



INVESTOR IN PEOPLE

NORTH VIEW Housing Association



Registered as a Scottish charity - SC032963

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BUSINESS PLAN

2020/21 - 2022/23

NORTH VIEW Housing Association

North View is a registered Scottish charity – charity registration number SC032963

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Executive Summary

Introduction

North View Housing Association has produced this Business Plan to set out our Vision and objectives, along with our strategy for the next three years from 2020/21 to 2022/23.

The Business Plan provides a wide-ranging review of all major aspects of North View's services and business, as well as the priority actions we will take and the resources that will be needed to put our plans into practice.

North View's Management Committee (MC) will oversee progress in achieving the priorities set out in the Business Plan. The Plan will also inform how we work with tenants, the Windlaw community and North View's funders, regulators and partner organisations.

North View: Key Facts

First set up in 1993, North View is based in the Windlaw neighbourhood in Castlemilk.

- North View owns and manage 670 rented homes in Windlaw, and we factor 81 homes
- Over the last 27 years, we have invested £26 million in our tenants' homes through major repairs and other capital works. In addition, we have built more than 200 quality new homes.
- We are a significant social business with an annual turnover of more than £3.3 million
- We have remained financially stable throughout our history, and have shown that North View is a good partner for investment by the public and private sectors
- North View has an experienced voluntary Management Committee made up of local people, who have provided North View with capable leadership throughout our history
- We employ 21 members of staff (15 office-based staff and 6 tradespeople)
- North View's tenancy and property services are 100% focused on the needs of our tenants and the Windlaw community. We work hard to find local solutions to issues or problems that occur in our neighbourhood.
- We provide "Wider Role" services to offer community support. Tenants strongly support this part of our work, since Windlaw has high levels of poverty and deprivation and many in the community experience social isolation and poor mental health.

Covid-19 Pandemic

The Covid-19 pandemic has had a major impact on North View tenants and the Windlaw community since March 2020. The pandemic has also changed how North View works:

- We have continued to provide as many of our services as possible, working in a socially distanced way. Where possible, we are re-starting services where permitted by public health guidance, and in accordance with our own procedures and safety measures.
- Keeping everybody safe and helping the community get through the pandemic by offering practical help have been high on our agenda during 2020. This is likely to continue into 2021, until better treatments for the virus are found and vaccines are available for everyone.

- The pandemic has changed our relationship with the community. We have put a lot of work into supporting the community, over and above our standard tenancy and property management role. This has led to North View playing an “anchor” role in supporting the community, through our own direct efforts or by working with local partner organisations.

While Covid-19 has been a dominant focus for much of 2020, the MC is very aware that:

- North View must stay fully focused on providing tenants with investment in their homes, affordable rents and quality housing services.
- We must be open to opportunities to learn from the pandemic, in relation to North View’s service delivery, organisational management and future role in the community. While it is early to be reaching conclusions while we remain in near-lockdown, we are gathering information and thoughts about what the key themes are likely to be when the emergency has passed.

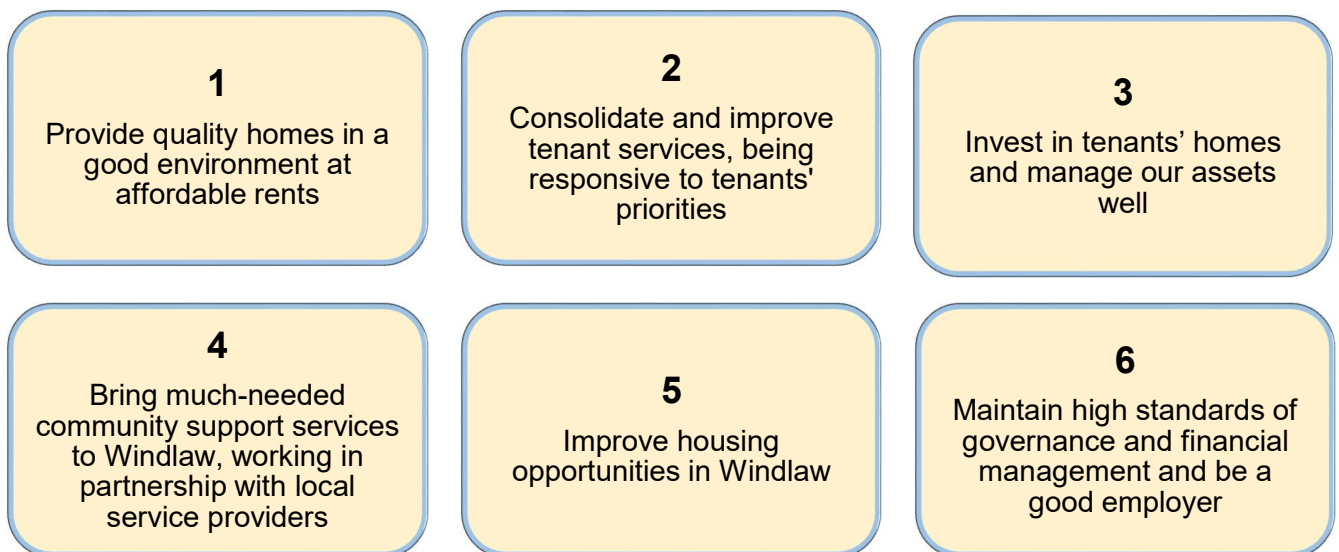
Business Plan: Key Highlights

The Management Committee’s Vision is ***to make Windlaw a good place to live, and build a better future for you and your family.***

North View’s **strategic direction** over the next three years has not changed fundamentally as a result of the pandemic, other than potential growth or diversification in relation to our community support role and a stronger focus on rent affordability and value for money. Our three strategic strands are:

- To safeguard and improve our core business as a social landlord
- To improve community resilience, by supporting tenants and residents
- To maintain and future-proof North View’s status as an independent social landlord, dedicated to serving the residents of Windlaw.

The Management Committee has set **six strategic objectives** for the next three years, to help North View achieve our Vision. The six objectives are as follows.



The remainder of this Executive Summary provides an overview of some of the most important priorities the Management Committee has set, to meet these objectives.

Business Plan Priorities

This section sets out a sample of the actions that North View intends to take over the next three years, to meet the strategic objectives already described. Further information is provided in the relevant Business Plan Chapters, while Appendix 11 provides Action Plans in SMART¹ format for 2020/21 and (where timescales are known) 2021/22.

Some of the actions described below relate to existing North View activities, while others relate to things that will be introduced in future. Some of the actions describe specific operational actions, others describe higher level actions. All are relevant because taken together, they describe the things North View will do to achieve its strategic objectives.

Key Actions by North View

Affordable Rents

- Check every year whether our rents are affordable (target rent:income ratio 25%) and competitive
- Implement the new North View rent policy, to make rents more consistent and more competitive in comparison with other social landlords
- Provide an in-house welfare benefits advice, available to all Windlaw residents

North View's housing and repairs services

- Ensure that our service delivery follows public health advice for the duration of the Covid-19 emergency, maintain continuity as far as we are able for services that have to be provided by telephone or online
- Have clear plans and procedures for restoring services, to protect service users, our staff and contractors
- Identify post-pandemic priorities and workplans, internally and with partners, throughout the course of 2021
- Maintain good performance results in service delivery, and improve results below benchmark levels
- Track continuously tenant satisfaction with the repairs service, using the results to make any service improvements needed
- Conduct comprehensive reviews of tenant satisfaction every two years, identifying and acting on priorities for improvement that are identified by tenants
- Hold biennial open meetings between service managers and tenants, in small local groupings to discuss North View's service delivery (next round due spring/summer 2021)
- Publish new service standards for the repairs service
- Promote and continue to develop digital communications options available to North View tenants, including the North View customer app and Facebook

¹ SMART is a way of describing an objective or action in a precise way, so that it is clear what must be achieved. The SMART letters stand for Specific, Measurable, Achievable, Realistic and Timebound

Key Actions by North View

Universal Credit (UC)

- Intensive arrears management, to sustain rental income and provide support to tenants
- Achieve DWP co-operation in improving the administration/payment of Managed Payments
- Maintain and continue to develop productive working relationships with DWP
- Ensure tenants receive regular and accurate information on benefits issues

Asset Management

- Complete Asset Management Strategy, taking account of new guidance to be published by the Scottish Housing Regulator
- Resume the 5-year investment programme (total value around £1.87 million 2020/21 to 2024/25), when this can safely be done and with the consent of tenants
- Ensure that North View has appropriate systems and procedures and is diligent in meeting all legal obligations relating to tenant safety
- Develop detailed investigation of options and issues associated with meeting the EESSH2 standard (2021/22)
- Prepare for changes in UK legislation that will affect tenants and North View (e.g. restrictions on the supply/replacement of gas boilers from 2025)
- Start and complete the Windlaw Lodge new build development by the end of 2021/22, having secured all external funding required (Allia and Glasgow City Council)

Wider Role

- Set an annual budget each year for North View's financial support of wider role activities in our area (starting point of 2.5% of rental income used for Wider Role, with around 50% of the budget directed at children and young people.
- Develop a new Wider Role Strategy in 2021/22, seeking to sustain and further develop North View's community anchor role after the pandemic.

Value for Money

- Develop and implement a new value for money strategy
- Approve an annual Procurement Register, setting out all planned procurement actions and providing the Management Committee with assurance about value for money for proposed approaches
- Negotiate a community benefits package with the contractor for Windlaw Lodge
- Conduct a tenant profiling survey in 2021/22, to deepen our knowledge of tenants' circumstances and aspirations and inform future service development
- Continue to benchmark North View's service results, rents and costs with comparable social landlords
- Ongoing review of replacement cycles and specifications for major repairs spending
- Seek to establish a dialogue with tenants about value for money and how this can be improved

Key Actions by North View

- Develop the digital options that tenants can use when doing business with North View (alongside options for personal contact, which many tenants prefer)

Governance

- Implement the Management Committee Recruitment and Succession Strategy (anticipated to take place in 2021/22, when public health guidance allows us to make face to face contact with potential new Committee Members)
- Achieve our succession plan priorities (increased engagement with younger people and recruitment to fill current gaps in skills)
- Continue to develop our systems for self-assurance and reporting to the Scottish Housing Regulator
- Refresh our approach to committee member reviews
- Continue to support the development of our committee and staff in their roles
- Ensure North View is suitably prepared for future changes in our legal obligations

Sound Finances

- Use the best information available when we are developing assumptions for our budgets and longer-term financial projections (e.g. Bank of England for inflation and cost of borrowing)
- “Stress test” our future cashflows and the underlying assumptions
- Carefully monitor our covenant compliance and report this quarterly to committee
- Negotiate changes to covenants or how they will be applied where this would support core North View objectives (e.g. the proposed rent freeze for 2021/22)
- Succession planning for the retirement of our Finance Manager

Overall, it is the Management Committee’s firm wish that all of our activities will contribute to a better future, for North View tenants and factored owners, and for the Windlaw community as a whole.

Like all housing associations, North View is working in an environment that involves unprecedented financial uncertainty and challenges, for example as a result of Universal Credit, Brexit, and economic recession and higher unemployment caused by the pandemic. Accordingly, we have stepped up our approach to risk management, and will give high priority to testing the financial resilience of the Business Plan.

Chapter 1

Introduction

This document is North View Housing Association's Business Plan, for the three years from 2020/21 to 2022/23.

The Business Plan sets out:

- North View's strategy, objectives and priorities for this period
- Analysis of the environment we work in, and the resulting challenges and opportunities
- Description of our main services and activities, and our current performance
- Our detailed financial plans and projections
- How we will make the best use of the resources available to us
- The risks we might face and how we will manage them.

The Plan includes a review of strategic options. This provides a factual analysis of North View's capacity to achieve good outcomes for tenants, maintain good governance and demonstrate financial sustainability. The review also considers whether alternative structural options (joining a group structure as a subsidiary, a transfer of engagements) could potentially achieve these things in a more efficient and effective way.

These alternative options are hypothetical in the sense that there is not the same level of detailed evidence to consider, in comparison with the option of North View continuing to be a fully autonomous housing association, which is the Management Committee's clear preference.

The main audiences for the Business Plan are:

- North View's Management Committee and staff team
- Our tenants, who we will receive a summary of the main contents of the Business Plan
- Our partners and stakeholders
- Our funders and regulators.

In implementing the Business Plan, North View will:

- Provide the Management Committee with assurance about the achievement of the strategy, objectives and priorities it has set.
- Communicate the Plan to our staff team and make sure that our ways of working support the delivery of the Business Plan
- Make sure that North View continues to be sustainable and financially viable in the short, medium and long term.

In preparing the Business Plan, we have made reference to the Scottish Housing Regulator's Recommended Practice publication on business planning, including the supplementary SHR guidance on the Covid-19 pandemic.

Finally, the timing of this year's Business Plan is later than usual, with Committee approval taking place in the third quarter of 2020/21.

Several key pieces of work with a significant bearing on the Business Plan were completed in the second quarter of 2020/21, including:

- Completion of a rent restructuring review and new rent-setting policy
- Completion of our latest Resident Satisfaction Survey
- An external review of the financial profile for future planned maintenance costs.
- Our wish to complete a review of strategic options.

Preparing the Plan in the first quarter of 2020/21 would have been based on incomplete information and the Plan would have quickly become out of date. The revised timescale has allowed us to give better-informed consideration to North View's future rent levels, enhancing rent affordability, and having greater assurance about the future investment programme. The delayed timescale has also allowed us to have regard to the impact of Covid-19 and the recent SHR guidance on taking account of Covid-19 as part of business planning.

While completion of the Business Plan is later than normal this year, the strategic objectives from the previous Plan (June 2019) have remained in place. Other essential planning disciplines (e.g. the annual budget, monitoring and reporting of covenant compliance, preparation of Five Year Financial Projections and updating of the Strategic Risk Register) have all continued to operate as usual since 1 April 2020.

Chapter 2 North View's History and Achievements

North View's History

North View is a community-controlled housing association based in the Windlaw area of Castlemilk, around 7 miles from Glasgow city centre and on the city's southernmost boundary. The map below shows North View's area of operation.



In the 1950s and 1960s, the then Glasgow Corporation developed a number of new housing areas on the edge of the city. Castlemilk was one of these. The new housing areas were built to accommodate people from inner city housing areas due for demolition.

In 1988, Glasgow District Council properties in Windlaw were transferred to the Scottish Special Housing Association. Not long after transfer, the SSHA merged with the Housing Corporation to form Scottish Homes. One of the aims of Scottish Homes was to discharge itself of its landlord responsibilities and so from early in the 1990s, Scottish Homes set about transferring its housing across Scotland to smaller local housing associations led by local people, among them the new North View Housing Association.

North View was established in November 1993. We are registered as a charity, a community benefit society and a Registered Social Landlord (RSL). We now own and rent

665 properties, and provide a factoring service to 81 owners in our area. Almost all of North View's properties are mainstream rental, except for three properties which we lease to an organisation specialising in the care of people with particular needs.

We are governed by a voluntary Management Committee, the vast majority of whom are tenants of the Association. We employ 21 staff members, 15 of whom are office-based with six other colleagues in our in house repairs team (Tradesteam).

When North View was first set up, our main purpose was to provide our tenants with better housing. In 2020, great progress has been made in giving people decent homes, and poverty is now our biggest enemy. This is the result of substantial deprivation and inequality, which is deeply entrenched in Windlaw (see Chapter 4), as well as harsh changes to the welfare system and 10 years of austerity cuts on public services.

North View's Achievements

North View has achieved a great deal since we were first set up 27 years ago.

Effective, sustainable community governance

Local people have led North View since day one.

Our Management Committee members have been champions for their community, while also making good decisions in the interests of our tenants and our organisation.

Unlike many top-down approaches led by large public bodies, local control has helped make sure that housing investment in Windlaw has proved sustainable.

Building up the housing stock

Only 162 properties were transferred from Scottish Homes to North View, and we had to purchase the remaining housing in Windlaw through Tenants' Choice Transfers of individual properties.

This was a demanding process, but its success has made North View financially viable as well as making sure we can take a strategic approach to the regeneration and management of Windlaw.

Investing £26 million in works to our tenants' homes

This has been achieved through capital works and a continuous programme of major repairs and component replacements.

This investment will continue, to make sure that tenants' homes meet twenty-first century standards and are warm and cost-effective to heat.

Building more than 200 new homes in Windlaw

Our new build programme has greatly improved the quality and choice of housing in the area. It has allowed us to meet the needs of people for whom tenement living is unsuitable, while also making Windlaw a more sustainable community.

Addressing a wide range of housing needs that exist within our community

We strive to meet the needs of everyone who lives in our community, including people with disabilities, older people and young people.

Maintaining the local environment

North View is responsible for the upkeep of much larger areas of open space than most housing associations. We have given this high priority, to make sure that Windlaw continues to be a place where people want to live.

Working in partnership with other local organisations, to enable services that will benefit our tenants and our community

As a community-based organisation, we have always been concerned to make Windlaw a better place to live, with opportunities for everyone.

We continue to have an active Wider Role programme, largely delivered in partnership with other organisations who specialise in different types of community support and development.

Remaining financially viable and retaining a skilled and committed staff team throughout our history

Community organisations often struggle to survive because they are dependent on external funding. Community-controlled housing associations are different, because we have an independent income stream through rental income.

North View is a great example of this, and our financial stability has allowed us to raise around £14 million of public funding and £9 million of private finance to invest in better housing and a more resilient community.

North View's achievements have also been built on the efforts of a dedicated team of staff. A number of our staff have stayed loyal to North View and everyone who works for us is committed to serving Windlaw and the people who live here.

While we have achieved a lot during the last 27 years, North View's Management Committee and staff are ambitious for the future. This Business Plan sets out our plans for making sure that Windlaw is a good place to live, where we can work with our tenants to build a better future.

Chapter 3

North View's Mission, Values and Strategic Objectives

Mission Statement

The Management Committee has set the following Mission Statement for North View:

Making Windlaw a good place to live, and building a better future for you and your family

Values

North View's values inform every aspect of our work. We try to make a difference in everything we do, by:

- being professional
- being fair
- working as a team
- focusing on the needs of our community.

We strive to be an inclusive organisation. We are customer focused, putting the needs and aspirations of our tenants and service users at the heart of our business.

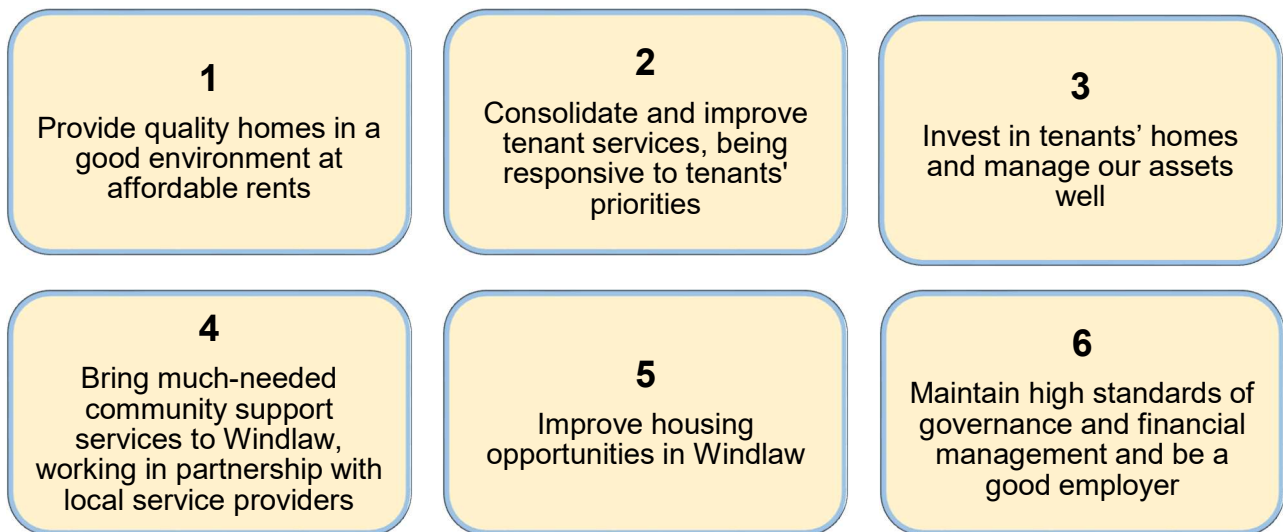
We are a community-controlled housing association, run by local people for the benefit of the people who live in our community. We aim to be responsive to the changing needs and aspirations of our tenants and service users.

Strategic Direction and Objectives

North View's **strategic direction**, over the next three years will be to:

- Safeguard and improve our core business as a social landlord
- Improve community resilience, by supporting tenants and residents in the challenges they face
- Maintain and future-proof North View's status as an independent social landlord, dedicated to serving the residents of Windlaw.

North View's **strategic objectives** for the next three years are as follows.



In setting the strategic objectives, Committee and staff need to have a clear understanding of what it is North View wants to achieve, and how we will know whether we have been successful:

- The planned outcomes for each objective over the lifetime of the Plan are shown in full at Appendix 3, and summarised at the start of each Business Plan chapter.
- The Action Plans at Appendix 9 set out specific actions planned for 2020/21. In some cases we also look ahead to 2021/22, if we know that a major piece of work will be required then.

The Covid-19 pandemic will affect how North View addresses the strategic objectives, now and in the years to come. When the initial crisis has passed, we fully expect there to be enduring social harm issues that will need to be addressed. It may also be appropriate to review how North View itself works, for example on issues such as homeworking by staff and continuing to develop the choices that tenants have in accessing our services online.

North View is approaching post-pandemic planning on a staged basis. To date, this has focused on the following areas, all of which are described further in later chapters of the Business Plan:

- Restoration of services that are suspended or being provided via telephone/email due to public health guidance on social distancing and preventing transmission of the virus
- Securing lender support for our proposed rent freeze in 2021/22 (to ensure we continue to comply with our main lender's interest cover covenant)
- Re-profiling the housing investment programme, with the aim of resuming the programme in 2021/22
- Securing further Scottish Government funding to sustain community resilience

- Identifying efficiency savings to be achieved in our 2021/22 budget
- Updating the content and stress-testing of our financial projections
- Increasing tenants' ability to access North View services and information using digital methods, albeit there has not been significant tenant take-up to date

It is early days to be reaching settled views on other post-Covid issues. For example, while decisions will be needed in future about flexible working, we remain in near-lockdown and homeworking by many of our staff is likely to continue for several months before decisions are needed. Moreover, the UK Government has said that it will legislate on flexible working and we will want future decisions to take account of any new statutory framework.

In the meantime, we are gathering information and thoughts about what the key areas of change are likely to be, and will add them to our change programme at the appropriate time.

Review of Strategic Options

The Business Plan includes a review of strategic options (see Appendix 4). Its purpose is to allow the MC reflect on North View's strategic direction and performance, and whether North View's current organisational form is still the best way of meeting our objectives and the interests of our tenants.

The review assesses North View's continued independence against a set of five key criteria, using the detailed information presented in the Business Plan. It also compares this base option with the alternative options of:

- Becoming a subsidiary in a group structure headed by a larger registered social landlord;
- Merging with a larger RSL through a transfer of engagements.
- Undertaking greater collaborative working with neighbouring housing providers.

As described in the review report, the alternative options are hypothetical, i.e. based on generalised information rather than the specific detail that applies to assessing the status quo.

As the review report notes, there are pros and cons associated with each of the options. Experience also shows that shared values and culture are essential features to look for, if a housing association is considering whether a constitutional partnership should be pursued.

Following the review, the Management Committee is fully committed to North View continuing as a fully independent housing association. The key evidence that underlies this preference is described in the review report.

CHAPTER 4

STRATEGIC ANALYSIS

This chapter describes North View's operating environment, paying particular attention to factors that may have a significant impact on the Association, our tenants and community, and the achievement of our strategic objectives. The content of the chapter has been informed by a wide range of activities and information sources, including:

- SWOT and PESTLE analyses (results summarised below, and shown in full at Appendix 6).
- Review of demographic and housing market data relating to Castlemilk.
- Stakeholder analysis and the results of a recent stakeholder survey.
- Feedback from residents, primarily from our 2020 Resident Satisfaction Survey.

SWOT Analysis Results

The SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats) examines North View's operating context from a local perspective. Key issues include the following:

STRENGTHS

- Clear purpose and strategy, focused on tenants and the community
- Business continuity maintained during Covid-19
- Experienced and capable committee and staff team
- Pandemic relief funding spent well
- New rent-setting policy agreed

OPPORTUNITIES

- More involvement by younger tenants in committee matters
- Continuing to provide a better service
- Build on clear picture of tenants' priorities
- Strong partnerships with others to provide community support
- Grow/adapt wider role to respond to issues revealed by Covid
- Help more tenants get online

WEAKNESSES

- Covid-19 limitations on service delivery. Service methods adapted where possible
- External uncertainties beyond our control
- Committee membership is ageing and numbers need to be boosted
- High levels of poverty require more resources to sustain tenancies
- Low tenant engagement

THREATS

- Covid-19 impact on residents – e.g. money worries, mental health, social isolation
- Covid impacts on North View – e.g. rent arrears, tenancy sustainment
- Pressure on North View's costs from external sources
- Many more tenants on Universal Credit
- Increasing poverty and homelessness
- Failure to attract new MC members
- Retirement of senior staff
- Scottish Housing Regulator intervention
- Costs of climate change requirements

PESTLE Analysis Results

North View is also greatly affected by external factors. Some of these could present opportunities, although many could be potential threats unless we manage them carefully.

To summarise the full PESTLE analysis (Political, Economic, Social, Technological, Legal and Environmental factors) at Appendix 6, the following factors are among the most critical in terms of impact on tenants, our community, and North View's business resilience.

1) Covid-19 Pandemic

In the short-term, public health restrictions have had a major impact on our tenants and on North View's management and service delivery. North View has played a significant role in supporting individuals and the community.

The pandemic has had severe effects on the economy, with some of these feeding through to our business. The key issues for North View are how long the economy will be in recession, and rising levels of unemployment.

Vaccine development appears to be reaching a breakthrough stage, it will be well into 2021 before public health restrictions are eased to pre-pandemic levels.

Significant social and economic reconstruction will be needed when the period of crisis has passed. Along with our local community support partners, North View wants to play an active part in that process. But there is not yet a clear picture of how the Scottish Government and local statutory bodies will provide leadership and funding, to facilitate local solutions at the scale that is needed.

2) Welfare Reform, in particular Universal Credit (UC)

Universal Credit has led to increased rent arrears and hardship for claimants. North View is working hard to mitigate the impact (e.g. by providing a welfare rights service and working closely with DWP to improve payments scheduling), but Universal Credit will continue to present major challenges unless it is significantly re-designed.

3) The economy and Brexit

The UK economy has been severely weakened by the Covid-19 pandemic (e.g. deep recession; multi-billion spending on relief measures for households and businesses; high levels of business failure and job losses in particular sectors). However, the Bank of England's forecasts are that GDP will recover strongly from 2021 onwards, coinciding with the public health changes that could result from mass immunisation against programmes to contain Covid-19.

Economic uncertainty is compounded by Brexit. A no deal scenario for trade agreements is possible, which could trigger weakness in sterling and significantly increase inflation and interest rates. Alternatively, the UK Government's prediction is

that any adverse post-Brexit would “wash through” the economy relatively quickly.

As with all social landlords, North View’s greatest risk exposure is likely to be in construction/ materials costs and the resilience of supply chains for imported materials.

4) Government policy and legislative initiatives

The **Scottish Government’s priorities** are to increase new housing supply, and to reduce homelessness and carbon emissions. North View is affected by government policy in each of these areas, particularly homelessness and carbon emissions.

North View will have a close interest in the various parties’ manifesto commitments ahead of the May 2021 Scottish Parliament elections. Key issues for us are:

- More effective action in addressing poverty
- The role of communities in leading the task of post-Covid reconstruction at local levels
- Proposals for funding to assist with meeting Climate Change obligations.

Employment law is a matter reserved to the UK Parliament. In response to the dramatic changes in how work has been carried out during the pandemic, the **UK Government** has stated that it intends to legislate on the principle that “flexible working be default”. This has potential opportunities and consequences for every employer and employee, and we will monitor carefully what the Government’s proposals will address.

5) Climate Change Targets

Climate Change targets are likely to represent a significant challenge for all social landlords. We have particular concerns about UK Government legislation to stop the replacement of gas boilers. This would create a substantial cost for North View.

6) Changes in central and local government policy on homelessness

The advent of Rapid Rehousing policies represents a new approach to addressing housing, in particular the use of settled housing rather than temporary accommodation. We have some concerns that a sustained and substantial increase in lets required for homeless people could reduce rehousing opportunities for others in housing need. However, following a period of increased section 5 lets during the pandemic, GCC currently has no demand from homeless households wishing to be rehoused in Castlemilk.

7) Continued reductions in spending on local services

Austerity policies have resulted in sustained cuts to Glasgow City Council’s budgets which in turn has led to cuts to local services at neighbourhood level. As a result services are discontinued or can only be sustained by the Council introducing charges to residents or passing the cost of providing the service to other organisations, such as housing associations.

Council funding does not always appear to be matched to community need. Windlaw has some of the highest deprivation levels in Glasgow, but receives no funding for local community support services other than for the running of the Birgidale Complex, which is itself now under increasing financial pressure.

Demographic Profile for Castlemilk and Future Change

North View’s business is about people and families, so we need to have an understanding of who lives in Castlemilk, and think ahead to how this might change in the future.

The most comprehensive information about Castlemilk’s population still comes from the 2011 Census, with the 2021 Census in Scotland now delayed until 2022 because of the Covid-19 pandemic . Further detail is provided at Appendix 5.

| | Castlemilk compared with Glasgow |
|---------------------------------------|--|
| Household Types | <ul style="list-style-type: none"> • More households with children, including lone parents with dependent children • Fewer working age households • About the same proportion of older people |
| Health Problems and Disability | <ul style="list-style-type: none"> • Higher rates of physical and mental health problems and physical disability |
| Economic Activity | <ul style="list-style-type: none"> • Almost 60% of residents were economically active (7% lower than for Glasgow). |
| Ethnicity | <ul style="list-style-type: none"> • 5.5% of population from minority ethnic groups (Glasgow 15%) • Proportion of people from ethnic minority groups more than doubled between 2001 (2.5%) and 2011 (5.5%). Eastern European and African people were the highest growth ethnicities. |
| Private Transport | <ul style="list-style-type: none"> • Far fewer Castlemilk households had access to a car or a van. |

A 7% increase in Glasgow’s population is projected over the next 25 years. However, the number of households is projected to increase by 24%, including increases of 38% for lone adult households and 54% more people aged 75 plus. ⁽¹⁾

Projections for Glasgow’s Multi-Member Wards suggest that increases in Linn Ward will be among the lowest in the whole of Glasgow.⁽²⁾ Changes in North View’s area may relate mainly to the ageing of existing residents, perhaps accompanied by increased demand from younger, newly-formed single person households.

(1) National Records of Scotland, Glasgow City Area – Demographic Factsheet (October 2016)

(2) Glasgow City Council, Population And Household Projections 2014 - 2034 for Glasgow City’s 23 Multi-Member Wards: (January 2018)

Deprivation in Windlaw

The **Scottish Index of Multiple Deprivation 2020 (SIMD)** shows that Windlaw is one of most deprived neighbourhoods in Scotland. Windlaw has three SIMD datazones, all of which are in **the 1% most deprived** in the whole of Scotland. There has been sustained failure by national and local government to improve outcomes in Scotland's poorest areas.

The scale of deprivation in Windlaw is further illustrated below.

| SIMD 2020 Domain | Status of Windlaw's 3 SIMD Datazones |
|------------------|---|
| Employment rank | All 3 Windlaw data zones in bottom 1% for employment deprivation |
| Income rank | All 3 Windlaw data zones in bottom 1% for income deprivation |
| Education rank | All 3 datazones are in the bottom 5% for education |
| Health rank | All 3 data zones in bottom 1% for health deprivation |
| Crime rank | Results better - none are in the bottom 10% , with one datazone having a better result than the Scottish average |

The SIMD also reports on 30 or so more specific indicators of deprivation. These provide powerful evidence of the issues many Windlaw residents face in their daily lives. Appendix 5 shows the full set of indicators, while a sample is shown in the following table.

| SIMD Indicator | Windlaw Average | Glasgow City average |
|--|-----------------|----------------------|
| Income Deprived (%) | 45% | 20% |
| Employment Deprived (%) | 34% | 14% |
| Comparative Illness Factor (Standard Ratio) | 290 | 152 |
| Standardised mortality ratio | 190.4 | 124.6 |
| Proportion of population being prescribed drugs for anxiety, depression or psychosis | 32% | 21% |
| Emergency stays in hospital: Standard Ratio | 180.2 | 122.0 |
| School pupil attendance | 66% | 76% |
| Working age people with no qualifications: Standard Ratio | 244.7 | 149.9 |
| % of people aged 16-19 not in education, employment or training | 9% | 4% |
| Proportion of 17-21 year olds entering university | 4% | 9% |

Note: Standard ratios

The SIMD uses standardised ratios to report on a number of health and education indicators. This allows comparison of local results with the national average, with adjustments made to reflect the age and sex profile of the datazone.

Local Housing Market

Glasgow City Council's Housing Stock Estimates (2014) show that:

- 72% of housing in Castlemilk is social rented, double the citywide figure of 36%.
- 23% of houses in Castlemilk are owner-occupied, compared with 43% for Glasgow.
- Private renting accounts for 5% of all housing in Castlemilk, compared with 20% for Glasgow.

At 28 March 2019, the average house price in Castlemilk during the last year was £85,924. This was about half the average price for Glasgow as a whole (£174,737). Average house prices will have increased significantly in the last year due to further releases of a large private sector new build development at Cathkin View, where prices are in the region of £180,000. For second hand properties, Castlemilk house prices are slightly lower than the neighbouring area of Croftfoot and substantially lower than those in Kings Park and Carmunnock.

Information about private rents in the area is limited, but property advertisements suggest that rents for a 2 bed property were in the range of £475 to £550 per calendar month at August 2020.

Stakeholder Relationships and Priorities

North View’s key stakeholders are shown below.

| Stakeholders that are specific to North View | Strategic and Regulatory Stakeholders |
|---|---|
| <ul style="list-style-type: none"> • North View tenants • Local residents and owners in Windlaw • Housing applicants • Our employees • The local community in Windlaw • Local organisations with whom we can work to benefit our tenants and the local area • Our lenders, auditors and insurers | <ul style="list-style-type: none"> • Glasgow City Council • The Scottish and UK Governments • The Department of Work and Pensions (DWP) • The Scottish Housing Regulator (SHR) • The Office of the Scottish Charity Regulator • The Financial Conduct Authority |

The Association has strong and productive relationships with its stakeholders, including local partner organisations, our funders and auditors and the local authority. These relationships have matured over many years and are key factors in shaping North View’s strategy and priorities.

Tenants and residents

This is our most important stakeholder group.

North View encourages tenants and residents to be involved in our decision making, and their views influence our actions and how we deliver services.

Our Residents Survey (see the panel opposite) provides tenants and owners with the single most important opportunity to influence our service delivery and business planning.

We carry out the Survey more frequently than many other social landlords, giving us information that is always relevant and up to date. Our most recent Survey was carried out in 2020, during the emergency period of the Covid-19 pandemic.

As well as our tenants, we regard other residents (factored owners and sharing owners) and applicants for housing as our stakeholders. We seek their opinions to help us develop the services that they receive from us.

The wider community

North View has a close interest in what goes on in the wider community. We also have productive relationships with a number of community-based organisations and services, including the Jeely Piece, the Birgidale Complex, Urban Roots and Glasgow South East Foodbank. Many North View tenants use the facilities or services of these organisations so it is important for us to work in partnership with them. The importance of strong local relationships has been underlined during the Covid-19 pandemic, when North View received Scottish Government pandemic funding to disburse to on the ground community organisations.

Stakeholder Survey 2020

The support of a diverse range of stakeholders is critical to North View's success. Engagement has been more challenging during 2020 due to the Covid-19 pandemic and the associated restrictions on social distancing.

How the Residents Survey works

- Carried out every two years, by independent specialist consultants
- The Survey asks for feedback on our service delivery
- It also gathers views on wider issues, like fuel poverty and local services that would improve the neighbourhood or residents' lives

Changes we've made in response to feedback

- New in house welfare rights service
- Partnership with Jeely Piece to provide play activities for local children
- New tenant feedback system for housing repairs

North View addressed this by carrying out an online survey of our organisational stakeholders earlier in 2020, to obtain feedback about our effectiveness in working in partnership and to invite comments on priority issues for the North View Business Plan. Outputs from the survey are shown at Appendix 11.

The survey was issued to 12 partner organisations including our two main lenders, our internal and external auditors, our insurers, three service departments of Glasgow City Council and four community organisations. We received 11 returns, the one non-responder being the GCC homeless casework team.

The questionnaire was in two parts. The first part asked eight questions about experience of different aspects of working with North View, with answers to each question given on a scale of 0 to 5. Across all of the respondents, the average scores for all of the questions were in the range between 4.8 and 5.0. This positive feedback was welcome, all the more because the results were uniform across the different types of organisation we work with.

We also invited comments on areas for future joint working and any particular issues North View should address, in our future strategy or our working relationship with the respective organisations. The survey generated a number of useful suggestions that we have been able to incorporate in the Business Plan and in relation to individual business areas.

Housing Benefit/Department of Work and Pensions (DWP)

North View's financial wellbeing and cash flow are highly dependent on housing benefit (HB) and Universal Credit (UC) payments. We maintain close relationships with both the City Council and DWP.

Lenders

In 2007 we consolidated all our loans with one lender, the Royal Bank of Scotland. Our RBS loan portfolio totals £7.081 million and is made up of four separate loans. This includes a new loan of £1 million secured in the last year, to support our housing investment programme.

We have also obtained a new loan of £2.006 million from Allia. The purpose of this loan is to fund our current development project at Windlaw Lodge.

We must comply with loan covenants in order to avoid potential penalties, and maintain a strong relationship with our lenders.

We have in place a £250,000 overdraft facility with the Bank of Scotland. The facility may be useful if the economy experiences short-term shocks, for example as a result of Brexit.

Glasgow City Council

Glasgow City Council (GCC) is the strategic housing authority, and also plays the lead role

in the city on social housing investment and homelessness.

GCC delivers a number of neighbourhood services in Windlaw, e.g. refuse collection, community safety and running costs for the Birgdale Complex. Due to GCC budget pressures, the Birgdale Complex is currently unable to run at full capacity. We also expect that North View will have to fund the cost of bulk uplift services due to funding cuts made by GCC.

North View has had a long-standing relationship with GCC's Neighbourhoods and Community Services. We pay the Council to provide us with services relating to antisocial behaviour, and these are carried out under a service level agreement.

Glasgow Community Planning Partnership

Inclusive economic growth, resilient communities and a fairer, more equal Glasgow are the top priorities stated in the current Community Plan for Glasgow. In some parts of the city, efforts are being made to involve the community in identifying the changes needed and shaping local actions. Castlemilk has not been included in this so far.

Other than statutory services, Windlaw receives little direct community support from public bodies. It falls to North View and other local organisations to do what we can to support the community, with very limited resources.

Scottish and UK Parliaments and Governments

North View is always mindful of events and pipeline changes from both legislative bodies and governments. The Scottish Government is responsible for legislation and policy on housing and a number of other devolved matters. Matters reserved to Westminster often affect us more and these include Welfare Reform, health and safety, macro-economic policy, and Brexit.

Currently, we are very concerned about the social and public health implications of Covid-19 and the financial impacts that the pandemic and Brexit may have on the wider economy. These issues expose us to risks which at this stage are very difficult to quantify.

Regulatory Bodies

North View is regulated by the Scottish Housing Regulator (SHR), the Office of the Scottish Charity Regulator (OSCR) and the Financial Conduct Authority.

SHR has the greatest impact on what we do. SHR regulates compliance with the Scottish Social Housing Charter, Regulatory Standards for RSL governance and financial management and other statutory requirements stated in its overall Regulatory Framework. SHR has powers to intervene where needed to secure improvement and protect the interests of tenants and other service users.

We pay close attention to guidance and general advice that SHR publishes on many topics. These include business planning, governance, financial performance, risk management, asset management, Covid-19, value for money and rent affordability.

Other than by submitting annual returns, we do not have many direct dealings with OSCR nor the Financial Conduct Authority. We are aware of the importance of their roles, and the effect that they could have on us should we breach their regulations.

Insurers

Getting value for money is important to us, as is establishing a strong working relationship with our insurers. It is in our interest to understand their processes, and how they view the risks that they insure us for. We heed their advice on the breadth and level of cover we should take, and, when required, seek their opinion on insurance related matters.

North View's Staff

Last but not least, we aim to create a positive, supportive working environment for our staff team. We want all of North View's staff members to be clear about what is expected of them, committed to giving of their best in their respective roles, and to feel valued for the work they do on behalf of North View and the Windlaw community.

Chapter 5

Governance and Organisational Structure

Strategic Objectives and Outcomes Sought 2020/21 to 2022/23

Ensuring good governance is one of the most critical factor in ensuring the achievement of North View's strategic objectives. Good governance contributes to all of our strategic objectives and in particular to the following objective:

Objective 6: To achieve high standards of governance and financial management and be a good employer

Appendix 3 shows in full the outcomes we seek to achieve for this objective throughout the 3-year period of the Business Plan. The outcomes relating specifically to governance are:

- High standards of governance and leadership, including meeting regulatory standards
- Continued learning and development for Committee and staff
- Future-proofing North View's governance, by attracting new committee members, making the committee profile more age-diverse, and attracting new skills and perspectives to the Management Committee.
- Succession plans completed and implemented for the senior staff team.

Constitution

North View is a not for profit Scottish Charity, a community benefit society, and a registered social landlord. We are registered with the Scottish Housing Regulator, the Office of the Scottish Charity Regulator and the Financial Conduct Authority.

Our constitution is fully democratic. Members of the Association have rights to attend and vote at general meetings, seek election to the Management Committee, and participate in the election of committee members. Membership is open to our tenants, other persons aged 18 or over who have an interest in the work of the Association, and to organisations sharing the Association's aims and objectives.

Management Committee and Committee Structures

The Management Committee has overall responsibility for strategy, performance and control. The Management Committee:

- Sets North View's strategic direction, through its role in developing and then approving the Business Plan
- Sets North View's policy, for the staff team to implement
- Oversees risks and our financial well-being

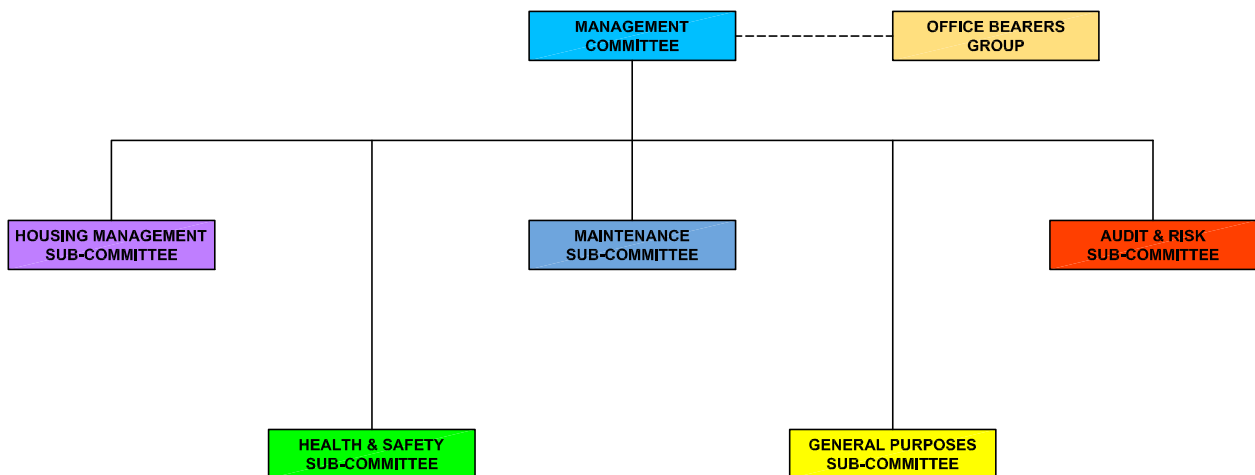
- Monitors the quality of the services that tenants receive, and
- Seeks assurance that North View is complying with legislation and regulatory requirements.

All our committee members are unpaid volunteers, and the vast majority are tenants of the Association. This gives members an in-depth understanding of our community and direct experience of North View’s performance as a landlord. Details of the current Committee members are shown at Appendix 1.

The Management Committee exercises its control through regular monitoring and evaluation of North View’s performance in all key areas. Committee has set in place a reporting and review regime to help achieve this. The control processes are proportionate and relevant to the activities that we undertake.

The Management Committee discharges its role through a set of Sub-Committees, each with a remit set by the the Management Committee.

The diagram below shows our structure. Ordinarily, three sub-committees meet quarterly (Housing Management, Maintenance, and Audit & Risk), while Health & Safety meets twice a year. General Purposes only meets as and when required, and has played a significant role in scrutiny of Windlaw Lodge development. The Management Committee decided to suspend sub-committee meetings at the start of the Covid-19 pandemic. It has since approved the resumption of sub-committees meetings from January 2021.



The committee structure and our reporting and review regime ensures Committee control and promotes good governance.

We also have an Office Bearers Group. This has authority to act on behalf of the Management Committee in case of emergency, or if a decision is needed before it is possible to convene a Committee Meeting. In practice, this authority is very rarely used.

Covid-19 Pandemic

Management Committee meetings and decision-making have taken place in online meetings since the start of the Covid-19 lockdown. This has allowed us to achieve business continuity at a critical time. We held our 2020 Annual General Meeting online as a result of the Covid emergency and also held a SGM online on the same date, at which the membership approved the adoption of the new Model Rules.

Self Assessment and Assurance

North View has an Audit and Risk Sub-Committee, which is responsible for overseeing our systems for self-assessment, committee reporting, internal audit etc. We have a well-established programme of internal and external audit.

North View has begun the rollout of the RSM system, which is an IT-based risk management tool that will enable appropriate risk reviews by the Management Team, Audit and Risk Sub-Committee and Management Committee.

In 2017 the Management Committee completed a detailed self-assessment against the Regulatory Standards and Guidance on Governance and Financial Management.

We further developed our self-assurance approach in 2019, in preparation for our first Annual Assurance Statement (AAS) to SHR. This involved assembling and presenting the evidence base to Committee, review by our internal auditor of the work carried out, submission of the AAS to SHR, and publishing the AAS to our tenants.

The 2020 process for self-assurance and reporting to SHR will be undertaken in accordance with the updated guidance published by SHR.

Committee Reviews and Learning and Development

Committee members have a strong sense of their responsibilities. Each member takes part in an annual “committee chat” with the chairperson. We use the outcomes to identify learning and development needs for each committee member and the Committee as a whole, as well as future succession planning needs.

Our committee members are positive about learning, and most regularly attend training for the whole Committee or on topics they have a particular interest in. In the last year, committee learning topics have reflected North View’s objectives, and the Committee’s governance and strategic responsibilities. 2019/20 learning topics included:

- Equalities (7 members)
- SFHA Governance Conference (2 members)
- North View’s Voids Policy (6 members)

- The Windlaw Lodge development, led by the project architect (8 members)
- SHARE Annual Conference (6 members)

Committee Succession Planning

With external support, North View developed a new suite of governance policies/procedures in 2019 covering Membership, Committee Recruitment, Induction, Succession, Committee Chats, and Committee evaluation. The Coronavirus pandemic has delayed the full implementation of this new framework during 2020 as planned.

We address succession issues as part of the annual Committee Chats. The MC has also adopted a new Recruitment and Succession Strategy with the assistance of external governance consultant Linda Ewart. The Strategy articulates our priorities for succession planning, in particular attracting younger committee members and new members with relevant skills and experience. This is a high priority for the Management Committee, and we will resume our work in 2021 when Covid-19 restrictions have been eased sufficiently to allow us to engage in person with potential new committee members.

Senior Management Team and Staffing Structure

The members of North View's Senior Management Team are:

Euan Anderson – Director

Alison Main – Housing Manager

Ady Tester – Maintenance Manager

Jean Price - Finance Manager

Appendix 1 gives a brief biography for each senior officer, while the chart at Appendix 2 shows our organisational structure.

Business Plan Priorities

Our priorities for 2020/21 are shown below, with some actions (as indicated) likely to carry forward to 2021/22 due to the pandemic.

1) Covid-19: Business Continuity

- Establish safe and effective methods for conducting committee and general meetings during the Covid-19 emergency

2) Management Committee review meetings

- Complete the 2020 programme of committee chats
- Update the Recruitment and Succession Strategy following the committee chats
- Prepare to introduce the revised format for committee chats in 2021, including the appointment of an external facilitator.

3) Prepare to implement (most likely 2021/22) the Recruitment and Succession Plan for the future membership of the Management Committee, to address the following objectives:

- Increase the number of Management Committee members
- Promote committee membership to North View residents, particularly younger people
- Attract new committee members who have an interest in North View's work and who can contribute relevant skills and experience.

4) Review and develop North View's approach to self assurance, to meet our own organisational needs and to support our Annual Assurance Statement (AAS) returns to the Scottish Housing Regulator

- Completion of 2020 self-assurance review, taking account of updated SHR guidance to reflect Covid-19 issues
- Submission of 2020 Annual Assurance Statement to SHR

5) Full implementation of RMS risk management software/system.

- Achieve full roll out of use of the software by all relevant personnel.

Chapter 6 North View's Housing Services

Strategic Objectives and Outcomes Sought 2020/21 to 2022/23

Our housing services contribute directly to the following North View strategic objectives.

Objective 1: Provide quality homes in a good environment at affordable rents

Objective 2: Consolidate and improve our core services, while meeting tenants' needs and aspirations

Appendix 3 shows in full the outcomes we seek to achieve for each of these objectives over the 3-year period of the Business Plan.

In summary, the main outcomes include:

- Maintaining good levels of demand for our housing
- Achieving our objectives and targets for the letting of North View's housing to people in housing need, including homeless people
- Maintaining tenant and safety throughout the Covid-19 pandemic
- Providing service continuity as far as we safely can, and restoring service levels as soon as public health guidance allows
- Ensuring that we continue to provide a high quality external environment around our housing
- Achieving high levels of tenant satisfaction with our services, while also meeting the Scottish Social Housing Charter to a high standard
- Simplifying our approach to rent-setting, and improving tenant perceptions about whether their rent represents value for money
- Reducing current levels of rent arrears, which have increased as more tenants receive Universal Credit, and providing all Windlaw residents with access to North View's welfare advice service
- Improving choice for tenants in deciding how they want to access information or use our services, including digital options
- Increasing current levels of tenant engagement with North View.

The chapter sets out:

- How North View provides the housing service, along with a short description of current issues.
- Priority actions we will take during 2020/21 (and subsequent years, where it is feasible to identify these).

Chapter 10 (Value for Money) provides further relevant information, relating to performance analysis, rent-setting and affordability and tenant satisfaction levels.

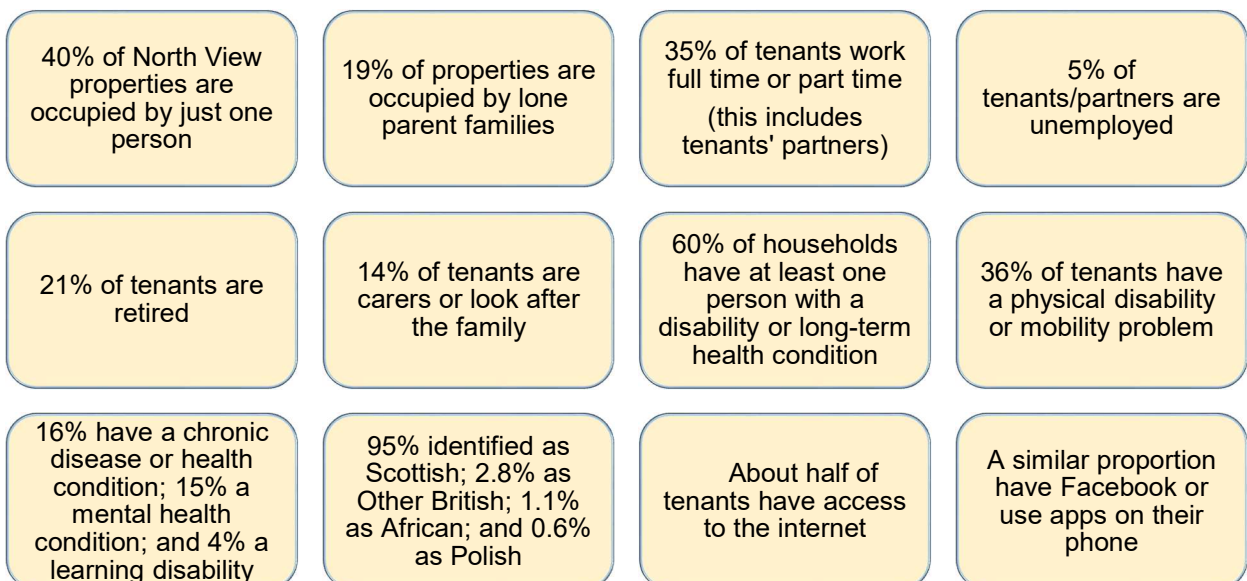
Context and Current Issues for North View's Housing Services

North View provides a comprehensive range of **tenancy and neighbourhood management services**.

- Housing applications, Housing Options interviews, lettings and facilitating mutual exchanges
- Rent collection and managing rent arrears
- Estate management inspections, complaints and follow-up actions
- Visits to/contact with to new tenants to help them settle in to their homes and make sure that tenancies have got off on the right footing. (These are currently being carried out via telephone due to coronavirus situation)
- Tenancy management and sustainment, including dealing with tenancy permission requests, breaches of tenancy conditions, and antisocial behaviour.
- Environmental maintenance
- Working with other service providers to maintain and enhance the quality of the neighbourhood environment
- Welfare Rights (also available to residents and owners, as well as North View tenants)
- Grass cutting scheme for older and/or disabled tenants
- Promoting resident participation and involvement
- Liaison with agencies and service providers working with tenants who have care or support needs
- Fuel crisis payment scheme for tenants experiencing serious difficulties with their energy bills
- Signposting and referrals to external services, including financial inclusion, money advice, help with energy costs and the Trussell Trust's Glasgow South East foodbank.

Profile of North View's Tenants

The following **profile of North View** tenants is based on the 2018 Residents Survey.



Most North View tenants have very low incomes

- The 2020 Scottish Index of Multiple Deprivation placed all three Windlaw datazones in the 1% most income deprived in Scotland.
- In 2019/20, North View received housing costs support payments (Housing Benefit or Universal Credit) for 602 households. There will be further tenants receiving help with housing costs who are not party to these direct payment arrangements.

The age profile of current tenants and people on the housing list differs

- 18% of North View tenants aged 16 to 34 (housing list 36%)
- 23% of tenants aged 65 or over (housing 9%)

North View is set to have more tenants over 65 in the near future

- People aged 55 to 64 are the single biggest age grouping among North View tenants..
- In the years to come we can expect to see more tenants aged 75 or over.

There will be changes in the services that tenants need to stay in their homes

- For example, more tenants needing adaptations, telecare or social care services.
- There are limited housing options within our stock for older people who need to move because they can no longer manage stairs (85% of North View 2 apartments are tenement flats).

The Management Committee has agreed that North View should carry out a further “tenant census” type survey in 2022. The exact timescale may be Covid-dependent, as we would prefer to use face to face methods to gather household and other personal information from tenants.

Service Delivery During the Covid-19 Pandemic

Covid-19 Coronavirus

There have been severe restrictions on many aspects of social and economic life in the UK since March 2020 as a result of the Covid-19 pandemic. These restrictions continue to have a major impact on North View, our tenants and the Windlaw community. The Management Committee has followed events closely, with regular reporting on local issues and North View’s response.

North View has adhered to official advice by suspending non-essential services and changing our communication methods, to prioritise essential services and reduce the risk of transmitting the virus. We provided tenants with comprehensive information about what changes were being made to each of our services in our Spring 2020 newsletter, with further updates given in subsequent newsletters, on our website and our Facebook.

We have used emails to update tenants for whom we have contact details, and have completed two full rounds of welfare calls to ask how tenants have been managing during the pandemic. A third round of calls is planned to take place in November 2020.

Most North View staff in service delivery roles are continuing to work from home, other than where their physical presence is necessary to provide essential services such as emergency repairs, void management and lettings. We have had close regard to guidance and other information published by the Scottish Government, SFHA and the Scottish Housing Regulator.

Throughout the pandemic, tenants have been able to contact North View by telephone and email on other services, including rent payments, estates issues (including antisocial behaviour), income maximisation, and help with food and energy costs.

In addition to continuing to provide core services, North View has also provided tenants with practical help, to help them get through the pandemic safely. This has included:

- Welfare calls to make sure tenants are coping.
- Providing food parcels
- Providing hygiene products, to reduce the risks of virus transmission
- Welfare rights advice
- Fuel (Electricity) top up funds
- Assistance with getting online

In our 2020 Resident Satisfaction Survey, the 394 survey respondents identified more than 400 instances of support provided by North View.

- 95% said they were very (70%) or fairly (25%) satisfied with the support they received from North View during the pandemic.
- Only 8% said they had received additional support from other organisations, with most of the other providers being local organisations and charities. Very few residents reported receiving support from the local authority.

Service Delivery Performance

The table below provides a quick illustration of North View's performance results in comparison with the national average over the three year period to 31 March 2019. Calculations are based on the three year average for each indicator shown.

| North View BETTER THAN national average | North View BELOW national average |
|--|--|
| <ul style="list-style-type: none"> • Level of tenancy give-ups • Sustainment rates for all categories of new tenants (other than section 5 referrals) • Void rent loss and time taken to re-let empty properties • Level of gross rent arrears (though arrears increased in 2019/20, mainly due to a rapid increase in tenants receiving UC). • Percentage of rent due that was collected • Resolving ASB cases within target timescales | <ul style="list-style-type: none"> • Sustainment rate for new tenancies let under section 5 referrals (although this has since improved considerably) • Proportion of court actions initiated that resulted in eviction • Average time taken to complete disabled adaptations |

Appendix 7 provides fully detailed benchmarking comparisons.

Universal Credit and Income Management

North View has experienced a significant increase in rent arrears since Universal Credit (UC) was rolled out to Castlemilk in December 2018. Our gross rent arrears were 6.5% at 31 March 2020, compared with 4.5% 12 months earlier. At August 2020, we had 151 tenants claiming UC and this number will continue to increase due to new claims and the ending of legacy benefits for existing claims.

Several features of UC contribute to higher arrears, most notably the 5-week waiting period for the first payment of UC. In 2020, there have been further pressures caused the Covid-19 pandemic, the need for remote management of cases and the extended six month notice period for legal action introduced by the Coronavirus (Scotland) Act 2020.

North View has recently agreed with DWP new payment arrangements for Managed Payments of housing costs continue to be received on four weekly schedule. Instead of receiving a bulk payment for such cases every four weeks, we now receive payment of housing costs on the date that the tenant receives their personal allowance. This will have a positive impact on arrears levels, as it means that payments received are more broadly in line with rent periods.

North View also gives high priority to supporting tenants. Our income maximisation service secured financial gains of £702k for clients in 2019/20, an excellent outcome for a service that received a 99% satisfaction rating from tenants in our 2020 Survey. The service has continued to be available to residents by telephone throughout the pandemic.

We also provide additional support through our Wider Role activities, and have stepped this up during the pandemic (see Chapter 8).

Overall, North View will take a number of actions to manage the pressure on rent arrears caused by UC and the pandemic. These are described under Business Plan Priorities, later in this chapter.

Resident Engagement

North View's main methods for engaging with residents include:

- Formal consultation exercises on the annual rent review and major policy changes
- 'Local area' meetings, to which all tenants are invited every two years
- Using our resident newsletter and social media to promote opportunities for participation.

While resident interest in participation is often low, the 2020 Resident Satisfaction Survey found that 90% of respondents were satisfied with the opportunities available to participate in North View's decision-making. This figure is down from 96% in our 2018 Survey, but still 3% higher than the 2019/20 ARC national average.

The main areas where we have consulted tenants during 2020 are the annual rent review and more recently the proposed restructuring of North View's rents. Further information is provided in Chapter 10, Value for Money. The Communications Plan for the rent restructuring was led independently by Arneil Johnston and included a survey of all tenants as well as an online focus group meeting. 51 tenant survey responses were received, which is the highest level of response North View has had to a consultation.

Local area meetings take place every two years, following the previous year's Resident Satisfaction Survey. This ensures there is an opportunity every year for tenants to provide detailed feedback about North View's work.

The most recent round of local area meetings took place in 2019. We scheduled 16 local meetings across all parts of Windlaw. Despite being well-promoted, only 30 tenants attended the meetings. North View worked to implement action points that arose from the discussions. Most of these related to estate management issues such as cleansing, refuse, litter and dogs.

In our 2018 Resident Survey, we asked how tenants would they would like to be involved in future. 82% of respondents said they were not interested in becoming more involved, or would be unable to do so due to a disability or work and caring commitments.

We also asked tenants how they would like to be consulted in future:

- 70% said they would prefer to give their views by taking part in face to face surveys, 35% would prefer to give their views in postal surveys and 21% in telephone surveys
- 67% of respondents said they would like to be consulted about changes that affect them directly
- 27% wanted to be consulted about all changes
- 4% wanted to be advised about but not consulted about changes to services
- 2% said they would not wish to be consulted at all by North View

Overall, the feedback from tenants conveys a preference for consultation, receiving information and taking part in surveys, rather than more active forms of participation.

Business Plan Priorities

Service Delivery during the Covid-19 Pandemic

North View will:

- 1) Put in place measures for physical delivery of services initially categorised as “essential”, and ensure that staff and contractors follow procedures when entering someone’s home
- 2) Extend the range of essential services provided as the definition is revised (e.g. to include voids and allocations)
- 3) Continue to deliver as many of our other services as possible via telephone and email
- 4) Monitor the revised service delivery arrangements. Develop a plan for restoring services when public health guidance permits and when we are satisfied that services can be restored safely
- 5) Ensure that revised service arrangements will protect the health and safety of North View tenants and staff
- 6) Ensure that our IT support enables staff to work from home effectively
- 7) Continue to support our tenants and residents during the pandemic
- 8) Identify any aspects of service delivery we may wish to review post-Covid (detailed consideration likely to be in 2021/22).

Universal Credit (UC) and Income Management

Our overall priority in 2020/21 and beyond is to monitor, manage and mitigate the dual impacts of Universal Credit and Covid-19 on our rental income, while providing support to tenants who are struggling to pay their rent.

The measures we will take will include:

- 1) Intensive arrears management, which for the present time needs to be primarily based on tenant contact by telephone and email.
- 2) Continue to provide tenants and residents with access to a full-time, in house welfare rights service, again adapting communication methods to reflect Covid-19 restrictions.
- 3) Continue to signpost tenants to other specialist services, including Castlemilk Budgeting Services, My Money, Citizens Advice Bureau, Home Energy Scotland and GHeat.
- 4) Track the ongoing impact of UC and the pandemic on the number of tenants experiencing financial difficulties.
- 5) Help tenants to obtain food, help with energy costs and other essentials.
- 6) Provide tenants with high quality information on benefits and Coronavirus-related issues, through the quarterly newsletter, a new series of tenant leaflets produced in house (published electronically), and regular posts on our Facebook page.
- 7) Apply to DWP for Managed Payments to Landlord and payments to arrears where appropriate, while also encouraging other North View tenants to mandate payment of the housing costs element of UC to North View.
- 8) Agree and implement new arrangements for direct payments from DWP to North View, to improve efficiency and ensure faster payment of monies owed to North View
- 9) Maintain our positive working relationship with local DWP staff, using this to seek continued improvements in UC information sharing and administration.
- 10) Review and report risks regularly to Committee, with appropriate controls in place.
- 11) Resume face to face welfare rights help for tenants (to complete online applications for benefits), when safe to do so.

Rent-Setting Policy/Restructuring¹

North View will:

- 1) Complete a comprehensive review of the existing rent structure
- 2) Approve a new Rent-Setting Policy, to reflect the review outcomes
- 3) Use the Policy to set rents for new tenancies created in the remainder of 2020/21
- 4) Implement the new rent-setting policy and structure for existing tenants from 1 April 2021, including the agreed 5-year phasing-in arrangements until rents reach the target value for each property size and type.

¹ Further information about the Restructuring Review is provided in Chapter 10, Value for Money

Resident Engagement and Communication

North View will: :

- 1) Promote tenant involvement in the development of the new rent structure
- 2) Schedule the next round of local Open Meetings facilitated by the Housing and Maintenance Managers for spring 2021 (Covid-19 permitting)
- 3) Increase the use of digital communication tools, by launching a new North View app and making increasing use of our Facebook page.
- 4) Seek Scottish Government funding to improve tenants' digital connectivity (see Chapter 8, Wider Role)
- 5) Complete scoping work for a detailed customer profiling survey, to deepen our knowledge of customers and the implications for what services we should deliver in the future and how.
- 6) Continue to provide residents with newsletters and other written communications throughout 2020/21. As a minimum, this will include four quarterly newsletters and an Annual Performance Report.

Chapter 7

Asset Management

COVID 19

The health and safety of North View HA residents, their families and staff are a priority and our investment plans in the next few years will be delivered with this in mind. We will continue to follow both the latest Government and Health Protection Scotland guidance on coronavirus (COVID-19). Our engagement with the community, reflect these requirements.

Profile of North View's Housing Stock

North View's housing stock is made of the following house types and sizes.

| | FLATS | 4 IN BLOCK | COTTAGE FLATS | TERRACED | SEMI DETACHED | TOTAL |
|--------------------|-------|------------|---------------|----------|---------------|-------|
| 2 APT | 102 | 0 | 16 | 2 | 0 | 120 |
| 3 APT | 282 | 11 | 5 | 52 | 4 | 354 |
| 4 APT | 75 | 0 | 2 | 52 | 1 | 130 |
| 5 APT | 9 | 0 | 0 | 35 | 8 | 52 |
| 6 APT | 3 | 0 | 0 | 3 | 4 | 10 |
| TOTAL UNITS | 471 | 11 | 23 | 144 | 17 | 666 |

We own a mix of refurbished and new build homes.

463 of our properties (two-thirds) are refurbished homes, originally built in the 1950s and modernised from 1990 onwards.

- The vast majority of these homes are smaller tenement flats with one or two bedrooms, with a small number of main door flats suitable for families.
- Our refurbished stock is mainly of traditional construction housing (brick cavity brick), although we do own some properties constructed of Wilson block.

202 of our properties are new build. We have created a more diverse range of house types and sizes, allowing us to meet a wider range of current and future housing needs.

- Only 10% of our new build stock are flats, while 60% are terraced houses, 8% are semi-detached and 17% are cottage flats or 4 in a block.
- 41% of the new build has 3 or more bedrooms.

We are commencing on an exciting new build development of 25 homes for social rent. Tenants should be able to move in to their new homes before Christmas 2021. The total cost of the project is estimated at £4.8m. We have already secured borrowings of £2m of private finance to support the project. A clear sign of the continued support the Association has from the private sector.

Asset Management Strategy

Asset management is about making the most of the assets that we own, for the benefit of our tenants and our business. The housing stock is North View's biggest asset, so it follows that our investment strategy is one of our important aspects of our planning.

We have reviewed the impact of the pandemic on our existing investment programme. This included careful consideration of the health and safety implications of the pandemic. Delays to investment are inevitable and we have decided to move bathroom, kitchen and window programmes to later years. The reprofiling has implications for covenant compliance with the Royal Bank of Scotland. We have already contacted the Bank and they have been supportive of us and early indications are that they will accommodate our business plan changes and work with us as we address the fallout from Covid 19.

In short, we have checked the covenant implications of the investment delays and are confident that we have adequate cash reserves throughout the life of the plan.

North View's asset management approach is based on:

- Ensuring the health and safety of our tenants, staff and our contractors.
- Managing and maintaining our stock to maximise rental income, and minimise lost rent.
- Providing a quality, cost-effective service for reactive and cyclical repairs.
- Investing in our stock, through component replacements and major repairs.
- Maintaining up to date stock condition survey and cost data, to inform our investment plans.
- Adding to our stock through new development, where it is feasible to do so.
- Adding to our stock by purchasing properties that come up for sale in our area, where economic to do so.
- Monitoring demand for our housing and how it is performing, leading to better performance where needed or the consideration of other options.
- Having good quality cost information available when we are preparing our budgets and longer-term financial plans.

Our investment strategy has allowed us to confirm that:

- All our properties are currently in a good state of repair and we do not have any housing stock that is considered to be unlettable or in very low demand.
- Windlaw continues to be a relatively stable community, with local residents seeing it as a good, safe place to live. Our property turnover rate continues to be below the national average for all social landlords.
- We perform well in maximising rental income from our housing stock. For example, our average time to re-let empty homes and the amount of lost rental income from empty homes are both substantially lower than national averages.
- 100% of our properties meet the Scottish Housing Quality Standard.
- Our investment plans, component replacement costs and lifespans have been independently reviewed by Thomson Cost Consultants who are satisfied that these are all reasonable.

Repairs Service

In 2019/20 we completed 2,940 repairs, an average of 4.4 repairs per property.

We do not operate a formal appointments system for reactive repairs, although we do generally offer tenants a choice between morning and afternoon appointments.

The following table shows North View's repairs performance in 2017/18, and how this compared with:

- Our peer group of nine comparable housing associations in the Glasgow area
- The national average for all social landlords in Scotland.

Peer Group Comparisons 2019/20: Housing Repairs Performance

North View Housing Association: Charter Indicators Comparison 2016/17 to 2018/19 (3-year averages)

| | North View | Peer Group Average | National Average (all social landlords) |
|--|------------|--------------------|---|
| Percentage reactive repairs completed right first time | 96.5% | 94.6% | 92.4% |
| Average hours to complete emergency repairs | 2.3hrs | 2.2hrs | 4.1 hrs |
| Average working days to complete non-emergency repairs | 3.0 days | 3.7 days | 6.7 days |
| Percentage properties with gas safety record renewed by anniversary date | 100.0% | 100% | 99.9% |

| | North View | Peer Group Average | National Average (all social landlords) |
|---|------------|--------------------|---|
| Percentage tenants satisfied with repairs service | 88.0% | 91% | 91.5% |

The table shows that North View’s performance results were of a high standard, in relation to repairs completion timescales, first time fixes and gas safety inspections. However, the overall tenant satisfaction rating for the service is not as strong however steps are now in place to address this issue.

Our previous resident satisfaction survey carried out in 2018 shows:

| Tenant Satisfaction with aspects of North View repairs service | |
|--|-----|
| Ease of reporting the repair | 99% |
| The helpfulness of the person the repair was reported to | 97% |
| Attitude of workers | 96% |
| Being told when workers would call | 95% |
| Keeping appointment(s) to carry out the repair | 94% |
| Leaving your home neat and tidy | 93% |
| Time taken between reporting repair and work starting on it | 87% |
| Overall quality of repair work | 83% |

The Survey follow-up identified a range of individual reasons for dissatisfaction, rather than any overriding themes. Communication about the progress of repairs is probably the most important area for us to consider, to make sure that we are meeting tenants’ expectations in this area.

The follow-up did not identify major negative feedback about the quality of repairs. We will continue to monitor responses from the rolling repairs surveys and develop actions accordingly.

Property Condition

We do not have any major structural issues with any of our properties. None of our properties suffer from subsidence, and none are in disrepair.

To date, our Stock Condition Surveys and maintenance projections have been carried out in house. We recently engaged external consultants (Thomson Cost Consultants) to validate our maintenance data and future projections, Thomson Cost Consultants have

verified our investment costs in March 2020 and are satisfied that we our component lifespans and replacement cost are sufficient to maintain our houses in good condition.

We aim to survey 20% of our properties each year, and we use the survey findings to inform both our major repairs and cyclical repairs programmes. We have been unable to carry out any of these surveys, in 2020/21, due to the pandemic.

All our properties with the exception of one, currently meet the EESSH standard. Further work is needed to understand the cost to meet the EESSH2 standard and this needs to be considered as part of a wider energy strategy in relation to the decarbonisation agenda.

Housing Investment

The bulk of our expenditure on asset management relates to reactive repairs, cyclical maintenance and the planned replacement of building components as they reach the end of their useful life.

During the last five years, we have invested £1.6 million in planned replacements. The main elements of this investment have been:

- Kitchens
- Windows
- Boilers
- Bathrooms.

In the next 5 years we plan to invest £1.9m with the focus on: -

- Bathrooms
- Kitchens and
- Windows

Scottish Housing Quality Standard (SHQS)

North View's properties met the SHQS as at 31st October 2020, which is considerably higher than the national average for all social landlords (94.4%).

Energy Efficiency Standard for Social Housing (EESSH)

At 31 October 2020 all of North View's properties with the exception of one, met the EESSH standard

Tenants' Priorities

Our 2018 tenant satisfaction survey gathered information about their priorities and we will consult extensively on this matter in 2021

We know from the 2020 Residents Survey that tenants' top four priorities are: -

1. Providing an effective repairs service (96%)
2. Modernising tenants' homes to keep them to a reasonable standard (93%)
3. Keeping rents and charges affordable (91%)
4. Improving the look of the area/environment (82%)

Procurement

North View uses a mix of in-house labour and external contractors.

Other repairs and maintenance services are delivered through small sub-contractors, rather than via a single multi trades contractor.

Our in house team (Trades team) has three joiners and three labourers. The team has now been in place for 17 years and has grown over the years.

The joiners carry out joinery related reactive repairs but they mainly work on major repairs, such as fitting new kitchens and installing new windows. We also buy in joinery services for repair work when major repair work is at a peak.

The labourers assist the joiners in the major repairs work, and do house clearances of void properties. They also carry out some estate maintenance tasks, but most of that work is done by our estate maintenance contractor. Depending on workload, we may also buy in services to clear voids during peak activity periods.

If we need to commission services and supplies externally, our procurement approach is guided by the anticipated value.

If expenditure is estimated to exceed £50,000 in any one year, or cumulatively over a period of five consecutive financial years, then the procurement of that activity will be subject to a process of competition (be that quality and price based, or price based).

The method of procuring a one-off activity estimated to cost between £10,000 and £50,000 will be decided by the Management Committee prior to purchase.

Full information about planned procurements is set out in our Procurement Register, which the Management Committee reviews at least annually. We have also worked with Scotland Excel which has recently conducted an external review of our procurement practices.

We regularly seek the advice of a consultant regarding procurement matters. The consultant mainly works with the Maintenance Manager, but he advised us regarding the procurement process for the appointment of consultants and the contractor for the Windlaw Lodge Project.

New Development

We are currently working on one development, to provide 25 units on the site of the former Windlaw Lodge. This project has the support of Glasgow City Council as the main grant funder. £2m of bond finance was secured from Allia as part of the Scottish Charitable Bond programme for the Scottish Government. This offered us a unique funding solution with no capital or interest payments being made over the next 15 year. Thus protecting our cash flow in the short and medium term.

Spending and borrowing requirements for the project are included in the Business Plan budgets and financial projections.

The Windlaw Lodge Project started on site on Monday 26th October 2020, and is due to be complete by 26th November 2021. There are currently no opportunities for us to develop other sites in our area, so it is likely that the Windlaw Lodge Project will be our last development that we undertake.

Business Plan Priorities

Update our Asset Management Strategy in 2021/22.

Investment Programme 2020

The pandemic and the subsequent lockdown is unprecedented.

We have considered the impact of the pandemic upon our existing investment programme and decided to delay £320,000 of investment planned for bathrooms, kitchens and windows. The current plans are to catch up with these component replacements over the next 2 years as we carefully return to normality (hopefully) in 2021. As indicated earlier, the health and safety of our tenants is the priority and we will consult with and take full account of their wishes as we carry out the planned investment.

It is anticipated that we will invest £200,000 this year with the main focus being on heating systems and smoke detectors

In 2020, we secured additional funding of £1m from RBS to support our investment plans going forward. RBS are aware that investment has been reprofiled because of Covid 19.

| | 2019/20 spend |
|-------------------------|---------------|
| Fire detection upgrades | £32k |
| Close Doors | £61k |
| Doors | £20K |
| Boiler Replacement | £110K |

Energy Efficiency and Fuel Poverty

Our main priorities for 2020/21 and 2021/22 will be:

- Assessing the potential impact of EESSH2.
- Developing a EESSH2 wider energy strategy in relation to the decarbonisation agenda.
- Operating the North View fuel crisis payment scheme for tenants experiencing serious difficulties with their energy bills.
- Providing tenants with information about sources of help and advice with energy costs through our newsletters.
- Investigating how we can better facilitate access to energy advice for Windlaw residents, by referrals to existing services or partnership working with advice providers.

The Scottish Government's target that 35% of domestic buildings heat will be supplied using low carbon technologies, coupled with the UK Government's decision to ban gas boilers in new dwellings and restrict the replacement of existing boilers from 2025 presents a major challenge to the sector. The UK Government's decision will impact on EESSH2, and may result in some of our 'EESSH compliant' properties becoming non-compliant (as electricity becomes the dominant energy source).

That withstanding, the EESSH2 standard will be a challenge for all social landlords, since it is based on the Scottish Government's Climate Change targets which seek a 23% reduction in emissions from residential buildings by 2032.

This may be very challenging, as we have completed all feasible improvement work (like double glazing, fitting condensing gas combi boilers, insulating attics, fitting cavity wall insulation, and fitting energy saving light bulbs).

Therefore, it seems likely that additional work to meet EESSH2 is likely to be disruptive and costly, with the risk that compliance costs are disproportionately high compared with the benefits gained.

Tenant Safety

Our main priorities in will be:

- Carrying out annual safety inspections of all gas boilers that we have fitted in our properties.
- Completing the programme of upgrading smoke detectors and heat detectors in all our properties.
- Continuing with our five-year rolling programme of electrical inspections of all our properties.

Reactive Repairs

Our main priorities in will be:

- Providing our tenants with a quality responsive repairs service
- Providing tenants with an updated set of service standards,
- Delivering the service in accordance with the standards and performance targets set by the Management Committee
- Putting a new Framework Agreement in place for all external contractors providing reactive maintenance services
- Monitoring tenant satisfaction with the service and making any improvements needed.

Development

- Our main priority for is to complete the Windlaw Lodge development by November 2021.

Procurement

During 2020/21, we expect to undertake significant procurement actions for asset management activities, as shown in the table on the next page.

In addition, we will continue to implement our strategy for component purchasing, where we will be carrying out works in house.

Significant Procurement Actions by North View in 2020/21

| Activity | Intended Procurement Method | Timescale |
|--|---|-------------------------------|
| Appointment of Arneil Johnson to oversee rent assimilation exercise | Negotiated, one off contract. | To be completed by 30/10/2020 |
| Appointment of electrical contractor | Contract will be advertised widely and selection of contractor will involve a quality:price weighting. Inclusion of community benefit clauses will be considered. Maintenance Sub-Committee to determine process. | Tender awarded by 1/4/20 |
| Appointment of window supplier | Quality based selection tender first years' work and look to partner for four thereafter if first year goes well. The contract will probably be let via Quick Quote (through Public Contracts Scotland). Maintenance Sub-Committee shall determine process. | Tender awarded by 1/4/20 |
| Waste Management Services | Current arrangements maintained for 2019/20 (Dow Group Ltd), but we will tender the contract during 2019/20 | Tender awarded by 1/4/20 |
| Appointment of FMD Financial Services | Negotiated. Contract will run from 1/1/21 to 31/3/22 upon which the arrangement will be reviewed. | Review Dec 21 |

For component purchasing, we will use a purchasing plan for various components (e.g. gas boilers, kitchens, bathroom suites, building suppliers), all as described in the Association's Procurement Register. Purchasing is on either a planned or reactive basis depending on the scale required, and we will continue to seek the best value.

Chapter 8

Wider Role Services

North View provides, or enables partner organisations to provide, a range of Wider Role services in Windlaw. This work contributes to the following strategic objective:

Objective 4: Bring much-needed community support services to Windlaw, working in partnership with local service providers

The outcomes North View is seeking to achieve over the next three years are as follows:

Profile of Services and Current Issues

As well as our core housing services, North View helps to make sure that Windlaw residents have access to a wide range of community support services and activities.

Supporting these services is good for residents and it makes sound business sense for North View. Wider Role services help to make Windlaw a more sustainable place that people want to stay in. They often increase tenants' incomes and their capacity to pay rent. Above all, Wider Role services provide residents with practical help and support in meeting the challenges presented by poverty and disadvantage.

The Covid-19 pandemic in 2020 has underlined the importance of these services. There has been little evidence in Windlaw of local services that are provided or supported by statutory bodies during the pandemic, at a time of crisis when many local households have struggled to put food on the table and to keep their families safe and well.

The funding that North View makes available for Wider Role comes from our rental income, so we must have the support of our rent-payers. The financial support that North View can provide is finite and constantly re-assessed when we are setting our annual budgets or discussing new services with our local partners.

As a fairly small organisation, we have limited human resources that we can devote to preparing fundraising applications or directly delivering Wider Role services. For this reason, our approach is based mainly on partnerships with other local organisations who are responsible for service delivery, with support from North View. Sometimes this support is financial, and sometimes it is "in kind".

In total, we currently provide or support nine services or activities ranging from summer days out to services that operate all year round. They include:

- **Jeely Piece:** Wednesday Play Club and residential outdoor activity weekends. These services are an important investment in the future of local children. The Wednesday Play Club was suspended during the first part of the Covid-19 emergency, and has recently re-started.
- **Castlemilk Youth Complex:** local activities/events for young people in Windlaw.

- **Urban Roots:** work with a group of tenants to develop an allotment area in one of our backcourts.
- **Residents' summer trips:** these are a long-established part of community life in Windlaw and trips will re-start when it is safe to do so.
- **Annual skip weekend:** North View provides (and then removes) around 15 skips throughout the area over a weekend in July, to allow residents to clear out unwanted belongings.
- **Joint working with the Trussell Trust foodbank** in Govanhill, which involves North View distributing food parcels from our office. During the pandemic, North View has been delivering the food parcels to residents' homes.

The 2020 Residents Survey provides strong evidence about the importance that our tenants place on North View's Wider Role activities:

- More than half of survey respondents had used the services of North View's Welfare Rights Officer, with a 99% satisfaction rating for the service.
- There was overwhelming support (98%) for Wider Role spending by North View and for joint working between North View and local organisations to provide local services and activities (also 98%). We framed the question to ensure that tenants were aware of the level of funding we currently provide (up to 2.5% of rental income).
- 72% of respondents wanted North View services to have a specific anti-poverty focus (72%), to address financial, fuel and food poverty.
- 65% supported for social activities that would benefit tenants and the wider community (e.g. to teach people new skills, and to address social isolation and mental health).

In response to the last two of the points listed, the Management Committee has agreed to carry out a feasibility study into how North View could develop new services in these areas.

Direct feedback from our delivery partners is shown in the Stakeholder Survey findings at Appendix 11. This demonstrates the positive and successful working relationships we have established, often over a period of many years.

North View's Wider Role services and local partnership working have been critical in supporting residents during the Covid-19 pandemic.

- North View has continued to distribute food parcels on behalf of the Trussell Trust (including fuel vouchers where necessary). This service is well used, particularly so during lockdown – North View gave out 203 food parcels from the start of lockdown to 30 October 2020.
- During lockdown, North View worked closely with 'Castlemilk Together' to arrange food deliveries for families.
- North View secured Supporting Communities Funding of £27,950 from the Scottish Government to support pandemic relief activities at the grassroots level. We used the funding to provide

practical support to our tenants during the pandemic (fuel top ups, white goods, hygiene bags, masks etc). We also referred tenants to Home Energy Scotland and Money Matters' Megafund for assistance with fuel.

- We have recently established a programme of small grants to Windlaw residents, through "Mary's Trust", in memory of our late committee member Mary McEwan. Residents can apply for a grant that would be of benefit to their life.

The short- and long-term impacts of the Covid-19 pandemic will place still more pressure on our community, which already had exceptionally high levels of deprivation.

The **Business Plan Priorities** we will address during 2020/21 and beyond are as follows:

- 1) To continue delivering or supporting the pre-Covid services described earlier in this chapter.
- 2) To use the Supporting Communities funding received to provide immediate and direct benefit to Windlaw residents during the pandemic, and to follow up the initial funding award, by seeking further support under the follow-on Communities Recovery Fund.
- 3) North View will seek to support the management committee of the Birgidale Complex as it strives to find solutions to present difficulties.

The risk of losing the Birgidale Complex due to a lack of funding from Glasgow City Council would deliver a major blow to Windlaw. The Complex is of major importance as a place that brings the community together and helps to tackle social isolation for many local residents.

- 4) To develop a new Wider Role Strategy (realistically 2021) that examines the part that North View can play in future, to address pre-existing issues and the longer-term social, economic and health impacts of Covid-19 on our community.
- 5) To develop our joint working with other community-based RSLs in Castlemilk, initially through joint support for the establishment of the Castlemilk Community Pantry. This project is being led by Ardenglen HA, and is expected to begin trading in early 2021.

Along with the other housing associations in Castlemilk, North View has committed a £5,000 annual contribution in each of the next five years, to help Castlemilk residents access good quality food at exceptionally low prices without the stigma that can be associated with being in food poverty.

- 6) North View will seek to support the management committee of the Birgidale Complex as it strives to find solutions to present difficulties.

North View's role in the community has changed because of the pandemic. We are now more of a 'community anchor' than ever before, with the potential to work with the community to identify the right post-Covid solutions for Windlaw and to play a bigger part in service delivery, along with other local partners.

Realistically, this potential can only be fully realised if there is political will and appropriate financial assistance to support a much greater role for community anchor organisations.

If this does not happen, society will most likely see a return to the pre-pandemic way of doing things, with limited support for community-led solutions and the solutions that will work best in improving outcomes in the poorest communities.

North View will keep a close eye on the emerging impacts of Covid-19 in Windlaw, so that we can begin to develop a new Wider Role Strategy in 2021/22. As well describing the Association's ambitions for the future, this will need to take account of the political and financial factors already described, and be based on sound business and risk management disciplines.

Chapter 9

Organisational Resources and Development

Strategic Objectives and Outcomes Sought 2020/21 to 2022/23

North View's human and organisational resources are vital to our work. As such, these resources contribute to the achievement of all of our strategic objectives, and in particular to the following objective:

Objective 6: To achieve high standards of governance and financial management and be a good employer

Appendix 1 shows in full the outcomes we seek to achieve for this objective throughout the 3-year period of the Business Plan. The outcomes relating specifically to our people and organisational management are:

- Continued learning and development for Committee and staff
- Business continuity is achieved when unforeseen events occur, and there are succession and contingency plans are in place for the staff team
- Staff members work safely in an open and supportive working environment
- Our work is based on effective policies and procedures and efficient business support systems.

Context and Current Issues

Location & Premises

North View occupies new build office premises in Stravanan Road, in the heart of Windlaw. This gives our tenants easy access to the Association, allowing them to have high level of personal contact with North View staff.

The office is fully compliant with the Disability Discrimination Act, and will meet North View's requirements well into the future.

Staffing Resources and HR Management

North View's organisational structure is shown at Appendix 2.

We employ 15 office-based members of staff and our own in house labour team of three joiners and three labourers. Since last year's Business Plan, we have completed a review of all job descriptions and agreed these with staff members.

North View employs our own full-time **welfare advice officer**. This post is a vital part of our strategy for managing the impact of Welfare Reform, by maximising our tenants'

incomes and in doing so increasing their ability to pay rent. The Management Committee's decision to invest in this post has resulted in excellent outcomes for Windlaw residents, as described in Chapter 6.

We do not employ development or wider role staff.

- Our Director is managing our involvement in the Windlaw Lodge development.
- Responsibility for wider role activities is spread across the staff team, and typically involves working with partner organisations who are responsible for service delivery.

Each manager is responsible for HR management in their team. We have a Health & Safety Administrator whose role focuses mainly on the office based staff and compliance with the Health and Safety Manual. For the Tradesteam, we buy in the services of a H&S consultant to provide advice, training, and 'on the spot' inspections of the Tradesteam work places to help ensure compliance with legislation and safe working practices. The H&S consultant has also prepared a Handbook for the Tradesteam.

The Director ensures consistent HR management standards throughout the organisation, and also advises and supports the Management Committee, in its role as employer.

North View is a full member of EVH, operating in accordance with EVH Terms and Conditions.

The Association first became an 'Investor in People' in February 2001, and has held Investor in People's Silver standard since September 2009. We are subject to a rolling assessment programme to retain our accreditation. Our latest assessment has recently taken place using socially-distanced methods and we await the outcome.

Business Continuity

Since the start of the Covid-19 emergency in March 2020, North View has managed the rapid changes needed in our service delivery and staff working methods without any significant disruption. We keep these issues under constant review, and have been guided at all times by the need to safeguard the safety of residents and staff and to observe public health guidance to prevent the transmission of the Covid-19 virus.

Staff Pay and Pensions

All salaries are based on the EVH salary scales, set through collective bargaining between EVH (as the body representing employers) and the trade unions.

North View provides staff with pensions through the Scottish Housing Association Pension Scheme (SHAPS). We conducted a detailed review in 2019 of the affordability, risks and value for money of our staff pensions arrangements.

Having reviewed the options and consulted with staff, the Management Committee decided to close the SHAPS Defined Benefit (DB) scheme in April 2020. We now have 17 members of staff in the SHAPS Defined Contribution (DC) scheme and 4 members of staff

who have chosen not to contribute to an occupational pension scheme. Employees choose how much of their salary they wish to contribute to the DC scheme, and currently this ranges from 5% to 16%. As employer, North View contributes 10% of salary for all members of staff in the DC scheme.

We continue to have liabilities under the SHAPS DB scheme until 2022, relating to the scheme's Past Service Deficit. We also have a potential DB cessation liability, although it is unlikely this would be triggered for as long as the employer still has employees in the SHAPS Defined Contribution scheme.

North View was assessed as a low risk employer by SHAP's at the most recent financial assessment in September 2020, the assessment of risk being based on capacity to meet our future liabilities.

The Management Committee receives regular pensions updates from EVH and will obtain independent, specialist advice if this is required in future. The Audit and Risk Committee will monitor and review pensions issues going forward.

Information and Communications Technology

North View uses a range of specialist software to manage our business, all of which is reviewed and replaced as required. This includes Designer Software (HomeMaster package), Brown and Wallace (for major repair programmes), Advice Pro (Welfare Rights), Real Asset Management (Other Fixed Assets), SAGE (Salaries), We are Energy Ltd (website), and Aquarius (out of hours service).

We have support agreements in place with the suppliers of these products. We also have a contract with Konex IT for maintaining and developing our IT hardware and for providing general IT support.

North View's data is stored on site, off site and backed up to the cloud.

We have a Disaster Recovery Plan which is reviewed at least every three years.

In the event of the Office becoming indisposed (for a short or longer period of time), we will immediately establish a 'Reception Point' in the area. Tenants and service users would be able to get in touch with us at the Reception Point, and we would co-ordinate our service activities from there. The Reception Point could be located in the Birgidale Complex, or one of our Stores in Ardmaleish Road. The scale and lifespan of the Reception Point will be determined by the length of time that our Office will be out of commission i.e. the Reception Point would meet our requirements for a few months, but if our Office has to be rebuilt, then we would arrange for temporary accommodation (like Portakabins) to be sited on that that we own.

Our "out of hours" contact service has proved invaluable during the pandemic and has allowed tenants to keep in touch with Maintenance and Housing Management enquiries

throughout. Overall, our ICT arrangements have proved effective and resilient in the face of the challenges caused by the pandemic.

We have a website, which resident survey information tells us that one in five of our tenants have visited. Tenants can make rent payments and report repairs online. We also have a Facebook page and have sent regular Covid updates to tenants using both email and hard copy.

We completed work on a North View resident app shortly before the Covid-19 lockdown, and the app is now available to users of android and Apple devices.

Learning and Development

North View uses an Annual Appraisal process to review, support and develop staff performance. We support our staff in accessing learning and development. Staff are also able to attend forums run by the SFHA, SHARE, and the GWSF. We are encouraging staff to undertake on line learning and networking activities during the pandemic.

Procurement

The Association seeks to obtain value for money in its procurement of goods and services while complying with all relevant legislation.

We maintain a Procurement Register which describes in detail our approach and programme across all of North View's services and purchasing areas. The Register is presented for committee approval each year.

Our procurement practices were assessed by Scotland Excel in March 2019. Scotland scored us at 41% - which they advised was above average for our peer group.

Succession Planning

North View's Finance Manager is due to retire at the end of 2020. We are currently reviewing options, including a lower cost option involving an agency agreement with an external service provider, as an alternative to filling the post.

Business Plan Priorities

North View's main priorities during 2020/21 will include:

- To put in place a new agency agreement for the provision of financial management services, to take effect following the retirement of the Finance Manager
- To supporting staff to develop in their roles.
- To support staff and help them to work safely during the Covid-19 pandemic
- To scope out a review of our working methods and arrangements post-Covid, to be taken forward in 2021/22

Chapter 10

Value for Money

Overview

The following Strategy Statement summarises North View's approach to value for money:

North View's Value for Money objectives are:

- To make the best use of our resources, for the benefit of our tenants and community
- To continually improve the value that tenants receive from North View
- To make sure North View is economic, efficient and effective in how we work.

North View will know if we are providing good Value for Money if:

- Tenants are happy with the quality of their homes and the services they receive
- Our rents are affordable
- We know what tenants' priorities are and we address these effectively in our work
- North View continues to be financially viable and sustainable.

The main tools North View will use to make sure we are achieving these objectives are:

- Comparing our performance and costs with others (benchmarking)
- Finding out what is important to tenants (mainly through our Residents Survey)
- Examining our costs, quality and processes, especially when we are making major spending decisions or reviewing our services and policies
- Managing and reporting on our performance to the Management Committee, sub-committees, and tenants
- Drawing on all of this information to identify where there is a need to improve value for money, and setting priorities for achieving this.

External factors have a major influence on our ability to achieve value for money (see Chapter 4, Strategic Analysis). For example, if there are changes in the economy or benefit levels, or if legislation or policy cause our costs to increase. These factors can affect tenants' incomes, rent affordability and North View's operating costs. Depending on the specific circumstances, we may need to reduce our costs and/or increase our income.

We have not had to do this recently, but we might also conduct options appraisals to look at the choices for achieving value for money in relation to an important strategic objective or outcome. For example, if we had housing that was in very low demand, or was costing us more to maintain than the rent coming in, an options appraisal might be appropriate.

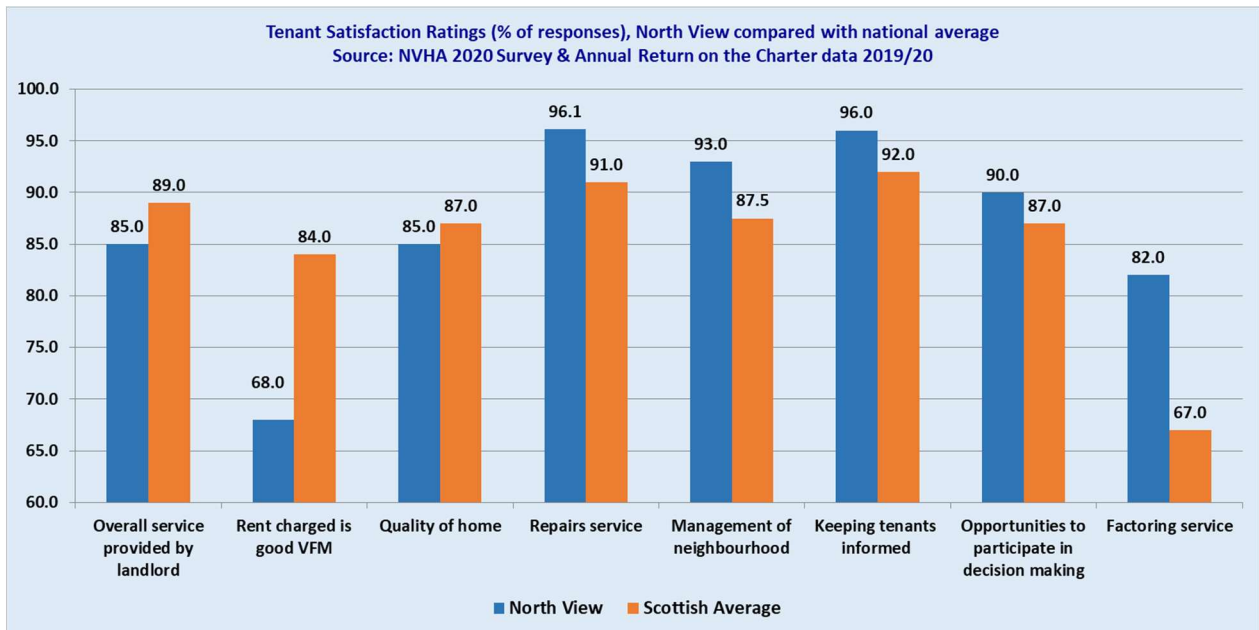
Tenant Satisfaction

Value to the customer or end service user is the most important element North View when we address value for money. North View appoints independent consultants to carry out a comprehensive resident satisfaction survey every two years, most recently in 2020.

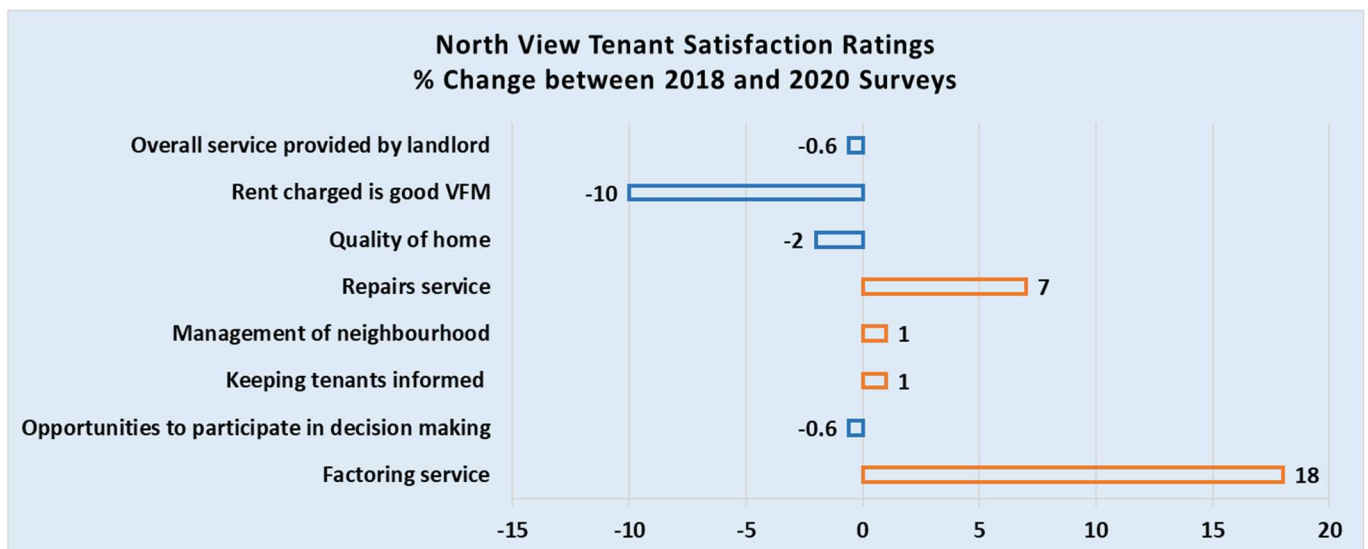
Internally, we carry out continuous surveys of satisfaction with repairs and with the quality of the home when new tenants move in. We may also carry out a tenant census research study, provisionally scheduled for 2021/22.

The 2020 Resident Satisfaction Survey involved interviews with 394 tenants and 27 factored owners, providing assurance that the results are accurate to +/- 3%.

The following graph show how North View’s 2020 results for the eight Charter Indicators of satisfaction compare with the 2019/20 average for all social landlords in Scotland.⁽¹⁾



The graph below shows the percentage change in North View’s results for 2020, when compared with our previous survey in 2018.



⁽¹⁾ North View results for satisfaction with repairs are from our continuous system for recording tenant satisfaction. All other results shown are from the 2020 resident satisfaction survey. National averages are from SHR’s publication on Charter Indicators/Data by Outcomes and Standards for 2019/20.

Tenant satisfaction studies provide North View with vital feedback about the value that tenants and factored owners feel they receive from us. The graphs above show that:

- North View’s 2020 results are better than the national average for five of the eight Charter indicators, with strong performance in each of these areas.
- Satisfaction ratings improved for four out of eight Charter indicators between North View’s 2018 and 2020 surveys. In three out of four of the remaining areas, our 2020 results are only slightly below the 2018 figures (difference of 2% or less).
- North View’s poorest result, compared with the national average and our own 2018 survey, relates to whether tenants regard rent paid for their home as good value for money.

In our 2020 survey, 68% of respondents said value for money was very or fairly good; 20% said VFM was neither good nor poor; and 12% described VFM as fairly or very poor.

While this indicator is just one out of eight that deals with tenants’ perceptions of value, the positive satisfaction rating for this indicator is now 16% below the national average.

The Management Committee recognises the need to address tenants’ feedback, and plans for doing so are described later in this chapter under “Business Plan Priorities”. Further information is also set out in detail in Chapter 12, Financial Plans and Projections.

The 2020 Survey also contains positive feedback on areas that sit outside the eight Charter indicators. This includes feedback on:

- North View’s welfare rights advice service (99% satisfaction rating)
- Support received from North View during the pandemic (95% satisfaction rating)
- Use of North View resources to help provide community support services (98% satisfaction rating).

Also important from a value for money perspective, the 2020 Survey asked tenants to identify which of North View’s activities were of the greatest importance to them. This is vital information that helps North View to shape its objectives and future priorities.

| | Very important | Important | Not very important |
|--|----------------|-----------|--------------------|
| Providing an effective repairs service | 96% | 4% | 0% |
| Modernising tenants’ homes to keep them a reasonable standard | 93% | 7% | 0% |
| Keeping rents and charges affordable | 91% | 9% | 0% |
| Improving the look of the area/environment | 82% | 17% | 1% |
| Providing support for vulnerable tenants | 79% | 21% | 0% |
| Ensuring the future of community facilities | 50% | 46% | 4% |

All of these issues feature in the priorities described in this Business Plan. Similarly, tenants expressed a strong interest in how our Wider Role services should be targeted in future. In response, the Management Committee has given approval to carrying out a feasibility study into anti-poverty services and services that would help to address social isolation and poor mental health among residents.

Benchmarking Service Delivery Performance and VFM

Appendix 7 sets out in detail benchmarking results for North View’s performance.

- This takes the form of three year average results for Charter Indicators over the period between 2016/17 and 2018/19.⁽¹⁾
- Both sets of figures are compared with our SHN peer group ⁽²⁾ and with the national averages for all social landlords in Scotland.
- Appendix 7 also shows North View’s performance results for 2019/20, and how these changed when compared with results for 2018/19.

The Heat Map graphic on the next page interprets the 3-year average results from a value for money perspective. This involves placing Charter Indicators into one or more of the following VFM categories, each of which covers a different dimension of Value for Money.

| Type of Measure | What these measures demonstrate |
|-------------------------------|---|
| Value | Value that tenants receive as a result of North View’s performance |
| Business and Financial | The impact that North View’s performance has on our business and finances |
| Process | How efficient North View is at managing different aspects of our services |

The Heat Map shows that North View’s results are very positive overall.

As would be expected, some aspects of North View’s performance have changed since the comparison period. For example:

- Tenant satisfaction that rent is VFM has reduced, as described in the earlier commentary on the 2020 Resident Satisfaction Survey
- Tenant satisfaction has improved for four of the eight ARC measures, most notably in relation the factoring and repairs services
- Gross rent arrears have increased, in parallel with the expansion of Universal Credit
- Tenancy sustainment results for homeless households have improved considerably.

⁽¹⁾ At the time of preparing the Business Plan, 2018/19 was the most up to date year for which ARC data was available to calculate the 3-year performance average figures

⁽²⁾ In addition to North View, our selected RSL peer group for benchmarking purposes is made up of Ardenglen HA, Blairtummock HA, Cadder HA, Cassiltoun HA, Easthall Park HA, Ferguslie Park HA, Pineview HA and Wellhouse HA

Heat Map (Red, Amber, Green)

VFM Interpretation of North View's average performance from 2016/17 to 2018/19, compared with national average

VALUE

| |
|--|
| Properties meeting SHQS year end |
| Properties meeting NHER / SAP ratings |
| Tenants satisfied with landlord's overall service |
| Tenants satisfied with being kept informed by landlord |
| Tenants satisfied with opportunities to participate |
| Tenants satisfied with quality of home |
| Tenants satisfied with repairs service |
| Tenants satisfied with management of neighbourhood |
| Tenants who feel rent is good value for money |
| Factored owners satisfied the service received |

VALUE (incl Business & Financial)

| |
|---|
| New tenancy sustainment - existing tenants |
| New tenancy sustainment - statutory homeless |
| New tenancy sustainment - housing list |
| New tenancy sustainment - all new tenants |

PROCESS (incl Value)

| |
|---|
| Average hours to complete emergency repairs |
| Av. days to complete non-emergency repairs |
| Reactive repairs completed right first time |
| ASB cases resolved within local target |

PROCESS

| |
|--|
| Average time to re-let empty properties |
| Gas safety records renewed on time |
| Court actions that resulted in eviction |

BUSINESS & FINANCIAL

| |
|---|
| Lettable houses becoming vacant |
| Rent lost through properties being empty |
| Rent collected compared with rent due |
| Gross rent arrears of rent due |
| Former tenant rent arrears written off |

Rent Levels and Rent Affordability

North View aims to keep rents affordable to tenants who pay some or all of their rent themselves. Our approach to rent-setting must also take account of:

- The income needed to provide tenants with quality services and investment in their homes.
- Raising enough income to meet our obligations to lenders, while keeping a positive cash position, and ensuring prudent financial and risk management.
- Making sure our rent levels compare reasonably with other social landlords.
- The Scottish Housing Regulator's views about rent reviews and increases.

Striking a fair and effective balance between all of these factors is a challenge for every social landlord, and North View is no different.

Rent Increase 2020/21 and beyond

The MC initially considered three options for the 2020/21 rent review (increases of 3%, 3.25% and 3.5%). The MC then selected the lowest figure (3%) as the basis on which it would consult tenants.

Our rent consultation document gave tenants the most comprehensive analysis of North View's costs that we have ever published and described potential options for reducing our costs, as well as the implications for spending and service levels associated with these. We also told tenants of our plans to review North View's rent policy in 2020/21, following a rent restructuring review to be carried out by the consultants Arneil Johnston.

2020/21 Rent Levels and Comparison with Peer Group RSLs

Including the 3% rent increase approved by the MC, average rent levels for 2020/21 are:

| | 2020/21 Average Rents |
|--------------------|-----------------------|
| 2 apartment | £70.75 |
| 3 apartment | £87.74 |
| 4 apartment | £97.61 |
| 5 apartment | £109.24 |

We have compared North View's average rents with the national average and with our selected peer group of comparable RSLs.¹ The base date for comparison is 2018/19, as

¹ Ardenglen HA, Blairtummock HA, North View HA, Cadder HA, Cassiltoun HA, Easthall Park HA, Ferguslie Park HA, Pineview HA and Wellhouse HA

the 2019/20 ARC results published by SHR do not include searchable information about rent levels.

| | 2 Apt | 3 apt | 4 Apt | 5 + Apt |
|---|---------------|------------|------------|------------|
| North View HA | £68.24 | £84.68 | £94.22 | £105.20 |
| Peer Group Average | £68.39 | £75.86 | £85.98 | £96.50 |
| North View compared with Castlemilk average (£ weekly) | -£0.15 | £8.82 | £8.24 | £8.70 |
| Percentage difference | -0.2% | 11% | 9% | 9% |
| | | | | |
| Scottish National Average (SNA) | £76.10 | £77.70 | £84.43 | £93.49 |
| North View compared with SNA (£ weekly) | -£7.86 | £6.98 | £9.79 | £11.71 |
| Percentage difference | -10% | 9% | 11% | 12% |

North View's average rents for 2 apartments are shown to be substantially lower than the national average, but between 9% and 12% higher for other house sizes. Comparisons with our peer group yield similar results, except that our average 2 apartment rent was only fractionally lower than the peer group average.

When our new rent-setting policy is implemented for existing North View tenants in April 2021, these differences will begin to reduce. Arneil Johnston have estimated that the overall difference with peer group landlords will reduce from 10% to 8%, across all of the housing stock in aggregate. This represents a useful first step towards more competitive rents, with more to do beyond this.

Tenants' Views on Rent Affordability and Value for Money

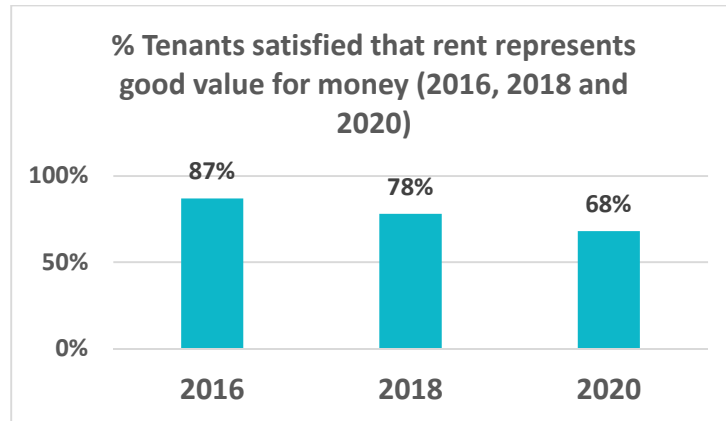
Two thirds of the respondents (65%) to our 2018 Resident Satisfaction Survey said they found their rent affordable. Around one in five (18%) said their rent was "just about affordable", while 16% said their rent was difficult or very difficult to afford.

North View Resident Satisfaction Survey 2018

Q: How easy do you find it to afford your rent payments for this property?

| | |
|---------------------------------|-------|
| Very easy to afford..... | 14.9% |
| Fairly easy to afford | 50.4% |
| Just about affordable | 18.2% |
| Fairly difficult to afford..... | 14% |
| Very difficult to afford | 2.5% |

The revised new rent-setting Policy North View’s Resident Satisfaction Survey provides feedback about whether tenants regard the rents they pay as **representing value for money**. In our three most recent surveys, results for this indicator have changed significantly.



In 2020, those who did not feel their rent was good value for money were asked to suggest how North View could provide better value for money. This was asked as an open question and 150 individual comments were received. Grouping the comments thematically, the most common responses were:

| | Frequency |
|---|-----------|
| Rent is expensive/goes up every year | 30% |
| Don't know | 20% |
| Receive poor service | 19% |
| Expensive compared to other HA/ private | 19% |

Rent-setting Policy

One of North View’s major areas of work in 2020/21 is a comprehensive rent restructuring exercise, led by consultants Arneil Johnston, followed by a new rent-setting Policy that sets out the rents that North View will charge in future.

Like most stock transfer landlords, North View’s rent structure has a different charging system for ex-Scottish Homes stock and new build homes. North View’s structure had far greater complexity because we were obliged to purchase a large number of properties individually under Tenants Choice. North View’s level of Tenants Choice purchases will be among the highest in Scotland, and the rent system we inherited and were obliged to operate was complicated and often irrational. For example:

- Rents for some Tenants Choice Properties can be as much as £15 to £20 per week different for similar properties in the same close, or in comparison with other North

View properties acquired through stock transfer.

- Across our stock as a whole, North View currently has 280 individual rent levels.

Accordingly, North View's objectives for the rent restructure were:

- To ensure a consistent method is used for calculating rents based on fair principles;
- To ensure the rent charged reflects the benefits and/or amenities of each property;
- To ensure that rents are affordable for the size of each property; and
- To ensure the method for calculating rents provides enough income into NVHA to support the delivery of quality services which are value for money.

Arneil Johnston conducted tenant consultation, and in light of the Covid-19 pandemic this consisted mainly of a survey issued to all tenants and a Zoom-based focus group. The consultation provided clear feedback from tenants:

- The principle of consistency should be a key priority in the design of a new rent structure
- A new rent-setting policy should use a criteria-based rent setting system which uses property characteristics as the basis of differentiating between properties
- The property characteristics which form the basis of rent criteria should focus on property size and property type.

The MC approved the new structure and rent-setting Policy in October 2020 and it will come into effect for existing tenants from 1 April 2021. This has reduced the number of individual rents from 280 to 32.

Like most rent restructuring exercises, the new Policy makes substantial changes to the rental framework and in some cases the rents for individual properties, but it does not materially change the overall rental income that is generated. There will be a phasing-in period of up to 5 years until the rents for individual properties reach the target rent for the size and type of property concerned. This is a key element of the new Policy, so that the need for greater fairness and consistency is balanced alongside affordability for tenants whose rents will increase under the new Policy.

Rent Affordability

North View has carried out a detailed assessment of rent affordability under the new Policy, based on rents base-dated 2020/21. The full results from this assessment are shown at Appendix 9. The methods used are based on:

- Earnings for better off working households, using the SFHA Affordability Tool which calculates affordability based on "Moderate Incomes", i.e. the 30th percentile of average incomes using ASHE data.
- Earnings for working households on the lowest levels of income (very low wages from

the Minimum Wage or Living Wage, supplemented by any Universal Credit to which the household would be entitled).

In these calculations, we used current Universal Credit levels which have included an additional £20 since the onset of the pandemic and are to be in place until April 2021.

We did not make any allowance for the payment of:

- Child Benefit (since this is income meant to be spent on the child to help address child poverty)
- Discretionary Housing Payments, for those under-occupying their home
- Disability or carers elements.

The Moderate Incomes tests showed that the rent to income ratio of 25% was met comfortably for all but one household type/employment scenario.

| Property Size, Household Type & Earnings Multiplier* (*1 = 35 hours weekly) | Monthly Rent | MODERATE INCOME (IN WORK, EARNINGS ARE 30 TH PERCENTILE OF ASHE DATA 2019) |
|--|--------------|--|
| 2 APARTMENT | | |
| 1 bedroom - Single person <i>Earnings 1* Multiplier</i> | £359 | 26.2% |
| 1 bedroom Couple <i>Earnings 1.5* Multiplier</i> | £359 | 17.5% |
| 3 APARTMENT | | |
| 2 bedroom - Single Parent plus 1 Child Earnings *0.5 Multiplier | £394 | 21.9% |
| 2 bedroom - Single Parent plus 2 Children <i>Earnings *1 Multiplier</i> | £394 | 18.3% |
| 4 APARTMENT | | |
| 3 bedroom - Family <i>Earnings *1 Multiplier</i> | £449 | 14.6% |
| 3 bedroom - single parent <i>Earnings *1 Multiplier</i> | £449 | 19.2% |
| 5 APARTMENT | | |
| 4 bedroom - Couple <i>Earnings *1.5 Multiplier</i> | £469 | 14.7% |

For the Minimum Wage plus UC tests, we carried out more extensive testing covering a total of 17 individual scenarios based on variables relating to property size, household composition and employment circumstances. Each scenario was then tested for affordability to tenants working for the Minimum Wage (aged under 25 and over 25) and tenants working for the Living Wage.

Around 80% of the scenarios tested had a rent:income ratio that met North View's target of no more than 25% of household income spent on rent. Some cases were only marginally above target, with 92% of the scenarios having an affordability ratio of 27% or less.

| | 25% or less | 25% to 30% | >30% |
|----------------------------|-------------|------------|------|
| MW under 25 plus UC | 13 | 3 | 1 |
| MW over 25 plus UC | 14 | 3 | 0 |
| Living Wage | 14 | 3 | 0 |
| | 41 | 9 | 1 |

In all of the cases where the 25% target was exceeded, the main factor is the less favourable way that Universal Credit treats particular groups, i.e.

- Single people, both under and over 25
- Couples without children, where there is only one earner in the household
- Single parents who work part-time are treated much less favourably than those working full-time

The affordability matrix at Appendix 9 is accompanied by a series of notes which provide more information about how Universal Credit places people in each of these groups at a disadvantage.

It is also concerning that these aspects of Universal Credit appear most likely to impact on people working for very low wages who are single people and small single parent families. This will make affordability more pressured for North View's 2 and 3 apartment homes.

To provide immediate impetus to our wish to further improve affordability, the Management Committee has agreed in principle that rents should be frozen in 2021/22, subject to the consent of RBS to roll forward the easing of one of our covenants for 2020/21.

Business Plan Priorities: Value for Money

North View will take the following actions during 2020/21 and beyond:

Value for Money Strategy

- Develop a formal Value for Money Strategy, to set out North View's future priorities and plans for improvement (timescale 2021/22).
- Use the established programme of customer satisfaction/feedback surveys and the proposed customer profiling survey (2021/22) to secure good quality intelligence about tenant priorities, aspirations and areas for improvement.
- Establish an ongoing dialogue with tenants about value for money issues and priorities, to inform the Business Plan, future rent levels, future investment, and policy/service reviews (timescale 2021/22)

- Introduce specific VFM metrics and performance measures into our performance management and reporting

Rent Policy and Affordability

- Implement the new Rent Policy for existing tenants from 1 April 2021, to make rents fairer and more affordable particularly for those paying the highest rents under the previous rent structure
- Negotiate with RBS on our interest cover covenant, to enable us to offer all tenants a rent freeze during 2021/22
- Identify £20k of efficiency savings in 2021/22, to contribute to the feasibility of the proposed rent freeze
- Conduct detailed appraisals of rent affordability and include these in our Business Plan
- Continue to examine annually opportunities to minimise future rent increases, typically by seeking reductions in our cost base that can contribute to this objective.
- Provide a full-time North View welfare rights service, to support tenants in maximising their incomes and add value to the services we provide.
- Continue to develop our approach to how we consult tenants about annual rent reviews, building on the approach taken in 2020.

Procurement

- Maintain the in house Tradesteam, which secures a saving on 20% VAT charged by external contractors
- Implement the value for money disciplines for major procurements for 2021/22 and beyond, as detailed in the Procurement Register approved by the Management Committee
- Negotiate a community benefits package with the contractor for Windlaw Lodge
- Keep corporate purchasing under review, and re-procure where improved value for money can be achieved.

Major Repairs Programme

- Complete the new Asset Management Strategy and implement (2021/22)
- Ongoing review of replacement cycles and specifications through regular stock inspections, to ensure that the programme remains affordable under the Business Plan.

Digital Options for Service Delivery

Improve the choices that tenants have for communicating and doing business with us, through the introduction of the North View app and “Agile” texting software.

Chapter 11

Strategic Risk Assessment

Strategic Risk Register and Key Risks

The Association’s Strategic Risk Register follows HM Treasury guidance by quantifying each identified risk in terms of **inherent risk** (the level of risk if no action is taken) and **residual risk** (the level of risk after measures to control it are applied).

Risks levels are assessed with reference to likelihood and potential impact; ‘likelihood’ being assessed as rare, unlikely, possible, likely, and almost certain, and ‘impact’ assessed as negligible, minor, moderate, significant, and major. The overall risk score is the result of the combination of the two assessments in our Risk Matrix, and will fall into one of the five categories covered below:-










- ❖ **Red Risks:** residual risk scores that are greater than 21.
- ❖ **Orange Risks:** residual risk scores from 16 to 19 inclusive.
- ❖ **Amber Risks:** residual risk scores from 11 to 14 inclusive.
- ❖ **Yellow Risks:** residual risk scores from 7 to 10 inclusive.
- ❖ **Green:** residual risk scores less than 7.

Risk Matrix

| | | | | | | |
|--------|-------------|------------|----------|----------|--------|----------------|
| Impact | MAJOR | 15 | 19 | 22 | 24 | 25 |
| | SIGNIFICANT | 10 | 14 | 18 | 21 | 23 |
| | MODERATE | 6 | 9 | 13 | 17 | 20 |
| | MINOR | 3 | 5 | 8 | 12 | 16 |
| | NEGLIGIBLE | 1 | 2 | 4 | 7 | 11 |
| | | RARE | UNLIKELY | POSSIBLE | LIKELY | ALMOST CERTAIN |
| | | Likelihood | | | | |

Our Top Strategic Risks

Our 10 highest scoring Strategic Risks are illustrated in the table below:-


| Risk No. (STR) | RISK | INHERENT RISK SCORE | RESIDUAL RISK SCORE | MOVEMENT |
|----------------|--|---------------------|---------------------|---|
| 1.24 | CORONAVIRUS | 25 | 20 | new |
| 1.4 | BREXIT | 23 | 20 |  |
| 1.12 | REDUCTION IN RENTAL INCOME | 21 | 17 |  |
| 1.3 | CLIMATE CHANGE – difficulty in complying with legislation. | 23 | 16 |  |
| 1.7 | AFFORDABILITY – our rents are too high | 20 | 16 |  |
| 1.1 | VIABILITY – the Association ceases operations | 25 | 13 |  |
| 1.2 | FINANCE – fail to manage our finances effectively and sustainably | 24 | 13 |  |
| 1.5 | UNIVERSAL CREDIT – adverse effect on our financial well-being | 23 | 13 |  |
| 1.20 | TENANT SAFETY | 23 | 13 |  |
| 1.6 | CYBER SECURITY – systems vulnerable to cyber-attack. | 21 | 13 |  |

Movement Legend

new
New entry since last quarter


Residual Risk Score increased since last quarter


Residual Risk Score the same as last quarter


Residual Risk Score decreased since last quarter

Further information about risk management for these and all other risks in the Strategic Risk Register is provided in Appendix 8.

The table on the following page provides an overview of how North View will manage the top five highest scoring risks in our Strategic Risk Register.

Risks have also been tested where feasible and proportionate in the future cashflows in the Business Plan, albeit this is challenging when many of the risk factors cannot be assigned a monetary value or are characterised by high levels of political or economic uncertainty.

Risk Management Controls and Future Actions

| Risk | Controls in Place | Future Action |
|---|--|---|
| <p>CORONAVIRUS</p> <p>Residual risk score:- 25</p> <p>Inherent risk score:- 20</p> | <ol style="list-style-type: none"> 1) Following Scottish Government, public health, sector and regulatory since the March 2020 lockdown in relation to essential and non-essential services and the restoration of services 2) For services involving visits to tenants' homes, revising our processes to protect the health and safety of tenants and North View staff and contractors 3) Making our office premises Covid-secure, to protect staff who need to be in the office to carry out essential work 4) Ensuring that staff working from home have suitable equipment and connectivity to carry out their roles effectively 5) Providing services and support to improve the resilience of tenants and the wider community | <ol style="list-style-type: none"> 1) Update home working risk assessments (to ensure that staff are still 'okay' with working environment and equipment). 2) Regular review of working practices to ensure that they are kept current and relevant. 3) Monthly monitoring of re-let times and void loss through monthly Performance Pro-Formas. 4) Quarterly monitoring of no of tenants on UC, and effect that that is having on rent arrears. 5) Maintenance Manager to regularly monitor (and assess) the availability of the materials/components that we are planning to use. 6) Conduct a strategic overview of how the pandemic will affect tenants, staff, and our service provision should the pandemic continue well into 2021/22 |
| <p>BREXIT</p> <p>Residual risk score:- 23</p> <p>Inherent risk score:- 20</p> | <ol style="list-style-type: none"> 1) Keep a close watching brief on economic forecasts and the financial markets, so that we can react as quickly as possible to address emerging threats/ opportunities. 2) Ensure availability of materials/components before we commit to purchase; investigate alternative specifications that may not be as badly affected by import delays. | <ol style="list-style-type: none"> 1) Financial uncertainty and weak pound:- monthly evaluation of potential strength of financial markets and sterling, and track other economic forecasts (such as Bank of England forecasts on inflation and interest rates, plus other reports that they, or other sector bodies may publish. 2) Delays with imports from EU:- look at alternative products and/or sources (that are tariff free and/or less expensive); monitor the effect and reflect increases in future annual maintenance budgets. 3) Residents financially poorer:- Gather information periodically to allow us to better assess the impact that external economic factors will have on our residents (establishing that will enable us to respond to better effect). Consider carrying out regular 'social demographic' type surveys of our residents. 4) Difficulty in procuring materials/components:- Maintenance Manager to regularly monitor (and assess) the availability of the materials/components that we are planning to use. |

| Risk | Controls in Place | Future Action |
|--|---|--|
| <p>REDUCTION IN RENTAL INCOME</p> <p>Residual risk score:- 21</p> <p>Inherent risk score:- 17</p> | <ol style="list-style-type: none"> 1) Encourage tenants in such circumstances to contact as soon as possible to discuss their situation; Staff to proactively monitor arrears levels to identify early tenants who may be affected by this; offer WRO service to affected tenants; at tenancy sign up we assist new tenants with their UC claim; Housing Management regularly liaise with DWP about problematic UC cases; monitoring relationship that increase in number of tenants on UC has with rent arrears. 2) Early intervention by HM when rent arrears first accrue; WRO assistance offered along with information about other local services; Initiate legal action where appropriate. 3) Implement pre void inspection processes and HM initiate re-let process with a view to re-letting the property asap; monitor monthly void 'performance' thro' Performance Management Pro-Forma. | <ol style="list-style-type: none"> 1) Issues related to the introduction of Universal Credit:- Review Rent Arrears Policy and Procedures to ensure our actions are robust enough to respond to these challenges. |
| <p>CLIMATE CHANGE – difficulty in complying with legislation.</p> <p>Residual risk score:- 23</p> <p>Inherent risk score:- 16</p> | <ol style="list-style-type: none"> 1) Arranging for grass to be cut, shrubs maintained, gutters cleaned earlier and later in the year. | <ol style="list-style-type: none"> 1) We have to keep a watching eye on this. At the moment nothing is certain; it may be that we replace have to replace natural gas boilers with hydrogen gas boilers, or with a mixture of electric boilers, quantum type electric central heating, and ASHPs - but we will have to be mindful that the change could have a detrimental effect of the EPC rating and therefore EESSH and EESSH2. 2) We need to asses our requirements and increase expenditure (within our financial projections) to cover the cost of additional work. 3) Cost for replacing gas boilers with electric combi boilers. |
| <p>AFFORDABILITY</p> <p>Residual risk score:- 20</p> <p>Inherent risk score:- 16</p> | <ol style="list-style-type: none"> 1) Arneil Johnson has carried out affordability assessment as part of its overhaul of our Rent Policy; their assessment indicates that our rents are affordable. Further testing also carried out as part of Business Plan. | <ol style="list-style-type: none"> 1) Carry out sensitivity analysis and stress testing of projections to ascertain effect that varying levels of rent increase would have on our financial projections. This will be done as part of Paul McNeill's Business Planning exercise. 2) Consider comparability with Castlemilk based RSLs when undertaking annual rent review. Committee to balance comparability, with affordability, and our projected expenditure. |

Discharging the management of Audit and Risk

1) Audit & Risk Sub-Committee

The Audit & Risk Sub-Committee meets quarterly. In relation to risk, its role is to:-

- Monitor the management of high risk levels.
- Provide a quarterly summary report on the Strategic Risks to Committee.
- Review the Association's Risk Appetite and make recommendations about same to the Management Committee.
- Satisfy itself that all known risks are being actively managed, with appropriate controls in place which are working effectively.
- Annually review the Association's approach to risk management and approve changes or improvements to key elements of its processes and procedures.

2) Internal Audit

The Association has appointed Alexander Sloan & Co as our Internal Auditor with effect from 1st April 2019. The Management Committee has also agreed with Sloans the approach and programme for internal audit for the three-year period beginning in 2019/20, as shown at Appendix 11.

Business Plan Priorities

Through the Audit & Risk Sub Committee, the Association will take the following actions over the Business Plan period:

- 1) Oversee the development and implementation of arrangements for quarterly self-assessments, to promote an evidence based approach to the production of our Annual Assurance Statement (by 31st July 2021).
- 2) Oversee the appointment of the Internal Auditor for the period 2022/23 to 2024/25 (by 31st January 2022).
- 3) Strengthen our Strategic Risk Register by including data to evidence our three lines of 'Control Assurance' (by 31st March 2022).
- 4) Develop our Operational Risk Registers (by 31st March 2022).
- 5) Take account of SHR guidance on Covid-19 in our approach to business planning and self-assurance.

Chapter 10 Financial Performance and Plans

Financial Over View

An overview of the North View HA for the year end 31st March 2020 highlights

- Turnover of £3.4m for the year ended 31st March 2020;
- Total Comprehensive Income of £570,000
- Cash at Bank of £2.2m
- Gross historical costs of housing assets £26.8m
- Long term borrowing of £8.1m
- Cash generated from operations of £0.815m.

An overview of the 5-year historical financial performance of the Association is noted in table below. This shows that the Association has reported both an operating surplus and surplus for each year. Rental income has increased by 12% and in the same period operating costs by 17%. Interest costs have fallen by 34% in the same period. Like all other Associations, North View has to vigorously pursue value for money.

| North View HA | 2019/20 | 2018/19 | 2017/18 | 2016/17 | 2015/16 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Financial Performance 2015 to 2020 | | | | | |
| Statement of Comprehensive Income | | | | | |
| Turnover | £3,437,506 | £3,338,352 | £3,225,707 | £3,147,998 | £3,062,324 |
| Operating Costs | £2,944,752 | £2,718,617 | £2,594,866 | £2,606,969 | £2,512,468 |
| Operating Surplus | £492,754 | £619,735 | £630,841 | £541,029 | £549,856 |
| | 14% | 19% | 20% | 17% | 18% |
| Gain on sale of fixed assets | £0 | £0 | £14,086 | £46,491 | £84,608 |
| interest receivable | £917 | £504 | £1,364 | £3,635 | £5,111 |
| Interest payable | £272,389 | £270,856 | £254,509 | £401,858 | £412,123 |
| Surplus for the year before taxation | £221,282 | £349,383 | £391,782 | £189,297 | £227,452 |
| Taxation | £0 | £0 | £0 | £0 | £0 |
| Surplus for the year | £221,282 | £349,383 | £391,782 | £189,297 | £227,452 |
| Other Comprehensive Income | | | | | |
| Initial recognition of multi-employer defined benefit scheme | £0 | -£159,000 | £0 | £0 | £0 |
| Actuarial gains in respect of defined benefit pension scheme | £352,000 | £21,000 | £0 | £201,000 | £0 |
| Total Comprehensive Income for the Year | £573,282 | £211,383 | £391,782 | £390,297 | £227,452 |

| | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| North View HA | | | | | |
| Financial Performance 2015 to 2020 | 2019/20 | 2018/19 | 2017/18 | 2016/17 | 2015/16 |
| Extract from Statement of Financial Position | | | | | |
| Cash | £2,298,833 | £237,799 | £436,722 | £540,090 | £647,683 |
| Gross Housing Properties | £26,789,011 | £26,544,649 | £25,576,982 | £25,151,073 | £24,915,796 |
| Loans | £8,135,502 | £6,292,238 | £6,579,624 | £6,930,138 | £7,137,965 |
| Net worth | £3,092,750 | £2,519,470 | £2,308,084 | £1,916,036 | £1,526,008 |
| Gearing | 34% | 24% | 26% | 28% | 29% |
| Interest Cover | 199% | 130% | 195% | 110% | 133% |
| Debt PU | £12,053 | £9,322 | £9,748 | £10,267 | £10,512 |

Based on a review of the audited financial statements from 2015/16 to 2019/20 we can conclude North View is a profitable Housing Association, in that period has met all the financial covenants of its lender the Royal Bank of Scotland and was able to secure additional funding from the bank of £1m in July 2020. The value of the company has doubled from £1.5m to £3.1m. Debt has increased as the Association assists the Scottish Government in meeting its targets for the development of new build social housing.

Financial Projections

A full list of the assumptions, Cashflows, Statements of Comprehensive Income and Financial Position are attached at Appendix 10.

Table below includes the main economic assumptions

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|-------|-------|-------|-------|-------|
| RPI | 0.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| CPI | 0.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Real Earnings Inflation | 0.00% | 0.00% | 0.50% | 0.50% | 0.50% |
| Real Repairs And Maintenance Inflation | 0.00% | 0.50% | 0.50% | 0.50% | 0.50% |
| Real Major Repairs Inflation | 0.00% | 0.50% | 0.50% | 0.50% | 0.50% |
| LIBOR | 0.50% | 1.00% | 2.00% | 3.00% | 3.50% |
| Real Rental Inflation | 0.00% | 0.00% | 1.00% | 1.00% | 1.00% |
| Savings interest rate | 0.10% | 0.20% | 0.45% | 0.45% | 0.45% |

We are planning to freeze rents in 2021 thereafter they will increase by inflation + 1% till year 10. Rents are assumed to increase by inflation only (2%) from year 11.

To partly compensate for the rent freeze next year we are planning to identify £20,000 in savings each year.. This is also necessary to compensate for the added costs of bulk uplift that now seem to be falling on us since the Council abandoned their weekly uplift service.

Economic Outlook

The Coronavirus pandemic is an unprecedented economic shock. The restrictions to contain the virus have caused significant damage to the economy. In the UK GDP fell by 22% in the first half of this year, the largest fall in 400 years. In an attempt to keep the economy afloat the UK Government have launched substantial fiscal programmes to protect the labour market and ensure the flow of finance to businesses. The main aim being to support economic activity and protect employment. The challenge for the Government is to avoid long term scarring to the economy.

The pandemic will reduce wages, income and wealth. The pandemic will increase unemployment which in turn has a large negative effect on wellbeing. Despite the positive news about the progress in developing a vaccine the effects to the community in Castlemilk will take a long time to dissipate.

We believe we are heading into an unprecedented period and it's difficult to imagine. this period will not involve more austerity.

However, the liquidity within the Association has remained strong with good operational cash flow. The scaling back of maintenance has more than offset the increase in rent arrears. Other sectors have been more severely affected with many businesses closing. North View HA remains resilient.

2021 Rent Increase

All of the above circumstances mean that the Association will pay particular attention to the rent increase in 2021. The Regulatory Standard 3 requires North View to maintain rents at a level that tenants can afford. Given the current and likely future economic context that will be much more challenging than before and despite a recent review of our rent structure, the Association plans to freeze the rents in 2021.

We are aware that before we pass any costs onto tenants, they understand that we have to look closely at how we manage the businesses efficiently to ensure that rent levels are kept as affordable as possible. going forward the Association must also develop a strategy that delivers efficiencies and focuses on budgetary control. This is key to the future success of the Association and our ability to serve as the community anchor for tenants, the business that delivered to disadvantaged households throughout the pandemic.

Maintenance

The Association faces a major challenge in ensuring how to make their workplaces safe, abiding with national standards on social distancing and handwashing. Securing suitable PPE for all staff is and will remain important. The Association has already secured substantial amounts of the required equipment.

We are aware that some of the more vulnerable colleagues and customers such as pregnant women, those with underlying conditions such as cancer, asthma and diabetes, have to be given the proper protection either to allow them to work or to be shielded in their home.

The health and safety of our tenants will remain of paramount importance and the Association will have to individually assess and consult with each tenant before we can deliver any of their investment plans (including cyclical and reactive maintenance programme.) in 2020/21 and 2021/22.

The result of all of this Has been a delay in investment as noted in the tables below.

Planned Maintenance (Capitalised and Uncapitalised)

| Planned Maintenance | Original Assumption | Revised Assumption |
|---------------------|---------------------|--------------------|
| Yr. 1 | £463,000 | £193,000 |

It is our intention to catch up with these repairs over the next 2 years (2021/22 and 2022/23). A copy of our revised investment programme is attached in Appendix 14.

The delay in the investment programme has implications in relation to the interest cover covenant and in the loan agreement it states that “The Borrower shall procure that in respect of each Financial Year, the ratio of Adjusted Operating Surplus to Net Interest Payable shall not be less than 1.1:1. In respect only of the Financial Year ending on 31 March 2021, the Borrower shall be permitted to add back 50% of all capitalised component replacement costs incurred (subject to a maximum of £155,500) for the purposes of calculating Adjusted Operating Surplus.”

The adjustment for this year will not be needed and we have already begun discussions with the Bank about amending the covenant as a result of the delays in investment and their proposed rent freeze for 2021. It is clear from early dialogue with the Royal Bank of Scotland that they intend to take a pragmatic approach and looking for common sense solutions to issues as they arise. We are looking for the Banks approval to our request before the end of this year.

We remain on schedule deliver 25 new homes for social rent by November 2021.

The Maintenance Manager has confirmed 100% compliance with SHQS and one tenant will not give us access to complete outstanding work re EESSH compliance. Hopefully, this will be addressed in 2021.

The maintenance projections have been independently validated in September 2020 by Thomson Cost Consultants.

Our costs per unit for capital works are approximately £23,000 per unit excluding the in house trades team who can fit kitchens and windows. In 2020/21 approximately £70,000 of their costs will be capitalised and if this level of expenditure was continued our total capital cost would be in the region of £26,000 per house. From information we have seen from Savills, sector average capital costs are in the region £25,000 and £35,000. This would suggest that the costs we have assumed are reasonable.

Projections

Statement of Comprehensive Income

A copy of the Statement of Comprehensive Income for the period to 31 March 2050 is attached at appendix 10. A summarised 5-year projection is noted in the table below.

It is predicted that the Association will make surpluses every year.

| Summary - Statement of Comprehensive Income | | NVHA 2021 | | | Plan | |
|--|--------------|------------------|--------------|--------------|--------------|--|
| Period: 01 April 2020 - 31 March 2025 | 2021 | 2022 | 2023 | 2024 | 2025 | |
| | £000's | £000's | £000's | £000's | £000's | |
| Total Turnover | 3,507.30 | 3,519.60 | 3,740.40 | 3,843.40 | 3,948.90 | |
| Operating Expenditure | 3,117.10 | 3,133.20 | 3,199.40 | 3,289.40 | 3,361.70 | |
| Other income | - | - | - | - | - | |
| Operating Surplus/(deficit) | 390.2 | 386.4 | 541 | 554.1 | 587.2 | |
| Interest Receivable | 3 | 5.3 | 7.2 | 7.2 | 7.4 | |
| Interest and financing costs | -310.8 | -322.2 | -297.1 | -334.4 | -346.6 | |
| Surplus before tax | 82.4 | 69.4 | 251.1 | 226.8 | 247.9 | |
| Surplus after tax | 82.4 | 69.4 | 251.1 | 226.8 | 247.9 | |
| Comprehensive Income for the year | 82.4 | 69.4 | 251.1 | 226.8 | 247.9 | |

Statement of Financial Position

The net assets of the Association at 31st March 2025 are projected to increase to approximately £4m.

| Consolidated Statement of Financial Position NVHA 2021 Plan | | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|--|------------------|------------------|------------------|------------------|------------------|
| Period: 01 April 2020 - 31 March 2025 | | £ 000's | £ 000's | £ 000's | £ 000's | £ 000's |
| Fixed Assets | | | | | | |
| Intangible assets and goodwill | | 76.2 | 73.6 | 70.9 | 68.3 | 65.7 |
| Tangible fixed assets | | 18,480.80 | 20,757.60 | 20,623.60 | 20,231.50 | 20,070.60 |
| Fixed Assets Total | | 18,557.00 | 20,831.10 | 20,694.50 | 20,299.80 | 20,136.30 |
| Current Assets | | | | | | |
| Stock | | | | | | |
| Trade and other debtors | | 144.7 | 147.6 | 150.5 | 153.4 | 156.4 |
| Investments CA | | | | | | |
| Cash and cash equivalents | | 3,474.20 | 1,635.70 | 1,538.50 | 1,672.00 | 1,591.90 |
| Current Assets Total | | 3,618.90 | 1,783.30 | 1,689.00 | 1,825.40 | 1,748.30 |
| Less - Creditors - amounts due within 1 year | | -147.9 | -150.8 | -153.8 | -156.9 | -160 |
| Net current assets/liabilities | | 3,471.10 | 1,632.50 | 1,535.10 | 1,668.50 | 1,588.20 |
| Assets less current liabilities Total | | 22,028.00 | 22,463.60 | 22,229.70 | 21,968.30 | 21,724.50 |
| | | - | - | - | - | - |
| Creditors - amounts due after more than 1 year | | 18,852.80 | 19,219.00 | 18,734.00 | 18,245.80 | 17,754.20 |
| Net assets Total | | 3,175.20 | 3,244.60 | 3,495.60 | 3,722.50 | 3,970.30 |
| Reserves | | | | | | |
| Income and Expenditure Reserve | | 3,175.20 | 3,244.50 | 3,495.60 | 3,722.40 | 3,970.30 |
| Total reserves | | 3,175.20 | 3,244.60 | 3,495.60 | 3,722.40 | 3,970.30 |
| Balance Sheet Check | | Balanced | Balanced | Balanced | Balanced | Balanced |

A copy of the updated Balance Sheet for the period to 31 March 2050 is attached at appendix 10.

Cash at Bank

The pandemic has rightly brought back into focus the importance of cash for all businesses. Cash will always remain vital for the financial health of any housing association. Cash started the year at £2.3m and increases with a new loan drawn down from RBS to £3.5m by 31 March 2021.

.it is easy to become complacent about the sustainability of cash flowing through our business when cash at bank sits at healthy levels. We will not not lose sight of the fact that we must continue to focus on rent collection and delivering value for money for our customers

| £'000 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|--------------|----------|----------|----------|----------|----------|
| Cash at Bank | 3,474.20 | 1,635.70 | 1,538.50 | 1,672.00 | 1,591.90 |

The new funding that has been put in place from Allia and RBS being put in place will be used to deliver new build homes, investment in the homes and ensure the viability of the Association. The additional resources have also helped in delivering an affordable rent strategy and our proposed rent freeze for 2021.

The lowest cash at bank is projected to be £1.5m in 2023 . Table x below notes then average cash balances in 5 year bands over the life of the plan.

| £'000 | yrs. 1 to 5 | yrs. 6 to 10 | yrs. 11 to 15 | yrs. 16 to 20 | yrs. 21 to 25 | yrs. 26 to 30 |
|----------------------|-------------|--------------|---------------|---------------|---------------|---------------|
| Average cash at Bank | £1,982.46 | £2,416.22 | £2,879.52 | £2,011.68 | £2,526.06 | £4,693.86 |

Loans

As at 31 March 2020 our outstanding loans were £8,135m (£12,051per unit) . As at 31 March 2019 the average debt across the sector was £14,100 and our debt per unit is below average.

- As at 31 March 2020 our loans were with Allia (£2m) and RBS (£6.135m)
- As at 31 March 2020 we had 282 unencumbered assets which In theory could support additional borrowings in excess of £7m, if required
- As at 31 March 2020 the weighted average cost of capital was 3.77%
- As at 31 March 2020 76% were fixed
- By March 2022 50% of the loans will be fixed which will hopefully allow us to gain some benefit of the low interest rate environment
- In July 2020 the Association secured additional funding from RBS of £1m (interest only) secured on the homes already pledged to the Bank, Conditions of the loan included increase of current loan margins to 1% and the loans being repaid by 2030
- By November 2020 our weighted average cost of capital is 3.48%
- The £2m Allia loan was secured to support the new build development Windlaw lodge. The 15 year loan enhances operational cashflow by rolling up the capital and interest payments to the date of maturity and is repaid by one bullet repayment.
- There are no corporate lending covenants with the Allia loan
- RBS lending covenants are now 40% gearing and 110% EBITDA MRI

As we noted earlier the delay in the investment programme has implications in relation to the interest cover covenant and in the loan agreement it states that “The Borrower shall procure that in respect of each Financial Year, the ratio of Adjusted Operating Surplus to Net Interest Payable shall not be less than 1.1:1. In respect only of the Financial Year ending on 31 March 2021, the Borrower shall be permitted to add back 50% of all capitalised component replacement costs incurred (subject to a maximum of £155,500) for the purposes of calculating Adjusted Operating Surplus.”

The adjustment of £155,000 for this year will not be needed and we have already begun discussions with the Bank about amending the covenant as a result of Covid 19 and our proposed rent freeze for 2021. In correspondence we have seen from the Bank to other Associations their position is *“we are very much here to support our customers through the impact of Covid-19 and we can provide covenant relaxation where required”*

The discussions we have had with the RBS relationship manager have been positive and we would expect their support on this matter. If we can simply move the £155,000 to later years, we will not have an issue with the covenant. However, we will not formalise either our investment spends or rent freeze until we have evidence from RBS that is acceptable to them.

The tables below evidence the calculations for both the gearing and interest cover covenant

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|------------|------------|------------|------------|------------|
| Historic cost of properties | £26,981.70 | £27,405.80 | £31,974.00 | £32,294.50 | £32,861.90 |
| OS Loan Balance | £9,011.30 | £8,823.50 | £8,635.90 | £8,445.10 | £8,250.90 |
| Gearing | 33% | 32% | 27% | 26% | 25% |

The gearing covenant is met and we can satisfy the interest cover covenant **if** the adjustment is carried forward to 2022. Ideally, we would like the like a relaxation of our covenant beyond 2022 and we will continue our discussions with RBS with that goal in mind.

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------|------|------|------|------|------|
| Interest Cover | 177% | 151% | 156% | 194% | 129% |

Sensitivity Analysis

It is important that the Association is able to respond to the evolving economic crisis and stress testing the business so we understand how to evaluate the impacts and decide how to manage and mitigate the risks.

Quantifying, the financial impact of the Coronavirus is difficult but it is highly likely this will have a detrimental effect, with increases in arrears, voids and bad debts inevitable. The sensitivities below are all based on negative outcomes and consider the financial impact, particularly on cash and covenant compliance.

Some of the scenarios would cause significant stress to the Association in the medium to longer term, particularly those involving inflation only rent increases while allowing other costs to increase faster than inflation. No lender would accept continuing outflow of funds without remedial action being taken. Changes would be required and will be taken. There is no question of our Association not taking the appropriate action to ensure our viability, protecting our tenants and other service users.

Combinations of the adverse scenarios present the greatest risk to viability.

At the time of preparing the Business Plan, few of these scenarios are anticipated. However, the situation will be continually monitored closely and in the event of one or more changes in the assumptions made, appropriate action will be taken to ensure the Association remains viable, retains the confidence of their partners and the support of customers.

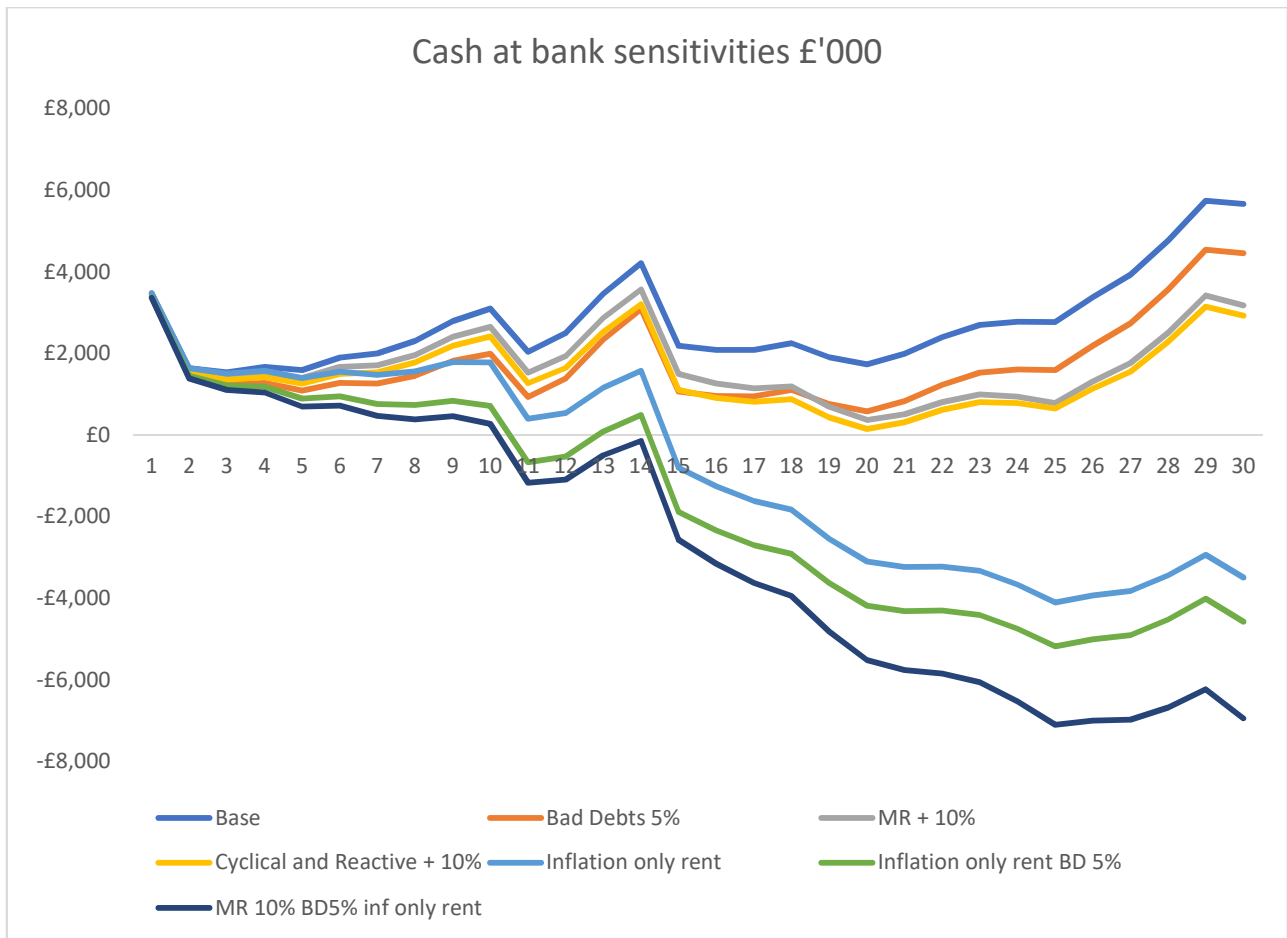
It is the intention of the Association to remain in close contact with the Royal Bank of Scotland and the Scottish Housing Regulator throughout this period and if issues did arise, we would expect common sense pragmatic solutions to be found by all parties.

The Association currently faces a number of significant external risks and uncertainties, for example as a result of the Pandemic, the effects of Brexit if the UK Government fails to secure trade deals that protect the UK economy by the end of 2020, the future performance of the economy, and Welfare Reform. The sensitivity analysis has therefore examined factors such as increases in voids and bad debts, rising repairs and major repairs costs, and reduced future rent increases.

| ADVERSE SENSITIVITY ANALYSIS- cash at Bank | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|------------|------------|------------|------------|------------|
| Base | £3,474,200 | £1,635,700 | £1,538,500 | £1,672,000 | £1,591,900 |
| Bad debts 5% 10 years | £3,382,300 | £1,446,300 | £1,247,800 | £1,276,500 | £1,088,100 |
| Major repairs + 10% | £3,455,000 | £1,574,000 | £1,428,500 | £1,529,300 | £1,391,800 |
| Reactive and Cyclical + 10% | £3,411,700 | £1,508,900 | £1,351,600 | £1,415,800 | £1,264,800 |
| rent inflation only increases to 2025 | £3,474,200 | £1,635,700 | £1,506,200 | £1,573,400 | £1,391,200 |
| Bad debts 5% 10 years inflation only rent | £3,382,300 | £1,446,300 | £1,216,500 | £1,180,900 | £893,500 |
| Bad debts 5% 10 years inflation only rent Repairs + 10% | £3,363,000 | £1,384,500 | £1,106,400 | £1,038,300 | £693,400 |

The Association currently faces a number of significant external risks and uncertainties, for example as a result of the Pandemic, the effects of Brexit if the UK Government fails to secure trade deals that protect the UK economy by the end of 2020, the future performance of the economy, and Welfare Reform. The sensitivity analysis has therefore examined factors such as increases in voids and bad debts, rising repairs and major repairs costs, and reduced future rent increases.

The greatest long-term impact on the Association's future cash flows would result from increased bad debts, increases in repairs and reductions in rent increases. The sensitivity analysis graph shows that the assumptions made on increases to costs or reductions in income would threaten the viability of the Business Plan.



The gearing ratio is met across each of the sensitivities

In 2025 all the sensitivities of the interest cover test will fail and in the scenario that combines lower rents, higher bad debts and major repair costs the interest cover fails 5 times over the term of the RBS loan (10 years)

The greatest long-term impact on the Association’s future cash flows would result from increased bad debts, increases in repairs and reductions in rent increases. The sensitivity detailed in chapter 12 shows that the assumptions made on increases to costs or reductions in income would threaten the viability of the Business Plan.

The Association understands that it is not just the identification of risks but how this will be managed and to be vigorous in its pursuit of value for money in the years ahead.

Key Ratios

The table below highlights some of the key performance indicators from the financial projections with a comparison against the 2019 dataset information provided by the Scottish Housing Regulator

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---------|---------|---------|---------|---------|
| Current assets to current Liabilities | 9.4 | 4.6 | 4.2 | 4.5 | 4.2 |
| Debt Per Unit | 13,350 | 13,072 | 12,337 | 12,064 | 11,787 |
| Average Debt PU Sector 2019 | £14,100 | £14,100 | £14,100 | £14,100 | £14,100 |
| Interest paid as a % of Rent and Service Charge | 10% | 10% | 9% | 9% | 9% |
| Interest cost as a % of Rent and Service Charges Sector 2019 | 13% | 13% | 13% | 13% | 13% |
| Net Debt PU | £8,203 | £10,649 | £10,515 | £10,034 | £9,865 |
| Gearing | 33% | 32% | 27% | 26% | 25% |
| Net Gearing % | 19% | 23% | 22% | 21% | 20% |
| Interest cover | 177% | 151% | 156% | 194% | 129% |
| Gross Surplus % | 12% | 12% | 16% | 16% | 16% |
| Gross Surplus % National Average 2019 | 15% | 15% | 15% | 15% | 15% |
| Voids % | 2% | 2% | 2% | 2% | 2% |
| Voids % National Average 2019 | 1.10% | 1.10% | 1.10% | 1.10% | 1.10% |
| Bad Debts % | 2.16% | 2.00% | 2.00% | 2.00% | 2.00% |
| Bad Debts % National Average 2019 | 0.82% | 0.82% | 0.82% | 0.82% | 0.82% |
| Staff costs as a% of Rent and Service Charge excluding DLO | 26% | 27% | 28% | 26% | 26% |
| Staff Costs as a % of Rent and Service Charge National Average 2019 | 23% | 23% | 23% | 23% | 23% |
| Reactive Costs PU | £470 | £470 | £470 | £470 | £470 |
| Reactive Costs PU National Average 2019 | £572 | £572 | £572 | £572 | £572 |

The indicators reveal the Association is viable and performs in line with the Scottish Average.

Conclusion

As a property business with 675 houses to maintain over the long term and a significant portfolio of long-term borrowing, We require a robust business plan underpinned by a 30-year financial model. This provides reassurance to the Board, SHR and lenders that we can meet our long-term maintenance and debt repayment obligations.

Whilst we cannot expect to be precise over such a period of time, it is sensible to project forward based on realistic assumptions of likely trends building in, where possible, some contingency.

A key element to the foundations of such a model is a set of realistic cost assumptions. Clearly the budget provides a starting point for this based on current experience of actual costs across the organisation. However, given the uncertain times we live in, there is a

clear need for constant reviewing and updating of assumptions on a regular basis, and taking account of wider economic factors that are likely to impact on the Association.

Developing a framework that focuses on our customers, rent collection, efficiency, covenant monitoring and budgetary control are the keys to our success.

Chapter 13

Implementation and Review

The Management Committee and Management Team are responsible for managing North View's performance, including delivery of the Business Plan and the priorities it sets out.

Committee scrutiny and assurance, by the Management Committee and/or relevant sub committees, will include:

- Reviewing overall performance in relation to the financial Business Plan twice a year, at the mid-year point and when approving the following year's Plan.
- Reviewing progress in relation to the priority actions set out in the Business Plan, also twice a year, at the mid-year point and when approving the following year's Plan. We are also looking at the possibility of introducing briefer, dashboard-type reports for the other two quarters in the year, to provide the Committee with additional assurance.
- Reporting of performance against Key Performance Indicators (KPIs).

The Director and Management Team are accountable to the Management Committee for ensuring the effective implementation of the Business Plan.

The Management Team will support the Management Committee in its role of maintaining oversight of strategic risks, and alerting the Management Committee and Audit Sub Committee to any emerging risks to the Association's strategic objectives, financial position or reputation.

In response to new regulatory requirements, we will work to develop our approach to self assurance, building on the work that already takes place across North View.

Managers will discuss the Action Plans appended to the Business Plan with their teams, so that all members of staff have a strong connection with our organisational aims and priorities and their role in meeting these.

For cross-cutting issues that involve a number of teams (such as the Covid-19 pandemic), a senior manager will be assigned lead responsibility for ensuring appropriate input from across the organisation. The Management Team and Management Committee will ensure that cross-cutting priorities such as asset management, rent restructuring and improving value for money are managed to facilitate input from the appropriate parts of the staff and committee structure.

Actions and timescales will change throughout the Business Plan period, particularly because the Association's activities will in many cases be dependent on working with others and to the external uncertainties arising from issues such as the pandemic and Brexit. The Business Plan will be subject to an annual review and update in 2021/22 and 2022/23, and new financial projections and operational plans will be produced at the start of each financial year.

NORTH VIEW Housing Association

North View is a registered Scottish charity – charity registration number SC032963

APPENDICES TO BUSINESS PLAN 2020/21 TO 2022/23

- 1) Management Committee members and senior staff
- 2) Staffing Structure
- 3) Table of North View Strategic Objectives and Measures of Success 2020/21 to 2022/23
- 4) Report on Review of Strategic Options
- 5) Windlaw Data from 2020 Scottish Index of Multiple Deprivation
Castlemilk Profiling Data from the 2011 Census
- 6) PESTLE Analysis (political, economic, social, technological, legal and environmental factors)
- 7) Benchmarking Information about North View's Performance (3 year average)
- 8) Strategic Risk Register
- 9) Rent Levels and Rent Affordability Data and Calculations
- 10) Financial Performance and Projections
- 11) Action Plans for 2020/21 and 2021/22
- 12) Key Performance Indicators and Targets for 2020/21
- 13) Results from Stakeholder Survey 2020
- 14) 30-year Investment Programme Assumptions

**APPENDIX 1
MANAGEMENT COMMITTEE MEMBERS AND SENIOR STAFF**

Management Committee Members at November 2020

| | Continuous Service (years) | Previous Service? |
|------------------------------|---------------------------------------|--------------------------|
| Iris Robertson, Chairperson | 27 years | |
| Josephine Deacon, Vice Chair | 27 years | |
| Audrey Laird, Secretary | 6 years | |
| James Dougherty, Treasurer | 2 years | |
| Geraldine Baird | 0 years | |
| Alex Bruce | 2 years | Yes |
| Christine Devine | 4 years | Yes |
| William Hamilton | 14 years | |
| Wilma McCubbin, | 18 years | |
| Kenneth Robertson | 3 years | |

Continuous service means how long each member has served continuously to the present time, for example a member who joined in 2014 would have 6 years continuous service.

As noted, two Committee Members have past service before their current period of membership.

North View's Senior Staff

Euan Anderson, Director

Euan became North View's inaugural Director in November 1993, having previously worked as architect on the Feasibility Study out of which the Association was born. He led the Association's development programme until 1999, when Alison Main was seconded from Communities Scotland to fulfil the development role, to enable Euan to focus on the more strategic aspects of the Association's business. Qualifications – BSc (Hons) in Architectural Studies and BArch.

Alison Main, Housing Manager

Alison first joined North View on secondment from Scottish Homes, the national housing agency. Her position at North View was made permanent in August 2000, whereupon, as Development Officer, she oversaw the remainder of our development programme. From 2005 Alison's role expanded to include responsibility for our Wider Role and in house

audit programmes. In 2011, Alison became Housing Manager following Geraldine Baird's retirement. Qualifications – MA (Hons) Geography, and PGDip Housing.

Adrian Tester, Maintenance Manager

Ady became our Maintenance Manager in April 1999, bringing with him years of experience of working in the construction industry.

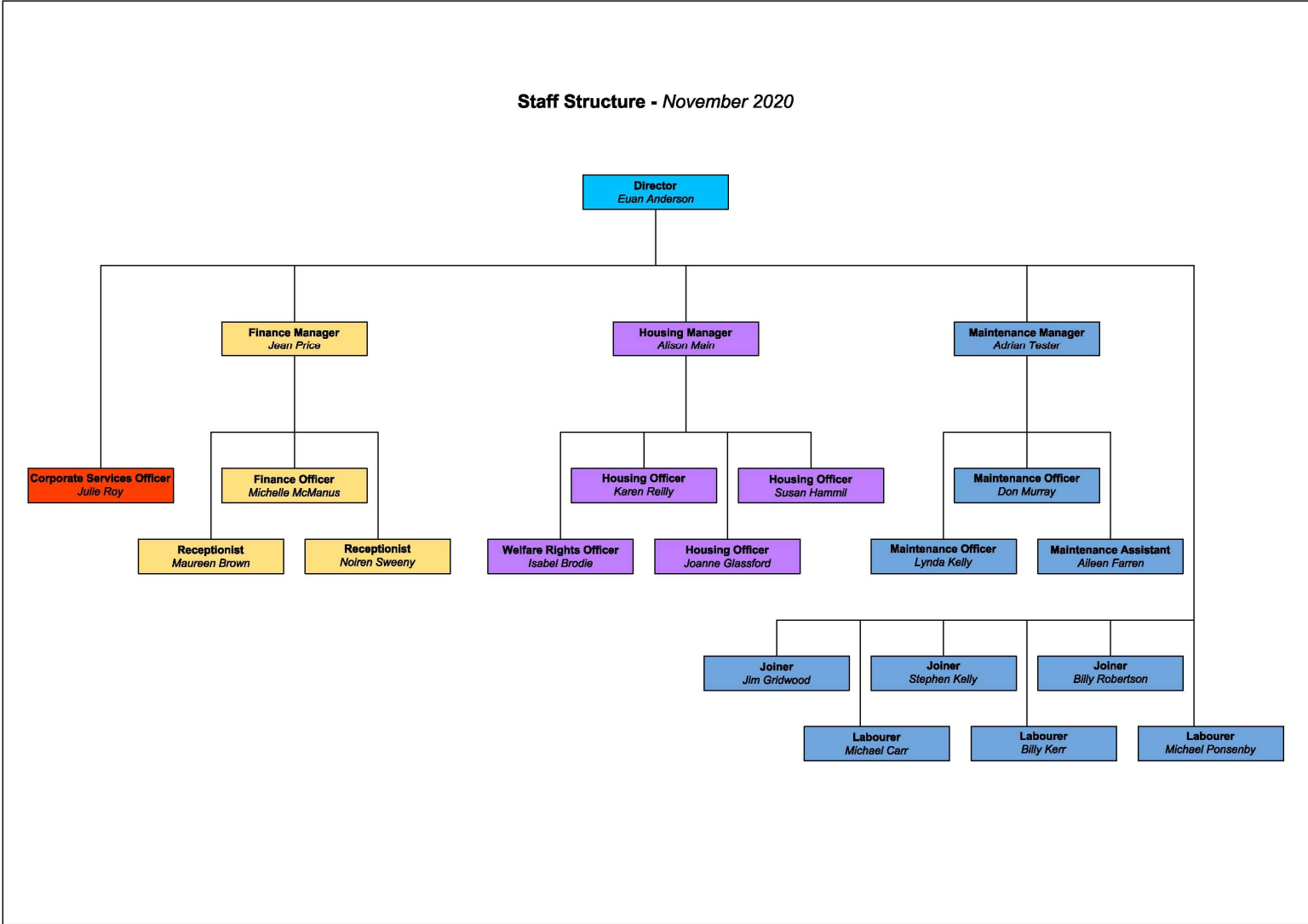
Since joining North View, he has managed the growth of the maintenance department, and continues to oversee the delivery of all aspects of our maintenance service while ensuring compliance with the myriad of regulations that affect these activities.

Jean Price, Finance Manager

Jean joined North View as Finance Manager in 2002, initially on a temporary part-time basis, but soon became full-time, with permanent status following in 2004.

Jean had not previously worked for a housing association, but had decades of experience working in the finance departments of Scottish Special Housing Association and then Scottish Homes, from which North View benefitted as she established our strategic and operational financial framework.

**APPENDIX 2
NORTH VIEW'S STAFFING STRUCTURE**



APPENDIX 3 PLANNED OUTCOMES FOR NORTH VIEW'S SIX STRATEGIC OBJECTIVES

This Appendix sets out North View's **strategic objectives** for the period 2020/21 to 2022/23, with **planned outcomes** shown against each objective.

The outcomes describe the practical changes and results the Management Committee wishes to see achieved by the end of the Business Plan period in 2023, the key question to address in 2023 being "Has North View achieved what we set out to do?" This is in addition to the assurance the Committee gets about the Plan, on an ongoing basis.

Some of the outcomes will be addressed within a specific period of time. Completing the Windlaw Lodge development is a good example of this.

Whereas some of the other outcomes, for example successfully managing the impact of Universal Credit and keeping rents affordable, are things that will need to be addressed continuously over the full three year period of the Plan.

The Business Plan has been affected by the global Covid-19 pandemic. The changes to personal and public life, and many aspects of daily life, have caused concerns about the longer-term impact of the pandemic.

So in addressing all of our strategic objectives in Appendix, North View will manage:

- We follow government and local authority advice to protect tenants, committee members and staff.
- We take positive action to support the wider community in the short- and long-term.
- Our governance and financial management will protect tenants' interests and ensure North View's business resilience.

Strategic Objective

Planned Outcomes at the end of the Business Plan (2023)

1

Provide quality homes in a good environment at affordable rents

- Improved levels of tenant satisfaction with the quality of their homes
- North View's housing meets recognised quality standards (the Scottish Housing Quality Standard and the Energy Efficiency Standard for Social Housing)
- Rents are affordable, based on a 25% income:rent ratio and with annual increases kept to the minimum needed to provide the required services and investment in tenants' homes and to meet North View's funding obligations
- The difference between the rents charged by North View and our peers is reduced
- North View's housing is set within attractive, safe environments that are well cared for, including backcourts and open spaces
- High levels of tenant satisfaction with our management of the neighbourhood

Strategic Objective

Planned Outcomes at the end of the Business Plan (2023)

2

Consolidate and improve tenant services, and respond to tenants' priorities

- Tenant and staff safety maintained, by following public health guidance on the Covid-19 pandemic
- Maintain good demand for North View's housing, based on tenancies given up and the time to re-let empty homes
- Strong performance on Scottish Social Housing Charter indicators, for both housing management and repairs. Improved service results where we are below national averages at the start of the planning period (2019/20 Charter Indicators)
- Universal Credit impact on rent arrears and tenancy sustainment managed closely, with tenants receiving good quality information and support from North View
- Based on our 2020 results, improved tenant satisfaction achieved relating to value for money and repairs
- Continued efforts to improve levels of engagement by North View tenants, while ensuring that we consult tenants effectively about proposals for service development and improvement and that we act on their feedback in our decision-making
- Tenants have more choices about how they wish to communicate with North View and how they can use our services

Strategic Objective

Planned Outcomes at the end of the Business Plan (2023)

3

Invest in tenants' homes and manage our assets well

- Continued investment in tenants' homes, in accordance with the budget and programme approved by the MC
- Reductions in tenants' energy bills, as a result of investment in their homes
- High levels of tenant satisfaction with investment works
- Tenant safety and other legal obligations met in full
- Procurement of maintenance works and services delivers good value for money, with pricing of repairs and planned maintenance monitored closely

Strategic Objective

Planned Outcomes at the end of the Business Plan (2023)

4

Bring much-needed community support services to Windlaw, working in partnership with local service providers

- Tenants and residents continue to have access to North View's in house welfare benefits service, with referrals also made to specialist agencies
- Tenants and residents continue to benefit from North View's partnerships with Jeely Piece, the Birgidale Complex, Urban Roots, Trussell Trust and other partners
- Develop and implement a new Wider Role Strategy that targets the efforts and resources of North View and partners towards key local issues such as food poverty, money worries, social isolation and mental health. All of these issues are long-standing in Windlaw but have been made worse by the Covid-19 pandemic.
- North View and our local partners get the City Council and Health and Social Care Partnership more involved in addressing the challenges and poor outcomes experienced by many Windlaw residents
- Tenants continue to support North View's Wider Role activities and spending

| Strategic Objective | Planned Outcomes at the end of the Business Plan (2023) |
|---|---|
| <p data-bbox="454 357 479 387">5</p> <p data-bbox="226 432 696 528">Improve the housing opportunities that are available in Windlaw</p> | <ul data-bbox="734 357 2159 624" style="list-style-type: none"><li data-bbox="734 357 1765 387">• All funding required for Windlaw Lodge secured prior to contract acceptance<li data-bbox="734 421 2159 451">• Windlaw Lodge on site by the end of 2020/21, with completion on programme and within budget achieved<li data-bbox="734 485 1823 515">• Quality housing provided, with positive feedback in due course from new tenants<li data-bbox="734 549 2159 624">• Committee to keep a watching brief on a further development opportunity within Windlaw (though it is not currently anticipated that North View will develop further after the completion of Windlaw Lodge). |

| Strategic Objective | Planned Outcomes at the end of the Business Plan (2023) |
|--|--|
| <p style="text-align: center;">6</p> <p>Achieve high standards of governance and financial management and be a good employer</p> | <ul style="list-style-type: none"> ○ High standards of governance and leadership, including meeting regulatory standards ○ Future-proofing North View's governance, by attracting new committee members, making the committee profile more age-diverse, and attracting new skills and perspectives to the Management Committee. ○ Continued learning and development for Committee and staff ○ Financial viability is maintained, and sufficient resources are available to achieve North View's strategic objectives and plans ○ Committee decisions are based on sound financial evidence and understanding of risks, with appropriate levels of internal and external assurance ○ Priorities set and met for improving value for money ○ Timely, effective action taken in response changes in the economy, legislation and policy at Scottish and UK levels. ○ Business continuity is achieved when unforeseen events occur, and there are succession and contingency plans in place for the staff team ○ Staff members work safely in an open and supportive working environment ○ Our work is based on effective policies and procedures and on efficient business support systems |

APPENDIX 4

REPORT ON REVIEW OF STRATEGIC OPTIONS

PART 1

CONTEXT AND SUMMARY

This report has been produced as part of North View Housing Association's Business Plan for the period 2021/23. It addresses the following questions:

- Does North View's current performance and future capacity indicate that it can continue to meet its strategic objectives, the needs of tenants, its legal obligations, and the requirements of its funders and regulators?
- What are the possible alternatives to North View's present constitutional and organisational form, and could these achieve better outcomes for North View's tenants, stakeholders and the Windlaw community?

Context and Approach to the Review

The Business Plan and this review seek to identify where its current constitutional and organisational form is matched by good outcomes, as well as any areas where changes may be beneficial. The review has not been triggered by any failures in North View's governance, management or financial viability, or any concerns expressed by tenants and service users, funders and regulators. Rather, the main drivers for the review are potential hazards identified in our Strategic Risk Register and all of the strategic information we have about North View's business as summarised in the Business Plan.

The **assessment criteria** used in the review are as follows:

- 1) Delivering quality, affordable homes and services for tenants
- 2) Helping to improve residents' lives and to strengthen the local community
- 3) Having a financial business plan that works and will be sustainable in future
- 4) Local control and accountability to tenants and the community
- 5) Effective and sustainable governance and organisational management.

These criteria are derived from North View's strategic objectives (*see Business Plan Chapter 3*), with some adaptation to allow for comparison with alternative options as well as for North View itself.

The **options considered in the Review** are:

- 1) North View remaining as a fully independent and autonomous RSL
- 2) Sharing services with one or more RSLs
- 3) Joining a group structure headed by a larger RSL, and
- 4) Merging with a larger RSL, through a transfer of engagements.

Part 2 of the report sets out an assessment of Option 1. This draws on the wealth of information included in the Business Plan which makes it possible to present a clear picture about North View's strengths and relative weaknesses. This report includes signposts to the relevant Business Plan chapters where more detailed supporting information can be found.

The key findings set out in Part 2 may be summarised as follows.

North View's key strengths and achievements in relation to continuing as a fully independent housing association are as follows:

Governance and Partnerships

- North View's Management Committee has provided stable, effective governance throughout North View's history
- Excellent and productive relationships with lenders, the local authority and local community organisations – all nurtured over the course of many years

Financial

- Profitable housing association and has met all the financial covenants of its lender
- Financial projections demonstrate positive cashflows and viability in the short, medium and long term
- Financial projections stress-tested, to identify the level of increases to costs or reductions in income that would threaten future viability. This includes our initial assessment of the financial consequences of Covid-19.

Homes and Services

- North View's housing stock fully meets SHQS and EESSH, and planned maintenance programme is affordable and has funding already in place
- More than 200 new homes, to meet a wider range of needs
- Good levels of tenant satisfaction with core services and services performance is generally good when benchmarked with other social landlords
- Track record in meeting housing need, including levels of lets to homeless households
- Resilience and service continuity during the Covid-19 pandemic, as well as assistance provided to the community.
- Plans are in place for restoring services affected by Covid-19, when safe to do so.

Rents and Affordability

- Most of North View's rents fall within the target rent:income ratio of 25%, with affordability being enhanced through a new Rent Policy and a proposed rent freeze in 2021/22 (the latter is subject to obtaining consent to carrying forward an adjustment to one of its financial covenants).

Serving the Windlaw Community

- North View has been a constant, positive presence for 27 years in a community with exceptionally high levels of deprivation, combining the roles of property manager and community anchor

- Strong tenant support for an independent locally-controlled landlord
- Welfare rights and Wider Role services have strong support from the community and excellent levels of satisfaction.

As would be expected, the future will also hold challenges for North View. It will be essential to identify risks, and then to manage them effectively. It will be particularly important for North View to:

- **Fully implement the strategy that has been developed for committee succession planning and recruitment.**

Achieving greater involvement by the next generations in North View's governance will be an important part of securing North View's achievements and future legacy. Attracting new committee members with different skills and perspectives will also be important.

- **Place high priority on achieving value for money to help keep rents affordable and maintain financial resilience.**

Value for Money will be a key issue for all housing associations in the years ahead. For North View, there are some particular challenges:

- Working with tenants to understand why feedback about whether North View is providing value for money has been reducing in recent years, and how this should be addressed
- Developing a more formal and forward-looking strategy for improving value for money and keeping rents as affordable as possible.

This is an issue which is here to stay, since all the indications are that economic and/or political factors will keep placing upward pressure on North View's costs at a time when tenants' incomes may not be increasing to the same degree.

North View has carried out good work in 2020/21 through its new Rent Policy and the proposed rent freeze for 2021/22. It is likely that there will need to be a growing emphasis in the years ahead on cost control and value for money.

Finally, North View has supported the well-being of the Windlaw community for many years through its Wider Role activities. Along with other local organisations, it has stepped up to provide a great deal practical help to local people during the Covid-19 pandemic.

There is a clear sense that the Association would like to develop its role as a community anchor, and there have been clear steers from the community and Committee members about the type of services Windlaw needs.

While there are many questions about how this could be achieved, not least in relation to funding, North View's track record and place at the heart of the Windlaw community could combine to help unlock future opportunities.

Part 3 of the report provides a comparative assessment of all four options.

The assessment is limited somewhat by two factors:

- Many options appraisals are carried out when an organisation is failing and/or in crisis, neither of which apply to North View. It is easier to assess the potential impact that structural change could have in such cases. For example, if there were serious governance or financial problems, does the RSL have the capacity to fix these or would other options do so more effectively?
- Options 2, 3 and 4 as reviewed in this report are all hypothetical, because no specific proposals are available to support an appraisal of their merits, for example in terms of future rent levels, investment capacity etc. Moreover, these options do not have the support of North View's Management Committee, beyond its willingness to work with local RSL partners to explore the potential benefits of working together on specific initiatives.

For these reasons, the report is described as a “review of strategic options” rather than a “strategic options appraisal”. It does not include scoring of competing options (a key element of a full options appraisal), since there is insufficient factual information to support this.

With these qualifications, it is still possible to make a general comparison of the differences that might be seen in the various options, and this is set out in Part 3. By necessity, the assessment is much broader brush for Options 2, 3 and 4.

The main potential benefits associated with Options 3 and 4 are:

- The potential to be a rescue partner for an organisation that is experiencing serious financial or governance difficulties (neither of these is applicable to North View), and/or
- The potential to maximise efficiency, which is greater in a merger scenario than in a group structure.

This is not to say that these benefits will be realised in every case, or that smaller organisations cannot efficiently.

Conclusions

This report has been discussed by the Management Committee as part of its work on North View's Business Plan.

Having reviewed the options described in the report, the Management Committee has confirmed its preference and expectation that North View should continue to be an independent, community-based housing association serving the people of Windlaw. In doing so, the Management Committee is committed to safeguarding, improving and developing the services provided to tenants and the wider community.

The Committee's views are reflected in the strategic direction it has set (*see Business Plan, Chapter 3*), which refers to **maintaining and future-proofing North View's status as an independent social landlord, dedicated to serving the residents of Windlaw**. They also take account of the Committee's consideration of the future challenges that North View will need to manage, including the emerging longer-term impacts that will be left by the Covid-19 pandemic.

Future challenges are described in detail throughout the Business Plan, albeit a number may be better described at this stage as areas of uncertainty rather than quantifiable risks.

PART 2

Key Evidence for Option 1 (North View continues to be a fully independent and autonomous RSL)

1) Criterion 1: Quality, affordable homes and services for tenants

Quality Homes¹ (see Business Plan Chapters 7 and 12)

•100% compliance with SHQS and EESSH

•3- year average performance 2016 to 2019 for all repairs and maintenance Charter Indicators better than or equal to the national average

•3-year average for tenant satisfaction with quality of home (North View 91%) better than national average (88%)

•3-year average for tenant satisfaction with repairs service (North View 88%) lower than national average (91%), but has improved in 2020 to 96%

•In house Tradesteam produces a 20% VAT saving on repairs costs

•5-year investment/major repairs programme in place.
•Financial projections in Business Plan show that the programme is fundable

Affordable Homes (see Business Plan, Chapter 10)

Tenant satisfaction with rent being value for money is lower than the national average, while keeping rents affordable has been highlighted in the recent Resident Satisfaction as being of high importance to tenants.

North View has taken a number of steps which will significantly improve rent affordability.

The Business Plan assumes a rent freeze in 2021/22, to take account of hardship caused by the Covid pandemic, and thereafter an annual increase of the assumed inflation rate (2%) plus 1%. The rent freeze sits alongside North View's new rent-setting policy (see summary box on next page), in improving affordability outcomes for tenants.

The long-term planning assumption on rent increases is consistent with the planning assumptions used by many RSLs. North View must also take account of the Scottish Housing Regulator's regular messaging that it does not consider real terms increases in rents to be sustainable because of the impact on affordability.

This is also of concern to North View, which will seek efficiencies as a tool for controlling rent increases, with development of a new Value for Money Strategy planned in 2021/22.

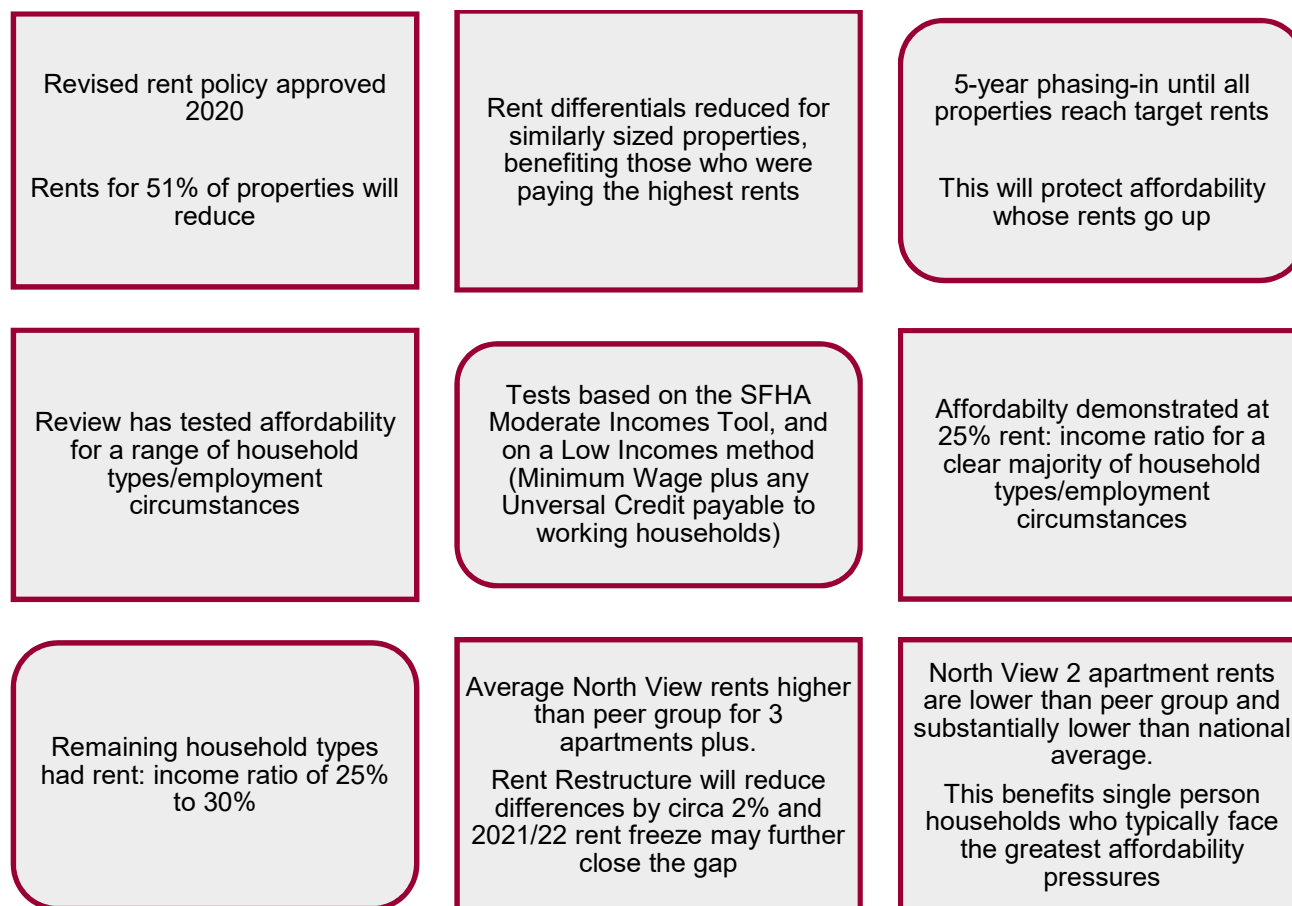
The Management Committee must also exercise fiscal responsibility in setting budgets that allow North View to deliver investment and services, comply with loan covenants, and maintain positive cashflows.

¹ All references to 3-year average performance are based on averages for the 3-year period for 2016/17 to 2018/19, comparing North View with the average for all social landlords in Scotland (source: ARC data published by SHR)

The challenges that face RSLs are considerable, and it is too simplistic to conclude that any real terms increase in rent levels represents poor management, as is sometimes suggested. Like all RSLs, North View is likely to face pressures on its costs and income collection due the economic downturn caused by the Covid-19 pandemic and the ongoing difficulties associated with Universal Credit. North View must also meet the increasing number of financial obligations placed on RSLs by both central and local government, such as taking over responsibilities for removing bulk uplift of waste from the City Council at an annual cost of c £30k, and meeting the climate change targets set by the Scottish Government.

While North View will seek to keep annual rent increases to the minimum required each year, it must do so within this wider set of financial considerations. It will be necessary to strike a reasonable balance between rent affordability and maintaining service levels and investment. This is in contrast with the position for local authorities, where Council Tax is increasing and this is accompanied by cuts in services and/or the introduction of charges for services.

The key features of North View's recent comprehensive review of rents is set out in full in *Chapter 10 and Appendix 9 of the Business Plan*, The box below provides a short overview.



Quality services for tenants and other service users

North View offers a comprehensive range of services (*see Business Plan, Chapter 6*). In addition to core services, North View provides welfare rights advice, wider role activities, and intensive estate management (the last of these reflecting the unusually large areas of land for which North View is responsible and the City Council ceasing to provide neighbourhood services, as referenced above).

North View's performance against Charter Indicators for service delivery are generally good when compared with national averages. (see *Business Plan, Chapters 6 and 7, and analysis of 3 year performance results at Appendix 7*).

North View has maintained service continuity for essential services during the Covid-19 pandemic, and in addition has continued to provide a number of its other services while observing public health guidance on social distancing.

North View has been very active in providing practical and social support to Windlaw residents during the pandemic, going above and beyond its role as a landlord (see *Business Plan, Chapters 6 and 8*).

The 2020 Resident Satisfaction Survey identified more than 400 individual instances of support provided by North View in the months following the initial Covid-19 lockdown, with 95% of respondents saying they were satisfied the support they received from North View during the pandemic. Only 8% said they had received additional support from other organisations, with very few residents saying that they had received support from the local authority. These results reinforce North View's role as a community anchor for Windlaw, albeit the financial resources available to fulfil this role are limited.

In relation to North View's future priorities, the 2020 Survey asked tenants to identify which of North View's activities were of the greatest importance to them, with the following results.

| | Very important | Important | Not very important |
|---|----------------|-----------|--------------------|
| Providing an effective repairs service | 96% | 4% | 0% |
| Modernising tenants' homes to keep them a reasonable standard | 93% | 7% | 0% |
| Keeping rents and charges affordable | 91% | 9% | 0% |
| Improving the look of the area/environment | 82% | 17% | 1% |
| Providing support for vulnerable tenants | 79% | 21% | 0% |
| Ensuring the future of community facilities | 50% | 46% | 4% |

All of these issues feature in the priorities described in the North View Business Plan, and all need a strategic approach rather than one-off "fixes".

North View's greatest challenge is likely to be deciding how to manage the trade-offs that will be required in future decision making. North View has the capacity to invest in homes, meet its obligations as a landlord, improve the quality of the local environment, and support wider role services. However, doing all of these things in a financially sustainable way while also meeting covenants to lenders depends on there being sufficient income from rents.

Criterion 2: Helping to improve residents' lives and to strengthen the local community

While North View's primary role is as a housing provider, and investing in services that will benefit

the Windlaw community is a long-standing feature of its business model. (*See Business Plan, Chapter 8*)

This reflects the exceptionally high levels of poverty and deprivation that exist in Windlaw. The 2020 Scottish Index of Multiple Deprivation places each of the three Windlaw datazones in the 1% most deprived in the whole of Scotland. Despite this, major public bodies such as the City Council and the Health and Social Care Partnership are not actively involved in supporting the community, beyond the statutory services they provide.

North View's approach to Wider Role involves some services that it provides directly (for example, the welfare rights service) and others where it supports local partners in cash or in kind to provide a variety of community support services in areas such as services for children and young people, tackling food poverty, and community growing.

North View's financial contribution to Wider Role is in the region of 2.5% of rental income. The results of the 2020 Resident Satisfaction Survey show the importance that tenants place on North View's Wider Role activities:

- More than half of respondents had used the welfare rights service (99% satisfaction rating)
- 98% expressed support for North View's Wider Role spending
- 98% also supported joint working between North View and local organisations to provide local services and activities (also 98%).

Looking to the future, the 2020 Survey indicates that residents' priorities for the future are:

- North View services to have a specific anti-poverty focus, to address financial, fuel and food poverty.
- Support for social activities that would benefit tenants and the wider community (e.g. to teach people new skills, address social isolation and support people experiencing poor mental health)

The Management Committee wishes to respond positively to these priorities, and has asked that a feasibility study should be prepared to assess whether and how North View could do more in these two areas.

In addition to resident feedback, North View has also received very positive feedback from stakeholders and partners (*See Business Plan, Chapter 4*). Since resources are limited, North View and its partners work together very closely, to maximise benefits for the community.

North View has significantly increased its direct role in providing community support services during the Covid-19 pandemic (*Business Plan, Chapter 8*). There is now an appetite on the part of the Management Committee to do more, taking account of the community's pre-existing needs and the way in which the pandemic has revealed the extent of issues that may have been partly hidden before, such as money worries, poor mental health and social isolation.

To address this, North View intends to carry out a fundamental review of its current Wider Role Strategy in 2020/21.

Upscaling community support to the extent that is needed will depend on what North View and others can bring to the table to benefit Windlaw residents. The Scottish Government provided

welcome financial community support funding during the emergency phase of the pandemic, and we hope this will be repeated in addressing its longer-term consequences.

It is particularly important that the Scottish Government, City Council and Health and Social Care Partnership offer tangible support to community-led solutions and back this up with suitable funding. Additional funding directed to the neighbourhood level is vital, along with a recognition that community-based organisations can work with their local communities to find solutions to entrenched social problems in a highly effective way.

Criterion 3: A financial business plan that works and will be sustainable in future

(Chapter 12 of the Business Plan sets out in full detail the information summarised in this section)

Financial Overview

A financial overview of North View for the year end 31st March 2020 highlights:

- Turnover of £3.4m for the year ended 31st March 2020
- Total Comprehensive Income of £570,000
- Cash at Bank of £2.2m
- Gross historical costs of housing assets £26.8m
- Long term borrowing of £8.1m
- Cash generated from operations of £0.851m

An overview of the 5-year historical financial performance of the Association is noted in table 1 below. This shows that the Association has reported both an operating surplus and surplus for each year. Rental income has increased by 12% and in the same period operating costs by 17%. Interest costs have fallen by 34% in the same period. Like all other Associations, North View has to vigorously pursue value for money.

| North View Statement of Comprehensive Income | 2019/20 | 2018/19 | 2017/18 | 2016/17 | 2015/16 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Financial Performance 2015 to 2020 | | | | | |
| Turnover | £3,437,506 | £3,338,352 | £3,225,707 | £3,147,998 | £3,062,324 |
| Operating Costs | £2,944,752 | £2,718,617 | £2,594,866 | £2,606,969 | £2,512,468 |
| Operating Surplus | £492,754 | £619,735 | £630,841 | £541,029 | £549,856 |
| | 14% | 19% | 20% | 17% | 18% |
| Gain on sale of fixed assets | £0 | £0 | £14,086 | £46,491 | £84,608 |
| interest receivable | £917 | £504 | £1,364 | £3,635 | £5,111 |
| Interest payable | £272,389 | £270,856 | £254,509 | £401,858 | £412,123 |
| Surplus for the year before taxation | £221,282 | £349,383 | £391,782 | £189,297 | £227,452 |
| Taxation | £0 | £0 | £0 | £0 | £0 |
| Surplus for the year | £221,282 | £349,383 | £391,782 | £189,297 | £227,452 |
| Other Comprehensive Income | | | | | |
| Initial recognition of multi-employer defined benefit scheme | £0 | -£159,000 | £0 | £0 | £0 |
| Actuarial gains in respect of defined benefit pension scheme | £352,000 | £21,000 | £0 | £201,000 | £0 |
| Total Comprehensive Income for the Year | £573,282 | £211,383 | £391,782 | £390,297 | £227,452 |

| Financial Performance 2015 to 2020 | 2019/20 | 2018/19 | 2017/18 | 2016/17 | 2015/16 |
|---|----------------|----------------|----------------|----------------|----------------|
| Extract from Statement of Financial Position | | | | | |
| Cash | £2,298,833 | £237,799 | £436,722 | £540,090 | £647,683 |
| Gross Housing Properties | £26,789,011 | £26,544,649 | £25,576,982 | £25,151,073 | £24,915,796 |
| Loans | £8,135,502 | £6,292,238 | £6,579,624 | £6,930,138 | £7,137,965 |
| Net worth | £3,092,750 | £2,519,470 | £2,308,084 | £1,916,036 | £1,526,008 |
| Gearing | 34% | 24% | 26% | 28% | 29% |
| Interest Cover | 199% | 130% | 195% | 110% | 133% |
| Debt PU | £12,053 | £9,322 | £9,748 | £10,267 | £10,512 |

We can conclude North View is a profitable Housing Association, and in that period it has met all the financial covenants of its lender the Royal Bank of Scotland.

The value of the Association has doubled from £1.5m to £3.1m. Debt has increased as the Association assists the Scottish Government in meeting its targets for the development of new build social housing.

Section 72 of the Housing (Scotland) Act 2010 ("the Act") places a duty on statutory auditors and reporting accountants to disclose information of material significance to the SHR. No reports have been made to the Regulator under Section 72 in that period.

Financial Projections

Economic Outlook

The Coronavirus pandemic is an unprecedented economic shock. The restrictions to contain the virus have caused significant damage to the economy, with substantial UK Government fiscal programmes required to protect the labour market and ensure the flow of finance to businesses. The challenge for the Government is to avoid long term scarring to the economy.

The pandemic will reduce wages, income and wealth and have a negative and lasting effect on wellbeing. The period ahead is unprecedented period and it is difficult to imagine this period will not involve more austerity.

2021 Rent Increase

North View will pay particular attention to the rent increase in 2021. The Regulatory Standard 3 requires North View to maintain rents at a level that tenants can afford. Given the current and likely future economic context, North View plans to freeze the rents in 2021.

Before passing any costs onto tenants, North View will have to look closely at how it can manage the business efficiently to ensure that rent levels are kept as affordable as possible. Going forward North View must also develop a strategy that delivers efficiencies and focuses on budgetary control. This is key to the future success of the Association and serve as the community anchor for tenants.

Maintenance

The Association faces a major challenge in making its workplace safe, and abiding with national standards on social distancing and handwashing. Securing suitable PPE for all staff is and will

remain important. The Association has already secured substantial amounts of the required equipment.

North View is also aware that vulnerable colleagues and customers have to be given the proper protection either to allow them to work or to be shielded in their home.

The health and safety of tenants will remain of paramount importance and the Association will have to individually assess and consult with each tenant before they can deliver any of their investment plans (including cyclical and reactive maintenance programme.) in 2020/21 and 2021/22.

The result of all of this has been a delay in investment as noted in the table below.

Planned Maintenance (Capitalised and Uncapitalised)

| Planned Maintenance | Original Assumption | Revised Assumption |
|---------------------|---------------------|--------------------|
| Yr. 1 | £463,000 | £193,000 |

The delay in the investment programme has implications in relation to the interest cover covenant, in particular the adjustment allowed by RBS for 2020/21.

The adjustment will not be needed in 2020/21 and North View has already begun discussions with the Bank about amending the covenant as a result of the delays in investment and the proposed rent freeze for 2021. Early dialogue with RBS has been helpful and North View has now asked for the Bank's approval before the end of 2020, before commencing consultation with tenants about the 2021/22 rent increase.

Projections

Detailed projections can be reviewed in Chapter 12 of the Business Plan. They reveal continued profitability throughout the short, medium and long term. This information is of critical importance in meeting the criteria set for the review of strategic options.

Cash at Bank

The pandemic has emphasised the importance of cash for all businesses. Cash will always remain vital for the financial health of any housing association. Cash started the year at £2.3m and increases with a new loan drawn down from RBS to £3.5m by 31 March 2021.

| £'000 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|--------------|----------|----------|----------|----------|----------|
| Cash at Bank | 3,474.20 | 1,635.70 | 1,538.50 | 1,672.00 | 1,591.90 |

The new funding that has been put in place from Allia and RBS will be used to deliver new build homes, investment in existing homes and ensure the viability of the Association. The additional resources have also helped in delivering an affordable rent strategy and the proposed rent freeze for 2021.

Sensitivity Analysis

Detailed stress testing has been carried out and is disclosed in chapter 12 of the plan. It is important that the Association is able to respond to the evolving and significant challenges which are being experienced as a result of the coronavirus outbreak.

The stress testing revealed that the greatest long-term impact on the Association's future cash flows would result from increased bad debts, increases in repairs and reductions in rent increases. The

sensitivity detailed in Chapter 12 shows that the assumptions made on increases to costs or reductions in income would threaten the viability of the Business Plan.

It will be essential for North View to identify risks, and then to manage them effectively and to be vigorous in its pursuit of value for money in the years ahead.

Summary

A traffic light review of the financial performance of the Association would conclude: -

| | |
|--|--|
| Historic Financial Performance | |
| Support of lenders | |
| Plans to deliver an affordable rent policy | |
| Compliance with EESSH | |
| Compliance with SHQS | |
| Stock condition outputs independently validated | |
| Financial Projections – Covenant Compliant | |
| Financial projections – viable | |
| Sufficient cash resources | |

On the basis of our appraisal, we are satisfied that the Association is justified in remaining as an Independent, community-based Association.

Criterion 4: Local control and accountability to tenants and the community

Local decision-making and control (see *Business Plan, Chapters 2 and 6*)

North View was set up almost 30 years ago to put local people in control of fixing Windlaw's poor quality housing, a challenge which Glasgow City Council had failed to meet over many years.

North View has fulfilled its original remit, and has gone on to become a successful social landlord, still with local people setting the objectives and making sure these are achieved. Since North View is not a failing organisation, the Management Committee is committed to preserving and continuing its legacy of ensuring community control.

To briefly compare the options addressed in this report:

- Option 1 (continue as a fully autonomous RSL) is the option that would ensure North View's full independence and its ability to make fully independent decisions in the interests of tenants and the local community.
- Option 2 is also based on North View continuing as a fully autonomous RSL, but also working with neighbouring RSLs to share services or undertake activities on a collaborative basis that would result in financial or other benefits for all participants
- Option 3 (joining a group structure as a subsidiary of a larger RSL) would see North View continuing to be an RSL in its own right, but significant decisions would be made by the group parent which would also be able to exercise control over some of North View's affairs
- Option 4 (a merger with a larger RSL through a transfer of engagements) would lead to North View's demise as an RSL in its own right, and a loss of local identity and control.

A more detailed comparison of all three options is provided in Part 3 of this report.

Accountability to Tenants and the Community

North View's ultimate accountability is through our Rules, which provide for fully democratic "one person, one vote" arrangements for the election of Management Committee members.

Beyond this, North View uses many tools and techniques to promote participation and accountability, for example through tenant engagement work, consultations and regular surveys. Most North View tenants have said that regular surveys are how they wish to provide feedback and give their views.

North View's tenant satisfaction ratings are better than the national averages for five of the eight Charter indicators relating to tenant satisfaction (*see Business Plan, Chapter 10*). The exceptions are satisfaction with overall service (85%, 4% less than the national average) and whether tenants regard their rent as good value for money (68%, 16% less than the national average). The second of these Indicators is a cause for concern, which North View has recognised in its Business Plan (*see commentary under Criterion 1 in this report*).

Tenant Views about North View's Future

The 2020 Resident Satisfaction Survey sought tenant views about the importance of local service delivery and local control over decision making. The key results are as follows:

- 85% of respondents said that it was important to them that services are provided from a local office by staff who are based in the area and who know tenants and their issues
- 49% said this was very important, while 36% said it was fairly important
- 89% of respondents said that having an independent local landlord for Windlaw with all major decisions made by a locally-controlled Management Committee was important to them
- (46% said this was very important, while 43% said it was fairly important

Clearly, these results are significant for the review of strategic options since they indicate high levels of support for the status quo with no evidence of a desire for structural change.

Criterion 5: Effective and sustainable governance and organisational management

Throughout North View's history, voluntary committee members have contributed their commitment, skills and experience to secure our achievements (*Business Plan, Chapter 2*).

During this time, North View has not experienced a serious failure in governance, nor has the housing regulator had cause to engage with North View for that reason.

The Management Committee currently has nine members, four of whom have more than nine years' service with the majority having between two and six years' service.

Committee members have a positive attitude to learning and development, as evidenced by attendance rates at training events, conferences and strategy meetings. This has helped ensure that members have the skills and knowledge their role requires.

Most North View committee members are aged 50 or more, and succession planning is therefore the Association's most important governance priority at the present time. North View is addressing succession issues in two main ways. Firstly, as part of annual review meetings with each committee member ("committee chats"). Secondly, the Management Committee has worked with an external governance consultant, to develop a new Recruitment and Succession Strategy approved in 2019.

The Strategy sets out the succession planning priorities, in particular attracting younger committee members and new members with relevant skills and experience (the latter need not be Windlaw residents). North View has paused implementing the Strategy during 2020/21 because of Covid-19 restrictions, since engaging with potential new committee members will work better with face to face engagement. Work will resume as soon as the pandemic restrictions allow this.

North View has adapted its governance framework to meet the requirements of the SHR Regulatory Framework, in particular through self-assurance work to inform its Annual Assurance Statements to SHR. Recognising the challenges that all social landlords currently face, North View has also strengthened its approach to risk management, by introducing specialist risk management software and increasing committee scrutiny of risk and audit issues.

PART 3

COMPARISON OF STRATEGIC OPTIONS

Potential Advantages

Potential Disadvantages/Challenges

Option 1

Remain as a fully independent RSL

Governance and Accountability

- Retain independent control over all aspects of decision-making
- Able to decide own strategic agenda and objectives
- Able to concentrate on local issues and services
- Succession planning/recruitment can be used to attract younger people and to create a mix of skills (including out of area recruitment)
- Fully accountable to tenants and members

Service Delivery and Investment

- Services are guaranteed to be “always on the doorstep” for tenants
- Retain local Identity, local office and tenant-staff relationships
- Focus on core activities
- Full responsibility for planning, managing and funding repairs and investment works
- Opportunities to grow wider role activities

- Challenge of attracting new committee members with the appropriate skills and knowledge
- Capacity to manage external risks may be more limited than Options 3 and 4 (e.g. as a result of economic fallout from Covid-19 and Brexit, increased costs to meet climate change obligations). Depending on the specifics, these factors could impact on what can be offered to tenants.

Potential Advantages

Financial and Value for Money

- Existing Loan Facility continued, and terms protected
- No expenditure needed on costs associated with group structure and transfer of engagements options, i.e. business case, due diligence, consultancy, lenders legal, consultation/ ballot and other costs etc.
- Able to develop own strategy and priorities for improving value for money

Potential Disadvantages/Challenges

- Pressure on management costs v small staff team
- Level of rent increases to ensure covenant compliance and positive cashflow
- There may be more limited opportunities for efficiencies and economies of scale, which in turn may make it harder to keep rents affordable

Option 2

Remain independent, sharing services with other RSLs

Governance and Accountability

- Remain independent (see Option 1) and work with other RSLs on specific initiatives that are regarded as offering mutual benefits
- Depends on the appetite of other RSLs. If no history of sharing services, would need to be built up from scratch
- Partnership arrangements need to be managed – staff resources needed to do this
- Potential difficulties if partners have competing and/or conflicting interests and priorities
- Arrangements need to be clear avoid confusion with partnership arrangements

Potential Advantages

Financial and Value for Money

- Potential added efficiencies, cost effectiveness and sharing best practice
- Potential added skills and knowledge, shared resourcing
- Buying in ready-made skills and expertise

Potential Disadvantages/Challenges

- Possible requirement for VAT to be paid to the RSL providing the service

Option 3

Join a larger housing association as a subsidiary

Governance and Accountability

- Would continue to keep own identity and have some operational autonomy (inter group agreement)
- Subsidiary governing body would still be responsible for large areas of decision-making
- Possible support for existing committee in joining a larger housing group
- Revised governance and staff structures that fit an RSL subsidiary
- Can only go ahead if there is a successful tenant ballot
- Opportunities available for tenant participation, scrutiny etc.
- Reduction in community control / local focus and loss of community-controlled status
- Reduction in power: parent board has ultimate control
- The number of local residents and service users on subsidiary governing body may reduce over time
- Likely that some senior staff in subsidiary would be made redundant or redeployed – so possibly less dedicated advice to governing body from senior staff employed by the subsidiary.
- Group parent would most likely to take over staffing in areas like governance and finance
- Cost and time to secure a partner and deliver the new arrangement
- Existing and future local strategies would be influenced by parent, and could possibly be overridden by parent

Potential Advantages

Service Delivery and Investment

- The subsidiary would continue to be the provider of services at local level
- Negotiate a deal that suits the community re local office/ operational staff, rents, investment, wider action budget etc.
- A parent RSL cannot pay for works to a subsidiary's homes, but it may be able to help in accessing finance or providing input from specialist asset management staff
- Potential increased capacity for efficiencies that could be used to accelerate investment and/or provide additional services

Financial and Value for Money

- A subsidiary is still responsible for rent setting (subject to the parent's approval of its business plan).
- Possible that a parent could offer a reduction in rent increases, e.g. for the first three years (likely to be part-funded by having fewer senior staff employed by the subsidiary)
- Access to Group resources (people, new funding, skills, contracts, profile, facilities (e.g. IT, call centres, innovations, access to borrowing)

Potential Disadvantages/Challenges

- Some major decisions would be reserved to the group parent (e.g. approval of the subsidiary's business plan and budgets)
- The group parent would have powers to intervene in the management of the subsidiary in certain circumstances
- The group parent would most likely directly appoint some of its own board members to the subsidiary governing body
- A subsidiary may have limited choice about which services it must purchase from the parent – this may have an effect on being able to adopt local solutions
- It is likely that tenants would access some or all services through a central call centre managed by the group parent. This may not be welcomed by tenants who would prefer a more personal, local way of using their landlord's services.
- Continuation of a local office may be subject to review – a permanent guarantee is unlikely
- Access to group resources is not free – subsidiaries must pay for this through service agreements with the parent
- Lenders' consent will be required which will probably involve a fee

Potential Advantages

- No VAT paid to the RSL Parent if part of a VAT Group
- Potential for on lending from parent if required
- Delivers more saving than a shared services option. Any savings could be used to benefit tenants (e.g. lower rent increases and/or more investment in the area).

Potential Disadvantages/Challenges

Option 4 Merge with a larger RSL, through a Transfer of Engagements

Governance and Accountability

- Organisation taken over is no longer an RSL – so no longer a requirement to have formal governance structures in place, meet regulatory standards etc
- Transfer can only happen if tenants and members vote in favour
- Depending on the board membership policy, North View residents might be eligible to seek election to the board of the taking over organisation (likely to be restricted to very small numbers, depending on the size and profile of the taking over RSL)

The same as Option 3, except that:

- Organisation taken over would no longer be an RSL - it would be absorbed into the “taking over” RSL
- There would no longer be a Management Committee (although in some cases, an area committee with an advisory role might be considered)
- The taking over organisation would assume ownership of the other organisation’s housing and other assets and its liabilities
- Less formal local control over decision making than the group structure option (Option 3)
- All staff would become employees of the taking over RSL.

Potential Advantages

Service Delivery and Investment

- Seek to negotiate a deal that suits the community re local office/ operational staff, rents, investment wider action budget etc. This will depend on how open both parties are to negotiation and compromise and where the balance of power lies.
- The taking over organisation would finance and manage improvements to homes
- Potential increased capacity for efficiencies that could be used to accelerate investment and/or provide additional services. As with all options for change, this would depend on “the deal” that is struck.
- Depending on the deal, possible that tenants could be offered a reduction in rent increases, e.g. for the first three years. This would likely be paid for by savings in senior staff costs for the organisation being taken over.
- Longer-term, a larger organisation might have more scope to contain rent increases, by pooling income and costs across all of its houses
- Potential for input on local priorities, if tenants wish

Financial and Value for Money

- Pension liability: could be avoided if Pension Trust satisfied with the covenant of the new or acquiring RSL
- The most efficient model in generating savings that can be spent for the benefit of the community

Potential Disadvantages/Challenges

- The same as Option 3 for issues relating to having and sustaining a local office, use of call centres etc.
- Pre-transfer agreements are usually not legally binding to allow for flexibility in future decision-making. Risk that the full benefits discussed before the transfer may not be achieved.
- Rents would be set by the taking over organisation. Potential to offer tenants a better deal should be evidenced during negotiations rather than taken for granted.
- Lenders' consent will be required which will probably involve a fee
- Cost and time to secure a partner and deliver the new arrangement

APPENDIX 5

2020 SCOTTISH INDEX OF MULTIPLE DEPRIVATION (SIMD) AND 2011 CENSUS

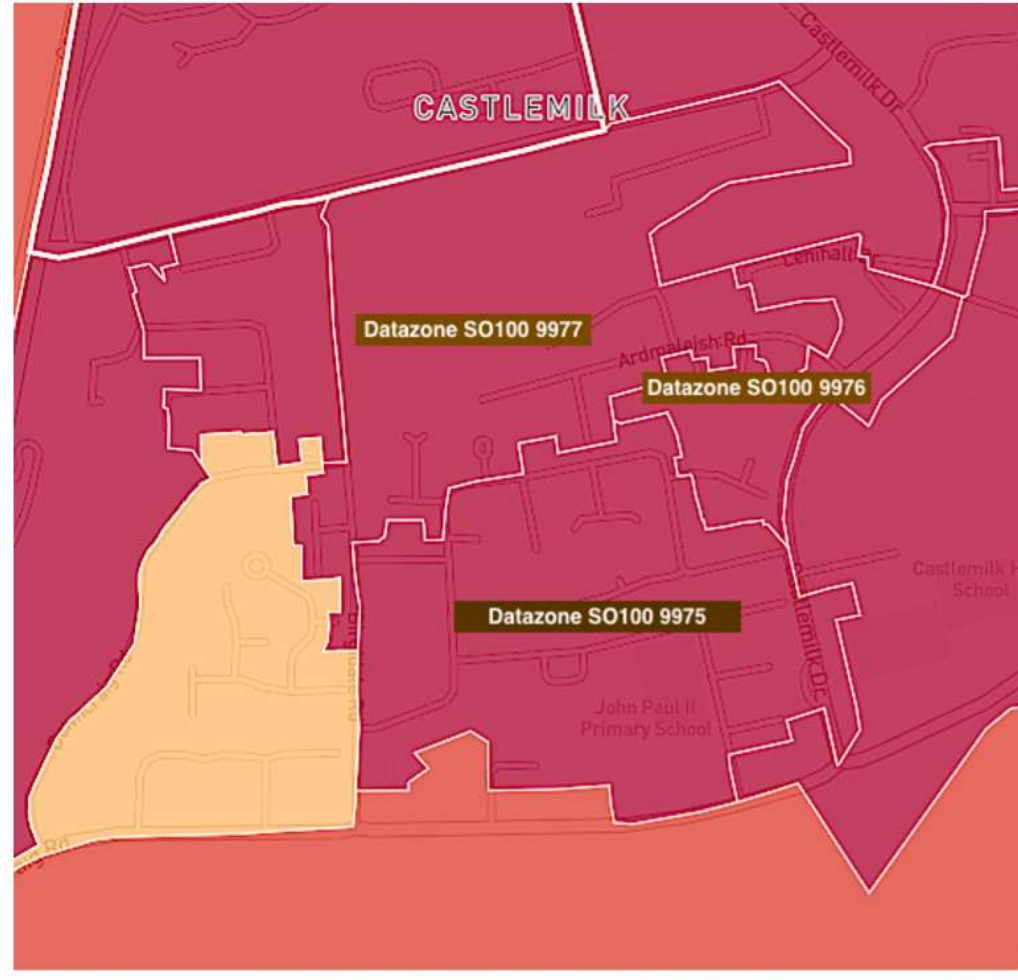
1) 2020 SIMD

Comparison of Deprivation Indicators for Windlaw and Glasgow City

| | Windlaw Average (all datazones) | Glasgow City average (all datazones) |
|---|------------------------------------|---|
| Income Deprived (%) | 45% | 20% |
| Employment Deprived (%) | 34% | 14% |
| Comparative Illness Factor (Standard Ratio) | 290 | 152 |
| Hospital stays related to alcohol use: Standard Ratio | 298.9 | 176.2 |
| Hospital stays related to drug use: Standard Ratio | 366.8 | 158.1 |
| Standardised mortality ratio | 190.4 | 124.6 |
| Proportion of population being prescribed drugs for anxiety, depression or psychosis | 32% | 21% |
| Proportion of live singleton births of low birth weight | 7.6% | 6% |
| Emergency stays in hospital: Standard Ratio | 180.2 | 122.0 |
| School pupil attendance | 66.0% | 76% |
| Average attainment rate (school leavers) | 4.8 | 5.4 |
| Working age people with no qualifications: Standard Ratio | 244.7 | 149.9 |
| % of people aged 16-19 not participating in education, employment or training | 9% | 4% |
| Proportion of 17-21 year olds entering university | 4% | 9% |
| Number of recorded crimes of violence, sexual offences, domestic housebreaking, vandalism, drugs offences, and common assault | 37.5 | 37.0 |
| Recorded crimes of violence, sexual offences, domestic housebreaking, vandalism, drugs offences, and common assault per 10,000 people | 456.7 | 444.6 |
| % of people in households that are overcrowded | 24% | 21% |
| % of people in households without central heating | 1.6% | 3% |

Graphics below show the **2020 SIMD rankings** for each of the 3 Windlaw datazones (rankings are 1 to 6,976 - where 1 is most deprived data zone in Scotland and 6,976 is least deprived)

The datazone locations and numbers are shown on the map below.





2) 2011 Census

Comparison Of Key Results for Castlemilk and Glasgow City

| | Castlemilk | Glasgow | Difference |
|---|------------|---------|------------|
| Age | | | |
| Children aged 15 or under | 16% | 12% | 4% |
| People of working age | 66% | 70% | 4% |
| People aged 65 plus | 14% | 14% | 0% |
| People aged 75 plus | 6% | 7% | 1% |
| Household Types | | | |
| Households with dependent children | 29% | 22% | 7% |
| Lone parent households with dependent children | 16% | 9% | 7% |
| Households where all members are aged 65 plus | 17% | 17% | 0% |
| Health Problems and disabilities | | | |
| People whose day to day activities were limited a lot by a long-term health problem or disability | 19% | 13% | 6% |
| People with a physical disability | 11% | 8% | 3% |
| People with a mental health condition | 10% | 6% | 4% |
| Ethnicity | | | |
| White-British people as % of population | 94% | 85% | 9% |
| White-Other | 2% | 4% | 2% |
| African, Caribbean or Black | 2% | 2% | 0% |
| Pakistani | 1% | 4% | 3% |
| All other ethnicities | 1% | 5% | 4% |
| Place of Birth | | | |
| People born outside the United Kingdom | 5% | 12% | 7% |
| Type of Housing | | | |
| Detached or semi-detached | 14% | 17% | 3% |
| Terraced | 17% | 12% | 5% |
| Flats | 68% | 69% | 1% |
| Housing Tenure | | | |
| Owner-occupied | 22% | 45% | 23% |
| Social Rented | 74% | 37% | 37% |
| Private rented | 4% | 17% | 13% |
| Economic Activity | | | |
| People aged 16 to 74 who are economically active | 57% | 64% | 7% |
| Access to a Vehicle | | | |
| Households who do not have a car or van available | 64% | 51% | 13% |

APPENDIX 6 SWOT AND PESTLE ANALYSES (DETAILED VERSIONS)

1) SWOT ANALYSIS 2020 (Strengths, Weaknesses, Opportunities, Threats)

STRENGTHS

- Business continuity maintained during Covid-19 pandemic, tenants and staff kept safe
- North View has a clear strategy and is focused on the needs of the community
- Technology up to date
- Committee and tenants receive good information
- Good committee and staff team, and organisational structure works well
- Good housing stock, and external contractors perform well
- Support for tenants, directly and also by connecting people with other services
- Financial collapse of Windlaw Lodge contractor managed effectively
- Final salary pension scheme now closed and DC pensions introduced
- Pandemic relief funding spent well
- New rent-setting policy agreed

OPPORTUNITIES

- More involvement by younger tenants in committee matters
- More engagement with younger tenants – social media, online meeting platforms
- Networking with other services with similar aims and values – e.g. local churches, foodbank etc
- Continuing to provide a better service
- We have a clear picture of tenants' priorities from satisfaction surveys
- Strong partnerships with others to provide community support

WEAKNESSES

- Limitations placed on service delivery during Covid-19 by public health guidance
- Uncertainty caused by external factors beyond our control
- Ageing stock
- Committee membership is ageing. Lack of younger committee members. Committee numbers need to be boosted.
- Tenant profile is ageing
- High levels of poverty require more resources to help sustain tenancies
- Lack of tenant engagement
- Tenant satisfaction levels
- Keeping up with regulations and legal requirements: may also increase costs
- Profile of senior staff team is ageing
- Rapid increase in section 5 lets since lockdown (80% of all lets)

THREATS

- Covid-19 impact on residents – e.g. money worries, mental health, social isolation
- Covid impacts on North View – e.g. rent arrears, tenancy sustainment, recession
- Future of the Birgidale Complex
- Weak economy: impact on North View's costs
- Rapid increase in tenants on Universal Credit
- Increasing levels of poverty and homelessness
- Major IT failure
- Changing regulations and legal requirements

- Grow/adapt wider role to respond to issues revealed by Covid (eg mental health, social isolation, people not being connected)
- Better understand reasons for lower satisfaction in some areas/key areas like repairs
- Help more tenants get online

- Failure to attract new MC members
- Younger tenants don't want to be involved in MC
- Director dies or cannot do job
- Retirement of senior staff
- Scottish Housing Regulator intervention
- Costs of climate change requirements

2) PESTLE ANALYSIS 2020

(Political, Economic, Social, Technological, Legal and Environmental factors)

| STRENGTHS/OPPORTUNITIES | THREATS/PRESSURE POINTS |
|---|--|
| SOCIAL FACTORS | |
| Covid-19 | |
| <ul style="list-style-type: none"> • Business continuity, safe delivery of services, support for the community and local partnership working all achieved • Progress being made on Covid-19 vaccines, possible relaxation of public health restrictions by mid-2021. • Government funding has enabled local organisations to respond effectively to community needs during Covid-19. | <ul style="list-style-type: none"> • Arrival of second wave, rising number of infections and deaths, possible winter crisis in NHS • Longer-term social and economic damage caused by Covid-19 and impact on poorer communities. • Suitable policy and financial responses by government are critical. |
| Deprivation | |
| <ul style="list-style-type: none"> • North View response – with limited resources – is through the Wider Role programme. • Potential to do more post-Covid, but this depends on the right financial and structural support from central and local government. • Genuine community empowerment would improve outcomes in poorer communities. | <ul style="list-style-type: none"> • Deprivation levels in Windlaw are severe and persistent. • As with Covid-19, local organisations can only do so much without government support (policy and financial). |
| Demographic Change | |
| <ul style="list-style-type: none"> • Possible increased demand for housing and services from single people and older people | <ul style="list-style-type: none"> • An ageing tenant population may need new or different services, or more accessible housing) |
| Homelessness | |
| <ul style="list-style-type: none"> • New GCC policies on rapid rehousing and Housing First, to prevent and resolve homelessness | <ul style="list-style-type: none"> • Suitable support for new tenants critical to sustaining tenancies and minimising any negative impacts on neighbours. • 19 out of 30 North View lets in 2020/21 to date have been to section 5 referrals. Rehousing prospects for other applicants in housing are lower as a result. • Section 5 demand may reduce as Covid eases. GCC's list of homeless applicants seeking to be rehoused in Castlemilk is currently exhausted. |

| STRENGTHS/OPPORTUNITIES | THREATS/PRESSURE POINTS |
|---|---|
| POLITICAL/LEGAL/REGULATORY | |
| <ul style="list-style-type: none"> • North View has good operational relationships with GCC and DWP. • Low SHR engagement, since SHR was set up in 2012. • Action taken by North View to comply with recent legislation on freedom of information and data protection. • Possibility of greater political priority to meaningful community empowerment in 2021 manifestos, to reflect the different landscape post-Covid. | <ul style="list-style-type: none"> • No new bills proposed in relation to housing and homelessness prior to 2021 Scottish Parliament elections. • Scottish Government's current priorities are increasing new housing supply, reducing homelessness, and reducing carbon emissions. • Political uncertainty due to Brexit, and possible second referendum on Scottish Independence • Ongoing work needed to address 2019 SHR Regulatory Framework • Scottish Government 2016 pledge to promote greater local democracy has not been met. • Continued GCC funding cuts to local services (e.g. bulk uplift changes could cost North View £30k a year). |
| ECONOMIC FACTORS | |
| <ul style="list-style-type: none"> • North View residents' resilience has been greatly improved by our in house welfare advice service • Improved Universal Credit payment scheduling agreed with DWP has had immediate impact in reducing arrears. • Interest rates are still at historically low levels • Brexit permitting, the Bank of England's inflation forecast for the next 3 years are in the range 2% to 3% • Ability to seek Managed Payments from tenants receiving UC who have 2+ months arrears • Making use of "Scottish Choices" for direct payment of UC housing costs element (albeit criteria for doing are more limited than ideal) • Sustainable grant level approved by Glasgow City Council for Windlaw Lodge • Pension cost reductions made • Economic uncertainty could impact on private finance availability and costs – but no further borrowing anticipated for the duration of this Business Plan | <ul style="list-style-type: none"> • Universal Credit: 7-day waiting period and 5-week timescale for paying UC to new claimants has increased rent arrears and hardship • UK economy severely weakened by Covid-19 pandemic (e.g. deep recession; cost of pandemic relief measures for households and businesses; high levels of business failure and job losses in particular sectors). • Bank of England's current forecasts are that GDP will <u>recover strongly</u> from 2021 onwards. • Economic uncertainty due to Brexit – could potentially significantly increase inflation and interest rates, in the event of "no deal" and/or sterling weakness. Alternatively, adverse effects could "wash through" relatively quickly. • Possible Brexit impacts on construction/ materials costs and supply chains – contingency arrangements needed • Possible Brexit impacts on financial resilience of construction industry and contractors • Risk of cost of living increases for tenants and inflationary pressures on NVHA costs. • Potential regulatory pressure on future rent increases |
| TECHNOLOGICAL FACTORS | |
| <ul style="list-style-type: none"> • New North View app, to provide greater choice in how tenants can access services | <ul style="list-style-type: none"> • Future demand from customers for new ways of receiving information and doing business with us (e.g. digital options) |

| STRENGTHS/OPPORTUNITIES | THREATS/PRESSURE POINTS |
|---|--|
| ENVIRONMENTAL FACTORS | |
| <ul style="list-style-type: none"> • Major repairs programme impact on energy efficiency and reduction of fuel poverty • Scottish Government energy efficiency standards (EESH), to be met by end 2020 • Deadline for Scottish Government fire and heat detection measures now moved from early 2021 to early 2022 | <ul style="list-style-type: none"> • Continued mandatory raising of standards, to meet government Climate Change targets. EESH2 sets mandatory standards after 2020. • EESH2 target that all homes in the social housing sector should meet EPC Band B by 2032, with a further goal for all social housing in Scotland “as far as reasonably practical” to be carbon neutral by 2040. • Availability of finance and suitable technological solutions are key issues. • Possibility of new legislation or regulations preventing the renewal of gas boilers. This would have major cost implications. |

Benchmarking and Value for Money Assessment

This Appendix includes 2 tables:

Table 1 sets out North View's Charter Indicators results for the period 2016/17 to 2018/19. ⁽²⁾ The results are the average for the three year period, and they are compared in the table with the same set of results for North View's Scotland's Housing Network peer group ⁽³⁾ and with the national averages for all social landlords in Scotland.

Since ARC results often vary from one year to the next, a 3 year timeframe was chosen for analysis to obtain a picture of performance over a number of years, rather than a snapshot for a single year.

Table 2 shows North View's Charter Indicators performance for 2019/20, and how the results compare with 2018/19.

⁽²⁾ At the time of preparing the Business Plan, 2018/19 was the most up to date year for which ARC data was available to calculate benchmarked 3-year performance average figures (Table 1). Table 2 is based on the ARC return we made to SHR for 2019/20.

⁽³⁾ In addition to North View, our selected peer group for benchmarking purposes is made up of Ardenglen HA, Blairtummock HA, Cadder HA, Cassiltoun HA, Easthall Park HA, Ferguslie Park HA, Pineview HA and Wellhouse HA

TABLE 1: Charter Indicators Comparison 2016/17 to 2018/19 (3-year averages)

This Table uses the following colour coding:

North View results **better than or equal to** the compared averages



North View results worse than compared average by **3% or less**



North View results worse than compared average by **3% or more**



As well as showing the benchmarking results, Table 1 interprets the 3-year average results from a value for money perspective. To do this, we have assigned each Charter Indicators to one or more of the following categories, each of which relates to a into one (or sometimes more than one) of the following categories, each of which covers a particular dimension of Value for Money.

| Type of Measure | What the measure demonstrates |
|-------------------------------|---|
| Value | There is a demonstrable benefit to tenants, for example based on tenant satisfaction or a service outcome provides a tangible benefit |
| Business and Financial | North View's performance has an impact on our finances and wider business |
| Process | How efficient and effective North View is at managing different aspects of our services |

TABLE 1: Charter Indicators Comparison 2016/17 to 2018/19 (3-year averages)

| Indicator Type | VFM Category | Charter Indicator (number and description) | North View | Scottish Avg | Peer Group Avg |
|---|---------------------------------|---|------------|--------------|----------------|
| Context | | C17 All self-contained units | 665 | n/a | 753 |
| Demand and Voids | Business & Financial | 21 - % of lettable self-contained houses that became vacant in year | 7.5 | 8.5 | 6.5 |
| | Business & Financial | 34 - % of rent due lost through properties being empty | 0.3 | 0.9 | 0.3 |
| | Process | 35 - Average calendar days to re-let empty properties | 17.4 | 31.4 | 14.7 |
| Income Management | Business & Financial | 30 - % of collected of rent due | 99.5 | 99.4 | 99.3 |
| | Business & Financial | 31 - % of gross rent arrears of rent due | 4.4 | 5.5 | 4.1 |
| | Business & Financial | C23 - % of former tenant rent arrears written off | 45.2 | 37.0 | 45.6 |
| Repairs & Maintenance | Value | 7 - % of properties meeting SHQS year end | 99.7 | 93.9 | 98.2 |
| | Value | 8 - % of properties meeting NHER / SAP ratings year end | 99.7 | 97.5 | 98.9 |
| | Process & Value | 11 - Average hours to complete emergency repairs | 2.3 | 4.1 | 2.2 |
| | Process & Value | 12 - Average working days to complete non-emergency repairs | 3.0 | 6.7 | 3.7 |
| | Process & Value | 13 - % of reactive repairs completed right first time | 96.5 | 92.4 | 94.6 |
| | Process | 15 - % of properties with gas safety record renewed by anniversary date | 100.0 | 99.9 | 100.0 |
| Tenant and Resident Satisfaction | Value | 1 - % of tenants satisfied with overall service provided by landlord | 88.5 | 90.1 | 91.5 |

| Indicator Type | VFM Category | Charter Indicator (number and description) | North View | Scottish Avg | Peer Group Avg |
|---|--|---|------------|--------------|----------------|
| | Value | 3 - % of tenants who feel landlord is good at keeping them informed about services and decisions | 94.5 | 91.5 | 95.7 |
| | Value | 6 - % of tenants satisfied with opportunities given to them to participate in landlords decision making | 93.7 | 85.4 | 93.3 |
| | Value | 10 - % of tenants satisfied with quality of home | 91.2 | 87.7 | 89.9 |
| | Value | 16 - % of tenants satisfied with repairs service | 88.0 | 91.5 | 91.0 |
| | Value | 17 - % of tenants satisfied with management of neighbourhood | 91.8 | 87.6 | 91.5 |
| | Value | 29 - % of tenants who feel rent for their property represents good value for money | 83.8 | 82.8 | 84.7 |
| | Value | 33 - % of factored owners satisfied with factoring service | 66.7 | 67.0 | 79.2 |
| Tenancy management and Sustainment | Process & Value | 19 - ASB cases resolved within local target | 91.0 | 87.7 | 93.9 |
| | Value Business & Financial | 20 - % of tenancies began in previous year remained more than a year - existing tenants | 100.0 | 93.3 | 96.7 |
| | Value Business & Financial | 20 - % of tenancies began in previous year remained more than a year - applicants assessed statutory homeless LA | 72.4 | 88.2 | 87.2 |
| | Value Business & Financial | 20 - % of tenancies began in previous year remained more than a year - applicants from organisations housing list | 93.9 | 87.9 | 93.6 |
| | Value Business & Financial | 20 - % of tenancies began in previous year remained more than a year - all | 92.3 | 88.8 | 92.7 |
| | Process | 24 - % of court actions initiated which resulted in eviction | 39.3 | 17.8 | 23.6 |

TABLE 2: Comparison of North View Charter Results for 2018/19 and 2019/20

North View HA

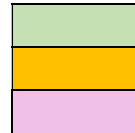
Charter Indicators Comparison 2018/19 and 2019/20

KEY

2019/20 results better than or equal to 2018/19 levels

2019/20 results slightly below 2018/19 levels

2019/20 results significantly below 2018/19 levels



| Charter Indicator | North View 2018/19 | North View 2019/20 |
|---|--------------------|--------------------|
| Demand and Voids | | |
| 21 - % of lettable self-contained houses that became vacant in year | 6.77 | 9.9 |
| 34 - % of rent due lost through properties being empty | 0.37 | 0.59 |
| 35 - Average calendar days to re-let properties | 20.8 | 15.7 |
| Income Management | | |
| 30 - % of collected of rent due | 100.6 | 95.8 |
| 31 - % of gross rent arrears of rent due | 4.53 | 6.5 |
| C23 - % of former tenant arrears written off | 45.2 | 32.9 |
| Repairs & Maintenance | | |
| 7 - % of properties meeting SHQS year end | 100 | 100 |
| 11 - Average hours to complete emergency repairs | 2.44 | 1.99 |
| 12 - Average working days to complete non-emergency repairs | 3.09 | 2.7 |
| 13 - % of reactive repairs completed right first time | 96.5 | 90 |
| 15 - % of properties with gas safety record renewed by anniversary date | 100 | 100 |

| Charter Indicator | North View 2018/19 | North View 2019/20 |
|--|--------------------|-----------------------|
| Tenancy Management and Sustainment | | |
| 19 - ASB cases resolved within local target | 92.4 | ARC Indicator changed |
| 20 - % of tenancies began in previous year remained more than a year - existing tenants | 100 | 80 |
| 20 - % of tenancies began in previous year remained more than a year - applicants assessed statutory homeless LA | 92.3 | 88.2 |
| 20 - % of tenancies began in previous year remained more than a year - all applicants from NVHA housing list | 88.9 | 100 |
| 20 - % of tenancies began in previous year remained more than a year - all applicant types | 92.6 | 91.3 |
| 24 - % of court actions initiated which resulted in eviction | 20 | 35.7 |

**APPENDIX 8
STRATEGIC RISK REGISTER**

| | |
|--------------------|----------------|
| Report Date | 20 Oct 2020 |
| Risk Area | Strategic Risk |

| Risk Ref | Risk Title | Cause & Effect | Risk Level should nothing be done | Risk Control | Control Assurance (1st Line) | Control Assurance (2nd Line) | Control Assurance (3rd Line) | Assurance Level | Current Risk Level | Action Required | Progress Notes |
|----------|---|---|-----------------------------------|--|------------------------------|------------------------------|------------------------------|-----------------|--------------------|---|----------------|
| STR 1. 1 | VIABILITY - the Association ceases operations Risk Owner: Euan Anderson Day to day overseen by: Euan Anderson Last Updated: 19 Oct 2020 | Cause C1) Expenditure exceeds income year on year C2) Poor treasury management C3) Unable to sustain 8 or more Members on the Committee C4) Director leaves or is unable to work Effects E1) We run out of money E2) We have cash flow problems E3) We breach financial covenants E4) Incur regulatory engagement E5) Triggers a 'Notifiable Event' E6) Merge with (or be acquired) by another RSL | I = 5 L = 5 25 | C4) Director leaves or is unable to work:- three months notice period requirement will give Committee marginal time to recruit a replacement should the Director resign or retire; but no control in place should the Director be unable to work. Inclusion of options appraisal in Business Plan reviews (so that NVHA has Options Appraisal on hand to issue to SHR if required). Control Owner: Euan Anderson | | | | | I = 3 L = 3 13 | Re C1) Expenditure exceeds income year on year:- secure £1m to fund extensive major repairs over the next few financial years; Internal Auditor to evaluate assumptions made in financial projections (look to include this as part of their next audit cycle - in February 2020). Person Responsible: Jean Price To be implemented by: 31 Mar 2020 | |
| | | | | Re C1) Expenditure exceeds income year on year:- we complete annual 5 year and 30 year financial forecasts; analysis of these helps us identify periods where we may be financially weak, and we can therefore take action to address the weakness. Control Owner: Jean Price | | | | | | Re C2) Poor treasury management:- Internal Auditor to evaluate the robustness of our Treasury Management Policy. Person Responsible: Jean Price To be implemented by: 31 Mar 2020 | |
| | | | | Re C2) Poor treasury management:- implementation of our Treasury Management Policy. Control Owner: Jean Price | | | | | | Re C4) Director leaves or is unable to work:- i) appoint Jim Harvey to oversee options appraisal for the Association. Include Options Appraisal update in three yearly Business Planning cycle, and ii) put in place system to replace Director in the event of the Director being unable to work. Person Responsible: Euan To be implemented by: 01 Jun 2020 | |
| | | | | Re C3) Unable to sustain 8 or more Members on the Committee:- keep in close contact with Committee to identify if they are intending on stepping down; monitor attendance levels and contact Members who have missed three consecutive Meetings. Control Owner: Euan Anderson | | | | | | Re C3) Unable to sustain 8 or more Members on the Committee:- develop and implement Recruitment Strategy and Succession Plan. Appoint Linda Ewart to work with Committee to affect a recruitment strategy for Committee Members. Person Responsible: Euan To be implemented by: 30 Jun 2020 | |
| | | | | | | | | | | | |

| Risk Ref | Risk Title | Cause & Effect | Risk Level should nothing be done | Risk Control | Control Assurance (1st Line) | Control Assurance (2nd Line) | Control Assurance (3rd Line) | Assurance Level | Current Risk Level | Action Required | Progress Notes |
|----------|--|--|-----------------------------------|---|------------------------------|------------------------------|------------------------------|--|--------------------|--|----------------|
| STR 1. 2 | FINANCE - fail to manage our finances effectively and sustainably Risk Owner: Jean Price Day to day overseen by: Last Updated: 20 Oct 2020 | <p>Cause C1) Fail to produce accurate and timely financial information C2) Poor financial controls C3) Ineffective insurance policies in place C4) No scenario testing C5) Committee not receiving Treasury Management Report C6) Treasury Management Policy has poor definition criterion for financial institutions. C7) Financial procedures are out of date. C8) Weaknesses in reporting re quarterly management accounts</p> <p>Effects E2) Loss of money through fraudulent activity; breach of financial covenants; Regulatory Intervention; Fail to get value for money E1) Regulatory Intervention E3) Either having no insurance cover for certain elements, or the insurance cover we have is undervalue. E4) Finances unable to withstand foreseeable change in financial climate. E5) Committee unaware if Association is compliant with content of Treasury Management Policy. E6) Definition is to subjective, and therefore open to (mis)interpretation. E7) Mistakes made due to staff not having up to date guidance on current processes. E8) Committee unsure of reasons for variances in quarterly management accounts.</p> | I = 5 L = 4 24 | Re C1) Fail to produce accurate and timely financial information:- re timely, we have set dates for submissions (internal for Committee and external to Regulator, Bank of Scotland, and External Auditor) which we meet; accuracy checked at External Audit. Control Owner: Jean Price | | | | | I = 3 L = 3 13 | Re C4) No scenario testing:- scenario testing based on identified risks, with copies being retained for reference and planning purposes will be implemented as part of Paul McNeill's input to the Business Planning process. Person Responsible: Jean Price To be implemented by: 27 Nov 2020 | |
| | | | | Re C2) Poor financial controls:- met by the implementation of our suite of finance policies and procedures. Control Owner: Jean Price | | | | Re C5) Committee not receiving Treasury Management Report:- the Committee will receive a treasury management report at least annually. Person Responsible: Jean Price To be implemented by: 31 Dec 2020 | | | |
| | | | | Re C3) Ineffective insurance policies in place:- the effectiveness of our policy is reviewed at least once per year (before renewal). We are regular contact with our insurer throughout the year which us the flexibility to take on insurance to cover new activities and/or, if warranted, increase cover levels of component areas of the business. Control Owner: Ady Tester | | | | Re C7) Financial procedures are out of date:- financial procedures will be updated to reflect the (new) finance system. Person Responsible: Jean Price To be implemented by: 31 Dec 2020 | | | |
| | | | | | | | | Re C6) Treasury Management Policy has poor criterion definition for financial institutions:- the Treasury Management policy will be reviewed to define what is considered to be a 'good' credit rating Person Responsible: Jean Price To be implemented by: 31 Dec 2020 | | | |
| | | | | | | | | Re C8) Weaknesses in reporting re quarterly management accounts:- The management accounts will include an explanation for variances, that committee can refer back to. Person Responsible: Jean Price To be implemented by: 31 Dec 2020 | | | |
| | | | | | | | | Re C3) Ineffective insurance policies in place:- the effectiveness of our policy is reviewed at least once per year (before renewal). We are regular contact with our insurer throughout the year which us the flexibility to take on insurance to cover new activities and/or, if warranted, increase cover levels of component areas of the business. Person Responsible: Ady Tester To be implemented by: 11 Dec 2019 | | | |
| | | | | | | | | Re C2) Poor financial controls:- Internal Auditor to assess compliance with existing controls and robustness of existing controls. Person Responsible: Jean Price To be implemented by: 29 Feb 2020 | | | |
| | | | | | | | | | | | |

| Risk Ref | Risk Title | Cause & Effect | Risk Level should nothing be done | Risk Control | Control Assurance (1st Line) | Control Assurance (2nd Line) | Control Assurance (3rd Line) | Assurance Level | Current Risk Level | Action Required | Progress Notes |
|----------|--|---|--|---|------------------------------------|------------------------------------|------------------------------------|-----------------|-----------------------|---|----------------|
| STR 1.3 | CLIMATE CHANGE - difficulty in complying with legislation. Risk Owner: Euan Anderson Day to day overseen by: Last Updated: 19 Oct 2020 | Cause C1) Legislation to 'phase out' gas boilers. C2) Promotion of low carbon heating. C3) Cost of replacing gas boiler with low carbon heating is not included in our long term projection. C4) Lengthened growing season. Effects E1) Weakened financial position (as we have to borrow to comply with legislation). E2) Increased cost of estate maintenance. | I = 4 L = 5 23 | Re C3) Cost of replacing gas boiler with low carbon heating is not included in our long term projection:- no existing control. Control Owner: Ady Tester | | | | | I = 3 L = 5 20 | Re C4) Lengthened growing season:- we need to asses our requirements and increase expenditure (within our financial projections) to cover the cost of additional work. Person Responsible: Ady Tester To be implemented by: 15 Jan 2021 | |
| | | | | Re C1) Legislation to 'phase out' gas boilers:- no existing control. Control Owner: Ady Tester | | | | | | Re C1) Legislation to 'phase out' gas boilers:- we have to keep a watching eye on this. At the moment nothing is certain; it may be that we replace have to replace natural gas boilers with hydrogen gas boilers, or with a mixture of electric boilers, quantum type electric central heating, and ASHPs - but we will have to be mindful that the change could have a detrimental effect of the EPC rating and therefor EESSH and EESSH2. Person Responsible: Ady Tester To be implemented by: 31 Mar 2021 | |
| | | | | Re C2) Promotion of low carbon heating:- no existing control. Control Owner: Ady Tester | | | | | | Re C2) Promotion of low carbon heating:- we have to keep a watching eye on governmental 'steer' as natural gas is phased out. Person Responsible: Ady Tester To be implemented by: 31 Mar 2021 | |
| | | | | Re C4) Lengthened growing season:- arranging for grass to be cut, shrubs maintained, gutters cleaned earlier and later in the year. Control Owner: Ady Tester | | | | | | Re C3) Cost of replacing gas boiler with low carbon heating is not included in our long term projection:- we will have to look at this once we have clarity on governmental Person Responsible: Ady Tester To be implemented by: 30 Sep 2021 | |
| | | | | | | | | | | | |

| Risk Ref | Risk Title | Cause & Effect | Risk Level should nothing be done | Risk Control | Control Assurance (1st Line) | Control Assurance (2nd Line) | Control Assurance (3rd Line) | Assurance Level | Current Risk Level | Action Required | Progress Notes |
|----------|--|---|-----------------------------------|---|------------------------------|------------------------------|------------------------------|-----------------|--------------------|--|---|
| STR 1. 4 | BREXIT Risk Owner: Euan Anderson Day to day overseen by: Last Updated: 20 Oct 2020 | Cause C1) Financial uncertainty. C2) Weak pound against Euro C3) Problems with imports from Europe. C4) Our residents finances are hit hard. C5) Tariffs applied to imports. C6) Difficulty in procuring materials/components Effects E1) Budget expenditure forecasts are out due to increased cost of imported building materials. E2) Delays in building components arriving, or them being cancelled or them being difficult to source. E3) Increase in rent arrears. E4) Residents health & wellbeing suffers (as a result of them not having enough money). E5) Increase in cost of imported materials/components. E6) Delays to contracts/work programmes | I = 4 L = 5 23 | Re C1) Financial uncertainty, and C2) weak pound:- keep a watching brief on the financial markets, so than we can react as quickly as possible to address emerging threats/opportunities. Control Owner: Jean Price | | | | | I = 3 L = 5 20 | Re C5) Tariffs applied to imports:- look at alternative products and/or sources (that are tariff free and/or less expensive); monitor the effect and reflect increases in future annual maintenance budgets. Person Responsible: Ady Tester To be implemented by: 01 Dec 2020 | |
| | | | | Re C3) Delays with imports from Europe:- we ensure availability of materials/components before we commit to purchase; we also investigate alternative specifications that may not be as badly affected by the delays. Control Owner: Ady Tester | | | | | | Re C6) Difficulty in procuring materials/components:- Maintenance Manager to regularly monitor (and assess) the availability of the materials/components that we are planning to use. Person Responsible: Ady Tester To be implemented by: 31 Dec 2020 | |
| | | | | Re C4) Our residents finances are hit hard:- we have no existing control. Control Owner: Euan Anderson | | | | | | Re C1) Financial uncertainty, and C2) Weak pound/tariffs:- monthly evaluation of potential strength of financial markets and sterling. Person Responsible: Jean Price To be implemented by: 29 Jan 2021 | 01 Nov 2019 Julie Roy Target date changed to 3/2/20, as Brexit been delayed till end of January 2020. |
| | | | | Re C5) Tariffs applied to imports:- keep a watching brief on cost of materials/components; compare prices when procuring; look at alternative products and/or sources (that are tariff free and/or less expensive). Control Owner: Ady Tester | | | | | | Re C3) Delays with imports from Europe:- look at alternative products and/or sources (that are tariff free and/or less expensive); monitor the effect and reflect increases in future annual maintenance budgets. Person Responsible: Euan To be implemented by: 31 Mar 2021 | |
| | | | | | | | | | | Re C4) Our residents finances are hit hard:- gather information periodically to allow us to better assess the impact that Brexit will have on our residents (establishing that will enable us to respond to better effect). Consider carrying out regular 'social demographic' type surveys of our residents. Contact Research Resource to discuss 'Getting to Know You' survey that they did for QXHA. Person Responsible: Euan To be implemented by: 31 Mar 2020 | |

| Risk Ref | Risk Title | Cause & Effect | Risk Level should nothing be done | Risk Control | Control Assurance (1st Line) | Control Assurance (2nd Line) | Control Assurance (3rd Line) | Assurance Level | Current Risk Level | Action Required | Progress Notes |
|----------|---|--|-----------------------------------|---|------------------------------|------------------------------|------------------------------|-----------------|--------------------|--|----------------|
| STR 1. 5 | UNIVERSAL CREDIT - adverse affect on our financial well-being Risk Owner: Euan Anderson Day to day overseen by: Last Updated: 19 Oct 2020 | Cause C1) Increase in rent arrears. C2) Increase in number of legal actions (for rent arrears). C3) Cashflow problems. C4) Increase in Housing Management workload, and increase in Finance workload. Effects E1) Not enough money to pay creditors at month end. E2) Increased stress levels among staff. E3) Can't afford to affect budgetary expenditure. E4) Breach of loan compliance. E5) Reputational damage. | I = 4 L = 5 23 | Re C1) Increase in rent arrears:- monthly monitoring of rent arrears levels enables trend analysis from which action can be taken; Action Plan in place regarding roll out of Universal Credit; WRO service available to tenants to maximise benefit related income. Control Owner: Alison Main | | | | | I = 3 L = 3 13 | Re C1) Increase in rent arrears:- action will be dependent upon assessment of rent arrear trends. Person Responsible: Alison Main To be implemented by: 31 Mar 2020 | |
| | | | | Re C2) Increase in number of legal actions (for rent arrears):- Housing Manager monitors no of legal action cases. Control Owner: Alison Main | | | | | | Re C2) Increase in number of legal actions (for rent arrears):- action will be dependent upon assessment of circumstances affecting each case (action taken may be to try to increase support for tenants with a view to reducing no of legal actions - but the action we take will have to be costed first). Person Responsible: Euan To be implemented by: 31 Mar 2020 | |
| | | | | Re C3) Cashflow problems:- Finance Manager regularly assesses cash flow to identify potential problems, and will activate £250k overdraft facility (as required) to address month end deficit. Control Owner: Jean Price | | | | | | | |
| | | | | Re C4) Increase in Housing Management workload, and increase in Finance workload:- workload issues identified through regular team meetings, and annually through staff appraisals. Control Owner: Euan Anderson | | | | | | | |
| STR 1. 6 | CYBER SECURITY - systems vulnerable to cyber attack. Risk Owner: Euan Anderson Day to day overseen by: Ady Tester Last Updated: 20 Oct 2020 | Cause C1) Security software is not fit for purpose. C2) Weak IT security practices. C3) Lack of awareness (of IT security issues) among staff. C4) Successful cyber attack on home workers Effects E1) Business disruption. E2) Loss of data. E3) Fine from Information Commissioner. E4) Loss of data/monies, or corruption of data. Breach of GDPR. Cost for downtime and in addressing issue. | I = 4 L = 4 21 | Re C1) Security software is not fit for purpose:- ensure all software is of current version and appropriate for our operation. Control Owner: Ady Tester | | | | | I = 3 L = 3 13 | Re C3) Lack of awareness (of IT security issues) among staff:- arrange general IT security awareness training for staff and training specifically on our procedures for staff. Person Responsible: Ady Tester To be implemented by: 01 Feb 2021 | |
| | | | | Re C2) Weak IT security practices:- implementation of IT procedures. Control Owner: Ady Tester | | | | | | Re C1) Security software is not fit for purpose:- procure an audit assessment of our software provision from the Scottish Business Resilience Centre (or other competent party). Person Responsible: Ady Tester To be implemented by: 01 Feb 2021 | |
| | | | | Re C3) Lack of awareness (of IT security issues) among staff:- Staff have been trained on IT awareness; Staff issued with GDPR tipsheet that covers IT security. Control Owner: Ady Tester | | | | | | Re C2) Weak IT security practices:- procure an audit assessment of our security practices from the Scottish Business Resilience Centre (or other competent party); provide all staff with a 'tipsheet' of security requirement procedures arising from audit. Person Responsible: Ady Tester To be implemented by: 01 Feb 2021 | |
| | | | | | | | | | | Re C4) Successful cyber attack on home workers:- Scottish Business Resilience Centre (or other competent party) to advise/assess. Person Responsible: Ady Tester To be implemented by: 01 Feb 2021 | |

| Risk Ref | Risk Title | Cause & Effect | Risk Level should nothing be done | Risk Control | Control Assurance (1st Line) | Control Assurance (2nd Line) | Control Assurance (3rd Line) | Assurance Level | Current Risk Level | Action Required | Progress Notes |
|----------|---|--|-----------------------------------|---|------------------------------|------------------------------|------------------------------|-----------------|--------------------|---|----------------|
| STR 1.7 | AFFORDABILITY - our rents are too high. Risk Owner: Euan Anderson Day to day overseen by: Last Updated: 20 Oct 2020 | <p>Cause C1) Rent levels inherited from Scottish Homes. C2) Weaknesses with the criteria used to set rent levels. C3) Financial projections require constant annual rent increases to be sustainable.</p> <p>Effects E1) Inequitable rent charges between 'Tenants Choice' properties. E2) Our tenants pay more in rent than tenants of other local RSLs living in similar a dwelling type. E3) Properties take longer to let as prospective tenants refuse to pay the high rent. E4) Reputational damage.</p> | I = 3 L = 5 20 | C1) Rent levels inherited from Scottish Homes:- Arneil Johnson has carried out affordability assessment as part of its overhaul of our Rent Policy; their assessment indicates that our rents are affordable. Control Owner: Jean Price | | | | | I = 2 L = 5 16 | Re C2) Weaknesses with the criteria used to set rent levels:- review criteria for generating rent levels as part of the review of our Rent Policy facilitated by Arneil Johnson. Person Responsible: Jean Price To be implemented by: 30 Oct 2020 | |
| | | | | | | | | | | Re C3) Financial projections require constant annual rent increases to be sustainable:- carry out sensitivity analysis and stress testing of projections to ascertain effect that varying levels of rent increase would have on our financial projections. This will be done as part of Arneil Johnson's Rent Assimilation exercise. Person Responsible: Jean Price To be implemented by: 30 Oct 2020 | |

| Risk Ref | Risk Title | Cause & Effect | Risk Level should nothing be done | Risk Control | Control Assurance (1st Line) | Control Assurance (2nd Line) | Control Assurance (3rd Line) | Assurance Level | Current Risk Level | Action Required | Progress Notes |
|----------|--|---|-----------------------------------|--|------------------------------|---|------------------------------|--|--------------------|---|----------------|
| STR 1. 8 | GOVERNANCE - Fail to ensure effective Governance arrangements in place Risk Owner: Euan Anderson Day to day overseen by: Julie Roy Last Updated: 20 Oct 2020 | <p>Cause C1) Committee and Senior Staff do not have the right skills, tools or support to carry out their responsibilities. C2) Committee are unaware of their responsibilities. C3) Lack of training. C4) Not keeping up with Regulatory Standards. C5) Fraudulent Activity - deliberate act. C6) Committee fail to engage and participate effectively. C7) Informal induction processes for new Committee Members C8) Policy review dates have passed</p> <p>Effects E1) Poor management; Committee not holding staff to account and/or not discharging their responsibilities. E2) Notifiable Event. E4) Regulatory intervention. E5) Stagnation - lack of innovation. E6) Reputational damage. E7) Inconsistency in dissemination of information. E8) Policies are not current.</p> | I = 4 L = 5 23 | <p>Re C1) Committee and Senior Staff do not have the right skills, tools or support to carry out their responsibilities:- training programmes in place to support Committee and Staff; annual appraisal of individual Committee Members; assesment of effectiveness of Committee as individuals and as a whole; annual appraisal of staff members; team meetings; membership of (and staff involvement with) various housing bodies (SFHA, GWSF, SHN, EVH, SHARE) helps staff awareness of current and future legislative/regulatory requirements. Self-assessment exercise for Assurance Statement will help evidence compliance. Control Owner: Euan Anderson</p> | | | | | I = 2 L = 4 12 | <p>C2) (Committee are unaware of their responsibilities) and C3) (Lack of training):- SHARE to deliver Governance Masterclass training to Committee. Person Responsible: Euan To be implemented by: 02 Dec 2020</p> | |
| | | | | <p>Re C2) Committee are unaware of their responsibilities:- Committee are made aware of their role through regular training and briefing updates; they are given a copy of our 'Committee Member's Role' policy for read and reference. Self-assessment exercise for Assurance Statement will help evidence compliance. Control Owner: Euan Anderson</p> | | Internal Auditor's 'Governance' Audit Report from June 2019. | | <p>Re C3) lack of training:- the Committee will receive training on treasury management. Person Responsible: Euan Anderson To be implemented by: 31 Jan 2021</p> | | | |
| | | | | <p>Re C3) Lack of training:- Relevant training is provided for Committee and training attended recorded. Self-assessment exercise for Assurance Statement will help evidence compliance. Control Owner: Euan Anderson</p> | | | | <p>Re C7) Informal induction processes for new Committee Members:- We will establish an appropriate and responsive induction process, including a checklist of requirements. Person Responsible: Euan To be implemented by: 31 Mar 2021</p> | | | |
| | | | | <p>Re C4) Not keeping up with Regulatory Standards:- Committee regularly informed of changes to Regulatory Standards and current Regulatory Standards. Self-assessment exercise for Assurance Statement will help evidence compliance. Control Owner: Euan Anderson</p> | | Internal Auditor's 'Report on Assurance Statement' from November 2019 | | <p>Re C1) Committee and Senior Staff do not have the right skills, tools or support to carry out their responsibilities:- re Committee, Linda Ewart to do Committee appraisals and Evaluation Report. Committee to work with Linda Ewart on establishing an appropriate and responsive induction process for new Members. Person Responsible: Euan To be implemented by: 31 Mar 2021</p> | | | |
| | | | | <p>Re C5) Fraudulent Activity - deliberate act:- Adherence to the Association's financial control policies. Control Owner: Jean Price</p> | | | | <p>Re C8) Policy review dates have passed (without policy being reviewed):- Policies overdue for review will be rescheduled; review dates will be dependent upon priority/importance of policy. Person Responsible: Euan To be implemented by: 31 Mar 2021</p> | | | |
| | | | | <p>Re C6) Committee fail to engage and participate effectively:- Committee Members encouraged to challenge senior staff (at Committee Meetings), attend 'outside' events, attend in house training etc. Self-assessment exercise for Assurance Statement will help evidence compliance. Control Owner: Euan Anderson</p> | | | | <p>Internal Auditor to audit our governance arrangements. Person Responsible: Euan To be implemented by: 31 Jul 2019</p> | | | |
| | | | | | | | | <p>Re all 'causes':- develop Training and Development Plan for Management Committee as a whole, and individual Plans for each Committee Member. Person Responsible: Euan To be implemented by: 30 Sep 2019</p> | | <p>20 Sep 2018 Euan Anderson 20/9/19:- completion date changed to 1/4/19. Original target date for completion was unrealistic.</p> | |

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| STR 1. 10 | CONDITION OF PROPERTIES - poor standards of housing Risk Owner: Euan Anderson Day to day overseen by: Ady Tester Last Updated: 19 Oct 2020 | Cause C1) Lack of investment. C2) Unawareness of relevant legislation. C3) Not enforcing tenancy conditions re tenants responsibilities to maintain the property. Effects E1) Fail to comply with SHQS. E2) Fail to meet EESSH criteria. E3) Properties become difficult to let. E4) Safety of residents, visitors etc at risk. E5) Reputational damage. | I = 5 L = 5 25 | Re C1) Lack of investment:- Established (annual, five year and 30 year) maintenance plans based on findings of condition surveys and legislation; finance investment planned to ensure compliance with legislation (and regulation) - including SHQS, and EESSH; budget established for reactive repairs is based on outturn expenditure of previous years and informed by findings from condition surveys. Control Owner: Ady Tester | | | | | I = 2 L = 3 8 | Re C1) Lack of investment:- secure £1m loan to fund extensive mid-term major repair works. Person Responsible: Jean Price To be implemented by: 31 Mar 2020 | |
| | | | | Re C2) Unawareness of relevant legislation:- Membership of 'industry bodies' like the SFHA, GWSF, and SHN, and attendance at events that they run helps keep us abreast of relevant current and potential future legislative changes, as does receiving information from them about such matters; networking with staff of peer associations also helps, as does meeting regularly with our contractors (especially re gas and electricity) to discuss forthcoming legislative and/or regulative changes. Control Owner: Ady Tester | | | | | | | |
| | | | | Re C3) Not enforcing tenancy conditions re tenants responsibilities to maintain the property:- After a tenant has been identified as failing to maintain their property in accordance with the conditions of the Tenancy Agreement, the Maintenance Manager and Housing Manager visit to inspect the property set an 'improvement plan' for the tenant. The Maintenance Manager and Housing Manager will then visit periodically to support the tenant to maintain their property to the required standard. Control Owner: Ady Tester | | | | | | | |
| STR 1. 11 | PENSIONS - payments/liabilities become overbearing. Risk Owner: Euan Anderson Day to day overseen by: Jean Price Last Updated: 19 Oct 2020 | Cause C1) Past liabilities for the DB scheme increase more than budgeted for. C2) Employer contributions under the DC are overly generous Effects E1) Pension related expenditure is more expensive than budgeted for. | I = 3 L = 4 17 | C1) Past liabilities for the DB scheme increase more than budgeted for:- appraise notices from TPT re future payments and timously adjust budgets as required. Control Owner: Jean Price | | | | | I = 1 L = 4 7 | Committee to determine pension arrangements from 1st April 2020. Person Responsible: Jean Price To be implemented by: 29 Jan 2020 | |
| | | | | Re C2) Employer contributions under the DC are overly generous:- benchmark our DC scheme against that offered by other RSLs and take action to change ours if necessary. Control Owner: Jean Price | | | | | | | Committee to confirm decision not to continue with the Final Salary pension after 1/4/20. Implementation of the decision will mean that the Association will only be liable for any past deficit with the pension scheme and not for any shortfalls that may occur in the future. Person Responsible: Jean Price To be implemented by: 31 Jan 2020 |

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| STR 1. 12 | REDUCTION IN RENTAL INCOME Risk Owner: Euan Anderson Day to day overseen by: Last Updated: 20 Oct 2020 | <p>Cause C1) Increase in rent arrears due to problems processing Universal Credit. C2) Increase in rent arrears due to tenants not managing their finances appropriately (e.g. tenants on Universal Credit not using payment to cover all of their rent). C3) Increase in length of time it takes us to relet void properties. C4) Written processes need updated.</p> <p>Effects E1) Cashflow problems. E2) Failure to meet budget projections. E3) Unable to deliver budget commitments. E4) Increase in void rent loss. E5) Reputational damage. E6) Breach of loan covenants, which triggers a Notifiable Event.</p> | I = 4 L = 5 23 | <p>Re C1) Increase in rent arrears due to problems processing Universal Credit:- Encourage tenants in such circumstances to contact as soon as possible to discuss their situation; Staff to proactively monitor arrears levels to identify early tenants who may be affected by this; offer WRO service to affected tenants; at tenancy sign up we assist new tenants with their UC claim; Housing Management regularly liaise with DWP about problematic UC cases; monitoring relationship that increase in number of tenants on UC has with rent arrears.</p> <p>Control Owner: Alison Main</p> | | | Internal Auditor's report on 'Void Management' from their visit in June 2019. | | I = 3 L = 4 17 | <p>Re C4) Written processes need updated:- update our Rent Arrears Policy, and Former Tenant Arrears Policy to accommodate Internal Auditor's recommendations.</p> <p>Person Responsible: Alison Main To be implemented by: 31 Dec 2020</p> | |
| | | | | <p>Re C2) Increase in rent arrears due to tenants not managing their finances appropriately (e.g. tenants on Universal Credit not using payment to cover all of their rent):- Early intervention by HM when rents first accrue; WRO assistance offered along with information about other local services; Initiate legal action where appropriate.</p> <p>Control Owner: Alison Main</p> | | | | <p>Re C1 and C2:- review Rent Arrears Policy and Procedures to ensure our actions are robust enough to respond to these challenges.</p> <p>Person Responsible: Alison Main To be implemented by: 31 Dec 2020</p> | | | |
| | | | | <p>Re C3) Increase in length of time it takes us to relet void properties:- Implement pre void inspection processes and HM initiate re-let process with a view to re-letting the property asap; monitor monthly void 'performance' thro' Performance Management Pro-Forma.</p> <p>Control Owner: Alison Main</p> | 'Sample' of monthly Performance Management Pro-forma attached. | | | <p>Re C3) Increase in length of time it takes us to relet void properties:- Internal Auditor to audit our performance re void management.</p> <p>Person Responsible: Alison Main To be implemented by: 28 Jun 2019</p> | | | |
| | | | | | | | | | | | |
| STR 1. 13 | PRIVATE FINANCE FOR DEVELOPMENT FUNDING - significant detrimental impact on our projected cash flows. Risk Owner: Euan Anderson Day to day overseen by: Last Updated: 19 Oct 2020 | <p>Cause C1) We have to borrow too much money.</p> <p>Effects E1) Service costs in excess of amount budgeted for in financial projections. E2) Unable to meet existing financial covenants - leading to Notifiable Event. E3) Have to give lender security over properties that are outwith the project. E4) Reduced future investment in our area and/or services. E5) Have to use rental income from 'current properties' to 'cross fund'</p> | I = 4 L = 4 21 | <p>Re C1) Borrow more money than project rents can sustain:- our starting position is that the project must be 'self sufficient' i.e. the rents of that project will sustain the payments on the loan that we have to take out to part-fund its build, and we do not have to 'cross subsidy' the project by using the rental income from properties outwith the project to help meet the loan payments for the project. Paul McNeill is overseeing process of securing the £2m funding.</p> <p>Control Owner: Euan Anderson</p> | Our rental projections indicate that the income we will receive for the Windlaw Lodge Project will be enough to service a loan of £2m, which should be sufficient for this project. | | Paul McNeill has overseen process of securing our £2m loan. In course of which he advised Committee about which of the five offers that we had would be the best loan would be best for the Association. | | I = 3 L = 2 9 | <p>Person Responsible: To be implemented by:</p> | |

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| STR 1. 14 | TENANT AND RESIDENT SAFETY Risk Owner: Euan Anderson Day to day overseen by: Last Updated: 19 Oct 2020 | <p>Cause C1) Fail to invest in maintaining dwellings and their environs C2) Fail to address repairs timously C3) Fail to carry out annual gas safety inspections C4) Fail to maintain an asbestos register C5) Fail to comply with fire regulations C6) Items stored in the common areas of closes C7) Failure to inform tenants about contracting Legionnaires Disease. C8) Failure to meet criterion of the SHQS. C9) Failure to meet the SG's timescale for upgrading smoke and heat alarms. C10) Failure to carry out five yearly electrical check of properties.</p> <p>Effects E1) Non attended to repairs are a danger to tenants within and outwith the house (i.e. trip hazards, faulty electrical sockets etc) E2) Minor repairs become more serious and dangerous to householders. E3) Injury or death from gas leak or gas explosion E4) Resident disturbs asbestos containing material and inhales asbestos spores E5) Injury or death from house fire E6) Trip hazard in close; stored items may be set on fire E7) Tenant contracts Legionnaires Disease. E8) Resident injury or death. E9) Resident injured or dies in fire, and non-compliance with Regulations. E10) Injury or death through electrocution; non-compliance with Regulations.</p> | I = 4 L = 5 23 | Re C1) Fail to invest in maintaining dwellings and their environs:- annual budget set to resource work to ensure compliance with the SHQS. Control Owner: Ady Tester | | | | | I = 3 L = 3 13 | Re C5) Fail to comply with fire regulations:- upgrade smoke and heat detectors in all properties to be compliant with SG requirements. Person Responsible: Ady Tester To be implemented by: 29 Jan 2021 | |
| | | | | Re C2) Fail to address repairs timously:- monitor performance against KPTs for all types of repairs, and act if required. Control Owner: Ady Tester | 'Sample' Monthly Performance Proforma | | | | | Re C9) Failure to meet the SG's timescale for upgrading smoke and heat alarms:- electrical contractor is implementing programme of Person Responsible: Ady Tester To be implemented by: 01 Feb 2021 | |
| | | | | Re C3) Fail to carry out annual gas safety inspections:- implement procedures set out in our Gas Management Policy. Control Owner: Ady Tester | | | | | | Re C9) Failure to meet the SG's timescale for upgrading smoke and heat alarms:- our electrician is undertaking a programme of upgrade work. Person Responsible: Ady Tester To be implemented by: 01 Feb 2021 | |
| | | | | Re C4) Fail to maintain an asbestos register:- continue to maintain Asbestos Register and implement the procedures set out in our Asbestos Management Policy. Control Owner: Ady Tester | | | | | | Re C7) Failure to inform tenants about contracting Legionnaires Disease:- include article on Legionnaires Disease in the Spring 2021 Newsletter. Person Responsible: Euan To be implemented by: 31 Mar 2021 | |
| | | | | Re C5) Fail to comply with fire regulations:- when carrying out maintenance work, ensure specification of fire doors and escape windows comply with requirements of Building Regulations; maintain compliant smoke and fire alarm system for domestic dwellings. Control Owner: Ady Tester | | | | | | Re C7) Failure to inform tenants about contracting Legionnaires Disease:- Check the CIC properties for legionella. Person Responsible: Ady Tester To be implemented by: 31 Mar 2021 | |
| | | | | Re C6) Items stored in the common areas of closes:- use our Newsletter to regularly remind residents of the dangers of storing items in the common areas of closes; write to tenants/owners to request them to remove items from closes and arrange for the items to be removed if the tenant/owner fails to do so. Control Owner: Alison Main | | | | | | Re C10) Failure to carry out five yearly electrical check of properties:- electrical contractor is implementing programme of inspections. Person Responsible: Ady Tester To be implemented by: 31 Mar 2022 | |
| | | | | Re C7) Failure to inform tenants about contracting Legionnaires Disease:- through Newsletter annually advise tenants of the action that they should take to address risk of contracting legionella; when doing gas safety check, our gas contractor tests the temperature from hot water taps (to ensure that they meet criteria that kills legionella) when doing gas safety check; annually, we sample and test the water in CIC properties. Control Owner: Ady Tester | | | | | | | |
| | | | | Re C8) Failure to meet criterion of the SHQS:- respond to SHQS related repair reports; staff report repairs that they see when 'out and about'; info from condition surveys used to inform action required to comply with SHQS. Control Owner: Ady Tester | | | | | | | |

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| STR 1. 15 | HOMELESSNESS - failure to comply with homelessness duties Risk Owner: Alison Main Day to day overseen by: Alison Main Last Updated: 17 Jun 2019 | Cause C1) Lack of Section 5 Referrals being received from Glasgow City Council C2) Failure to effectively comply with housing legislation (including the 'reasonable preference' group relating to homelessness) and to implement the Association's Allocations Policy Effects E1) Not achieving the required number of Section 5 Referrals set out in the Association's Annual Lettings Plan E2) Not rehousing homeless households through the Association's Allocations Policy E3) SHR involvement due to poor performance in relation to helping to | I = 3 L = 5 20 | Re C1) Lack of Section 5 Referrals being received from Glasgow City Council:- Regular liaison with Glasgow City Council (Section 5 Co-ordinators) to ensure Section 5 Referrals continue to be received; attend Local Lettings Communities Meetings and Homeless Providers Forum Meetings with Glasgow City Council and raise any concerns regarding the Section 5 Referral process. Control Owner: Alison Main | | | | | I = 2 L = 3 8 | Person Responsible: To be implemented by: | |
| | | | | Re C2) Failure to effectively comply with housing legislation (including the 'reasonable preference' group relating to homelessness) and to implement the Association's Allocations Policy:- assess external applications for housing against the Association's Allocations Policy and ensure that these assessments checked by another member of staff; collate quarterly statistics to record and monitor the number of Section 5 Referral cases accepted and rehoused by the Association. Control Owner: Alison Main | | | | | | | |
| STR 1. 16 | FAILURE TO MEET OUR OBJECTIVES Risk Owner: Euan Anderson Day to day overseen by: Euan Anderson Last Updated: 12 Jun 2019 | Cause C1) Fail to provide adequate resources to support objective attainment. C2) Staff unaware of objectives and/or associated 'success measures'. C3) Changes in legislation and/or grant funding regimes etc. Effects E1) Loss of credibility among tenants, residents and other stakeholders E2) Reduction in standard of service delivery. E3) Area becomes 'run down' E4) Properties become hard to let E5) High levels of dissatisfaction among service users | I = 4 L = 5 23 | Re C1) Fail to provide adequate resources to support objective attainment:- financial projections set with Strategic Objectives in mind; annual budget resourced to support attainment of that year's 'One Year' Control Owner: Euan Anderson | | | | | I = 2 L = 3 8 | Re C2) Staff unaware of objectives and/or associated 'success measures':- Hold information session with staff re our Strategic Objectives and the 'success measures' (than underpin the Objectives). Person Responsible: Euan To be implemented by: 31 Jul 2020 | |
| | | | | Re C2) Staff unaware of objectives and/or associated 'success measures':- Staff made aware of one year objectives and informed of progress against attainment through issue of monthly 'Performance Pro Forma'. Control Owner: Euan Anderson | | | | | | | |
| | | | | Re C3) Changes in legislation and/or grant funding regimes etc:- use membership agencies, forums, and networking to identify horizon changes that could impact on our ability to achieve our objectives. Control Owner: Euan Anderson | | | | | | | |

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| STR 1. 17 | HEALTH & SAFETY - poor h&s procedures to safeguard staff Risk Owner: Euan Anderson Day to day overseen by: Julie Roy Last Updated: 19 Oct 2020 | Cause C1) Unawareness of responsibilities/duties C2) Staff fail to follow guidelines C3) Poor attitude towards health & safety practices Effects E1 & E2) Lots of accidents/injury, even death E3) Fined by HSE and/or individuals jailed; financial penalty from legal action; unable to retain/recruit staff due to perceived 'unsafe' h&s practices | I = 5 L = 5 25 | Re C1) Unawareness of responsibilities/duties:- we implement processes compliant with EVH's H&S Manual and our 'in house' H&S Manual for our tradesteam; we carry out regular H&S related training; we inform staff to inspect apparatus before use and report any safety concerns; we make staff aware of imminent H&S changes Control Owner: Julie Roy | | | | | I = 3 L = 2 9 | Person Responsible: To be implemented by: | |
| | | | | Re C2) Staff fail to follow guidelines:- Senior Staff challenge such practice; Line Manager/HSA check documentation (e.g. ladder inspection sheets, risk assessments etc) to ensure that staff are following guidelines; ARGOMAS carry out unannounced workplace inspections; staff involved in preparation of COVID-19 risk assessments and content of COVID -19 Staff Handbook. Control Owner: Julie Roy | | | | | | | |
| | | | | Re C3) Poor attitude towards health & safety practices:- importance of health & safety emphasised; staff encouraged to report h&s concerns asap. Control Owner: Julie Roy | | | | | | | |
| STR 1. 18 | LEGISLATION - failure to comply with relevant legislation/guidance Risk Owner: Euan Anderson Day to day overseen by: Last Updated: 17 Jun 2019 | Cause C1) Unaware of legislation/guidance C2) Incorrect interpretation of requirements C3) Staff not trained on legislation/guidance that is relevant to their job Effects E1) Break the law E2) Reputational damage E3) Notifiable Event | I = 4 L = 5 23 | Re C1) Unaware of legislation/guidance:- research legislative requirements for Tenancy Agreement and policy development; attend forums/networking events to strengthen awareness; horizon scan industry websites etc for breaking legislation/guidance; follow SHR guidance, regulatory framework etc. Control Owner: Euan Anderson | | | | | I = 2 L = 3 8 | Person Responsible: To be implemented by: | |
| | | | | Re C2) Incorrect interpretation of requirements:- confer with peers, industry bodies; take advice from specialists. Control Owner: Euan Anderson | | | | | | | |
| | | | | Re C3) Staff not trained on legislation/guidance that is relevant to their job:- Senior Staff to ensure staff are trained as required in order to discharge their duties legally; staff able to approach their Team Leader if he/she believes they need more training; training will be covered during annual staff appraisals. Control Owner: Euan Anderson | | | | | | | |

| Risk Ref | Risk Title | Cause & Effect | Risk Level should nothing be done | Risk Control | Control Assurance (1st Line) | Control Assurance (2nd Line) | Control Assurance (3rd Line) | Assurance Level | Current Risk Level | Action Required | Progress Notes |
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| STR 1. 19 | ASSURANCE - weak evidencing for Assurance Statement Risk Owner: Euan Anderson Day to day overseen by: Euan Anderson Last Updated: 19 Oct 2020 | Cause C1) Poor quality of evidence gathered C2) Failure to provide evidence for all standards Effects E1) Increased Regulatory scrutiny | I = 3 L = 5 20 | Re C1) Poor quality of evidence gathered and C2) Failure to provide evidence for all standards:- Internal Auditor's assessment of process. Control Owner: Euan Anderson | Internal Auditor's report on 'Assurance Statement' - issued November | | | | I = 2 L = 3 8 | Re C2) Failure to provide evidence for all standards:- establish and implement process for continually updating the evidence bank, and establish and implement a format for reporting on that to the Audit & Risk Sub-Committee. Person Responsible: Euan To be implemented by: 31 Mar 2021 | |
| | | | | | | | | C1) Poor quality of evidence gathered:- consider content of SHR's 'Good Practice' guidance (when issued); consider findings of Internal Auditor's report; establish a 'mid year' check by end of May. Person Responsible: Euan To be implemented by: 31 May 2021 | | | |
| | | | | | | | | Re C1) Poor determination of what form evidence for gathering:- use SHN guidance and Jim Harvey's comments to determine what we use as evidence for each of the SHR's self-assessment standards. Person Responsible: Euan To be implemented by: 03 Jul 2019 | | | |
| | | | | | | | | Re C2) Failure to provide evidence for all standards:- identify gaps in evidence base and set plan to address. Person Responsible: Euan To be implemented by: 03 Jul 2019 | | | |
| STR 1. 20 | FUNDING - Windlaw Lodge contract let before funding provision is finalised Risk Owner: Euan Anderson Day to day overseen by: Euan Anderson Last Updated: 19 Oct 2020 | Cause C1) Pressure from DRS C2) Pressure to let before acceptance period for Contractor's tender expires. C3) Too late in getting private finance in place. Effects E1) Financial loss E2) Virement form other budgets. E3) Residents and tenants directly impacted E4) Reputation damage. E5) Covenants may be breached - leading to a Notifiable Event. E8) Breach of covenants | I = 4 L = 4 21 | Re C1) Pressure from DRS:- our programme is realistic and cannot be accelerated. Control Owner: Euan Anderson | | | | I = 3 L = 3 13 | C3) Too late in getting private finance in place:- complete long term financial projections for issue to Paul McNeil (to allow him to get finance in place for a November site start). Person Responsible: Jean Price To be implemented by: 28 Jun 2019 | | |
| | | | | Re C2) Pressure to let before acceptance period for Contractor's tender expires:- we would request the Contractor to extend the tender acceptance period. Control Owner: Euan Anderson | | | | | | | |
| | | | | Re C3) Too late in getting private finance in place:- All monies (inc £2m loan from Allia) are in place prior to site start. Control Owner: Euan Anderson | | | | | | | |
| STR 1. 21 | INFORMATION - unauthorised disclosure of personal information Risk Owner: Euan Anderson Day to day overseen by: Julie Roy Last Updated: 17 Jun 2019 | Cause C1) Fail to comply with GDPR Policies and procedures C2) Email sent to wrong recipient C3) Loss of unencrypted memory stick C4) Computer system hacked C5) Information left in someone's house/taxi/etc Effects E1) ICO has to be notified E2) Fined E3) Notifiable Event E4) Reputational damage | I = 3 L = 5 20 | For all causes:- comply with Data Protection policies and procedures; adhere to guidance in staff tipsheet. Control Owner: Euan Anderson | | | | | I = 2 L = 3 8 | Person Responsible: To be implemented by: | |

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| STR 1. 22 | COMMITTEE MEMBERSHIP FALLS BELOW 7 Risk Owner: Euan Anderson Day to day overseen by: Euan Anderson Last Updated: 19 Oct 2020 | Cause C1) Retiral of existing Committee Members C2) Unable to attract new Committee Members Effects E1) Association unable to function. E2) Notifiable Event | I = 4 L = 5 23 | C1) Retiral of existing Committee Members:- establish whether existing Committee Members are likely to retire. Control Owner: Euan Anderson | | | | | I = 2 L = 4 12 | C2) Unable to attract new Committee Members:- revise and implement Committee Recruitment and Succession Plan in light of COVID-19. Person Responsible: Euan To be implemented by: 31 Mar 2021 | |
| STR 1. 23 | DIRECTOR LEAVES NORTH VIEW'S EMPLOYMENT Risk Owner: Euan Anderson Day to day overseen by: Euan Anderson Last Updated: 20 Oct 2020 | Cause C1) Director resigns/retires/dies/is unable to continue working at North View. Effects E1) NVHA has to carry out options appraisal E2) Notifiable Event | I = 3 L = 5 20 | Control Owner: | | | | | | C1) Director resigns/retires/dies/is unable to continue working at North View:- Jim Harvey to work with North View to complete the Business Plan. Person Responsible: Euan To be implemented by: 27 Nov 2020 C1) Director resigns/retires/dies/is unable to continue working at North View:- Jim Harvey to oversee 'Options Appraisal', and Paul McNeill to provide financial assessment of the Person Responsible: Euan To be implemented by: 27 Nov 2020 | |
| STR 1. 24 | CORONAVIRUS Risk Owner: Euan Anderson Day to day overseen by: Last Updated: 20 Oct 2020 | Cause C1) Increased unemployment C2) More tenants migrated to UC C3) Disruption of services to tenants C4) Increase in re-let times C5) Communication difficulties between staff and third party C6) Isolation among tenants C7) Staff working from home without the proper/necessary equipment (chair/computer/printer etc) C8) Outbreak of COVID-19 amongst staff C9) Adverse effect of staffs' mental health. C10) Increase in instances of ASB C11) Infrequencies of court sittings/disruption to legal processes C12) Implementation of COVID 19 safe working practices C13) Difficulty in procuring materials/components C14) Holiday accrual (staff) C15) Difficulty in accessing information C16) Difficulty disseminating information to service users C17) Successful cyber attack on home workers Effects | I = 4 L = 5 23 | C12) Implementation of COVID 19 safe working practices:- robust safe working practices (to protect employees, residents, visitors and other service users from contracting or spreading COVID-19 have) been introduced. Staff have been involved in the process and in the preparation of COVID-19 related risk assessments. Our procedures and risk assessments have been assessed by ARGoMAS (H&S consultancy) and information has been disseminated to staff (via COVID-19 Staff Handbook) and tenants, via newsletters, leaflets and website. Control Owner: Euan Anderson Re C1) Increased unemployment:- making (benefits) advice readily available to those affected; making affected tenants aware of availability of our WRO service. Control Owner: Alison Main Re C10) Increase in instances of ASB :- HM staff to prioritise ASB cases as necessary. Implement our ASB procedures and involve GCC's Community Relations Unit at appropriate time. Control Owner: Alison Main Re C11) Infrequencies of court sittings/disruption to legal processes:- increased staff time spent on arrears management. Control Owner: Alison Main | | | | | I = 3 L = 4 17 | | |

| Risk Ref | Risk Title | Cause & Effect | Risk Level should nothing be done | Risk Control | Control Assurance (1st Line) | Control Assurance (2nd Line) | Control Assurance (3rd Line) | Assurance Level | Current Risk Level | Action Required | Progress Notes |
|----------|------------|---|-----------------------------------|---|------------------------------|------------------------------|------------------------------|-----------------|--------------------|---|----------------|
| | | E1) & E2) Increase in rent arrears E3) Poorer service delivery; material failing in relation to SHR's requirements. E4) Increase in void loss. E5) Difficulty to liaise with tenants re tenancy issues E6) Tenants' health (physical and/or mental) deteriorates E7) Lower staff moral; staff mental health suffers due to being unable to separate work life from home life; health suffers due to staff not having proper chair and work desk etc at home. E8) Staff have to self-isolate, so some will not be able to work. E9) Senior Managers' to keep in touch with staff who are working from home to support them. E10) Increase in staff time to deal with ASB E11) Loss of significant deterrent to tenants to keep their rent up to date E12) Work processes take longer, leading to reduction in productivity. E13) Delays to contracts/work programmes E14) Staff unable to get sufficient break from work. E15 & E16) Tasks take longer to do; key dates (re legal requirements etc) missed. E17) Loss of data/monies, or corruption of data. Breach of GDPR. | | Re C12) Implementation of COVID 19 safe working practices:- robust safe working practices (to protect employees, residents, visitors and other service users from contracting or spreading COVID-19 have) been introduced. Staff have been involved in the process and in the preparation of COVID-19 related risk assessments. Our procedures and risk assessments have been assessed by ARGoMAS (H&S consultancy) and information has been disseminated to staff (via COVID-19 Staff Handbook) and tenants, via newsletters, leaflets and website. Control Owner: Euan Anderson | | | | | | Re C7) Staff working from home without the proper/necessary equipment (chair/computer/printer etc):- update home working risk assessments (to ensure that staff are still 'okay' with working environment and equipment). Person Responsible: Julie Roy To be implemented by: 09 Nov 2020 | |
| | | | | Re C13) Difficulty in procuring materials/components:- identify affected materials/components as early as possible to give more time to secure alternative. Control Owner: Ady Tester | | | | | | Re C12) Implementation of COVID 19 safe working practices:- regular review of working practices to ensure that they are kept current and Person Responsible: Euan To be implemented by: 27 Nov 2020 | |
| | | | | Re C14) Holiday accrual (staff):- Line Managers manage staff members' annual leave entitlement. Consider offering to make payment to staff for AL and/or TOIL accrual if level of accrual is too great to manage. Control Owner: Euan Anderson | | | | | | Re C4) Increase in re-let times:- monthly monitoring of re-let times and void loss through monthly Performance Pro-Formas. Person Responsible: Alison Main To be implemented by: 27 Nov 2020 | |
| | | | | Re C15) Difficulty in accessing information:- staff working remotely can access all systems that affect their job roles, as well as having email and web connectivity. Control Owner: Ady Tester | | | | | | Re C2) More tenants migrated to UC:- quarterly monitoring of no of tenants on UC, and effect that that is having on rent arrears. Person Responsible: Alison Main To be implemented by: 31 Dec 2020 | |
| | | | | Re C16) Difficulty disseminating information to service users:- staff who are working from home will liaise with staff who are working in the Office regarding getting letters (etc.) printed and posted to tenants and other service users. Control Owner: Alison Main | | | | | | Re C13) Difficulty in procuring materials/components:- Maintenance Manager to regularly monitor (and assess) the availability of the materials/components that we are planning to use. Person Responsible: Ady Tester To be implemented by: 31 Dec 2020 | |
| | | | | Re C2) More tenants on UC:- making tenants' aware of the support that we can provide; be proactive in our approach to identify and monitor tenants who are migrated to (our put on) UC. Control Owner: Alison Main | | | | | | Re C17) Successful cyber attack on home workers:- Scottish Business Resilience Centre (or other competent party) to advise/assess. Person Responsible: Ady Tester To be implemented by: 01 Feb 2021 | |
| | | | | Re C3) Disruption of services to tenants:- minimising effect by i) having staff from every department available to provide departmental service to tenants (it is just that tenants cannot come into the Office); ii) arranging bulk refuse uplifts. Control Owner: Euan Anderson | | | | | | | |
| | | | | Re C4) Increase in re-let times:- proactive management of letting quotas to reduce re-let times (we have 'front loaded' re-lets to Section 5 referrals); providing prospective tenants' with video clips to help them determine whether or not they wish to view property in person (if they decide not to, we can quickly move to the next person on the list); sanitising void properties to enable workers to get into flat quicker. Control Owner: Euan Anderson | | | | | | | |

| Risk Ref | Risk Title | Cause & Effect | Risk Level should nothing be done | Risk Control | Control Assurance (1st Line) | Control Assurance (2nd Line) | Control Assurance (3rd Line) | Assurance Level | Current Risk Level | Action Required | Progress Notes |
|----------|------------|----------------|-----------------------------------|--|------------------------------|------------------------------|------------------------------|-----------------|--------------------|-----------------|----------------|
| | | | | <p>Re C5) Communication difficulties between staff and third party:- all staff provided with mobile phones and home working staff with laptops to enable audio and virtual communication with service users, other staff members, and representatives of other organisations.</p> <p>Control Owner: Ady Tester</p> | | | | | | | |
| | | | | <p>Re C6) Isolation among tenants:- phone round of tenants to see how they are doing. Phone rounds have been targeted at those who were coming out of shielding (in August), and tenants we suspected could be more vulnerable. Promotion of Urban Roots project on working with tenants to create small 'allotment', raised beds etc. in backcourt. Provision of tablets and dongles to tenants.</p> <p>Control Owner: Euan Anderson</p> | | | | | | | |
| | | | | <p>Re C7) Staff working from home without the proper/necessary equipment (chair/computer/printer etc):- staff who work from home have completed risk assessments of their home working environment. Staff have been offered delivery of office chair for home working.</p> <p>Control Owner: Euan Anderson</p> | | | | | | | |
| | | | | <p>Re C8) Outbreak of COVID-19 amongst staff:- we will follow government guidelines - be it for a single member of staff who is working in the Office, or that we have a spike, requiring the closure of the Office.</p> <p>Control Owner: Euan Anderson</p> | | | | | | | |
| | | | | <p>Re C9) Adverse effect of staffs' mental health:- Line Managers to keep in regular contact with staff members in their section. All staff made aware that NVHA will arrange appropriate expert support should they require it, and all staff made aware that they should contact their Line Manager to access same.</p> <p>Control Owner: Euan Anderson</p> | | | | | | | |

APPENDIX 9

RENT LEVELS & AFFORDABILITY RATIOS (TARGET RATIO 25% INCOME TO RENT)

Method 1: Working Households on the Lowest Incomes

Method shows rent affordability ratios for a comprehensive set of household and employment circumstances. Calculations are based on:

- 2020/21 rents (North View Rent-Setting Policy).
- 2020/21 Minimum Wage or Living Wage rates, based on a earnings multipliers, and Universal Credit the various households are entitled to
- Notes are provided for the cases where the 25% rent to income ratio is exceeded (shaded amber and red)

| | Property Size, Household Type & Earnings Multiplier (*1 = 35 hours weekly) | Monthly Rent | Rent: Income % for Minimum Wage UNDER 25 <u>PLUS ANY UC PAYABLE</u> | Rent: Income % for Minimum Wage OVER 25 <u>PLUS ANY UC PAYABLE</u> | Rent: Income % for Living Wage, <u>PLUS ANY UC PAYABLE</u> |
|-------------|---|--------------|---|--|--|
| Ref. | 2 APARTMENT | | | | |
| 1 | 1 bedroom - Single person <i>Earnings 1* Multiplier</i> | £359 | 28.8% | 26.9% | 25.4% |
| 2 | 1 bedroom Couple <i>Earnings 1.5* Multiplier</i> | £359 | 19.2% | 18.1% | 16.9% |
| 3 | 1 bedroom Couple <i>Earnings 1* Multiplier</i> | £359 | 26.2% | 23.6% | 22.9% |
| 4 | 1 bedroom Couple plus one child <i>Earnings 1* Multiplier</i> | £359 | 20.1% | 18.5% | 18.0% |
| | 3 APARTMENT | | | | |
| 5 | 2 bedroom - Single Person <i>Earnings 1 * Multiplier</i> | £379 | 30.4% | 28.6% | 26.8% |
| 6 | 2 bedroom - Couple <i>Earnings *1.5 Multiplier</i> | £394 | 21.1% | 19.8% | 18.6% |

| | Property Size, Household Type & Earnings Multiplier (*1 = 35 hours weekly) | Monthly Rent | Rent: Income % for Minimum Wage UNDER 25 <u>PLUS ANY UC PAYABLE</u> | Rent: Income % for Minimum Wage OVER 25 <u>PLUS ANY UC PAYABLE</u> | Rent: Income % for Living Wage, <u>PLUS ANY UC PAYABLE</u> |
|--------------------|---|--------------|---|--|--|
| 7 | 2 bedroom - Single Parent plus 1 Child Earnings *0.5 Multiplier | £394 | 28.4% | 26.8% | 26.5% |
| 8 | 2 bedroom - Single Parent plus 2 Children <i>Earnings *1 Multiplier</i> | £394 | 20.6% | 19.4% | 19.0% |
| 9 | 2 bedroom - Couple plus one child <i>Earnings *1 multiplier</i> | £394 | 21.6% | 20.0% | 19.5% |
| 4 APARTMENT | | | | | |
| 10 | 3 bedroom - Couple <i>Earnings *1.5 Multiplier</i> | £409 | 17.4% | 16.3% | 15.8% |
| 11 | 3 bedroom - Family <i>Earnings *1 Multiplier</i> | £449 | 20.8% | 19.4% | 19.0% |
| 12 | 3 bedroom - Family <i>Earnings *2 Multiplier</i> | £449 | 16.8% | 15.6% | 15.1% |
| 13 | 3 bedroom - single parent <i>Earnings *1 Multiplier</i> | £449 | 22.3% | 21.1% | 20.6% |
| 5 APARTMENT | | | | | |
| 14 | 4 bedroom - Couple <i>Earnings *1.5 Multiplier</i> | £469 | 19.5% | 18.2% | 17.8% |
| 15 | 4 bedroom - Family <i>Earnings *1 Multiplier</i> | £469 | 16.7% | 15.7% | 15.2% |
| 16 | 4 bedroom - Family <i>Earnings *2 Multiplier</i> | £469 | 17.4% | 16.2% | 15.7% |
| 17 | 4 bedroom - single parent <i>Earnings *1 Multiplier</i> | £469 | 23.1% | 21.9% | 21.4% |

Commentary on Cases where the Target 25% Ratio is exceeded

Row 1, scenarios shaded amber

Single people earning Living Wage or Minimum Wage if aged under 25 would not receive any Universal Credit.

A single person aged over 25 years would receive UC of £9.96 per month (less than £2.50 per week).

Row 3, scenario shaded amber

Couple would meet the 25% rent affordability ratio, if the earnings multiplier was 1.5 (ie both partners working) rather than 1. If the second partner does not work, as in this scenario, UC increases only by £20 to £40 per week to compensate for no second wage. This outcome would also apply to couples with only 1 wage who live in a 3 apartment.

Row 5, scenarios shaded red and amber

No UC is payable under any of the earnings scenarios. Further Catch-22 effect for households in these circumstances would not as they would not qualify for Discretionary Housing Payment to compensate for under-occupation (DHP can only be paid to people who are receiving UC).

Row 7, scenarios shaded amber

Benefits system favours single parents with dependent children who work full-time rather than part-time. Row 8 shows a rent:income ratio of 26.8%, if a tenant is aged >25 and working part-time for Minimum Wage. The household in Row 8 has exactly the same circumstances except that the parent works full-time: the rent:income ratio in this case is 19.4%.

APPENDIX 10
FINANCIAL PERFORMANCE AND PROJECTIONS DATA

A DIGITAL COPY IS AVAILABLE ON REQUEST

**APPENDIX 11
ACTION PLANS FOR 2020/21 and 2021/22**

ACTION PLANS FOR 2020/21

| GOVERNANCE & ASSURANCE | | | | | |
|-----------------------------------|---|---|--------------------------------------|---------------------|--|
| SUBJECT | ACTION | TARGET DATES | ADDITIONAL RESOURCES REQUIRED | LEAD OFFICER | SUCCESS MEASURES |
| Internal Audit | Committee and Internal Auditor to develop internal audit programme for 2020/21 | Approve by 31/3/20 | Cost covered in annual budget | Director | Programme approved by Management Committee |
| Residents Satisfaction Survey | Carry out biennial Tenant Satisfaction Survey | Complete by 30/9/20 | Cost covered in annual budget | Director | Report presented to Management Committee |
| Annual Assurance Statement | Evidence compliance with statutory and regulatory requirements and explain any areas of non-compliance. Committee approval of AAS and uploaded to SHR portal. | Approved by Committee and uploaded to SHR portal by 30/10/20. | None | Director | Uploaded to portal by due date. |

ASSET MANAGEMENT

| SUBJECT | ACTION | TARGET DATES | ADDITIONAL RESOURCES REQUIRED | LEAD OFFICER | SUCCESS MEASURES |
|---------------------------------|--|--|-------------------------------|---------------------|--|
| Windlaw Lodge New Build Project | Appoint contractor for project. | 1/2/20 | None | Director | As per action. |
| Upgrade smoke & heat detectors | Upgrade smoke and heat detectors in all our properties to meet Scottish Government's requirements. | Complete by 1/2/21 | Cost covered in budget. | Maintenance Manager | That all properties are upgraded by target date. |
| Gas safety inspections | Oversee gas safety inspection programme. | Ongoing | Cost covered in budget. | Maintenance Manager | All properties are compliant with gas regulations. |
| Inspection of electrics | Initiate programme of electrical safety inspections within all properties. | Start programme by 1/7/20 and appraise in March 2021 | Additional cost to budget | Maintenance Manager | That approx. 13 properties are inspected by 31/3/21. |
| EESSH | Carry out work in properties to bring them up to meet EESSH criterion. | Complete by 1/12/20 | Cost covered in budget. | Maintenance Manager | All properties compliant with EESSH criterion. |

HOUSING SERVICES

| SUBJECT | ACTION | TARGET DATES | ADDITIONAL RESOURCES REQUIRED | LEAD OFFICER | SUCCESS MEASURES |
|-------------------|--|---------------------|-------------------------------|--------------|--|
| Rent assimilation | Consultants to carry out rent assimilation exercise on our properties. | Complete by 30/6/20 | Cost covered in budget. | Director | No net rental loss; implement rental changes to occupied properties from 1/4/2021. |

WIDER ROLE

| SUBJECT | ACTION | TARGET DATES | ADDITIONAL RESOURCES REQUIRED | LEAD OFFICER | SUCCESS MEASURES |
|-------------|--|--------------|-------------------------------|--------------|----------------------------|
| Jeely Piece | Continue to fund the JeelyPiece's Wednesday PlayClub and residential weekend; appraise numbers using PlayClub. | Ongoing | Cost covered in budget. | Director | The PlayClub is well used. |

FINANCE & IT

| SUBJECT | ACTION | TARGET DATES | ADDITIONAL RESOURCES REQUIRED | LEAD OFFICER | SUCCESS MEASURES |
|-------------------|---|----------------------|--|---------------------|---------------------------------|
| £1m loan from RBS | Secure loan. | Complete by 1/7/20 | Consultant (Paul McNeill) to advise on loan/lender | Director | Access to loan money by 1/7/20. |
| Cyber attack | Work with ethical hacker from Scottish Resilience Centre to test the robustness of our computer systems against cyber attack. | Complete by 31/7/20. | Additional cost (to be confirmed) | Maintenance Manager | Completion by target date. |
| Cyber Essentials | Secure 'Cyber Essentials' accreditation (linked to 'Cyber attack' action, and provided by Scottish Resilience Centre). | Complete by 31/7/20. | Additional cost (to be confirmed) | Maintenance Manager | Completion by target date. |

ORGANISATIONAL RESOURCES & DEVELOPMENT

| SUBJECT | ACTION | TARGET DATES | ADDITIONAL RESOURCES REQUIRED | LEAD OFFICER | SUCCESS MEASURES |
|--------------------|--|--------------|-------------------------------|--------------|--|
| Financial services | Replace Finance Manager upon her retirement. | 31/12/20 | None | Director | Having new arrangement in place by 1/1/21. |

PROVISIONAL ACTION PLANS FOR 2021/22

GOVERNANCE & ASSURANCE

| SUBJECT | ACTION | TARGET DATES | ADDITIONAL RESOURCES REQUIRED | LEAD OFFICER | SUCCESS MEASURES |
|----------------------------------|--|-----------------------|-------------------------------|-----------------|---|
| Recruitment of Committee Members | Revise and implement our 'Committee Members: Recruitment and Succession Strategy'. | To be confirmed (tbc) | None | Director | tbc |
| Open meetings for tenants | Carry out biennial 'open meetings' for tenants. | By 1/7/21 | None | Housing Manager | 8% attendance; responding to issues raised. |

ASSET MANAGEMENT

| SUBJECT | ACTION | TARGET DATES | ADDITIONAL RESOURCES REQUIRED | LEAD OFFICER | SUCCESS MEASURES |
|---------------------------------|--|--------------|-------------------------------|---------------------|---------------------------------|
| Windlaw Lodge New Build Project | Complete project. | 1/12/21 | None | tbc | Complete project within budget. |
| Satisfaction with repairs | Appoint a consultant to help determine the reasons for lower satisfaction levels re repairs, and develop an implementation strategy. | tbc | tbc | tbc | tbc |
| Asset Management Strategy | Revise Asset Management Strategy | tbc | None | Maintenance Manager | tbc |
| EESSH2 | Develop detailed investigation of options and issues associated with meeting the EESSH2 standard | tbc | None | Maintenance Manager | tbc |

VALUE FOR MONEY

| SUBJECT | ACTION | TARGET DATES | ADDITIONAL RESOURCES REQUIRED | LEAD OFFICER | SUCCESS MEASURES |
|--------------------------|--|--------------|-------------------------------|--------------|------------------|
| Value for Money Strategy | Develop and implement a 'Value for Money Strategy' | tbc | tbc | Director | tbc |
| Residents Survey | Conduct a tenant profiling survey in 2021/22, to deepen our knowledge of tenants' circumstances and aspirations and inform future service development. | tbc | tbc | Director | tbc |
| Resident consultation | Seek to establish a dialogue with tenants about value for money and how this can be improved. | tbc | tbc | Director | tbc |

WIDER ROLE

| SUBJECT | ACTION | TARGET DATES | ADDITIONAL RESOURCES REQUIRED | LEAD OFFICER | SUCCESS MEASURES |
|---------------------|---|--------------|-------------------------------|--------------|------------------|
| Wider Role Strategy | Develop and implement Wider Role Strategy | tbc | tbc | Director | tbc |

**APPENDIX 12
TARGETS AND KPIs FOR 2020/21**

NORTH VIEW Housing Association

North View is a registered Scottish charity – charity registration number SC032963

Objectives and Key Performance Targets for 2020/21 – November 2020

Objectives

- That we complete the strategic review of our Rent Policy by 31st October 2020.
- That we complete our Business Plan by 1st December 2020.
- That we put arrangements in place to replace our Finance Manager by 31st December 2020.
- That we complete fire detector and smoke detector upgrades in all our properties by 1st February 2021.
- That the Windlaw Lodge Project starts on site.

Key performance Targets – Housing Management

- That rent arrears (current and former tenants) not exceed 7% of the amount of rent chargeable for the year.
- That the average time for placing applicants on our Housing List be within seven days of the Association receiving his/her/their application.

Key performance Targets – Maintenance

- That at least 96% of Emergency Repairs be made safe within 4 hours of being reported, and made good within 24 hours.
- That at least 95% of Urgent Repairs be completed within 3 working days of being reported.
- That at least 94% of Routine Repairs be completed within 10 working days of being reported.
- That the average time taken to address an Emergency Repair be no more than 3 hours.
- That the average time taken to address a Non-emergency Repair be no more than 4 working days.
- That at least 80% of our repairs be 'right first time'.

Key performance Targets – Finance

PERFORMANCE BENCHMARKS

- That operating surplus is more than £1.
- That interest cover is greater than 100%.
- That our total rent arrears for year to date rent due (which includes current tenant arrears, former tenant arrears, and technical arrears) is less than 25 days.
- That the current ratio of Cash & Debtors to Creditors to be paid is more than 1.1.
- That our total reserves for the current period do not fall below the total for the last period.

TARGETS

- That total rent arrears (i.e. current tenant arrears, former tenant arrears, and technical arrears) be less than 15% of the possible rental income for the previous 12 months.

That the total of current and former tenant rent arrears be less than 7% of the possible rental income for the previous 12 months.

That current tenants' net rent arrears be less than 15% of the possible rental income for the previous 12 months (net rental income is the rental income less housing benefit received).

That the total of our staffing costs be less than 25% of our turnover.

That our overhead costs be less than 15% of our turnover.

That our staff and overhead costs be less than £750 per unit.

COVENANTS

That our Gearing be less than 40%.

That our Debt Servicing ratio (of operating surplus to debt servicing liability) be greater than 1:1.

ANNUAL PERFORMANCE INDICATORS (determined at the end of the financial year)

That our turnover per unit be greater than £5,000.

That our total debt be less than £9,000,000.

That our debt per unit be less than £13,500.

That our net debt per unit be less than £10,000.

End

2) Comments Received in Survey Responses

| | Areas where your organisation hopes/expects to be working with North View in future <i>(list briefly)</i> | Any particular issues North View should address, in its strategy or working relationship with your organisation? | Any additional you would like to make, for any of the answers you have provided in this questionnaire? |
|---|---|---|---|
| Bank of Scotland | Bank of Scotland are keen to support funding for North View in any future development plans | <input type="checkbox"/> | |
| Royal Bank of Scotland | Working with North View to ensure they have suitable funding package for Developments, Works programmes and other community enhancing projects. Strategic Planning | Further consideration for outsourced finance work to allow Jean more time for strategic planning. | The Royal Bank of Scotland very much welcomes the opportunity to grow our relationship with North View. As a long-term and valued customer, we view North View as an organisation we are keen to continue to support to meet its growth strategy |
| RSM UK (external auditor) | Going concern and the impact the pandemic could have on cashflow and rent collection. Particularly with regards covenant performance. Governance and committee member training Assistance with the preparation of statutory financial statements (only if required) | Replacement of retiring Finance Manager with appropriate skills and experience Working together to agree a revised timetable for next year's audit with set milestones. This would be with a view to complete more testing at the Planning stage and avoid the audit process taking up so much of your staff's time at the fieldwork stage when there are also other deadlines to be met. E.g. access to trial balance and general ledger at Planning will allow us to pick the samples for our testing well in advance next year. Auditor read-only access to finance system, if possible, to improve efficiencies | The staff at North View HA are always approachable and work together with the auditor in a professional manner. This is incredibly appreciated. They are also understanding with regards the process itself and will provide access to any information or staff members that we request |
| Alexander Sloan (internal auditor) | Delivering Internal Audit Plans Reviewing the internal audit plan should be changed in light of the pandemic | Internal Audit Plan Whether the internal audit plan should be reconsidered in light of the pandemic | The third answer in section 1 reflects the fact we are a service provider to NVHA |

| | Areas where your organisation hopes/expects to be working with North View in future <i>(list briefly)</i> | Any particular issues North View should address, in its strategy or working relationship with your organisation? | Any additional you would like to make, for any of the answers you have provided in this questionnaire? |
|------------------------------------|---|--|--|
| Glasgow South East Foodbank | <input type="checkbox"/> | <input type="checkbox"/> | All questions scored 5s as our working arrangement with North View is pleasant and easy to maintain, staff and management are always helpful and considerate |
| Jeely Piece Club | Providing play services across North View community | Use of social media | <p>As an organisation who has been funded by North View to provide play services, we find the NV team great to work with. They communicate well and overall they are very supportive of the local organisations in the area. This is shown in the fact they invest in us and a few others.</p> <p>They participate in any activities that would benefit their tenants. They are very responsive to ideas, take part in wider community activities and approachable. As an organisation, we have been asked to present to both the Board and to the staff team about the work we do. That really promotes the ethos of the HA and the work that we do – a shared understanding across the organisation.</p> |
| Urban Roots | On developing community growing spaces with and for local residents | With the ongoing Covid situation, a policy developing & maintaining safe outdoor social | |

| | Areas where your organisation hopes/expects to be working with North View in future <i>(list briefly)</i> | Any particular issues North View should address, in its strategy or working relationship with your organisation? | Any additional you would like to make, for any of the answers you have provided in this questionnaire? |
|-------------------------------------|--|---|---|
| | Improving biodiversity and supporting residents to value and benefit from their local greenspace | spaces will continue to be valuable for community cohesion. | |
| Fair Deal | <input type="checkbox"/> | <input type="checkbox"/> | Continue to promote housing for people who have support needs in a positive way. |
| Zurich Municipal (insurers) | <input type="checkbox"/> | <input type="checkbox"/> | We provide Insurance Services to North View, and I find them very professional and easy to deal with. |
| Glasgow City Council DRS | To progress the redevelopment of the former Windlaw Lodge site | Continued good communication and flexible approach | North View have recently faced a difficult development related situation which they worked well to overcome. |
| Glasgow City Council N&S | Tackling antisocial behaviour in and around North View housing stock | Continue current processes | North View HA and Glasgow City Council have been in partnership for 12 years to deliver an antisocial behaviour service to tenants. The commitment by North View HA has shown how they put their tenants first to ensure they enjoy a peaceful environment to live. |

APPENDIX 14

NORTH VIEW: 30-YEAR INVESTMENT PROGRAMME ASSUMPTIONS

| | | Year No. | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | |
|-------|--------------------------------|----------|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Planned Repairs | Lifespan | Date | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 |
| Code | | | | | | | | | | | | | | | | | | |
| ELP01 | EESH Works | 60 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELP02 | EESH Gas Boiler Upgrade | 60 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELP03 | EESH Controls Upgrade | 60 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELP04 | EESH Elec. Heating Upgrade | 60 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELP05 | Electric rewiring | 45 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELP06 | Bathroom upgrade | 20 | | 0 | 103,350 | 30,372 | 0 | 33,677 | 0 | 0 | 0 | 0 | 0 | 0 | 217,300 | 0 | 0 | 0 |
| ELP07 | Kitchen replacement | 15 | | 0 | 57,200 | 133,542 | 244,400 | 134,822 | 0 | 143,000 | 280,800 | 109,200 | 70,200 | 96,200 | 111,800 | 41,600 | 0 | 88,400 |
| ELP08 | Gas boiler replacement | 15 | | 91,378 | 0 | 0 | 0 | 52,475 | 29,960 | 143,808 | 62,916 | 65,912 | 43,442 | 85,386 | 1,498 | 8,988 | 211,218 | 121,338 |
| ELP10 | Storage heaters | 25 | | 0 | 0 | 1,559 | 3,333 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 23,333 | 103,333 | 0 |
| ELP11 | Hot water cylinder | 30 | | 520 | 0 | 0 | 260 | 0 | 0 | 0 | 0 | 260 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELP12 | Medical Adaptation replacement | 20 | | 0 | 0 | 0 | 0 | 38,922 | 33,333 | 10,000 | 26,667 | 40,000 | 56,667 | 23,333 | 40,000 | 43,333 | 26,667 | 46,667 |
| ELP13 | Roof tiling | 60 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELP14 | Roof sarking | 60 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELP15 | Cladding/roughcast | 60 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELP16 | Close doors | 30 | | 25,800 | 43,200 | 19,130 | 0 | 0 | 47,400 | 8,400 | 15,000 | 9,600 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELP19 | Flat entry door | 30 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELP20 | French doors | 25 | | 0 | 0 | 0 | 0 | 25,372 | 12,600 | 38,700 | 0 | 0 | 30,600 | 0 | 0 | 0 | 0 | 0 |
| ELP21 | Front/rear doors | 25 | | 15,000 | 21,000 | 8,460 | 0 | 31,932 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELP22 | Non-slip flooring | 20 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELP23 | Windows | 25 | | 0 | 120,000 | 186,725 | 0 | 94,891 | 61,500 | 77,900 | 0 | 0 | 139,400 | 164,000 | 0 | 0 | 0 | 0 |
| ELP24 | Smoke Detector upgrade | 10 | | 27,918 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 35,250 | 28,012 | 0 | 0 | 0 | 0 |
| ELP25 | Front door | 25 | | 0 | 0 | 0 | 0 | 16,300 | 8,120 | 24,940 | 0 | 0 | 19,720 | 0 | 0 | 0 | 0 | 0 |
| | SUB TOTALS | | | 160,616 | 344,750 | 379,788 | 247,993 | 428,391 | 192,913 | 446,748 | 385,383 | 224,972 | 395,279 | 396,931 | 370,598 | 117,255 | 341,218 | 256,405 |
| | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | VAT | | 20% | 32,123 | 68,950 | 75,958 | 49,599 | 85,678 | 38,583 | 89,350 | 77,077 | 44,994 | 79,056 | 79,386 | 74,120 | 23,451 | 68,244 | 51,281 |
| | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Fees | | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | VAT on fees | | 20% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | TOTALS | | | 192,739 | 413,700 | 455,746 | 297,592 | 514,069 | 231,496 | 536,098 | 462,459 | 269,966 | 474,334 | 476,318 | 444,718 | 140,706 | 409,461 | 307,686 |
| | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | No. of units | 673 | Cost per unit | 286 | 615 | 677 | 442 | 764 | 344 | 797 | 687 | 401 | 705 | 708 | 661 | 209 | 608 | 457 |

| | | Year No. | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | | |
|-------|--------------------------------|----------|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------------|
| | Planned Repairs | Lifespan | Date | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | Sub Tot |
| Code | | | | | | | | | | | | | | | | | | | |
| ELP01 | EESHS Works | 60 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELP02 | EESHS Gas Boiler Upgrade | 60 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELP03 | EESHS Controls Upgrade | 60 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELP04 | EESHS Elec. Heating Upgrade | 60 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELP05 | Electric rewiring | 45 | | 276,329 | 242,040 | 34,289 | 114,969 | 121,020 | 88,748 | 76,646 | 54,459 | 84,714 | 74,629 | 28,238 | 86,731 | 0 | 0 | 68,578 | 1,351,390 |
| ELP06 | Bathroom upgrade | 20 | | 177,550 | 106,000 | 198,750 | 282,638 | 98,050 | 0 | 103,350 | 48,854 | 0 | 66,250 | 0 | 0 | 0 | 0 | 0 | 1,466,141 |
| ELP07 | Kitchen replacement | 15 | | 0 | 57,200 | 252,200 | 244,400 | 249,600 | 0 | 143,000 | 280,800 | 109,200 | 70,200 | 96,200 | 111,800 | 41,600 | 0 | 88,400 | 3,255,763 |
| ELP08 | Gas boiler replacement | 15 | | 91,378 | 0 | 1,498 | 0 | 49,434 | 29,960 | 143,808 | 62,916 | 65,912 | 43,442 | 85,386 | 1,498 | 8,988 | 211,218 | 121,338 | 1,835,095 |
| ELP10 | Storage heaters | 25 | | 0 | 0 | 3,333 | 0 | 6,667 | 33,333 | 0 | 30,000 | 6,667 | 0 | 0 | 0 | 0 | 3,333 | 0 | 214,892 |
| ELP11 | Hot water cylinder | 30 | | 0 | 0 | 0 | 1,300 | 0 | 0 | 0 | 260 | 0 | 1,040 | 10,920 | 260 | 260 | 0 | 0 | 15,080 |
| ELP12 | Medical Adaptation replacement | 20 | | 20,000 | 53,333 | 20,000 | 80,000 | 3,333 | 0 | 0 | 0 | 0 | 36,667 | 33,333 | 10,000 | 26,667 | 40,000 | 56,667 | 765,588 |
| ELP13 | Roof tiling | 60 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELP14 | Roof sarking | 60 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELP15 | Cladding/roughcast | 60 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELP16 | Close doors | 30 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 33,000 | 58,800 | 0 | 2,400 | 0 | 0 | 262,730 |
| ELP19 | Flat entry door | 30 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELP20 | French doors | 25 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 33,300 | 140,572 |
| ELP21 | Front/rear doors | 25 | | 0 | 39,000 | 17,000 | 101,000 | 0 | 0 | 18,000 | 5,000 | 3,000 | 0 | 15,000 | 21,000 | 10,000 | 0 | 37,000 | 342,392 |
| ELP22 | Non-slip flooring | 20 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELP23 | Windows | 25 | | 159,900 | 164,000 | 69,700 | 0 | 172,200 | 397,700 | 0 | 20,500 | 360,800 | 307,500 | 0 | 120,000 | 273,500 | 0 | 151,700 | 3,041,916 |
| ELP24 | Smoke Detector upgrade | 10 | | 0 | 0 | 0 | 0 | 35,250 | 28,012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 35,250 | 189,692 |
| ELP25 | Front door | 25 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 21,460 | 90,540 |
| | SUB TOTALS | | | 725,157 | 661,573 | 596,770 | 824,307 | 735,554 | 577,753 | 484,804 | 502,789 | 630,293 | 632,728 | 327,877 | 351,289 | 363,415 | 254,551 | 613,693 | 12,971,792 |
| | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | VAT | | 20% | 145,031 | 132,315 | 119,354 | 164,861 | 147,111 | 115,551 | 96,961 | 100,558 | 126,059 | 126,546 | 65,575 | 70,258 | 72,683 | 50,910 | 122,739 | 2,594,358 |
| | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Fees | | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | VAT on fees | | 20% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | TOTALS | | | 870,188 | 793,888 | 716,124 | 989,168 | 882,665 | 693,304 | 581,765 | 603,347 | 756,351 | 759,273 | 393,453 | 421,547 | 436,098 | 305,462 | 736,431 | 15,566,151 |
| | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | No. of units | 673 | Cost per unit | 1,293 | 1,180 | 1,064 | 1,470 | 1,312 | 1,030 | 864 | 897 | 1,124 | 1,128 | 585 | 626 | 648 | 454 | 1,094 | 23,129 |