when they are required. There is a planned maintenance programme for the major components such as kitchens, bathrooms, central heating and door entry systems.

Part of the financial planning process for maintenance involves the creation of a budget. This budget accounts for all aspects of maintenance from monthly routine repair budget to cyclical programme budget for longer term planning. This helps to manage the quality of our properties and keep them up to standard as well as giving an idea of what to expect in terms of future work.

Investment

The Association has a thirty years investment profile in place as part of its business plan. This provides details of component breakdown and life cycle replacement of building elements.

In considering changing standards and expectations, we have amended our bathroom replacement standards by providing over bath showers to future proof for tenants getting older and struggling with bathing. This was in response to a trend that became apparent in recent years where the Association had received an increase in queries regarding over bath shower facilities.

Risk

Effective strategic planning of assets consists of assessing and continually reviewing asset related risks. The management of these risks should not prevent an organisation from decision-making but rather it should be incorporated into the decision-making process.

As an RSL, key risks with our assets is ensuring their compliance with regulatory and legal standards as set out by the Scottish Government. Changes to legislation and expected standards also present a risk to the Association in terms of its expenditure - for example, compliance with the recently announced EESSH2.

A key risk to the Association lies in the fact that most of our housing stock consists of pre-1919 red sandstone tenements. These properties can present challenges in maintenance due to their age, condition and the presence of private owners.

The Association mitigates this risk through the provision of a factoring service for owner-occupiers and commercial owners in the local area. However, other owners represent a key risk and major challenge for planned maintenance programmes to communal areas. Often the roles and responsibilities of landlords offering a factoring service are misunderstood by owners. The Property Factors (Scotland) Act 2011 Written Statement of Services and individual property title deeds are used to clarify responsibilities. Except in exceptional circumstances, repair, maintenance and renewal costs are apportioned in accordance with the title deeds of each property.

Where disputes cannot be resolved, we must consider all options available to us and whether it is best to continue carrying out further investment or not. Items such as close painting for example would not be as essential as vital remedial work which if left unattended might lead to damage to the fabric of the building.

Empty Homes

The Association recognises that empty homes can impact negatively on the organisation. It reduces rental income and can affect the appearance and reputation of neighbourhoods if empty for a considerable amount of time.

The Association gives high priority to void turn-around and re-let times in recognition of the fact that having empty houses can be detrimental to the community and impacts our overall income as no rent is received for properties while vacant. We ensure that when a termination notice is provided, a pre-termination inspection is carried out so that we are aware of any major works that need to be carried out can be arranged prior to keys being received. For properties where a pre-termination inspection has not been carried out the Association arranges an inspection at its earliest convenience once keys have been received to the property.

Business Planning

Our business plan sets out the direction of the Association in the short to medium term as well as the resources, staffing and finance needed to meet this.

There are three elements to the Associations business planning process.

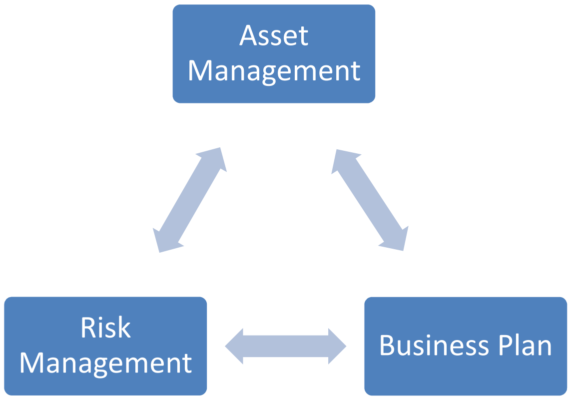
Firstly, there is the short-term planning stage. This stage consists of definite planning for the current year as well as the year ahead. For this stage the Association's budget is reviewed and consists of a breakdown of expenditure for various components of our assets. This is the most defined stage of the planning process as it is for the immediate future.

Secondly, is the medium-term planning stage. This stage consists of well-defined planning for the foreseeable future. This considers spending for a longer term of up to five years. Planning at this stage is open to change and can be affected by the first planning stage should there be any knock-on effects as a result of unforeseen circumstances. An example of this is the change in fire regulations where we have had to make changes to our planned maintenance programme to prioritise landlord requirements in relation to smoke alarm and heat sensors. The five-year plan is derived from the Association's business plan but with more detail including annual planning cycles. This planning cycle considers the external environment and any changes that are anticipated and likely to have a significant impact in the coming years will be incorporated into the plan. For example, the introduction of Universal Credit may mean RSLs may no longer receive as much direct housing payments and this must be planned for to minimise the risk to the organisation.

The final and most important planning stage of the process in terms of strategic direction of the organisation is the long-term planning stage. This is the least of the defined stages of the planning process as it is on a longer scale of up to thirty years. This considers what the Association is looking to achieve on a bigger scale and will be in line with business strategy. Although it is the loosest of the three stages of the planning process and subject to significant change, it is still crucial as it leads the way for the overall strategic direction of the Association.

Business Planning (Continued)

An asset management strategy is a process that monitors and maintains assets of a value to an organisation. It is closely linked with the business plan, financial plan and risk management strategy. It is central to the core business objectives and integral to the Associations business resilience.



The Association is committed to:

- using our assets to enhance financial viability
- investing in our assets to meet current and future customer needs
- ensuring our homes and neighbourhoods are well-maintained and cared for
- using our assets to support growth and diversity

Asset Management is the process by which we ensure that assets that we need to operate our business are managed effectively and provide value for money. This covers a range of actions that have been put in place by the Association to protect these assets to ensure the successful delivery of the vision of the organisation to provide quality housing for its tenants. The success of the organisation involves the management of the changing needs and expectations of its tenants whilst maintaining the best use of its resources to ensure the organisation's long-term viability.

Performance reporting is an important part of ensuring the asset management strategy is working successfully as well as meeting corporate objectives. The Association measures performance and demonstrates this through quarterly key performance indicator reporting. Performance is also recorded in the ARC, SHQS and EESSH Returns which are submitted to the SHR each year.

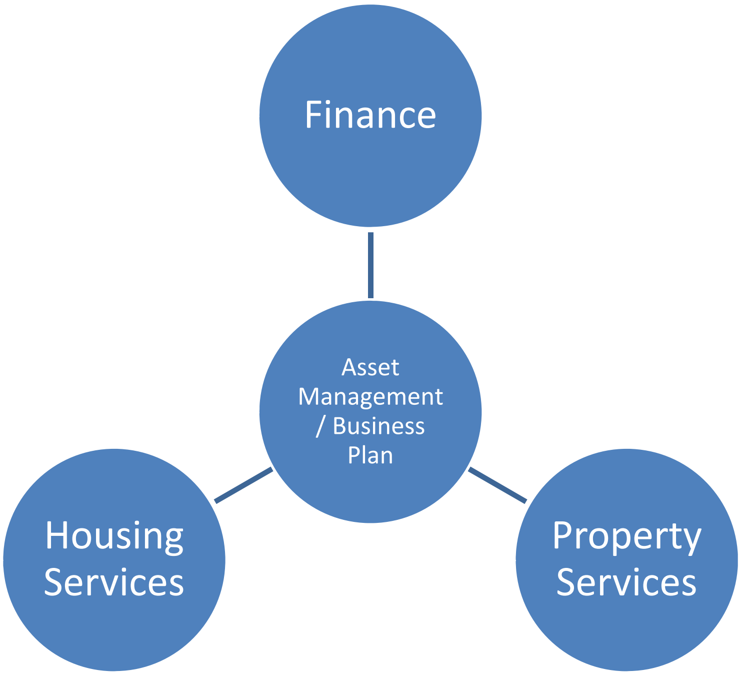
The strategic approach that the Association takes to asset management is to continually review value for money and how it can be improved. The cheaper alternative is not always the best option as the best way to create value for money is to have a balance between cost and quality.

Benchmarking against other landlords in our peer group is a useful tool when used alongside other measures to give an assessment of the value for money. The Association uses benchmarking in a range of areas such as rent setting, providing its repairs service and contractor selection.

Value for money is also brought about by the drive to reduce the number of day-to-day reactive maintenance costs through efficient planned and cyclical investment programmes. Once key areas of repair are identified, arrangements are made for contract management so that it is included in a cyclical maintenance programme resulting in the need for fewer reactive repairs in the long term.

Whole Organisation Approach

In order to be effective in its delivery, a holistic approach to asset management is taken by the Association by encouraging all departments (Property Services, Housing Management, and Finance) to work together towards corporate objectives. An appreciation of the role of different departments towards asset management goals allows for better management of the Association's stock. The Management Committee is however ultimately responsible for the decisions regarding the delivery of asset management as they govern for the Association's best interests and overall success.



An example of working together can be demonstrated from the management of void properties. This is one of the most important procedures and is carried out regularly as properties become empty. The property must have repairs carried out to a reasonable standard in order for housing management to let the property to incoming tenants. A successful let can be measured by housing management staff by taking note of the length a tenancy runs. This indicates the quality of tenancy sustainment which is one of the performance measures the Association must report on each year. Any issues identified or recurring patterns can be discussed with property services staff to implement future void management.

Good housing management can benefit the Association by saving money on investment. An example of this practice is shown when re-letting properties at our Blawarthill Street tenements. This is an area which is shown to be the least sought after due to its historical reputation for anti-social behaviour. The Association adopted joint initiatives and special lettings initiatives in the past to make changes to the demographics and reputation of the street. The demographics of the tenants in these closes have changed over the course of the last few years and as a result the area is more desirable for families whereas tenants were previously reluctant to accept offers of accommodation. This change in demographics has brought about a reduction in both the number of complaints of anti-social behaviour and the number of refusals to offers of accommodation by applicants.

Whole Organisation Approach (Continued)

There are many policies and procedures underpinning our asset management strategy. This reinforces the view that good asset management is incorporated in all aspects of the Association. These policies include:

- Planned Maintenance Policy
- Maintenance Policy
- Minimum Lettable Standards Policy
- Repair Response Times & Categories Policy
- Void Management Policy
- Reactive Repairs Policy
- Rechargeable Repairs Policy
- Annual Gas Safety Policy
- Alterations & Improvements Policy
- Procurement Policy
- Lettings Policy
- Particular Needs Policy
- Anti-social & Neighbour Nuisance Policy
- Estate Management Policy

Regular policy reviews provide the perfect opportunity for the Management Committee and Staff of the Association to work together collaboratively towards achieving the Association's strategic objectives. This creates a rounded perspective to problems as well as helping to achieve the best out of the Association's assets as they are in tune with the community's needs. Acquisitions are another area where a holistic approach is necessary to decide whether it is viable for the Association to purchase new properties and the effect it will have on the organisation.

Compliance

The Association has several statutory obligations that must be observed. There is the risk of serious consequences in the event of failing to comply for both tenant and landlords if these are not adhered to. The Association's responsibilities as an RSL are set out in the Housing (Scotland) Act 2001, 2010 and 2014. As a landlord, we are required by law to keep the properties wind, watertight and reasonably fit for human habitation. Our responsibilities and rights are detailed in the Association's Scottish Secure Tenancy Agreement primarily under section five for Repairs, Maintenance, Improvements and Alterations where our repair obligations are noted.

From an asset management point of view the best way to manage this type of risk is to ensure there are robust procedures adopted ensuring cyclical attention is given to statutory elements to manage compliance for all housing stock. The Association routinely reviews its policies and procedures to make sure they are up to date making sure any changes to legislation are included as and when they happen.

From a maintenance point of view, a change in regulation can mean a sudden rise in expenditure. This should be considered when developing a budget for the following year as costs must be set aside especially if there are pending changes to regulations or statutory requirements that could affect our assets.

Scottish Housing Quality Standard (SHQS)

The Scottish Housing Quality Standard (SHQS) was first introduced by the Scottish Government in 2004 and has since been updated in 2012. It set a national standard for the physical quality of rented properties that all local authorities and RSLs must have achieved by 2015.

Scottish Housing Quality Standard (SHQS) (Continued)

The SHQS is made up of 40 elements and based on several broad quality criteria. The standard is broken down into the following key categories:

- Compliance with the current tolerable standard;
- Must be free from serious disrepair;
- Must be energy efficient;
- Must have modern facilities and services;
- Must be healthy, safe and secure.

The Association began carrying out a full stock condition survey in 2013 with a view to evaluating our current housing stock against the criteria set out in the SHQS. Although stock condition surveys are processed internally on a continuous basis through voids and routine inspections, external verification is sought through the procurement of an external survey of all properties every five years.

At the end of the financial year 2018 / 2019, we reported that out of 639 properties, 637 meet the current standard. The two properties not meeting the standard are in abeyance.

Properties in abeyance can arise when work cannot be done for social reasons relating to tenant / owner-occupier behaviour. For example, where owner-occupiers in a mixed tenement block for common elements of the SHQS such as roofs / hallways etc. are either unwilling or unable to participate in such a scheme of repairs.

Energy Efficiency Standard for Social Housing (EESSH)

The Energy Efficiency Standard for Social Housing (EESSH) is a mandatory standard for RSLs to be met by 2020. The standard aims to improve the energy efficiency of social housing and reduce energy consumption, fuel poverty and the emission of greenhouse gases.

The EESSH is taken from the Energy Performance Certificate (EPC) of a property which is an energy assessment certificate that must be made available when constructing, selling or renting a property. The SAP (Standard Assessment Procedure) ratings are recorded on a scale of 1 to 100 and are used to calculate energy efficiency in terms of running costs.

Meeting EESSH will help to achieve the Climate Change (Scotland) Act 2009 which has set a long-term target to reduce emissions of greenhouse gases by 80% of 1990 levels by 2050 with an interim target to reduce emissions by 42% by 2020. This brought about challenging implications in an asset management context given that SHR report suggests that at least 80% of homes today are expected to still exist in 2050.

From 2015, the EESSH standard superseded the energy targets and guidance in the SHQS. The minimum SAP ratings required to pass the current EESSH 2020 are shown in the table below.

Assessment criteria	SAP 2009		SAP 2012	
Dwelling type / Fuel type	Gas	Electric	Gas	Electric
Flats	69	65	69	63
Four-in-a-block	65	65	65	62
Houses (other than detached)	69	65	65	62
Detached houses	60	60	60	57

Energy Efficiency Standard for Social Housing (EESSH) (Continued)

The EESSH does not prescribe how RSLs are to achieve these minimum energy efficiency ratings but provides a list of what is identified as 'reasonable measures' to consider when bringing a property up to the standard. These measures are:

- condensing boilers;
- loft insulation top-up;
- double of secondary glazing;
- under-floor insulation;
- heating controls;
- solid wall insulation (external, post 1919 construction);
- overall benefit of switching from storage heaters to electric wet;
- overall benefit of switching from storage heaters to gas;
- overall benefit of switching from storage heaters to air source heat pump;
- overall benefit of switching from storage heaters to Quantum storage.
- compact fluorescent lighting;
- storage heaters;
- internal wall insulation;
- waste water heat recovery systems;
- thermostatic radiator valves;
- cavity wall insulation;
- hot water tank and pipe insulation;
- replace secondary heating;
- room-in-the-roof insulation;

The measures represent a balance between cost and benefit in reduction of energy consumption. The cost / benefit of certain measures is also referred to in an EPC and this can be used to decide which route to take when investing for energy efficiency.

In the year to 31 March 2019, the Association invested over £19,000 in bringing seven properties up to the EESSH. The work involved significant internal wall insulation in six properties and the upgrading of a boiler in one. As a result, 637 out of the Association's 639 properties are fully compliant and meet the EESSH. The remaining two properties not meeting the standard are exempt at present.

The Association has heavily invested in energy efficiency measures in a significant number of our properties. The windows in our properties are all double glazed. We ensure that when boiler replacement or installations are due, high quality energy efficient condensing boilers are used.

During 2011 with the help of the Community Energy Saving Programme (CESP) funding, insulation was increased to 300mm in most loft areas. In the same year, cavity wall insulation was installed to forty-six properties owned by the Association at Sandholm Terrace / Drysdale Street / Blawarthill Street and Sandholm Place.

In the year to 31 March 2014, the Association invested around £375,000 on fifteen pre-1919 red sandstone tenement properties at Dumbarton Road / Yoker Ferry Road installing internal and external wall insulation to help decrease the risk of fuel poverty for 108 households. We worked in partnership with Glasgow City Council (GCC) to secure grant funding in the form of Home Energy Efficiency Programmes for Scotland and Area based Schemes (HEEPS / ABS) for owners to help them participate in these works.

Following the success of this project, the Association spent considerable time during 2017 / 2018 in conjunction with GCC's Affordable Warmth team working up a similar scheme for fifteen pre-1919 red sandstone tenements at Burnham Road / Dumbarton Road involving 115 mixed-use commercial, owner occupied and social rented properties.

The planned project included significant investment by the Association of £500,000 to include remedial work and energy efficiency measures. Extensive repairs were planned for the screens on the rear elevation of the tenements and energy efficiency upgrades were proposed including external wall insulation to the rear elevations and gable ends and internal wall insulation to the front of the buildings. Unfortunately, the Association was unable to secure owner occupier and commercial owner agreement to fund the works despite substantial levels of committed grant funding in the form of Scotland's Energy Efficiency Programme (SEEP) and Glasgow City Council Private Sector grant. This shows that despite our best intentions to improve and invest in our assets, in practice complicated ownership structures can limit the scope of investment.

Going forward, the Association will continue where possible to invest in energy efficiency measures in both retro fit and new build projects such as our ongoing passive house development at Blawarthill hospital site.

Maintenance of Stock – Reactive Maintenance

The Association has the obligation as a responsible landlord to carry out repairs throughout the course of the tenancy to keep the house in a condition that is wind and watertight, habitable and fit for human habitation. Although the Association is responsible for carrying out repairs which are due to fair wear and tear, it is also the tenant's responsibility to report any damage to the house to us as soon as reasonably possible as stated in their Scottish Secure Tenancy Agreement. This encourages repairs to be carried out when required and allows the stock condition to be kept up to standard.

Problems tend to arise with the standard in properties where access is repeatedly not given to carry out a repair or the tenant is failing to engage with the Association. In these circumstances, the Association can initiate abandonment procedures after exercising due diligence enquiries with neighbours as to the tenant's whereabouts. The Association may also force access to properties where necessary to carry out essential maintenance works. If this is the case, a written notice is issued to the tenant twenty-four hours prior notice to the forced entry going ahead.

The reactive repair service works to maintain the housing stock along with the planned and cyclical maintenance programmes. Often life cycles of components can be stretched by good maintenance which results in a reduction in maintenance costs.

Under the Housing (Scotland) Act 2001, Scottish secure tenants and short Scottish secure tenants have the right to have small urgent repairs carried out by their landlord within a given timescale. The Association identifies three repair categories with response times in which repairs must be carried out as follows.

- Emergency repairs: carried out within three hours.
- Urgent repairs: carried out within two full working days.
- Routine repairs: carried out within eight full working days.

The Association has defined the following as emergency repairs.

- Flooding / burst pipe (excluding rain penetration)
- Gas leak
- Tenant has received electric shock
- General electrical fault i.e. no power
- Break-in, locked out
- Broken window; and
- No central heating (elderly / infirm tenants only or where there are children under five years old).
- Any repair which endangers the health and safety of any member of the public (e.g. unsafe chimney etc.)

Right to Repair

Under the Housing (Scotland) Act 2001, Scottish Secure Tenants and Short Scottish Secure Tenants have the right to have small urgent repairs carried out by their landlord within specified timescales. These types of repairs are called qualifying repairs and the scheme applies to tenants of local authorities, housing associations and water / sewage authorities.

The Association aims to have qualifying repairs carried out within the time limits prescribed by the Right to Repair scheme. The timescale a repair is to be completed by refers to working days after date of repair notification or inspection of qualifying repair. The qualifying repairs and completion times are as follows:

Type of repair	Response time (days)
Blocked flue to open fire or boiler	1
Blocked or leaking foul drains, soil stacks or toilet pans where there is no other toilet in the house.	1
Blocked sink, bath or drain	1
Loss of electric power	1
Partial loss of electric power	3

Right to Repair (Continued)

Type of repair	Response time (days)
Insecure external window, door or lock	1
Unsafe access path or step	1
Significant leaks or flooding from water or heating pipes, tanks, cisterns	1
Loss or partial loss of gas supply	1
Loss or partial loss of space or water heating where no alternative heating is available	1
Toilet not flushing where there is no other toilet in the house	1
Unsafe power or lighting socket, or electrical fitting	1
Loss of water supply	1
Partial loss of water supply	3
Loose or detached banister or handrail	3
Unsafe timber flooring or stair treads	3
Mechanical extractor fan in internal kitchen or bathroom not working	7

Although qualifying repairs come with specified timescales, there are circumstances where the repair will be excluded from the right to repair scheme such as where repair is not the Association's responsibility or where reasonable access is not given by the tenant.

Reactive Repair Delivery

The Association delivers its repair service through a variety of contractors. Most of our day to day repairs are distributed to locally based contractors.

On an annual basis, the Association's Committee approve a list of maintenance contractors who will carry out the day to day repairs service for our properties. In all cases only suitably qualified contractors who have up-to-date public liability insurance, tax certificates and any other required work certificates are considered. Contractors must adhere to the Association's Equal Opportunities Policy or provide their own.

The Association monitors and carries out quality control checking on a proportion of all repairs carried out as well as conducting several tenant satisfaction surveys every month. Contractor performance is reviewed regularly and information gathered is reported to the Committee on a quarterly basis through key performance indicators including repair response times versus targets.

Repairs performance for the year ended 31 March 2019 is detailed in the table below.

Repair category	Target response time	Total no. of repairs	Completed within target
Emergency	3 hours	129	97%
Urgent	2 working days	1157	100%
Routine	8 working days	707	100%

Planned and Cyclical Maintenance

Planning for future repairs and maintenance is an essential element of our asset management strategy. Delivering an efficient, timely planned maintenance and improvement programme allows for the maintenance, safeguarding and prolonging of the useful life of various components and structures of our housing stock.

The Association follows an elemental replacement methodology which involves the running of a series of planned maintenance and cyclical programmes. The Association's main component elements and their respective life cycles are as follows.

- Kitchen replacement 15 Years
- Bathroom replacement 15 Years
- Central Heating Boiler 15 Years
- Central Heating Radiators 25 Years
- Electrical Infrastructure 25 Years
- Windows 25 Years

Through a programme of investment in planned and cyclical repairs, the Association aims to achieve a position where a greater proportion of repairs and maintenance expenditure is applied to planned and cyclical works and a lesser proportion to reactive, day to day repairs.

Planned maintenance work consists of the replacement of components that need renewal following the end of their anticipated life cycle. Works programmed under planned maintenance may also be classed as improvement works for external / internal insulation, refurbishment or modernisation of stock. In these cases, the works would still be considered planned as they would have been foreseen.

Improvement works may also come as a result of a change in legislation such as the recent change in Fire and Safety Regulations with regards to smoke alarms. To accommodate this, the Association's budget for the next two years includes an allocation to meet the cost of implementing measures to meet the new regulations.

Cyclical maintenance work refers to the regular maintenance and preservation of components. The following list is not exhaustive but provides examples of the type of work which is programmed under cyclical maintenance.

- Annual Gas Safety Inspections
- Gutter Cleaning & Roof Maintenance
- Close Painting
- External Paintwork
- Ground & Garden Maintenance
- Electrical Testing

We have a comprehensive cyclical testing programme in place for components requiring regular testing / maintenance such as gas appliances and electrical systems.

Gas servicing is one of the most important items where failure to maintain can mean considerable risk. The Association has a legal obligation to ensure the safety of our tenants in respect of gas installations and servicing. Each month 10% of the total gas servicing carried out is quality control checked by an independent specialist contractor to certify our systems are being correctly serviced.

There is a strict procedure in place to ensure that there is an annual gas safety certificate for all our properties by making sure each property undergoes a gas safety check within twelve months of the previous recorded check. Should there be a problem in access, this can compromise the health and safety of our tenants and residents around them. Therefore, we insist on reminders of the importance of gas safety being included at tenancy sign-up as well as in newsletters. The Association carries out a four-step process to ensure that we access all our properties. This includes what action to take if there is no access given.

New Development

It is anticipated that there will be an increase in stock in the next two financial years 2019 / 2020 and 2020 / 2021. In 2019 / 2020 there will be an addition of 4 units resulting from the conversion of an existing building (Blawarthill Hospital Site) as well as 15 units of new build development at the same site in 2021 / 2021.

In 2020 / 2021 there is an additional 5 units of new build properties due to be developed at Drysdale Street / Sandholm Terrace.

During the financial year 2021 / 2022 we are anticipating our stock to increase again by 60 new build units (Yoker Primary School Site).

All new projects require much consideration in terms of planning / site investigation and any potential proposals are approved by the Management Committee before taking them further.

Growth of Assets through New Development

The Association has an active development programme which meets strategic objective number six – "to contribute to the supply of quality affordable and sustainable homes where financially viable". Our proposed developments at the former Blawarthill Hospital site and the former Yoker Primary School site will provide a housing mix of size, location, type and tenure which meets the demands of our waiting list and which meets the health, educational and special needs of identified clients living in or wishing to return to the community.

Appropriate good quality housing, a balanced housing mix and a good quality environment are the key elements of our development programme. The addition of these homes to our stock base will help to build value for the future benefit of the Association's customer base.

Design and Specification

Our developments will embrace innovation as they will be designed and built to Passive House standard – the gold standard of energy efficient design. By using high performance insulation and making the buildings completely draught free, heat loss is effectively eliminated to create a building with a very low environmental impact. Most of the heating comes from "passive" sources – sunlight, heat emitted from electrical appliances, even body heat. Good quality design, superior windows and doors and high levels of insulation and heat recovery are all key elements to Passive House. Mechanical ventilation and heat recovery systems supply a continuous stream of pre-warmed fresh air, keeping the home healthy and free of humidity and associated mould problems.

Community Benefits

Not only will our development projects embrace sustainability, they will also address community benefits. At least fifteen of the proposed house types will be constructed using modular panels which can be built by unskilled local labour at a local site. The training and recruitment opportunities offered by our development programme will help to improve the economic, social and environmental wellbeing of our area of operation. The Association has recently set up our own contractor employability framework and using this framework to deliver houses will hopefully enable the unemployed beneficiaries recruited to each project to move from welfare to work, providing them with a waged training placement and certified qualifications through which they are able to develop the skills, confidence and work record to progress in the mainstream labour market.

Maintenance

Careful consideration will be given to the medium- and long-term maintenance of new developments. Both at briefing and tender approval stages this area of risk will be fully explored and options considered avoiding any long-term financial burdens.

Capacity

The Association has the appropriate capacity to manage our development programme. We retained our development officer who provided services to maintenance during a period of non-development. We are named on the Link Housing Association framework with access to contractors and consultants and have our own contractor employability framework. We work closely with our colleagues in Glasgow City Council Development and Regeneration Services and in the Scottish Government through its People and Communities Fund to deliver innovative projects.

Funding

It is recognised that in engaging in development activity, the Association must make a financial contribution towards each project, be it new build or refurbishment. The borrowing strategy for each development will be determined in accordance with the Association's Treasury Management Policy.

The Committee will receive reports at key stages of the development process – Project Proposal, Cost Plan and Tender – to ensure that development proposals are viable and that funding requirements can be met.

Funding Our Strategy

As the Association is committed to re-investing surplus funds in maintaining and improving existing homes as well as developing new homes for affordable rent, the two main elements of capital investment are capital component replacement within existing housing stock and development of new housing stock.

Capital Investment - Component Replacement

The five-year component replacement and associated cost projections taken from the Association's Business Plan are detailed below. Component replacement for year one is based on the budget approved for this financial year 2019 / 2020 with costs based upon the latest tender prices available for these works.

Component replacement numbers (life cycle)	2020 No.	2021 No.	2022 No.	2023 No.	2024 No.
Bathrooms (15 Yrs)	85	30	25	36	89
CH Boilers (15 Yrs)	21	37	22	51	64
CH Radiators (25 Yrs)	1	60	61	23	18
Electrical Infrastructure (25 Yrs)	1	59	66	26	21
Kitchens (15 Yrs)	52	27	30	40	100
Windows (25 Yrs)	3	39	53	13	7

Component replacement costs	2020 £	2021 £	2022 £	2023 £	2024 £
Bathrooms	211,900	76,8000	67,900	102,400	253,100
CH Boilers	46,200	83,600	52,700	127,900	160,600
CH Radiators	900	55,500	59,900	23,600	18,500
Electrical Infrastructure	2,000	121,200	143,900	59,300	47,900
Kitchens	136,200	71,900	84,900	118,400	296,000
Windows	17,800	237,000	341,900	87,800	47,300
Total	415,000	646,000	751,200	519,400	823,400

Capital Investment – Development

The Business Plan has scheduled in four new affordable housing development projects to be completed within the next five years. The timetable for delivery of these projects has been agreed with Glasgow City Council's Development and Regeneration Services (DRS) and included within the Association's Strategy & Development Funding Plan (SDFP) submission for 2019.

The investment levels for each of the four schemes have assumed a maximum Association contribution of £50,000 per unit. The total capital investment required to fund these projects will amount to approximately £4,200,000 (net of Housing Association Grant).

Net cash outflows / Year end	2020 £000s	2021 £000s	2022 £000s	2023 £000s	2024 £000s
Blawarthill Hospital Refurbishment (4 units)	200	-	-	-	-
Blawarthill Hospital New Build (15 units)	-	750	-	-	-
Drysdale St / Sandholm Terr New Build (5 units)	-	250	-	-	-
Yoker Primary School New Build (60 units)	-	-	3,000	-	-
Total (84 units)	200	1,000	3,000	-	-

Planned Maintenance Revenue Plan 2019-2024

Planned maintenance costs charged to revenue are included within the business plan model and are linked to the number of housing units and will therefore increase proportionately with additional units developed over the plan period.

Projected costs for the five-year planned maintenance programme incorporated within the business plan are considered using the latest financial information available and are detailed in the table below.

Category of expenditure / Year end	2020 £000s	2021 £000s	2022 £000s	2023 £000s	2024 £000s
Close decoration	37.0	-	56.7	59.4	59.4
Gas safe checks	19.6	19.9	21.1	22.1	22.1
Back court maintenance	8.2	8.3	8.8	9.3	9.3
Maintenance of AOVs	2.8	2.8	3.0	3.2	3.2
Garden maintenance	13.8	14.0	14.9	15.6	15.6
Attic fans maintenance	24.0	24.4	25.9	27.1	27.1
Gutter cleaning	5.0	29.6	31.4	32.8	32.8
SHQS external surveys	10.0	-	-	-	11.3
Legionella testing	10.0	-	-	-	11.3
Rear screen remedial works	40.0	40.0	40.0	40.0	40.0
Electrical testing, fire and heat alarms	95.8	95.8	-	-	-
Drysdale Street	80.0	-	-	-	-
Fabric repairs contingency	-	125.5	133.3	139.5	139.5
Total	346.2	360.3	335.1	349.0	371.6

Planned Maintenance Revenue Plan 2019-2024 (Continued)

Year 1 expenditure (2019 / 2020)
Planned maintenance includes 84 bathroom replacements, 51 kitchen replacements, 2 window replacements and 20 central heating boiler upgrades. Kitchen and bathroom extractor fans will also be replaced as part of their respective replacement programmes.

Also included in this year's expenditure is essential annual cyclical works being annual gas safety checking, backcourt maintenance, garden maintenance, gutter cleaning / roof maintenance, annual attic fan maintenance for our tenements and a full air vent system check at our new build closes at 1 Yetholm Street and 2312 Dumbarton Road.

Fire and heat alarm upgrades will be carried out to a total of 637 properties following the recent change in fire regulations. This will run over a two-year programme with a view to completion in 2020 / 2021. Extensive structural repairs at our property at 18 Drysdale Street will be carried out this year to reinstate property to a lettable condition following substantial damage from previous tenant. These works include a full bathroom and kitchen replacement.

The final year of a four-year close decoration programme is scheduled for completion this year. Also budgeted for this year is legionella testing in all live attic tanks, rear screen remedial works at 1965 Dumbarton Road and external property surveys validating our stock to the Scottish Quality Housing Standard.

Year 2 expenditure (2020 / 2021)
Included in the expected maintenance expenditure for year two of our plan is essential annual cyclical works being annual gas safety checking, backcourt maintenance, garden maintenance, gutter cleaning / roof maintenance, annual attic fan maintenance for our tenements and a full air vent system check at our new build closes at 1 Yetholm Street and 2312 Dumbarton Road.

The programme of fire and heat alarm upgrades is scheduled for completion during this year.

Also included in the expenditure for this year is rear screen remedial works which is projected for nine years from 2019 to 2028.

In addition to the above items, a contingency cost is provided for fabric repairs throughout the plan period based upon the last fabric repair tender price for work carried out at Dumbarton Road and Kelso Street.

Year 3 expenditure (2021 / 2022)
A new programme of close decoration works is due to commence during this financial year.

Other planned maintenance works budgeted include annual gas safety checking, backcourt maintenance, garden maintenance, gutter cleaning / roof maintenance, rear screen remedial works, annual attic fan maintenance for our tenements and a full air vent system check at our new build closes at 1 Yetholm Street and 2312 Dumbarton Road.

In addition to the above items, a contingency cost is provided for fabric repairs throughout the plan period based upon the last fabric repair tender price for work carried out at Dumbarton Road and Kelso Street.

Year 4 expenditure (2022 / 2023)
Planned maintenance works for this financial year includes the second year of the close decoration programme, annual gas safety checking, backcourt maintenance, garden maintenance, gutter cleaning / roof maintenance, rear screen remedial works, annual attic fan maintenance for our tenements and a full air vent system check at our new build closes at 1 Yetholm Street and 2312 Dumbarton Road.

In addition to the above items, a contingency cost is provided for fabric repairs throughout the plan period based upon the last fabric repair tender price for work carried out at Dumbarton Road and Kelso Street.

Year 5 expenditure (2023 / 2024)
Planned maintenance works for the financial year 2023 / 2024 include the third year of the close decoration programme, annual gas safety checking, backcourt maintenance, garden maintenance, gutter cleaning / roof maintenance, rear screen remedial works, annual attic fan maintenance for our tenements and a full air vent system check at our new build closes at 1 Yetholm Street and 2312 Dumbarton Road.

Also included in the projected expenditure for this financial year is legionella testing in all live attic tanks and external property surveys validating our stock to the Scottish Quality Housing Standard.

In addition to the above items, a contingency cost is provided for fabric repairs throughout the plan period based upon the last fabric repair tender price for work carried out at Dumbarton Road and Kelso Street.

Environmental Management

The Association has an active approach to asset management that recognises and responds to stock that could be performing better. Some factors that may alert us to a problem property or stock area are:

- High investment costs
- Low demand stock
- High void turnover
- High repair costs

Good strategic management involves being aware of these issues and being able to consider the options on the best way to move forward. An example of a problem area that has been highlighted over recent times is our tenement area in Blawarthill Street. This appears to be the least sought-after location and the biggest void turnover area. In order to make the area more desirable the Association has invested in graffiti removal and weekly close cleaning. This has made a notable difference in residents' perceptions as well as increasing tenant sustainability.

There will always be areas where closer examination will need to be carried out to maximise asset potential. The key is to be aware of the range of options available to do this. Options appraisal is one method that may be used for tackling asset management problems as it helps to make sense of the wide range of factors that may be encountered as well as range of possible solutions.

The maintenance of the external environment of our properties is imperative to protect the structure and fabric of our buildings. To achieve this, the Association invests in a programme of cyclical maintenance works and services such as:

- Cyclical garden maintenance
- Gutter cleaning and roof maintenance
- Back court de-littering contract
- Close cleaning contract
- Cyclical close painting contract

This programme of works has been put in place to help maintain external and common areas and ensure that they appear well looked after. Regular estate management inspections are also carried out and reports of graffiti are dealt with promptly.

The maintenance of the external environment also helps to create desirable neighbourhoods that residents wish to live and remain in. This is especially important in terms of tenancy sustainment which is another performance indicator reported in the ARC. Tenancy sustainment figures give an indication of problem areas and draw attention to issues that may have otherwise gone undetected.

Tenant Consultation

It is important to consider tenants' views towards their homes, neighbourhood and services provided by the Association. We believe that considering the expectations of our tenant's results in better asset management and confirm the suitability of our properties.

An understanding of tenants can be shown by:

- Engaging with tenants
- Monitoring tenancy sustainment
- Encouraging tenant participation
- Monitoring tenancy satisfaction

The Association reports to its Committee on a regular basis. The reports taken to Committee are evaluated, discussed and are open to questioning by the Committee. This helps to understand current tenants and considers their outlook on the day-to-day running of the organisation.

Tenant Consultation (Continued)

The Association recently carried out major backcourt improvement works in three phases beginning in financial year 2015/2016. Prior to works commencing, consultation evenings were arranged for all residents allowing them to enquire about the plans and to put forward ideas on what elements they would like to be included in the upgrade. Engaging with residents and giving them an input increases tenant satisfaction as they are being involved and their views considered in the implementation of projects that affect them.

In the Association's most recent tenant satisfaction survey, 87% of tenants who responded felt satisfied with the opportunities given to them to participate in the Association's decision-making process.

Engaging with tenants is especially important on matters which affect them. This can be the deciding factor on whether the tenant remains in a property. Tenancy sustainment statistics are recorded and monitored throughout the year and can be used to highlight problem areas that need to be addressed. An example may be if tenants are terminating their tenancies for the same reasons such as overcrowding or not being happy with the area. Common themes and patterns can then be assessed, and a plan put together to reduce further terminations for the same type of reasons.

A Housing Options approach is adopted for all new housing applicants. The information provided during an interview provides useful intelligence on potential tenants and current demand. This can then be used to manage and identify impending problems that may arise in the future with demand and / or change in demographics.

The Association encourages tenant participation through the distribution of literature and questionnaires throughout their tenancies. An annual newsletter is issued to all residents including owners during the festive period. This newsletter gives reminders of important information as well as an update on our progress on key areas that may be of interest to our residents. It also gives information on the Association's performance as a landlord.

In line with ARC requirements, the Association issues all tenants with a satisfaction survey on a three yearly basis considering their views on the Association's obligations as a landlord. Our latest tenant satisfaction survey showed that 94% of tenants felt that the Association was good at keeping them informed about our activities and services.

Furthermore, maintenance feedback questionnaires are issued routinely on a quarterly basis. This information is then processed and used to provide feedback to management. The report is also important in evaluating contractor performance and feedback can be provided to a contractor so that they are kept aware of areas for improvement in the service provided. This is useful for reviewing contractors and identifies any problem areas that need to be resolved. Feedback is also used to drive the organisation forward by responding to resident expectations.

There is also an Annual General Meeting conducted to which all members of the Association are invited. During the meeting, the Association's performance is discussed in relation to the ARC. An update of any projects that have taken place or are due to take place soon is also discussed.

Overall the Association provides a suitable level of service to its residents. This is confirmed by data from our latest satisfaction survey which tells us that a total of 96% of our tenants are satisfied with the overall service provided by the Association.

Strategy Review

This asset management strategy is subject to annual review and will be updated along with the Association's business plan on an annual basis.

Section 23.0

Risk Management Strategy

1.0 Introduction

We will promote the integration of risk management in the governance and management of our business. Risk Management flows through our business at both strategic and operational levels. Effective risk management is important to reduce the likelihood of risks occurring and minimise impact such as financial loss and reputational damage to the organisation.

The purpose of our risk management strategy is to ensure that we achieve our stated business and strategic planning aims and objectives whilst reviewing the challenges and risks which may be encountered.

2.0 The Law and Good Practice

Yoker Housing Association Limited ("the Association") is a registered social landlord (RSL) registered with the Scottish Housing Regulator (SHR), a co-operative and community benefit society registered with the Financial Conduct Authority (FCA) and a charity registered with the Office of the Scottish Charity Regulator (OSCR). The Association's Constitution is its Rules.

Legislation relevant to this strategy therefore includes:

- Housing (Scotland) Act 2010
- Bribery Act 2010;
- Charities and Trustee Investment (Scotland) Act 2005;
- Co-operative and Communities Benefit Societies Act 2014;
- Equality Act 2010.

The "Regulatory Standards of Governance and Financial Management" published by The Scottish Housing Regulator state that:

Regulatory Standard 3
The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.

Regulatory Standard 4
The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose

3.0 Objectives

"Risks" are defined as, "uncertain future events that might prevent an organisation from achieving its business objectives".

"Risk Management" is however defined as: "the culture, processes and structures that are implemented by an organisation to manage potential risks and their adverse effects".

Our risk management goals are; to take a proactive approach to anticipate events before they happen to allow us to make better decisions and improve contingency planning.

We aim to achieve maximum benefit without increasing the bureaucratic burden and ultimately affecting service delivery to our tenants and other customers.

We commit to using the principles of good or best practice in risk management to further develop our systems and processes of risk management.

Risk management is an integral part of our strategic planning and decision-making processes. For new initiatives and projects risk management is used to inform our decision-making process and to ensure that approved projects are delivered successfully.

Risks that could affect our medium to long-term goals are considered strategic risks. Risks that will be encountered in the day-to-day delivery of services are considered operational risks.

We consider the materiality of risk in developing systems and processes to manage risk through the statement of our appetite or threshold for risk.

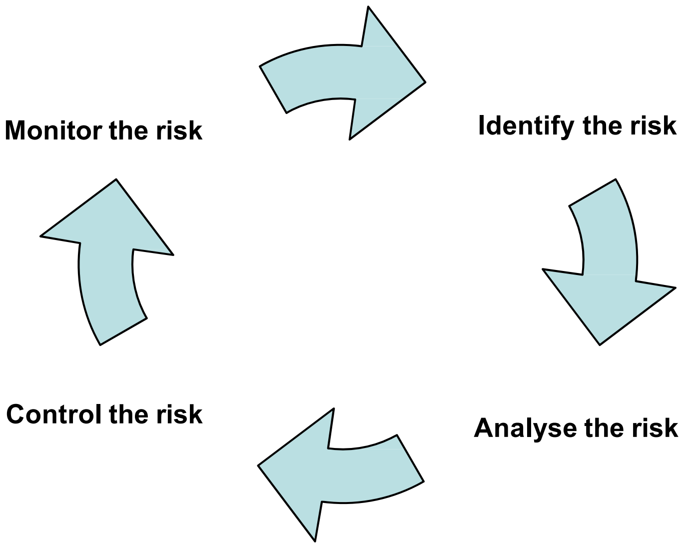
We commit to identification of both the inherent and residual risk.

4.0 Implementing Our Strategy

Risk is defined as an event that can have a negative impact. Conversely, an event that can have a positive impact is an opportunity. Risks and opportunities are inevitably intertwined.

We have developed a framework of risk management to enable identification of those risks that may hinder the achievement of our strategic and operational objectives.

We ensure that when planning to assess or review risk we identify, analyse, control and monitor the strategic and operational risks we face and have developed our risk management strategy based on good practice in the social housing sector and other industries.



We recognise that our management committee is responsible for the overarching framework of risk management. However, the implementation of the risk management strategy is the responsibility of all staff as well as the management committee.

Some risks are within our control whilst we may have limited or no control over other risks. We have taken an approach that will identify those risks and classify the risks according to the following areas:

Risk Areas		
Accommodation provision	Financial viability	Resource management
Adaptations	Gas safety	Risk and value for money
Allocations	Governing body	Risk management
Anti-social behaviour	Health & safety	Strategic
Arrears	Information to service users	Strategic and operational planning
Budget setting	Lifetime maintenance	Strategic risks
Complaints	Partnership working	Sustainability
Development strategy	Physical quality	Tenant participation
Equality and diversity	Policies and procedures	Void management
Factoring	Procurement	Wider role
Financial management	Repair service	

4.0 Implementing Our Strategy (Continued)

Each risk will be assessed as to its "likelihood" and "impact". Likelihood and impact are assessed on a scale of one to five as follows.

Likelihood	Impact
1 Rare	1 Insignificant
2 Unlikely	2 Minor
3 Possible	3 Moderate
4 Probable	4 Major
5 Almost Certain	5 Catastrophic

Existing arrangements to manage risk will be identified and then, depending on the likelihood and impact, several responses may be employed:

<u>Modify</u>
Take action or employ strategies to reduce the risk;

<u>Accept</u>
Decide to accept and monitor the risk at the present time (this may be necessary for some risks that arise from external events);

<u>Transfer</u>
Decide to pass the risk on to another party (for example, contractual terms may be agreed to ensure that the risk is not borne by us or insurance may be appropriate for protection against financial loss);

<u>Eliminate</u>
The risk may be such that we could decide to cease the activity or to change it in such a way as to end the risk.

Our "risk appetite" is a term used to refer the amount of risk that we are prepared to accept, or tolerate, or be exposed to at any point in time.

5.0 Performance Management

We are developing a standard format for use in the identification of risks, their classification and evaluation. This format is based on a risk mapping exercise using a SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) and a PESTEL (Political, Economic, Socio-cultural, Technological, Environmental and Legal) analysis.

Our management committee carries out an annual strategic risk identification exercise using the SWOT and PESTEL analysis in July of each year as part of the business planning update process. This is used to identify and update the key risks facing the Association.

A departmental review of the risk register is now done on a quarterly basis and the results of this are fed into the Association's risk register for quarterly review by the management committee.

As part of the risk register the classification and evaluation of the risk will be recorded, together with the risk management actions proposed and taken and the monitoring mechanism.

Each risk will have a nominated department responsible for implementing the proposed action, as well as monitoring and managing that risk.

6.0 Development and Training

We will provide training to all staff and governing body members to help them understand the requirement of risk identification and management. This training will also focus on what individuals can do to incorporate risk management into all undertakings.

7.0 Our Positive Action Initiatives

We are committed to the involvement of all staff and management committee members in the process of risk identification, analysis, control and monitoring. Staff members focusing on operational risk management and the management committee and senior staff members focusing on strategic risk management.

Our internal audit function has the responsibility for ensuring

- Our Risk Management Strategy is applied to all areas of our business
- Our strategy and its operational application are reviewed on a regular basis
- Non-compliance with the strategy is reported to the governing body

We aim to ensure risk management is embedded within existing management processes, including strategic planning, performance management and project management.

Risk management will be used as a tool to ensure that we can respond to changing demands, improve our performance and make the most effective use of our resources.

We aspire to be an innovative organisation taking calculated risks, which have been identified and evaluated.

The management committee will communicate the strategic risk profile and their threshold to risk to all staff who will, within each department, identify any additional operational risks.

8.0 Review

We will review our risk management strategy and methodology on a three-yearly basis. This will not however prevent us from carrying out an early review where the strategy or methodology is considered to be flawed.