



Date **27/10/2022**
Time **18:30 - 20:30**

Board Meeting

Maryhill Housing Association

Table of contents

27/10/2022 18:30 - 20:30

1 - Welcome	4
<hr/>	
2 - Approval of Board Minutes – 29th September 2022	5
<hr/>	
Attachments	
2. Draft Minutes 29 September 2022, v2	6
3 - Action Tracker	12
<hr/>	
Attachments	
3. Action Tracker October 2022	13
4 - Feedback from Training/ Events	20
<hr/>	
5 - Rent Consultation Proposals for April 2023	21
<hr/>	
Attachments	
5. Annual Rent Increase Proposals	22
5. Rent Paper - Appendix 1 - Business Plan Summary	45
6 - Assurance Statement	46
<hr/>	
Attachments	
6. Our overall assurance position, v2	47
6.1 Appendix A - Assurance Framework Dashboard October 2022 (required readi~	52
6.2 Appendix B - Assurance Position - proposed 2022 assurance statement - c~	55
6.3 Appendix C - Assurance Position - proposed 2022 assurance statement - c~	57
6.4 Appendix D - Full Assurance Framework October 2022 (additional reading)	58
6.5 Appendix E - Annual Assurance Statements - final - February 2019	124
7 - Glenavon Heating Decision	132
<hr/>	
Attachments	
7. Glenavon Heating Decision	133
7.1 Appendix 1 - Glenavon Heating Slides from Away Day 12 March 2022	143
7.2 Appendix 2 - Glenavon heating report	155
8 - Write-Offs and Write-Backs	158
<hr/>	
Attachments	
8. Write Offs and Write Backs October 2022	159

9 - CEO Report **168**

Attachments

9. CEO Report 169

9.1 CEO Report - Appendix 1 - Whistleblowing Policy - track changes 176

10 - Governance Report **182**

Attachments

10. Governance Report 183

11 - New Supply Shared Equity Criteria **193**

Attachments

11. New Supply Shared Equity Criteria 194

12 - Meeting Review **199**

1 - Welcome

Lindsay Forrest

- Apologies
- Declaration of interest
- Safe Home

| For Discussion

2 - Approval of Board Minutes – 29th September 2022

Lindsay Forrest

| For Decision

Attachments

[2. Draft Minutes 29 September 2022, v2.pdf](#)

3

18:37, 5 min

3 - Action Tracker

Lindsay Forrest

| For Decision

Attachments

[3. Action Tracker October 2022.pdf](#)

Board Meeting 29th April 2021

Item	Action	Lead	Latest update and anticipated completion date
12.3	<p>BW advised it would be appropriate to review the other Retirement Housing Officer (RHO) post over the next 12 months. TH agreed that this should be carried out to ensure that the Association was not paying too much for a specific role, and to ensure consistency.</p>	<p>BW</p>	<p>This to be progressed once new Head of Service in post – target completed March 2022.</p> <p>January update: this is likely to be delayed due to planned sickness (operation) for one of the retirement housing officers.</p> <p>February update: No further update.</p> <p>March update: No further update. Employee is still absent following an operation.</p> <p>April update: No further update. Employee is still absent following an operation.</p> <p>May update: Employee has returned to work and officers have met to agree a plan and timeline to complete the review.</p> <p>June update: The main member of staff affected has now submitted their intention to retire with three-months’ notice. Officers have agreed to postpone the review of the post with a view to introducing a new structure for when the new post is recruited to. This will require consultation with customers.</p> <p>August update: The RHO will be retiring in August 2022 and consultation is currently underway with customers from both schemes to shape the service going forward. It is proposed to recruit to this post in line with the other RHO’s T’s and C’s.</p> <p>September update: This consultation has been completed. Oran complex is in favour of moving towards the same structure as Shiskine. Timeframe for implementation is November 2022 and Board approval will be sought in October 2022 for the permanent change in the staffing structure.</p> <p>October update: Proposed changes included in October CEO report.</p> <p>Propose for closure.</p>

Board Meeting 24th February 2022

Item	Action	Lead	Latest update and anticipated completion date
12.2	Board asked that the Association give consideration to cleaning the sculpture at Ruchill as part of the commemoration.	BW	<p>CEO has fed this back to the Community Regeneration manager who is leading on this. A verbal update on next steps will be provided at the meeting if possible.</p> <p>May update: The Community Regeneration Manager has followed this up with North United Communities, and an event (together with a tree and a plaque) is proposed for August 2022. The CEO is in discussion with Les' widow.</p> <p>June update: This event is now likely to take place in September to allow for the recruitment of a new Corporate Officer (Comms and Events)</p> <p>August update: This event is not now likely to take place until October due to ongoing vacancy in the Corporate Support Team.</p> <p>September update: Proposed date now mid-late October. CEO confirming best date with Les' wife then invites will be issued.</p> <p>October update: Date set 31st October. The sculpture will be cleaned by the Association's in-house team.</p> <p>Propose for closure.</p>

Board Meeting 23rd June 2022

Item	Action	Lead	Latest update and anticipated completion date
7.7	JS requested to change the recommendation in the paper and proposed that a workshop session was held with QCHA to develop a policy that would allow us to have some commonality or the same policy. This would mean that there would be some changes for both Maryhill and QCHA, which QCHA would also need to get approved by their Board. This policy would then be brought back to Board for approval prior to consultation. This was approved by Board.	JS	<p>August Update: Discussions are ongoing with QCHA to develop a common allocations policy and it is proposed to bring a draft policy to the Board for consideration in September 2022 which is later than the original proposal to bring this back in August 2022. The delay has been caused by annual leave during the summer period for both organisations.</p> <p>September Update: The proposed policy is now due to come to November Board due to competing pressures and the need to focus on the launch of the new reactive repairs contract during September.</p>

Item	Action	Lead	Latest update and anticipated completion date
7.8	A Board member queried whether prior to consultation, modelling could be carried out on our current waiting list to provide an indication of what proportion of applicants would be in each band. JS confirmed that this could be done at a high level.	JS	<p>August Update: It is proposed that this exercise is concluded and presented to the Board in September 2022 when the draft policy will be considered.</p> <p>September Update: The proposed policy is now due to come to November Board due to competing pressures and the need to focus on the launch of the new reactive repairs contract during September.</p>
7.9	The Board also requested the equality impact assessment be reviewed to see if moving from a points-based system to a banding system would disadvantage any groups.	JS	<p>August Update: It is proposed to include the outcome of the equality impact assessment with the paper to accompany the draft policy in September 2022.</p> <p>September Update: The proposed policy is now due to come to November Board due to competing pressures and the need to focus on the launch of the new reactive repairs contract during September.</p>
7.11	The Board also queried what impact moving to a banding system would have on aspirational moves for applicants as this is dealt with differently by QCHA. JS confirmed that this type of applicant would be a bronze band and would result in applicants rarely get an offer. Board asked if direct matching could be carried out for this type of banding, like Section 5 applications. Officers agreed to explore this further with QCHA in the workshop.	JS	<p>August update: QCHA have confirmed that all properties available for bidding under their current process are not ring fenced for different bands and therefore bronze applicants are rarely housed. The direct matching process or agreeing targets for each band is an option that the Association could implement and have as an exception to the common policy.</p> <p>September Update: The proposed policy is now due to come to November Board due to competing pressures and the need to focus on the launch of the new reactive repairs contract during September. This will give consideration to whether the Association should retain lettings targets for different types of applicants.</p>
16.2	Board highlighted papers could be long and perhaps background reading could be saved to a resource library.	BW/DW	<p>September update: Consideration to be given to resource library once Board review process is complete and new IT kit has been issued to Board members.</p> <p>October update: Meeting booked for 03/11/22 to agree options for implementing a resource library.</p>

Item	Action	Lead	Latest update and anticipated completion date
16.3	Board asked for papers to be more clearly labelled to highlight if they are required or additional reading.	DW	<p>September Update: DW is considering options on the best way to identify each paper and will bring options to October 2022 Board meeting.</p> <p>October update: Meeting booked for 03/11/22 to agree options for on labelling documents.</p>

Board Meeting 22nd August 2022

Item	Action	Lead	Latest update and anticipated completion date
2.2	Board agreed that a Note to Chair would be produced for the Chair of the Audit and Risk Committee to provide a more detailed verbal update to the Board following an Audit and Risk meeting.	DW	<p>September Update: Note to Chair will be produced for November Board meeting.</p>
8.9	DW provided an update on Quarter 1 Complaints performance. The Board asked if benchmarking had been carried out with other Associations. DW confirmed that this had still to be carried out but would be available for the next Assurance Board meeting.	DW	<p>September Update: Benchmarking will be completed and reported at the November Board meeting.</p> <p>October Update: Benchmarking has now been completed and is used to complete annual review. Performance Report for Quarter 3 will include new benchmarking figures.</p>
16.1	JC continues to have issues with her iPad but is dealing with DW directly on that.	DW	<p>September Update: New IT equipment has now been purchased and is in the progress of being set up by IT with the target of issuing these by the end of September.</p> <p>October Update: JC has now received their new IT kit.</p> <p>Propose for closure</p>
16.2	IM also highlighted that slow wi-fi can be an issue when working with Decisions.	DW	<p>September Update: DW will investigate and consult with IM on different solutions to improve their Wi-Fi connection.</p> <p>October Update: DW has emailed IM to check if this is when she is accessing Decisions from home and whether there is anything we can do to help speed this up.</p>

Item	Action	Lead	Latest update and anticipated completion date
16.5	Board liked the assurance summaries and presentations by the Heads/Directors but found it difficult to link to the papers that had been issued. It was suggested that the presenter highlight which appendix/ page/ paragraph they are covering and allow Board time to access the correct paper or could the paper order match the order of the presentation.	BW	September update: This will be completed for the next Assurance Board in November 2022.

Board Meeting 29th September 2022

Item	Action	Lead	Latest update and anticipated completion date
6.3	A Board member asked whether it would be possible for the funding currently being provided to the Halliday Foundation to be redirected somewhere else as they had received feedback that the Foundation were not providing food that could be used for making a meal. BW confirmed that customers would be able to access the Maryhill Helps fund for help in this area once it was launched. BW undertook to feedback the concerns about the Halliday Foundation to the Community Regeneration scheme who administer the Community Fund.	BW	This has been fed back to the Community Regeneration Manager for consideration as part of the allocation of next year's Community Fund. Propose for closure.
6.11	The Board approved the proposal to consult tenants on rent increase options of 3, 5 and 7% for April 2023 and this consultation would include information (still to be developed) about how the Association would make each of these options affordable.	RW	This is covered in agenda of tonight's meeting. Propose for closure
6.12	The Board agreed to include all members in a short life working group to work with officers to develop the detail of proposals to meet the funding deficit created by 3, 5 and 7% rent increases in April 2023 prior to approval by October Board. In practice this would mean circulating more detailed proposals by email.	BW/RW	Email update issued to the Board on 10 th October 2022. Propose for closure.
6.13	The Board agreed to delegate authority to the Staffing Panel to approve the wording of a written submission to EVH from the Maryhill Housing Board to inform the salary negotiation process for April 2023 salary increases.	BW	October update: This will be produced following the October Board discussion.

Item	Action	Lead	Latest update and anticipated completion date
8.4	The Board approved amending the Policy Schedule to that the Health and Safety Policy is reviewed annually.	DW	October Update: Policy Schedule amended. Propose for closure.
10.4	The Board approved the lettings targets for 2022 – 2023 of: 49% (homeless), 27% (waiting list), 18% (transfer need) and 6% (transfer aspirational). The Board noted that officers would keep this under review throughout the year and if homeless referrals began to significantly exceed offers, consideration would be given to revising the target. BW to respond to Glasgow City Council.	BW	October update: Response issued to GCC. Propose for closure.
10.6	The Board approved the allocation of a property at 4B Shiskine Place to a former employee.	JR	October update: GCC building control signed off the completion certificate 28/09/2022, Board approved the let to former employee at September Board. Electrical Certificate received awaiting Gas Safety Certificate before the property can be let. As soon as Gas Certificate is received the sign up will be progressed.
11.5	DW to confirm the date of the Development Hub Board meeting with members.	DW	October Update: Email sent confirming date of Hub Board meeting. Propose for closure
11.7	The Board appointed LF, IM and TH to conduct Board recruitment interviews, one of which would take place in October for Thomas Jackson.	DW	October Update: Thomas Jackson has decided to withdraw his application to become a Board member. Propose for closure.
11.8	The Board approved the Lease Agreement and Services Agreement between Maryhill Housing and Maryhill Living and noted the signatories as BW and RW.	RW	October update: these documents have not yet been signed.
13.2	The Board were keen to re-arrange the partnership workshop.	BW	October update: This was planned for 12 th October but had to be cancelled due to BW's childcare issues. A new date will be set as soon as possible.
13.3	The Board asked that the next away be booked in soon so that members had plenty of time to make arrangements.	BW	Date set for Board away day and invite issued. Propose for closure.

Key:

AM: Alistair McArthur

JS: Jennifer Simon

AMc: Arlene McLaughlin

BW: Bryony Willett

KF: Karen Fee

RW: Rebecca Wilson

CB: Carol Bain

JR: Joanne Reid

DW: Debbie Watt

4 - Feedback from Training/ Events

Lindsay Forrest

Verbal Update

5 - Rent Consultation Proposals for April 2023

Rebecca Wilson


Paper to follow

| For Decision

Attachments

[5. Annual Rent Increase Proposals.pdf](#)

[5. Rent Paper - Appendix 1 - Business Plan Summary.pdf](#)

REPORT TO:	Board	
DATE OF MEETING:	27th October 2022	
AGENDA ITEM:	5	
CONFIDENTIALITY:	Non confidential	
AUTHOR:	Rebecca Wilson	
RESPONSIBLE DIRECTOR:	Rebecca Wilson, Director of Resources	

REPORT TITLE: RENT CONSULTATION PROPOSALS FOR APRIL 2023

1. PURPOSE OF THE REPORT:

This paper sets our proposals for the consultation on the rent increase from April 2023.

2. RECOMMENDATIONS:

That the Board:

2.1 For all general needs, shared ownership, retirement properties and lock ups (excluding fair rent properties):

Consider and approve what rent levels to consult with tenants on from the options of:

- 3.0% (*not recommended due to viability impact*)
- 5.0%
- 7.0%

Noting that the outcome of the consultation will come to January Board to inform the decision at that point on the 2023 rent increase.

2.2 For retirement housing tenants

Approve setting service charges for 2023/24 as per the Rent & Service Charge Policy, i.e. based on projected costs for the services provided plus 15% administration fee, subject to consultation with tenants.

2.3 For leased properties Type 1 (e.g. Mears) and Type 3 GCC temp furnished flats:

Approve increasing rents in accordance with the Rent & Service Charge Policy, i.e. the lease terms of RPI +1% (Retail Price Index inflation rate), using September RPI rate of 12.6%

2.4 For leased properties Type 2 (registered charities turnover <£1m)

Approve that this year the Association does not apply the RPI+1% set out in the Rent & Service Charge Policy, but instead applies the same increase as for general needs stock.

2.5 For factored owners

Approve increasing the annual factoring fee currently set at £180 by the same increase as for general needs stock.

2.6 Specific additional rent consultations

Note the following rent consultations and implementation of specific rent changes:

- Cumlodden Caretaking Service – consultation with residents on the rent increase required if this pilot service becomes permanent will commence in December 2022, following on from the rent increase consultation. The outcome will come to January Board for consideration along with any resulting amendment of the Rent & Service Charge Policy
- Glenavon & Low Rise Heating Option – as set out in agenda item 7, depending on Board decision on the heating system, consultation with tenants and resulting amendment of the Rent & Service Charge Policy will come to January Board
- Mini Multis Smart Heating Charge – Tenants in the 11 mini multis which were part of the ASHP contract and who had their heating installed before January 2021 have already had the Smart Heating charge applied last year. In April 2023 we will apply the Smart Heating charge to all the remaining properties in these 11 mini multi blocks (this is regardless of whether the tenant allowed access for the install). Consultation about this additional, non-optional rent charge was already undertaken at the outset of the project.

2.7 Supporting Customers through the Cost of Living Crisis

Note that cost of living campaigns will be delivered over the next year to flag the support available to customers and a toolkit is being developed for front line staff to ensure teams are fully equipped to maximise the support available to customers

3. EXECUTIVE SUMMARY:

- 3.1 Due to the significant increase in inflation rates and changes in a number of key costs for the Association, such as reactive repairs contract, the 30 year financial business plan approved in March 2022 has been restated to enable more accurate assessment of the impact of potential rent increases for 2023/24.
- 3.2 The Rent & Service Charge Policy notes that the Association generally uses August CPI as the reference point for annual rent increases, but this is not binding. Given the high inflation and the cost of living pressures faced by our customers, Board gave consideration to initial financial modelling of potential rent increase levels at the September Board meeting.
- 3.3 Board approved that rent increase levels for April 2023 of 3%, 5% and 7% be developed for consultation with tenants. These three rent increase levels are presented in this report for Board consideration.
- 3.4 This paper sets out the regulatory framework surrounding rents and service charge setting, the current position in respect of potential Scottish Government rent restriction, an assessment for how affordable the proposed rents would be for current and future tenants, the comparability with other RSLs in terms of our rent levels, the impact of the rent increase options on the 30 year business plan, and the proposed approach to consulting tenants on rents for 2022/23.
- 3.5 The primary purpose of this report is to consider in detail the impact of the three potential rent increases of 3%, 5% in terms of financial viability, affordability and comparability. There are then a number of further ancillary decisions regarding increases for specific types of charge and/or properties.

IMPLICATIONS OF THE REPORT

<p style="text-align: center;">FINANCIAL RESOURCE AND VALUE FOR MONEY:</p>	<p>Tenants' rents are the key source of income for the Association. It is vital rents are set at a level that is viable for the Association in terms of the longer term business plan. MHA has to comply with the Scottish Social Housing Charter. Outcome 13 states 'social landlords manage all aspects of their business so that tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay'.</p> <p>Implementation of a rent freeze or rent cap, whether imposed by Scottish Government or decided upon by the Board, would have a significant and long-term impact on the Association's finances. Business Plan modelling has been undertaken to assess the mitigating actions required to maintain a viable business plan and the results are set out in this report.</p> <p>Due to above CPI inflation being reported for investment and major works contracts, it may be that postponing such works until inflation levels stabilise could provide better value for money.</p>
<p style="text-align: center;">LEGAL/ REGULATORY/MH RULES/ NOTIFIABLE EVENT:</p>	<p>The Association has a statutory duty to consult tenants on proposed changes to rents and to give at least 28 days' notice of rent increases. It is not currently clear whether the Association will be able to comply with these requirements if rent restrictions are imposed by the Scottish Government.</p> <p>The Association will be required to notify the Scottish Housing Regulator if it is likely to breach its covenants as a result of any below CPI rent increase level applied.</p> <p>The Association has a responsibility to ensure rents are genuinely affordable for tenants and prospective tenants and provide value for money. This is stated in the Scottish Social Housing Charter outcome 14 - 'a balance has to be struck between the level of services provided, the cost of the services and how far customers.. can afford them' and the Regulatory Framework Standard 3 'The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.'</p> <p>Both the Charter and Regulatory Framework make it clear the rent increase decision involves a balance between considering financial viability of the Association and affordability to tenants.</p> <p>The Scottish Government's Cost of Living (Tenant Protection) (Scotland) Bill 2022 includes the ability to extend the current rent freeze beyond 31 March 2022. The Scottish Government must decide on implementing any extension by 14th January 2022.</p>
<p style="text-align: center;">CORPORATE PLAN/STRATEGIC OBJECTIVES:</p>	<p>Rent consultation and implementation from April 2023 is a key priority but it is a normal activity in the year and does not appear in the 2022/23 delivery plan.</p>

	<p>This year however, due to the cost of living crisis considerations, there is an increased challenge to keep rents affordable whilst maintaining financial viability which has resulted in a significant increased level of financial modelling than would normally be the case.</p>
<p>CUSTOMER/ TENANT PARTICIPATION:</p>	<p>Residents will be fully consulted on the proposed rents from April 2023 with the target for consultation remaining the same as last year, at 15%.</p> <p>Consultation outcomes will come to Board in January for consideration. However, if the Scottish Government decides to implement a rent restriction beyond 31st March 2022 the decision on the level of rent increase will be outwith Board's hands.</p>
<p>COMMUNICATIONS:</p>	<p>The rent consultation will be highlighted on the website, on social media, and in our telephone waiting message. The consultation will also be promoted by all staff who make contact with customers and through use of text reminders. Staff will be provided with training and a standard script to help ensure consistency and impartiality in approach where staff assist with the completion of the survey.</p>
<p>HEALTH AND SAFETY:</p>	<p>There are no health and safety issues to be considered at this time</p>
<p>ENVIRONMENTAL:</p>	<p>There are no environmental issues to be considered at this time</p>
<p>EQUALITY IMPACT ASSESSMENT:</p>	<p>The consultation will be available in different formats if required.</p>
<p>RISK ANALYSIS:</p>	<p>The key risks associated with the rent increase consultation are financial and reputational.</p> <p>Financial risk – the Board needs to mitigate the risk that the proposed rents increase has a negative impact on the business plan.</p> <p>Reputational risk – effective communication to ensure tenants understand why we are changing rents and know about the support we can provide if they are struggling to pay their rent.</p>
<p>FREEDOM OF INFORMATION:</p>	<p>The following should not be published:</p> <p><input checked="" type="checkbox"/> N/A <input type="checkbox"/> Full Report <input type="checkbox"/> Section(s):</p> <p>Reason for redacting:</p> <p>Confidential: <input type="checkbox"/></p> <p>Commercially Sensitive: <input type="checkbox"/></p>

4. BACKGROUND

- 4.1 In March 2022 the Board approved a business plan that assumed rents would increase by CPI only throughout years 2 - 30 of the plan, but that this would be subject to annual review and decision.
- 4.2 The Scottish Housing Regulator's *Thematic Enquiry into How Landlords Consult Tenants on Rent Increases* (2016) set out an expectation that associations would consult tenants on rent options where possible rather than just proposing a single increase.
- 4.3 In March 2020, the Board approved a 4 year investment programme which focused investment plans on achieving the strategic objective of replacing obsolete and expensive electric heating systems within over 1000 homes. For the last three rent increases, April 2020, 2021 & 2022 no rent options were offered to tenants because this without have impacted negatively on the deliverability of the heating replacement programme.
- 4.4 However this year, due to the current Cost of Living Crisis, three rent options will be consulted on and the implications of each of these options will be set out clearly for tenants in the consultation letter and accompanying leaflet.

5. LEGAL & REGULATORY CONSIDERATIONS

- 5.1 The Association is responsible for setting rent levels for properties within its ownership and consulting with the tenants involved, in line with the Housing (Scotland) Act 2001. The Act also requires that the Association provide at least 28 days notice of any rent increase.
- 5.2 The Social Housing Charter sets the outcomes that the Scottish Government expects social landlords to achieve for its customers. In terms of how rent increases are applied the relevant Social Housing Charter indicators include:
- Outcome 13 – Tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.
 - Outcome 14 – Social Landlords set rents and service charges in consultation with their tenants and other customers so that a balance is struck between the level of services, and how far current and prospective tenants and other customers can afford them.
 - Outcome 15 – Tenants get clear information on how rent and other money is spent, including any details of individual items of expenditure above thresholds agreed between landlord and tenants.
- 5.3 The Scottish Housing Regulator's Regulatory Framework Standard 3 requires that:
- The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.
- 5.4 Both the Social Housing Charter and Regulatory Framework make it clear that rent setting decisions should involve a balance between considering financial viability of the Association and ensuring rents are genuinely affordable for tenants and prospective tenants and provide value for money.

- 5.5 The Scottish Government's emergency legislation means that there is a possibility that a rent freeze or rent restriction may be applied to the Association's rents for next year. The Government has to decide whether to exercise this power by 14th January 2022.
- 5.6 The Scottish Housing Regulator has made it clear that housing associations should continue to consult with tenants on the April 2023 rent increase in line with normal practice and our statutory responsibilities.
- 5.7 The Board confirmed at the September meeting that we would proceed with the rent consultation process.

6. UPDATED BUSINESS PLAN

- 6.1 Since the Board approved the 30-year financial business plan in March 2022, there have been a number of inflationary impacts, including:
- April 2022 pay award – actual of 4.1% rather than 2.7% budgeted
 - Reactive repairs contract – 26% increase with the move to Everwarm
 - Void repairs contract – 19% increase in City Building rates
- 6.2 In order to assess the financial impact of any potential rent increase, a full update of the March 2022 Business Plan was necessary.
- 6.3 An initial review of the Business Plan was carried out and high level findings reported to September Board in order to identify potential rent options and explore the mitigation actions necessary to make any below CPI rent increase financially viable for the Association.
- 6.4 Since the September Board, further detailed work to update the Business Plan has been undertaken and input obtained from our treasury advisers DTP on the planning assumptions used. Feedback from Board members was also invited on the development of the updated Business Plan via email.
- 6.5 DTP provide quarterly updates on business planning assumptions, the last one was published in August 2022. This has been used as the basis for the updated business plan assumptions, but with some adjustments agreed with DTP to reflect a slightly reduced CPI expectation for next year of 11% rather than 11.5% and expected higher variable loan rate to reflect recent market volatility. The updated assumptions are shown at Table 1 below.
- 6.6 In addition to updated assumptions, a number of further updates specific to the Association have been made, these include:
- £24m Rolling Credit Facility (RCF) availability period assume extended to 31/3/29, our lender RBS have confirmed in principle that this could be done and DTP have advised that this is a sensible option, this option will be explored further and a proposal presented to Audit & Risk Committee;
 - New fixed loan implemented 2022/23;
 - 2 newbuild developments in later years have been removed so that only newbuild covered by the £24m RCF is within the plan, this shows the impact on cash generation to be seen more clearly and where unfunded debt exceeds £24m this indicates that the Association is borrowing without new rents to support it;

- Reactive Repairs and Voids contracts 2022/23 updated for increased costs;
- Reduced 5 Year Investment programme included with catch up for delayed investment built into later years;
- 50% Government funding assumed for heating replacement work in 2023/24, as discussed in Agenda item 7 at tonight's meeting;
- Salary budget 5% underspend assumed based on normal vacancy levels

Table 1: Business Plan Assumptions

Year ending 31st March:	2024	2025	2026	2027	2028	2029	2030+
CPI	11.00%	8.25%	0.75%	2.00%	2.00%	2.00%	2.00%
Salary - above/(below) CPI	-3.00%	-2.25%	0.00%	0.00%	0.00%	0.00%	0.00%
Reactive repairs - above/(below) CPI	6.64%	1.30%	3.60%	-0.62%	0.00%	0.00%	0.00%
Void repairs - above/(below) CPI	-0.39%	1.08%	2.98%	-0.52%	0.00%	0.00%	0.00%
Cyclical maintenance - above/(below) CPI	2.50%	1.00%	1.75%	3.00%	0.00%	0.00%	0.00%
Major Repairs - above/(below) CPI	5.00%	1.00%	1.00%	1.00%	0.00%	0.00%	0.00%
Electricity - above/(below) CPI	84.00%	40.75%	0.00%	0.00%	0.00%	0.00%	0.00%
Loan Variable Rate	5.00%	3.25%	3.25%	3.25%	3.50%	3.75%	3.75%

7. RENT OPTIONS FOR CONSIDERATION

- 7.1 At the September meeting, Board approved the proposal to consult tenants on rent increase options of 3, 5 and 7% for April 2023 and this consultation would include information about how the Association would make each of these options financially viable.
- 7.2 Table 2 shows our current average rent levels for different property types and then gives the monthly increase amount for each of the rent increase levels:

Table 2: Monthly Rent Increase Amount

Property Type	MHA average monthly rent 2022/23	3.0% increase	5.0% increase	7.0% increase
Studio flat	£323.35	£9.70	£16.17	£22.63
1 bedroom	£371.06	£11.13	£18.55	£25.97
2 bedroom	£392.99	£11.79	£19.65	£27.51
3 bedroom	£410.15	£12.30	£20.51	£28.71
4 + bedroom	£453.53	£13.61	£22.68	£31.75

7.3 Table 3 below sets out the mitigating actions included in the business plan modelling to make each of the potential rent options financially viable. In summary:

- All 3 rent increases would require the Association to make £500k of cost reduction or business efficiency, achieved in stages of £100k in 2023/24, £100k in 2024/25 and £300k in 2025/26. This would replace our current VFM savings target
- The 3% and 5% rent increase result in a £5m reduction to the investment programme over the next 5 years, with spend being focused on the priority areas identified by the tenant consultation events and agreed by September Board. A 7% rent increase would allow for an additional £2m investment works focused on additional energy efficiency measures of an increase of £1.5m on windows and £0.5m on boilers.
- The 3% and 5% rent increase would require some future years to have rent increases of CPI+1% where as the 7% rent increase would not require any CPI+ rent increases in future years

Table 3: Potential Rent Options Mitigation Actions

	3% Increase	5% Increase	7% Increase
Mitigation 1: Efficiency savings to be made by the Association (no reduction to tenant services)	£500,000 by 2025	£500,000 by 2025	£500,000 by 2025
Mitigation 2: Reduced 5 year investment programme:			
Priority 1 Health & Safety/Wind & Watertight			
• Glenavon Road – new render and windows	£4.3m	£4.3m	£4.3m
• Stonework repairs to tenemental stock	£1.4m	£1.4m	£1.4m
• Watertank works	£400k	£400k	£400k
Priority 2 Electric Heating Upgrades			
• Glenavon Road, Cumloddan, Skirsa & Cadder	£3.7m	£3.7m	£3.7m
Priority 3 Other Energy Efficiency			
• Boiler replacements	£2m	£2m	£2.5m
• Window replacements	£360k	£360k	£1.8m
Priority 4 Things we said we'd do			
• Mini multi foyers (fire doors only)	£0.04m	£0.04m	£0.04m
Priority 5 Everything else			
• Kitchens & bathrooms & other minor works (contingency for as and when required)	£0.7m	£0.7m	£0.7m
Total 5 year Investment Programme	£12.84m	£12.84m	£14.84m
Mitigation 3: Rent increases above inflation from April 2025	4 years at CPI+1%	3 Year at CPI+1%	Not required

7.4 In reaching its decision on the rent increase options which should be issued for consultation, Board are requested to give consideration to three factors which are explored in the following sections:

- Affordability
- Viability
- Comparability

8. AFFORDABILITY

8.1 The Association's assessment of affordability considers:

- rent as a proportion of income levels for households earning moderate incomes and minimum wage; and
- an assessment against minimum income standards for households earning moderate incomes and minimum wage.

8.2 The Association uses the Scottish Federation of Housing Associations (SFHA) rent affordability tool to assess affordability of our rents to our tenants. The SFHA update the affordability tool each year to reflect the latest information for a range of data sets e.g. minimum wage, universal credit average claims, minimum income standard. These data sets have all been updated to reflect latest 2022 data including the ARC data on average rents and actual rent increase applied in April 2022. The two income measures which the Association uses for affordability assessment are:

- minimum wage
- moderate income

8.3 Minimum wage has been selected because it is the legal minimum a full time working household can earn. In practice people earning minimum wage would generally be eligible for working tax credits so this is likely to be a pessimistic view of affordability.

8.4 Moderate income is calculated at the 30th percentile for each local authority area. Whilst we recognise that our tenants may not earn this much the advice from Housemark who provide the data around the affordability tool is that these moderate income levels broadly equate to minimum wage plus any tax credits or housing benefit tenants earning low incomes may be eligible for.

8.5 The Minimum Income Standard has been developed by a project funded by the Joseph Rowntree Foundation which supports research around poverty. It is a calculation of the minimum income required, after rent and childcare, that a household needs to afford a basic but adequate standard of living. The minimum income includes an allowance for holidays and travel.

8.6 In its 2013 Briefing Paper Perspectives on Rents and Affordability in Scotland the Chartered Institute of Housing stated that affordability is generally defined as spending no more than 25 – 30% of income on rent.

8.7 The following Tables 4 & 5 set out the affordability results for the rent increase option 3%, Tables 6 & 7 show the results for 5% and Tables 8 & 9 show the results for 7%. The results are then indicated using the following RAG rating (red, amber, green):

- Rents less than 25% of income – an affordable rent (Green)
- Rents between 25-30% of income – less affordable (Amber)
- Rents at 30%+ of income – unaffordable and a 'fail' (Red)

8.8 The results show that:

- using minimum wage measure, 1 bed rent is very close to the unaffordable threshold for a single working age person at the 3% increase, and is unaffordable for the 5% and 7% increase as it tips over into above 30%.
- using moderate income measure, all rents are within the affordable band other than 1 bed rent for single working age person which is less affordable.
- The “income after rent above minimum standard” for all three rent increase options is showing negative income for all household types other than working couples without children and pensioners. The most badly impacted is single parent households. This measure has declined noticeably since last years affordability assessment. As stated above, this measure reflects what is needed for an adequate standard of living and considers far more than just the rent amount.

8.9 The overall position in respect of the affordability measure is that the results are broadly the same for all three rent increases being considered, with the least affordable rent being for single working age people in a 1 bed property. However, when considering wider poverty indicators, all household types are experiencing a noticeable decline in the ability to meet the minimum standard measure, with single parent households feeling the biggest impact. This reflects the impact of the cost of living crisis for our customers.

8.10 Briefings on the cost of living crisis and the impact on both the Association and customers have been delivered to teams across the Association. A more detailed discussion has taken place with the front line teams who work closely with customers to understand from their perspective the issues facing customers and how we can as an organisation best support customers living in our homes.

8.11 A number of cost of living campaigns will be delivered over the next year to flag the support available to customers. Following the discussion with front line teams a toolkit will be developed to pull together the ideas and suggestions provided by staff to ensure that all members of the teams are fully equipped to maximise the support available to customers. It is proposed to develop the toolkit with team members and this will be in place by the end of the year.

Maryhill HA Affordability Results for 2023/24 Rents – Based on rent increase of 3.0%

Table 4 – Minimum Wage age 23+

	Bedsit single working age person	Bedsit single pensioner	1 Bed single working age person	1 Bed working age couple	1 Bed pensioner couple	2 Bed single parent with 2 kids	2 Bed couple with 2 kids	3 Bed couple with 2 kids
Average Weekly Rent	£76.86	£76.86	£88.20	£88.20	£88.20	£93.41	£93.41	£97.49
% of income	26.0%	23.6%	29.8%	14.9%	19.9%	19.7%	15.0%	15.7%
% of market rent	n/a	n/a	64.2%	64.2%	64.2%	54.0%	54.0%	45.7%
% of LHA rate	67.5%	67.5%	77.4%	77.4%	77.4%	62.4%	62.4%	56.5%
Income after rent	£219.02	£248.61	£207.68	£503.56	£355.62	£380.00	£527.94	£523.86
Income after rent above minimum standard	-£73.98	+£3.61	-£85.32	+£21.56	-£26.38	-£110.00	-£71.06	-£75.14

Table 5 – Moderate Income

	Bedsit single working age person	Bedsit single pensioner	1 Bed single working age person	1 Bed working age couple	1 Bed pensioner couple	2 Bed single parent with 2 kids	2 Bed couple with 2 kids	3 Bed couple with 2 kids
Average Weekly Rent	£76.86	£76.86	£88.20	£88.20	£88.20	£93.41	£93.41	£97.49
% of income	24.2%	22.0%	27.8%	13.9%	18.6%	18.4%	14.0%	14.6%
% of market rent	n/a	n/a	64.2%	64.2%	64.2%	54.0%	54.0%	45.7%
% of LHA rate	67.5%	67.5%	77.4%	77.4%	77.4%	62.4%	62.4%	56.5%
Income after rent	£240.12	£271.82	£228.78	£545.76	£387.27	£413.76	£572.25	£568.17
Income after rent above minimum standard	-£52.88	+£26.82	-£64.22	+£63.76	+£5.27	-£76.24	-£26.75	-£30.83

Maryhill HA Affordability Results for 2023/24 Rents – Based on rent increase of 5.0%

Table 6 – Minimum Wage age 23+

	Bedsit single working age person	Bedsit single pensioner	1 Bed single working age person	1 Bed working age couple	1 Bed pensioner couple	2 Bed single parent with 2 kids	2 Bed couple with 2 kids	3 Bed couple with 2 kids
Average Weekly Rent	£78.35	£78.35	£89.91	£89.91	£89.91	£95.22	£95.22	£99.38
% of income	26.5%	24.1%	30.4%	15.2%	20.3%	20.1%	15.3%	16.0%
% of market rent	n/a	n/a	65.5%	65.5%	65.5%	55.0%	55.0%	46.6%
% of LHA rate	68.8%	68.8%	78.9%	78.9%	78.9%	63.7%	63.7%	57.6%
Income after rent	£217.53	£247.12	£205.97	£501.85	£353.91	£378.19	£526.13	£521.97
Income after rent above minimum standard	-£75.47	+£2.12	-£87.03	+£19.85	-£28.09	-£111.81	-£72.87	-£77.03

Table 7 – Moderate Income

	Bedsit single working age person	Bedsit single pensioner	1 Bed single working age person	1 Bed working age couple	1 Bed pensioner couple	2 Bed single parent with 2 kids	2 Bed couple with 2 kids	3 Bed couple with 2 kids
Average Weekly Rent	£78.35	£78.35	£89.91	£89.91	£89.91	£95.22	£95.22	£99.38
% of income	24.7%	22.5%	28.4%	14.2%	18.9%	18.8%	14.3%	14.9%
% of market rent	n/a	n/a	65.5%	65.5%	65.5%	55.0%	55.0%	46.6%
% of LHA rate	68.8%	68.8%	78.9%	78.9%	78.9%	63.7%	63.7%	57.6%
Income after rent	£238.63	£270.33	£227.07	£544.05	£385.56	£411.95	£570.44	£566.28
Income after rent above minimum standard	-£54.37	+£25.33	-£65.93	+£62.05	+£3.56	-£78.05	-£27.56	-£32.72

Maryhill HA Affordability Results for 2023/24 Rents – Based on rent increase of 7.0%

Table 8 – Minimum Wage age 23+

	Bedsit single working age person	Bedsit single pensioner	1 Bed single working age person	1 Bed working age couple	1 Bed pensioner couple	2 Bed single parent with 2 kids	2 Bed couple with 2 kids	3 Bed couple with 2 kids
Average Weekly Rent	£79.84	£79.84	£91.62	£91.62	£91.62	£97.04	£97.04	£101.28
% of income	27.0%	24.5%	31.0%	15.5%	20.6%	20.5%	15.6%	16.3%
% of market rent	n/a	n/a	66.7%	66.7%	66.7%	56.1%	56.1%	47.4%
% of LHA rate	70.1%	70.1%	80.4%	80.4%	80.4%	64.9%	64.9%	58.7%
Income after rent	£216.04	£245.63	£204.26	£500.14	£352.20	£376.37	£524.31	£520.07
Income after rent above minimum standard	-£76.96	+£0.63	-£88.74	+£18.14	-£29.80	-£113.63	-£74.69	-£78.93

Table 9 – Moderate Income

	Bedsit single working age person	Bedsit single pensioner	1 Bed single working age person	1 Bed working age couple	1 Bed pensioner couple	2 Bed single parent with 2 kids	2 Bed couple with 2 kids	3 Bed couple with 2 kids
Average Weekly Rent	£79.84	£79.84	£91.62	£91.62	£91.62	£97.04	£97.04	£101.28
% of income	25.2%	22.9%	28.9%	14.5%	19.3%	19.1%	14.6%	15.2%
% of market rent	n/a	n/a	66.7%	66.7%	66.7%	56.1%	56.1%	47.4%
% of LHA rate	70.1%	70.1%	80.4%	80.4%	80.4%	64.9%	64.9%	58.7%
Income after rent	£237.14	£268.84	£225.36	£542.34	£383.85	£410.13	£568.62	£564.38
Income after rent above minimum standard	-£55.86	+£23.84	-£67.64	+£60.34	+£1.85	-£79.87	-£30.38	-£34.62

8.12 **Benefit caps** – In previous years we have reported to the Board on properties where tenants are, or may be, affected by benefit caps. We currently have three families affected by the total benefits cap, two of whom are in receipt of housing benefit payments towards their rent and one family in receipt of universal credit. Of the two customers in receipt of housing benefit we have contacted one customer to provide support to apply for a discretionary housing payment (dhp) which is in place to support those affected by the benefit cap and they have not responded and are paying the shortfall in the rent. The other customer in receipt of housing benefit has recently been affected by the benefit cap and Officers will be making contact to offer support.

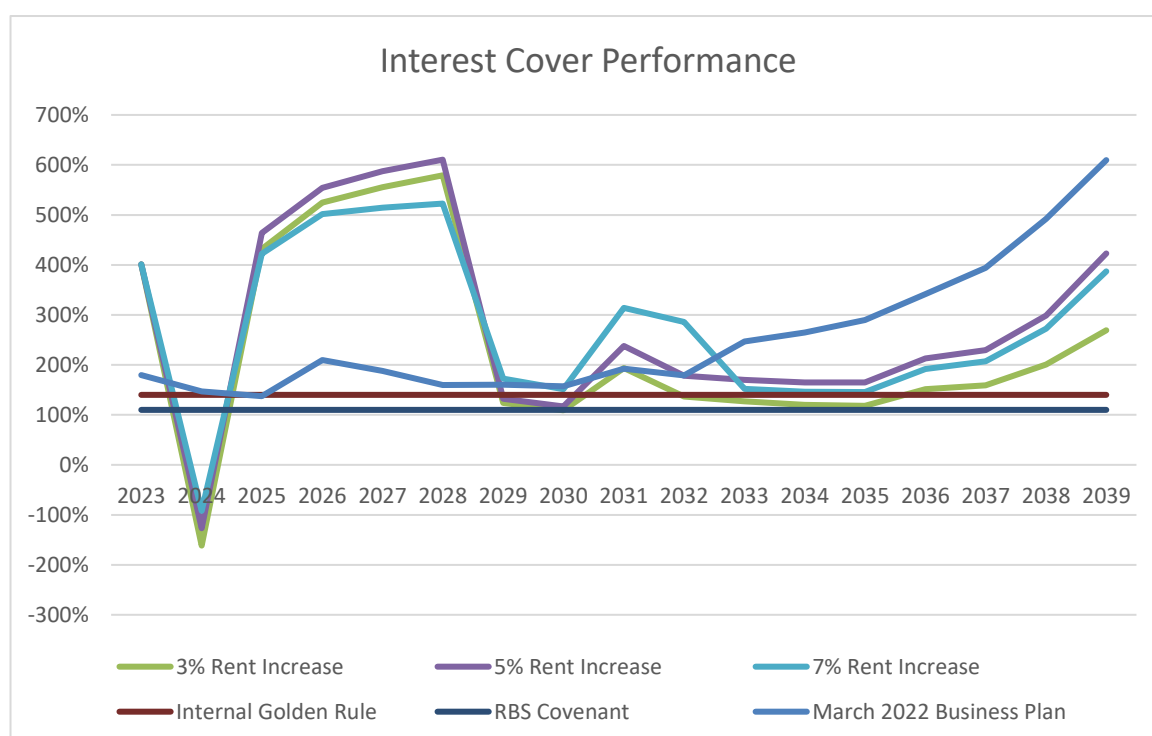
The benefit cap is applied due to the number of children in these households and where this is applied we no longer receive housing benefit to cover the whole rent charge. The family in receipt of universal credit is currently in receipt of a full rent allowance payment but will be receiving a reduced level of income to support the household. It has been confirmed that the customer will be eligible for a dhp which is payable directly to the household and an application has been submitted for this. As universal credit over time more families may be affected. In previous years we updated that the UK government had also proposed to introduce a local housing allowance cap on the amount of housing benefit payable. This would mean that no-one in social housing could receive more housing benefit than they would do in the private rented sector. The UK government has indicated that this will not apply in full but this proposal has not been progressed at this time nor is there a prospective date for its implementation.

If the housing cap was introduced it would impact under 35s (because they are eligible for a reduced level of benefit support in the private rented sector) and tenants in our retirement housing (because their total housing costs are high because of high service charges). For both of these groups their benefit would no longer cover their full rent charge.

9. VIABILITY

- 9.1 Rental income is required to be sufficient to cover the Association's costs and in particular costs in relation to management, maintenance, service costs, loan repayments and future cyclical and major repairs obligations. As a result, any review of rent levels needs to ensure that all of the Association's costs are adequately resourced both in the short and long term.
- 9.2 Associations must consider value for money when setting rents, and in balancing viability with affordability, the SHR has made it clear that the RSLs should first look to make savings rather than apply above inflationary rent increases.
- 9.3 The Association's Value For Money (VFM) aim is to have CPI only rent increases throughout the 30 year plan period. The March 2022 Business Plan achieved this, however due to this year's consideration of a below CPI rent increase, one of the potential impacts is that there may need to be above CPI rent increases in future years to compensate. The Board confirmed at the September 2022 meeting that use of above CPI rent increases should be seen as a last resort in terms of mitigating the impact of an April 2023 below CPI increase.

- 9.4 As outlined at section 6 above, a detailed update of the the Business Plan has carried out in order that the financial impact of the three rent options could be assessed. The table at **Appendix 1** sets out a range of financial performance indicators for each rent option, taking account of the mitigating actions set out at 7.3 above.
- 9.5 One of the key performance measures is compliance with the Interest Cover covenant with our lender RBS of at least 110% and also compliance with our own Golden Rule of interest cover of at least 140%. As shown in the graph below, all three rent options result in a covenant breach in 2023/24, this is due to the potential fast tracking of the heating replacement programme to tie in with Scottish Government funding availability. RBS have indicated that they are supportive of investment works which are delivering on the governments net zero agenda, so it should be possible to agree a covenant amendment to address this breach. This will be explored with RBS and an update reported to the Audit & Risk Committee.
- 9.6 All three rent options show high levels of interest cover in 2024/25 to 2028/29 and this reflects the reduced investment programme. As the investment is caught up in later years this results in dips in interest cover performance. All three rent options show a dip in performance in 2029 & 2030, but only the 3% rent option drops below the RBS 110% measure, this dip is due to investment work catch up and could be addressed through management of the investment programme in those two years. The 3% rent increase has a further four years 2032-2035 where performance is very close to breaching the 110%, such a period of prolonged low performance may be harder to address through smoothing out investment works and indicates that a 3% rent increase is less viable for the Association. All three rent options show continuing lower performance than the March 2022 business plan beyond 2033.



- 9.7 Another indicator in assessing the financial performance is to consider when loan debt is repaid, best practice is for loan debt to be fully repaid within the 30 years of the business plan. The March 2022 Business Plan had loan debt being repaid by 2043, all three of the rent options have a longer loan debt repayment than this, but all do repay within the 30 year period, the 5% and 7% option repay by 2044 and the 3% option repays by 2046.
- 9.8 A further indicator in assessing financial performance is to consider the amount of unfunded debt required within the plan period. Unfunded debt is borrowing that the Association does not yet have an agreement in place with the bank to cover. The current £24m RCF loan is a 'bullet' loan which means that at the end of the loan in 2029 the full £24m borrowed will need to be refinanced, therefore the business plan will include a level of unfunded borrowing to reflect this. In the updated business plan, all newbuild development in later years that is not covered by the £24m RCF has been removed, this means that if unfunded debt in the restated plan exceeds £24m this is borrowing that is not supported by the additional rents from the newbuild. In all three rent options the unfunded debt is below £24m and therefore is supported by the newbuild rents.
- 9.9 The result of the above analysis indicates:
- 3% rent increase is less viable than the other two options, demonstrated by the low interest cover performance over a number of years and the slightly longer debt repayment
 - 5% and 7% rent increases other than in 2023/24 do not breach the RBS loan interest covenant and do repay loan debt within a similar time frame as the existing business plan
 - All three rent options result in a business plan that shows reduced performance and therefore a less robust position compared to the March 2022 business plan
- 9.10 In order to test the robustness of the plan, sensitivity testing of the 5% rent option has been carried out. This tests how well the plan would respond to changes in some of the key assumptions and mitigations. This results of this sensitivity analysis are shown in full in Appendix 1 and summarised below:

Table 10 – Sensitivity Analysis of 5% Rent Option

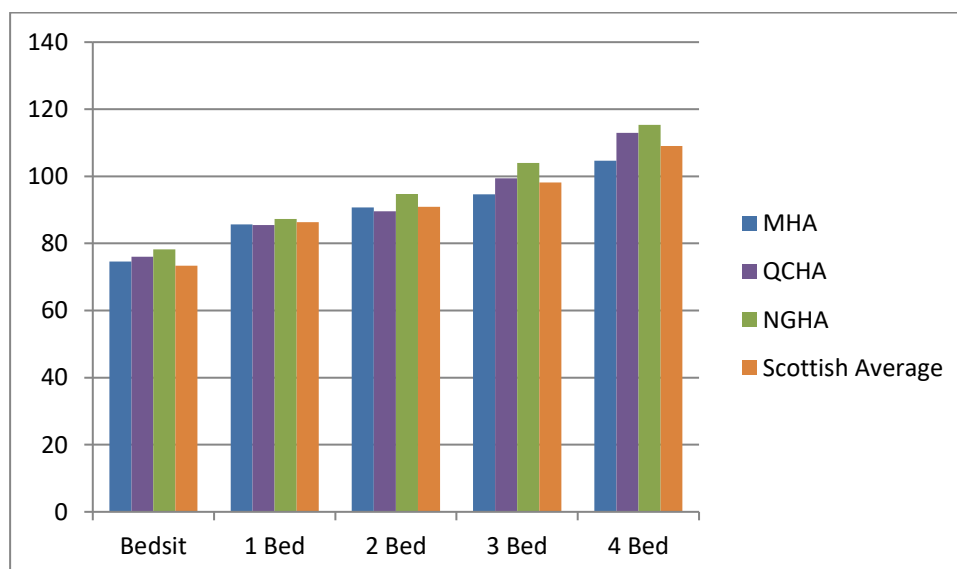
	Number of years below 110% loan interest cover	Loan Debt Repaid	Unfunded Debt
5% rent increase option	1	2044	£15m
What if only £250k savings achieved?	14	2051	£24.1m
What if we don't get the heating funding?	1	2046	£16.7m
What if salaries go up by full CPI in 2023/24 and 2024/25?	9	2048	£17.5m
What if all three things happen?	19	Not repaid £20m debt at year 30	£33.4m

- 9.11 From the above analysis it can be seen that a 3% rent increase is the least viable option with the poorest overall financial performance, it would also require 4 years of CPI+1% rent increase in future years to achieve the above performance. Whilst sensitivity testing of the 3% option has not been done, this option would perform even more poorly than the 5% option. From a viability perspective the 3% option is not recommended.
- 9.12 From the above analysis it can be seen that the 5% rent increase could be viable, but it requires 3 years of CPI+1% rent increase in future years to achieve the above performance. The sensitivity testing demonstrates that there is limited capacity to deal with adverse change. From a viability perspective a 5% rent option would be the lowest option that should be considered.
- 9.13 The 7% option demonstrates the strongest financial performance of the three options tested and does not require any CPI+ rent increases in future years. However, the performance is only slightly better than the 5% option and therefore there would still be limited capacity to deal with adverse change, although it at least has the potential for future CPI+ rent increases to be considered to help address any adverse change. Of the three options tested the 7% increase is the best from a viability perspective.

10. COMPARABILITY

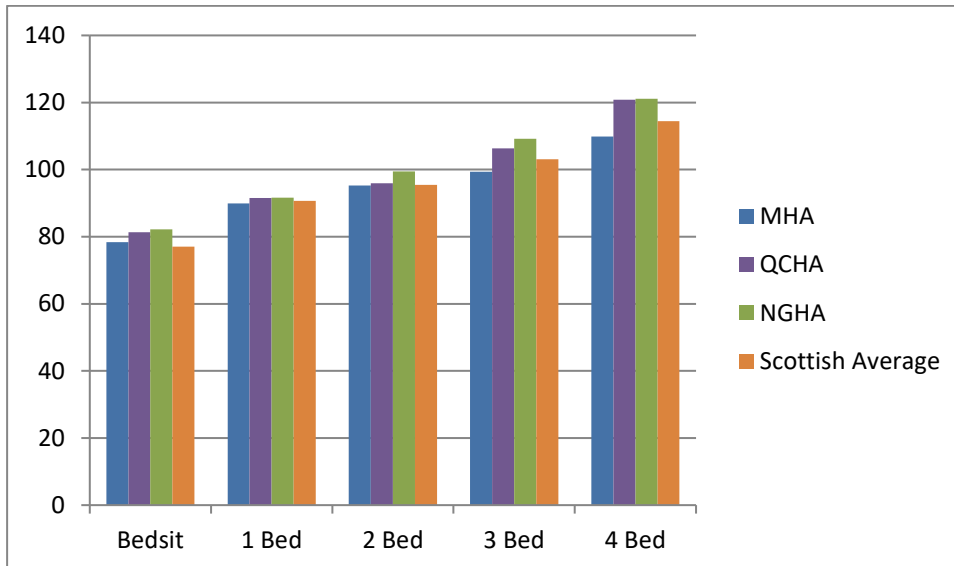
- 10.1 The Scottish Housing Regulator published the results of the 2021/22 Annual Return on the Charter (ARC) at the end of August and this includes data on the rent increases that were applied in April 2022.
- 10.2 The chart below shows how our current rents for 2022/23 compared with current rents at 2 similar RSL landlords in the North West area, as well as with the national average registered social housing rents. This shows that our rents are lower than NG for all sizes, and that our rents on smaller properties are very similar to Queens Cross, but lower on larger properties. Our rents are broadly comparable to Scottish average, except for bedsits where we are slightly higher.

Table 11 – Rent Comparisons 2022/23



- 10.3 Table 12 below provides comparison information for 2023/24 rents, based on Maryhill rents increasing by 5.0% and estimated increases for the other RSLs and Scottish average of 5.0% (most RSLs who have provided an indication are looking at between 3% and 7%, with 5% being the one most often indicated).

Table 12 – Estimated Rent Comparisons 2023/24



11. PROPOSED APPROACH TO 2023/24 RENTS FOR EACH GROUP OF PROPERTIES

11.1 General needs, retirement housing and shared ownership properties

- 11.1.1 It is recommended to consult customers on the 5% and 7% rent increase levels and accompanying choices on mitigation actions as set out at 7.3. The final option to be come to Board in January 2023 for decision taking feedback from tenants into consideration. However, this is subject to confirmation of Scottish Government decision on extension of the rent restrictions beyond 31st March 2022.

11.2 Service charges for retirement housing properties

- 11.2.1 At both retirement schemes it is recommended to set 2023/24 service charges in line with the Rent & Service Charge Policy, i.e. based on projected costs for the services provided plus 15% administration fee. This will be assessed and tenants consulted in February 2022 ahead of the increase in April .

11.3 Leased properties and temporary furnished flats

- 11.3.1 It is proposed to increase rents for Type 1 leased properties and Type 3 temporary furnished flats in accordance with the Rent & Service Charge Policy, i.e. the lease terms of RPI +1% (Retail Price Index inflation rate), using September RPI rate of 12.6%
- 11.3.2 For the Type 2 leased properties, which are those leased to charitable organisations with a turnover of <£1m, that for this year the Association does not apply the RPI+1% set out in the Rent & Service Charge Policy, but instead applies the same % increase as for general needs stock which will be decided at the January 2023 Board meeting.

11.4 Factoring management fee

11.4.1 The factoring management fee was last reviewed through a benchmarking exercise in 2022 with a resulting increase in the management fee from £162 to £180 implemented in April 2022. This year it is proposed to apply the same % increase as for general needs stock which will be decided at the January 2023 Board meeting. There is no requirement to consult factored owners on their management fee in the same way as tenants.

12. RESIDENT CONSULTATION AND NEW RENT IMPLEMENTATION TIMETABLE

12.1 The Association has a statutory and legal responsibility under Section 25 of the Housing Act (2001) to consult its tenants on proposed rent levels. The Association is also required to provide 28 day notice of any rent increase. Last year we exceeded our 15% target for consultation, with 601 tenants responding which was a 17% response rate. This year we are proposing a target of 20%. We anticipate that due to the rent options being offered and the awareness through the wider media of the Scottish Government rent intervention, there maybe a greater level of engagement this year. The tables below set out the consultation methods, timetable and the key processes to ensure that the new rents are in place from 1st April 2023 and that the correct amount of housing benefit is received from this date.

12.2 This year, because of the rent options and the actions needed to make the options viable, such as reduced investment programme and CPI+ rent increases, the messaging this year is quite complex. We are therefore proposing to issue a leaflet to accompany the rent increase letter and FAQ (frequently asked questions sheet). Tenants will be able to respond via an online Microsoft form, by phone or in writing. We will promote the consultation through our website, social media and adding a prompt to the telephone answer message. We will also make use of text message reminders, which were very successful last year, and by staff promoting completion of the consultation when talking with tenants. The consultation will start on November 6th and run until December 19th.

12.3 We will hold face to face consultation sessions specifically for our retirement housing residents at Oran and Shiskine because they are our only tenants who will pay a separate service charge. These sessions will take place as part of the budget setting process in February. In previous years we have amended the services provided and hence the charge paid following these consultation sessions.

12.4 At August 2022 Board, approval was given to a revised approach to the rent increase consultation approach. The consultation and implementation timetable below has been updated to reflect the revised approach for this year, with some of the dates around consultation process having been updated slightly to reflect the further planning work that has now been done on the consultation process. Full involvement continues to be sought from the Association's Tenant Service Improvement Group (TSIG) throughout this revised approach.

Table 13 – Consultation plan and key dates

Task	MHA Staff members leading	Usual Date	Revised Approach for 2023/24 increase
Identification of any potential rent increase options for discussion with Tenant Service Improvement Group (TSIG)	Director of Resources	Early August	n/a as no options considered during heating replacement programme
Board consideration of potential rent options to be consulted on	Director of Resources	End August	n/a
Feedback to TSIG on any rent options proposals approved for consultation by Board	Director of Resources	Early September	n/a
Feedback to TSIG on revised approach due to inflation and costs of living pressures. Seek view from TSIG on principles of approach to rent setting for 2022-23.	Director of Resources		Early September
Deliver tenant consultation workshops	CEO/Dir of Resources/Dir Operations/ Head of Neighbourhoods & Communities	n/a	Mid September
Board consideration of potential rent options to be consulted on	Director of Resources	n/a	End September
Board consideration of annual rent increase proposals	Director of Resources	Mid September	End October
Involve TSIG in review of format of rent consultation letter, leaflet and FAQ schedule	Head of Neighbourhoods & Communities	Early October	Late October

Task	MHA Staff members leading	Usual Date	Revised Approach for 2023/24 increase
Feedback to TSIG on any rent increase proposals approved for consultation by Board	Head of Neighbourhoods & Communities	Early October	First week November
Consultation with tenants on rent proposals commences	Head of Neighbourhoods & Communities	Mid October	6 th November
Consultation with tenants ends	Head of Neighbourhoods & Communities	Late December	19th December
Analysis of consultation results	Head of Neighbourhoods & Communities		Early January
Board consideration of rent increase taking account of tenant consultation. Or Board consideration and implementation of any decision from Scottish Government on rent cap/restriction for social landlords beyond 31 st March 2023	Director of Operations	End January	End January
TSIG Meeting to discuss rent consultation feedback format	Head of Neighbourhoods & Communities	Early February	Early February
Consultation with retirement housing tenants on proposed service charge	Head of Neighbourhoods & Communities	Early February	Early February
Issue rent increase letters to tenants	Head of Neighbourhoods & Communities	Mid February	Mid February
Spring Newsletter – rent consultation feedback	Head of Neighbourhoods & Communities	March	March

13. BEST PRACTICE IN RENT CONSULTATION

13.1 The Regulator’s Thematic Enquiry makes the following key good practice recommendations in relation to rent setting. An assessment of our approach compared to the good practice guidance is shown in the table below.

Table 14

Good practice	RAG	Assessment of MHA approach
Consider tenant profile and the best ways to engage with tenants about proposed rent increases		From our 2021 customer satisfaction survey, we know that at least 75% of tenants have access to the internet, and that preferred ways to get in touch are phone calls, emails, letters, and texts. Tenants will be able to respond to the rent proposals online, by phone or in writing.
Give tenants easy-to-understand information to help them express informed views		Tenants will receive an individual letter with their current rent and the impact of the proposed increase options. They will also receive a leaflet explaining the rent options proposed. They will be advised of the range of ways available for them to respond; in writing, by phone, online
Give tenants genuine options for proposed rent increases and spell out what they mean for levels of investment in homes and the level of services offered;		The rent consultation leaflet will spell out clearly what each rent option will mean in terms of the level of investment in homes and the potential for future CPI+ rent increases.
Discuss with tenants the level of service they want;		Tenant consultation sessions were run in September to help inform Board of tenants investment priorities and thoughts on potential rent cap/restriction. The rent options consultation process will run from 6/11/22 to 19/12/22 and will seek tenants views on the rent options put forward by Board.
Talk to current and prospective tenants about what level of rent is affordable for them;		Because we are offering different rent options this year, the consultation will enable tenants to take affordability into consideration in their response. We will also offer tenants the opportunity to provide feedback in the consultation response, and where there are negative comments, including about affordability, we will follow these up with the tenants if possible.
Be transparent about how they determine affordability;		Our assessment of affordability is based on comparison with wages, rents at other housing associations, and a comparison with Local Housing Allowance levels and uses a Best Practice tool produced by the SFHA.

Show tenants how their views were taken into consideration in decisions and give them feedback on the consultation process.		We will include feedback from the consultation in the Spring newsletter.
---	--	--

13.2 In 2017 the Tenant Service Improvement Group produced a report setting out how they would like to see the rent increase consultation process improve in future years. Our proposed process is self-assessed against their recommendations in the table below.

Table 15

Recommendation	Rating	Response
Allow much more time for consultation with tenants on rents		The TSIG suggested consultation should start in July. We have not been able to pull the consultation forward this far because of the need to assess impact of changing inflationary assumptions on the business plan. For the last 4 years we have commenced consultation in October. However, this year due to the cost of living crisis, we have had delivered early engagement sessions in September, but full consultation has had to be delayed until 6 th November.
Move away from inflation + rent increases		Our 2021 value for money strategy aims for CPI only rent increases for 2022/23, 2023/24 and 2024/25. Our March 2022 30 year business plan also assumed CPI only rent increases throughout the plan period. However, due to the current below CPI rent options being considered, some of these options could result in future CPI+1% increases in order to be financially viable.
Give tenants genuine options on rent increases		The 3 potential rent options proposed to Board for consultation all provide fully costed options and choices in terms of future investment in tenants homes and future levels of rent increase.
Provide clearer information to tenants about the new rent structure		This recommendation related to the rent restructure, and was fulfilled through providing all tenants with a simple diagram of how the rent is calculated. This is updated on the Association's website annually.

Rent Consultation Options for Consideration - Summary of financial impact over 30 year on Restated Business Plan

Key Business Plan Assumptions

Year ending 31st March:	2024	2025	2026	2027	2028	2029	2030+
CPI	11.00%	8.25%	0.75%	2.00%	2.00%	2.00%	2.00%
Salary - above/(below) CPI	-3.00%	-2.25%	0.00%	0.00%	0.00%	0.00%	0.00%
Reactive repairs - above/(below) CPI	6.64%	1.30%	3.60%	-0.62%	0.00%	0.00%	0.00%
Void repairs - above/(below) CPI	-0.39%	1.08%	2.98%	-0.52%	0.00%	0.00%	0.00%
Cyclical maintenance - above/(below) CPI	2.50%	1.00%	1.75%	3.00%	0.00%	0.00%	0.00%
Major Repairs - above/(below) CPI	5.00%	1.00%	1.00%	1.00%	0.00%	0.00%	0.00%
Electricity - above/(below) CPI	84.00%	40.75%	0.00%	0.00%	0.00%	0.00%	0.00%
Loan Variable Rate	5.00%	3.25%	3.25%	3.25%	3.50%	3.75%	3.75%

In addition to the above updated assumptions, the following changes have also been made to the Business Plan approved in March 2022 to develop a Restated Business Plan as at October 2022:

£24m Rolling Credit Facility availability period assumed extended to 31/3/29; New fixed loan implemented 2022/23; 2 newbuild developments in later years have been removed so that only newbuild covered by the £24m RCF is within the plan; Reactive Repairs and Voids contracts 2022/23 updated for increased costs; Reduced 5 Year Investment programme has been developed for 2023/24 to 2028/29; assumption that 50% Government funding is achieved for heating replacement work in 2023/24; assumption of salary budget underspend to reflect likely underspend due to vacancies each year

	RENT IMPACT		COVENANT IMPACT										CASHFLOW & DEBT IMPACT						
	Monthly rent 2 bed/4 person flat 2023/24	Monthly increase 2023/24	Highest Gearing	Peak Debt amount	Peak debt year	Lowest Interest Cover %	Lowest Interest Cover Year	Lowest headroom from 110%	Number of Years Interest Cover below 110%	which years <110%	Number of Years Interest Cover below 140%	which years <140%	30 Year Cash	Loan Debt Repaid	Unfunded debt required	Unfunded debt total	Unfunded debt interest paid	Total 30 year Loan interest paid	Years where plan at minimum cash
Base Case March 2022 for comparison only	£356.33		33%	£34.5m	2024	137%	2025	£419k	nil	n/a	1	n/a	£47m	2043	2029 to 2043	£41.7m	£9.3m	£23.2m	2029-2043
Consultation Options for Consideration																			
3% rent increase 23/24, 5% rent increase 24/25, rent CPI+1% for 4 years. Operating costs reduction of £100k, £100k and £300k over next 3 years = total £500k reduction by year 3. Investment £5m delayed from first 5 years.	£367.02	£10.69	21%	£33.2m	2029	(162%) in 2024 due to heating works	2024	(£2.0m) in 2024 due to heating works	2	2024, 2030	7	2024, 2029-2030, 2032-2035	£18.6m	2046	2030-2046	£19.4m	£3.6m	£16.1m	2030-2045
5% rent increase 23/24, 5% rent increase 24/25, rent CPI+1% for 3 years. Operating costs reduction of £100k, £100k and £300k over next 3 years = total £500k reduction by year 3. Investment £5m delayed from first 5 years.	£374.15	£17.82	21%	£33.2m	2029	(127%) in 2024 due to heating works	2024	(£1.7m) in 2024 due to heating works	1	2024	3	2024, 2029-2030	£21.9m	2044	2030-2044	£15.0m	£1.3m	£13.8m	2030-2043
7% rent increase 23/24, 5% rent increase 24/25, rent CPI+1% not required. Operating costs reduction of £100k, £100k and £300k over next 3 years = total £500k reduction by year 3. Investment £3m delayed from first 5 years.	£381.27	£24.94	21%	£33.2m	2029	(92%) in 2024 due to heating works	2024	(£1.5m) in 2024 due to heating works	1	2024	1	2024	£22.5m	2044	2030-2044	£16.5m	£1.5m	£14m	2030-2043
Scenario Testing of 5% Rent Increase Option																			
If only £250k reduction in costs achieved by Year 3			21%	£33.2m	2029	(134%) in 2024 due to heating works	2024	(£1.8m) in 2024 due to heating works	14	2024, 2029-2030, 2032-2041, 2043	16	2024, 2029-2043	£3.9m	2051	2030 to 2051	£24.1m	£7.7m	£20.2m	2031-2050
If no Government Funding recieved for heating replacement work in 2023/24			21%	£33.2m	2029	(178%) in 2024 due to heating works	2024	(£2.1m) in 2024 due to heating works	1	2024	9	2024, 2029-2030, 2032-2037	£16.2m	2046	2030 to 2046	£21.4m	£4.2m	£16.7m	2030-2045
If salaries in next 23/24 and 24/25 go up by CPI			21%	£33.2m	2029	(142%) in 2024 due to heating works	2024	(£1.8m) in 2024 due to heating works	9	2024, 2030, 2032-2038	12	2024, 2029-2030, 2032-2038, 2041, 2043	£10.7m	2048	2030 to 2048	£20.8m	£5.0m	£17.5m	2031-2047
If all 3 of reduced cost reductions, no heat grant and salaries at CPI			21%	£33.2m	2029	(148%) in 2024 due to heating works	2024	(£1.9m) in 2024 due to heating works	19	2024, 2029-2046	24	2024, 2029-2051	minimum cash (overdraft)	£20.2m debt at Yr 30	2024, 2025, 2030-2052	£42.4m	£20.9m	£33.4m	2024, 2025, 2030-2052
If inflation drops quicker than assumed and is 5% in 24/25			21%	£33.2m	2029	(127%) in 2024 due to heating works	2024	(£1.7m) in 2024 due to heating works	1	2024	2	2024, 2030	£36m	2041	2030-2032	£3.1m	£88k	£12.6m	2030-2032
Scenario Testing of 7% Rent Increase Option																			
If only £250k reduction in costs achieved by Year 3			21%	£33.2m	2029	(100%) in 2024 due to heating works	2024	(£1.5m) in 2024 due to heating works	7	2024, 2033-2038	11	2024, 2033-2041, 2043	£4.4m	2051	2030 to 2051	£25m	£8.0m	£20.5m	2030-2050

6 - Assurance Statement

Bryony Willett

| For Decision

Attachments

[6. Our overall assurance position, v2.pdf](#)


[6.1 Appendix A - Assurance Framework Dashboard October 2022 \(required reading\).pdf](#)

[6.2 Appendix B - Assurance Position - proposed 2022 assurance statement - c~.pdf](#)

[6.3 Appendix C - Assurance Position - proposed 2022 assurance statement - c~.pdf](#)

[6.4 Appendix D - Full Assurance Framework October 2022 \(additional reading\).pdf](#)

[6.5 Appendix E - Annual Assurance Statements - final - February 2019.pdf](#)

REPORT TO:	Board	
DATE OF MEETING:	27th October 2022	
AGENDA ITEM:	6	
CONFIDENTIALITY:	Not Confidential	
AUTHOR:	Bryony Willett	
RESPONSIBLE DIRECTOR:	Bryony Willett, Chief Executive	

REPORT TITLE: OUR OVERALL ASSURANCE POSITION

PURPOSE OF THE REPORT:

1.1 This report sets out the Association’s overall assurance position and introduces the proposed 2022 Assurance Statement for submitting to the Scottish Housing Regulator.

2. RECOMMENDATIONS:

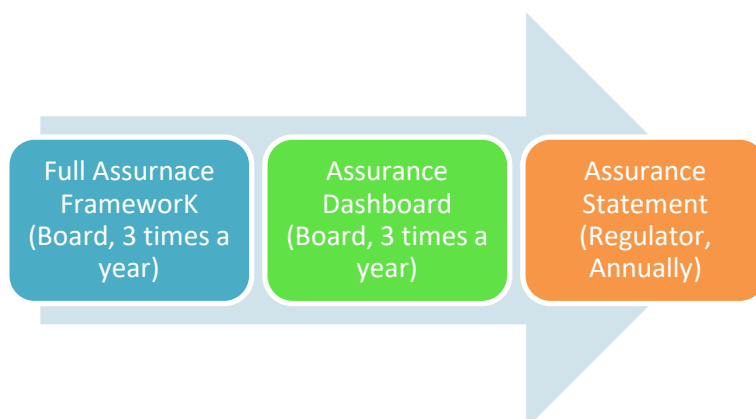
2.1 It is recommended that the Board:

- **Approves** the Assurance ratings proposed by officers as set out in Appendix A.
- **Approves** the 2022 Assurance Statement as set out at Appendix C

3. EXECUTIVE SUMMARY:

3.1 The Association holds Assurance Boards three times a year where the Board considers compliance against the seven Regulatory Standards of Governance and Financial Management, the Scottish Social Housing Charter and other legislative requirements which together comprise the Scottish Housing Regulator’s Regulatory Framework.

3.2 These Assurance Boards culminate in the production of the Annual Assurance Statement which is a one-page summary of the Association’s compliance with the above standards. This is summarised in the diagram below. The proposed 2022 Assurance Statement is set out at Appendix C. More information about the purpose and expectations of the Assurance Statement can be found in the Regulator’s statutory guidance shown at Appendix E.



3.3 Officers are proposing that the Association should submit a self-assessment of compliant with the Regulatory framework. This must be submitted to the Regulator by the end of October 2022.

IMPLICATIONS OF THE REPORT	
FINANCIAL RESOURCE AND VALUE FOR MONEY:	There are no implications
LEGAL/REGULATORY/RULES/NOTIFIABLE EVENTS:	This report summarises the changes to the Association's Assurance position since the August 2022 Assurance Board. It introduces and explains the proposed 2022 Assurance Statement, submission of which by the end of October 2022 is a key Regulatory requirement.
CORPORATE PLAN/STRATEGIC OBJECTIVES:	Production of an Assurance Statement by October 2022 is a requirement highlighted in the 2022/23 Governance timetable.
CUSTOMER/TENANT PARTICIPATION:	There are no implications
COMMUNICATIONS:	The Assurance Statement will be available on the Association's Website and promoted via social media and the Christmas 2022 newsletter.
HEALTH AND SAFETY:	There are no implications
ENVIRONMENTAL:	There are no implications
EQUALITY IMPACT ASSESSMENT:	There are no implications
RISK ANALYSIS:	In order to comply with the Regulatory Framework, the Association is required to produce an evidence based annual Assurance Statement setting out compliance against the Regulatory Framework. Associations are expected to keep a record of the evidence used to produce the Assurance Statement. This paper and appendices will form a key part of this evidence. The Assurance Statement will form part of the overall Regulatory view of the Association. Failure to comply with these requirements could result in Regulatory intervention.
FREEDOM OF INFORMATION:	<p>The following should not be published:</p> <p><input checked="" type="checkbox"/> N/A <input type="checkbox"/> Full Report <input type="checkbox"/> Section(s):</p> <p>Reason for redacting:</p> <p>Confidential: <input type="checkbox"/></p> <p>Commercially Sensitive: <input type="checkbox"/></p>

4.1 Compliance with the Regulatory Framework was last reported to the Assurance Board in August 2022. The table below highlights key changes since August.

Area	From	To	Explanation
Compliance with the Charter			
Getting good value from rents and service charges	Compliant	Complaint (with non-material areas for improvement)	All rent options proposed for April 2023 will result in above consumer price index (CPI) rent increases in future years.
Regulatory standards			
Regulatory standard 3: Managing resources for affordable rents	Complaint (with non-material areas for improvement)	Compliant	Staff consultation on rewards and recognition completed October 2022.
Regulatory standard 4: making decisions and managing risk	Complaint (with non-material areas for improvement)	Compliant	Detailed Governance documents setting out relationship between Maryhill Housing and Maryhill Living approved by Board in September 2022.
Regulatory standard 7: organisational changes	Complaint (with non-material areas for improvement)	Compliant	Detailed Governance documents setting out relationship between Maryhill Housing and Maryhill Living approved by Board in September 2022.
Regulatory and legal requirements			
No changes			

4.2 The Regulator has produced updated guidance on annual Assurance Statements in the context of the high inflation environment and the potential rent restrictions imposed by Scottish Government. This states that social landlords should be reassessing their business plans and giving consideration to any impacts when preparing their 2022 Assurance Statement.

4.3 Officers have given consideration to the impact of the high inflation environment and the Association's approach to assessing the impact of this and developing proposals for the April 2023 rent increase. It is officers' view that this impacts on compliance with the Charter because the Association is very unlikely to be able to maintain its current commitment to increase rents in line with consumer price index inflation. Officers do not think that this impacts on compliance with the Regulatory Standards because of the steps the Association has taken to fully consider the impact, this includes tenant consultation; re-casting the business plan; learning from others in the sector; consulting staff; taking external Treasury advice.

4.4 The Regulator has re-emphasised its guidance on how Associations should respond to the requirement in the Regulatory Framework to collect and use equalities data on all protected characteristics. The proposed 2022 Assurance Statement is in line with this guidance.

4.5 A tracked version of the proposed 2022 Assurance Statement is shown at Appendix B. This shows what has changed from the 2021 Assurance Statement. Key changes summarised below:

1. No changes have been made to the ‘compliance’ section

2. Under the section ‘improvement’ the following have been identified as key areas of focus:

a. Kept from 2021:

- i. **Improving standards of customer satisfaction;**
- ii. **Recruiting new tenant Board Members representative of the Maryhill and Ruchill communities.**
- iii. **Continuing to improve our approach to landlord health and safety**

b. Kept general area from 2021 but amended detail:

- i. **Supporting our customers through the cost of living crisis whilst ensuring high levels of rent collection.** Amended from last year to reflect the cost of living crisis.
- ii. **Implementing our agreed approach to collecting and using all equalities information and ensuring we apply a human rights approach in our work.** Amended to reflect Board’s approval of the agreed approach in September 2022.

c. Added completely new:

- i. **Responding positively to the challenge posed by high inflation – finding creative ways to maintain affordable rents and continue to invest in improvement work to help reduce heating bills.** To reflect the challenge posed by current high inflation and cost increases.
- ii. **Attracting and retaining a talented staff team.** To reflect high levels of staff turnover and challenges recruiting in 2022.

d. Removed

- i. **Making it easier for customers to access our services online.** This referred to offering online repair appointments for customers which has now been introduced
- ii. **Delivering improvement work to help reduce heating bills and improve safety in customers’ homes.** This has been incorporated into the new item to ‘respond positively to the challenge...’

4.6 Board members are asked to read this cover paper, the Assurance Dashboard (Appendix A) and the Assurance Statement (Appendix C) as required reading. Appendices B and D are additional reading.

October 2022: Updates highlighted in yellow

Key

	Compliant
	Complaint (with non-material areas for improvement)
	Working towards compliance
	Not compliant

Scottish Social Housing Charter



The Customer/Landlord Relationship (Equalities, Communication and Participation)

- Equality and diversity strategy in place and action delivered. New strategy to be developed by Dec '22.
- Customer satisfaction with being kept informed and opportunities to participate reduced and lower than peers
- Improving performance on responding to complaints within timeframes
- New Customer Charter rolled out in April 2022.
- **New improved complaints training to be delivered by September November 2022.**
- Scrutiny arrangements to be reviewed by March 2023.



Housing Quality and Maintenance

- Repair response better than benchmark but not meeting internal targets.
- Repair satisfaction reducing and lower than benchmarks
- Customer satisfaction with the quality of the home reduced
- New repairs contract to be launched by Oct 2022
- Not compliant with SHQS or EESSH due to large numbers of electrically heated properties although good progress being made towards compliance
- Corporate Plan allocates resources to replacing all electric storage heaters over a four-year period.
- Corporate Plan allocates resources to common area and foyer improvements over four-year Investment Plan.



Neighbourhood and Community (Estate management and Anti-social behaviour)

- Performance on resolution of ASB in line with benchmarks
- Customer satisfaction with the management of the neighbourhood reducing and low compared to peers.
- ASB strategy delivered October 2019 and processes being updated.
- Customer satisfaction with ASB introduced from September 2019 and performance improved in 2021.
- Potential for expansion of in-house services to be explored in 2022/23.



Access to Housing and Support (Housing options and Tenancy sustainment)


- Allocations Policy reviewed in 2018 in response to 2014 Housing Act
- New Development Policy clearly linked to housing need
- Not offering Housing Options interviews to new tenants
- Implementing online Choice Based lettings system by April 2023.



Getting Good Value from Rents and Service Charges

- Rents lower than peers.
- Strong voids performance and better than benchmarks
- **Business plan assumes CPI-linked rent increases, but this will not be sustainable in the long term due to current high inflation environment**
- **Rents restructured from 2016 – 2018.**
- Customer satisfaction that rents provide value for money reduced.
- Rent collection performance improving in 2022/23.

Regulatory Standards




Standard 1 – Leadership and direction

	6 statements are compliant
	1 statement compliant (with non-material areas of improvement)

Agreed actions (more info pages 12 – 18):

- Recruitment of new tenant Board Members by Nov 2022




Standard 2 – Openness and accountability to customers

	4 statements are compliant
	1 statement compliant (with non-material areas of improvement)

Agreed actions (more info pages 19 - 23):


- Capture customer preferences for communication



Standard 3 – Managing resources for affordable rents

	All 7 statements are compliant
--	--------------------------------


No current actions.



Standard 4 – Making decisions and managing risk

	All 6 statements are compliant
--	--------------------------------

No current actions




Standard 5 – Honesty and integrity

	4 statements are compliant
	2 statements compliant (with non-material areas of improvement)

Agreed actions (more info pages 37 - 42):


- Ensuring new values promoted in the Association's offices
- Develop approach to Human rights by December 2022



Standard 6 – Skills and knowledge

	5 statements are compliant
	2 statements compliant (with non-material areas of improvement)

- Recruitment of tenant Board members by November 2022.



Standard 7 – Organisational changes

	All 9 statements are compliant
--	--------------------------------

No current actions

Regulatory Requirements & Legislation



Health and Safety

- Non-material improvements required in all areas of landlord safety following 2021 audit programme. Approved action plan in place for all areas.
- Non-material improvements required in organisational health and safety, such as lone working and water safety



Environmental Protection

- No current Sustainability Strategy in Place due to be completed by ~~September 2020~~ ~~November 2024~~ during 2022 – 2023.



Data Protection and Published Information

- Reasonable assurance given in recent GDPR internal audit.
- FOI policies and procedures in place in line with Information Commissioner and SFHA best practice.
- Website publication schedule up to date
- 'Strong' rating in FOI internal audit



Performance Reporting, Tenant Scrutiny, Complaints

- Tenants involved in scrutinising performance through the Service Improvement Panel and feedback sought on new video Annual Review
- Customer Engagement Strategy updated in Feb 2020
- Complaint's timeframes reviewed and learning improved in Jan 2020.
- Service improvement group (scrutiny group) to be reviewed by March 2023.



Scottish Public Services Ombudsman Complaints

- Work to improve our complaints handling complete - changes to the SDM complaints module, establishment of a learning from complaints group and additional training for staff.



Whistleblowing

- Whistleblowing Policy in place and training recently provided for all staff.
- Whistleblowing Policy refreshed in **October 2022**
- Virtual refresher training delivered Dec 2020



Equality and Human Rights

- Equalities Impact Assessment training completed and EQIAs introduced for future policies.
- **Start collecting equalities data by January 2023.**
- **Apply CIH guidance on Human Rights by Dec 2022**



Housing Law

- Allocations Policy, ASB Policy and tenancy agreement reviewed in light of 2014 Housing Act. Key housing management policies in place.



Accounting and Taxation

- External and internal auditors in place.
- VAT review carried out by external auditors in 2019.
- Financial controls internal audit completed in 2020.



Employment Law

- HR employment advice from Employers in Voluntary Housing (EVH) and external legal advisers.
- Model policies provided by EVH

Maryhill Housing

Assurance Statement 2022

Compliance

Maryhill Housing has appropriate assurance that we:

- Comply with the regulatory requirements as set out in Chapter 3 of the Regulatory framework;
- Comply with the standards and outcomes in the Scottish Social Housing Charter for tenants, people who are homeless and others who use our services;
- Comply with the Scottish Housing Regulator’s Standards of Governance and Financial Management.
- Comply with all relevant legislative duties

The Association’s Board assesses compliance against these requirements throughout the year and considers detailed evidence, together with customer feedback, as part of this assessment. This evidence bank is available on the Association’s website.

Improvement

In order to sustain compliance the Association will be focusing on the following areas during the coming year:

- Improving standards of customer satisfaction
- ~~Making it easier for our customers to access our services online~~
- ~~Delivering improvement work to help reduce heating bills and improve safety in customers’ homes~~
- ~~Supporting our customers through the cost of living crisis whilst Mitigating the impact of welfare reform and ensuring ensuring~~ high levels of rent collection;
- Recruiting new tenant Board Members representative of the Maryhill and Ruchill communities
- Continuing to improve our approach to landlord health and safety
- ~~Responding positively to the challenge posed by high inflation – finding creative ways to maintain affordable rents and continue to invest in improvement work to help reduce heating bills~~ Developing a new Corporate Plan setting out key priorities for the coming years
- ~~Implementing our agreed approach to~~ Developing an approach to collecting and using all equalities information and ensuring we apply a human rights approach in our work
- Attracting and retaining a talented staff team

This Assurance Statement was approved by the Association’s Board on 27⁸th October 202~~2~~4.

Signed by:



Bryony Willett, CEO

Lindsay Forrest, Chair

Maryhill Housing

Assurance Statement 2022

Compliance

Maryhill Housing has appropriate assurance that we:

- Comply with the regulatory requirements as set out in Chapter 3 of the Regulatory framework;
- Comply with the standards and outcomes in the Scottish Social Housing Charter for tenants, people who are homeless and others who use our services;
- Comply with the Scottish Housing Regulator's Standards of Governance and Financial Management.
- Comply with all relevant legislative duties

The Association's Board assesses compliance against these requirements throughout the year and considers detailed evidence, together with customer feedback, as part of this assessment. This evidence bank is available on the Association's website.

Improvement

In order to sustain compliance the Association will be focusing on the following areas during the coming year:

- Improving standards of customer satisfaction
- Supporting our customers through the cost of living crisis whilst ensuring high levels of rent collection
- Recruiting new tenant Board Members representative of our communities
- Continuing to improve our approach to landlord health and safety
- Responding positively to the challenge posed by high inflation – finding creative ways to maintain affordable rents and continuing to invest in improvements helping to reduce heating bills
- Implementing our agreed approach to collecting and using all equalities information and ensuring we apply a human rights approach in our work
- Attracting and retaining a talented staff team

This Assurance Statement was approved by the Association's Board on 27th October 2022.

Signed by:



Lindsay Forrest, Chair

Bryony Willett, CEO

Key

	Compliant
	Complaint (with non-material areas for improvement)
	Working towards compliance
	Not compliant

Scottish Social Housing Charter

	Charter Outcome	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
1.	<p>Equalities</p> <p>Social landlords perform all aspects of their housing services so that every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services.</p> <p>This outcome describes what social landlords, by complying with equalities legislation, should achieve for all tenants and other customers regardless of age, disability, gender reassignment, marriage and civil partnership, race, religion or belief, sex, or sexual orientation. It includes landlords' responsibility for finding ways of understanding the rights and needs of different customers and delivering services that recognise and meet these.</p>	<p>Equality and Diversity Strategy in Place. Detailed self-assessment in 2017 and 2019 and improvement from 'developing' E and D approach to 'achieving'.</p> <p>Range of improvements delivered including training for all staff on E and D responsibilities and cultural awareness and proactive links made with specific community advocacy organisations, such as Maryhill Integration Network.</p> <p>New Corporate Value to 'embrace people's differences'</p> <p>Consideration of changes in customer demographic as part of Corporate Planning process.</p> <p>Not yet collecting full protected characteristic information to shape services around customers' needs.</p>	<ul style="list-style-type: none"> ▪ 2nd – Equality and Diversity Strategy ▪ 2nd – 2022 – 2025 Corporate Plan. 	<p>Development of a new Equality and Diversity Strategy by December 2022 which will include collection of data on all protected characteristics (<i>Delivery Plan</i>)</p>	

	Charter Outcome	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
2.	<p>Communication</p> <p>Social landlords manage their businesses so that tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions and the services it provides.</p> <p>This outcome covers all aspects of landlords' communication with tenants and other customers. This could include making use of new technologies such as web-based tenancy management systems and smart-phone applications. It is not just about how clearly and effectively a landlord gives information to those who want it. It also covers making it easy for tenants and other customers to make complaints and provide feedback on services, using that information to improve services and performance, and letting people know what they have done in response to complaints and feedback. It does not require landlords to provide legally protected, personal or commercial information.</p>	<p>Customer satisfaction with being kept informed reduced in 2021 and is lower than peers.</p> <p>Theme in customer satisfaction survey and complaints around not keeping customers up to date.</p> <p>Range of communication channels used including:</p> <ul style="list-style-type: none"> - Website - Text - Email - Newsletter - Social media channels - Residents' associations - Customer portal <p>Complaints information held in leaflet form and on website.</p> <p>Learning from complaints forms in place for staff and learning from complaints group in place. 'You Said, We Did' section in all newsletters and now in new report for all Assurance Board meetings.</p>	<ul style="list-style-type: none"> ▪ 1st – website ▪ 1st – social media channels ▪ 1st - newsletters ▪ 1st – Complaints procedures and forms ▪ 2nd – Complaints & Other Customer Feedback assurance report ▪ 3rd – Service Improvement Panel review of customer contact during 2019/20. ▪ 3rd – External customer satisfaction survey 	<p>Delivery of complaints and Customer Charter training by the end of September November 2022 (<i>2022-2023 Training Plan</i>)</p>	

	Charter Outcome	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
3.	<p>Participation</p> <p>Social landlords manage their businesses so that tenants and other customers find it easy to participate in and influence their landlord's decisions at a level they feel comfortable with.</p> <p>This outcome describes what landlords should achieve by meeting their statutory duties on tenant participation. It covers how social landlords gather and take account of the views and priorities of their tenants, other customers, and bodies representing them such as registered tenant organisations; how they shape their services to reflect these views; and how they help tenants, other customers and bodies representing them such as registered tenant organisations to become more capable of involvement – this could include supporting them to scrutinise landlord services.</p>	<p>Customer satisfaction with participation in decision making reduced in 2022 and is lower than peers.</p> <p>Customer engagement strategy in place setting out key priorities.</p> <p>Moving to more digital forms of communication which has been more successful, e.g. over 500 responses to our rent consultation survey this year.</p> <p>Seek transactional feedback on repairs, anti-social behaviour, investment works and new tenant feedback.</p> <p>Support nine registered tenants' organisations.</p> <p>Support service improvement (scrutiny) panel to review services in detail and clearly link this into governance framework.</p> <p>Annual report produced in video form since 2019.</p>	<ul style="list-style-type: none"> ▪ 2nd – Customer Engagement Strategy ▪ 1st - Service Improvement Panel Governance paper to Board ▪ 2nd – Assurance Board report, complaints and customer feedback ▪ 3rd – External customer satisfaction survey 	<p>Review of scrutiny arrangements by March 2023 (<i>2022-23 Governance Effectiveness Plan</i>)</p>	

	Charter Outcome	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
4.	<p>Quality of housing</p> <p>Social landlords manage their businesses so that tenants’ homes, as a minimum, meet the Scottish Housing Quality Standard (SHQS) when they are allocated; are always clean, tidy and in a good state of repair; and also meet the Energy Efficiency Standard for Social Housing (ESSH) by December 2020.</p> <p>This standard describes what landlords should be achieving in all their properties. It covers all properties that social landlords let, unless a particular property does not have to meet part of the standard.</p> <p>If, for social or technical reasons, landlords cannot meet any part of these standards, they should regularly review the situation and ensure they make improvements as soon as possible.</p>	<p>Customer satisfaction with quality of the home reduced in 2022 and is lower than peers.</p> <p>Specific concerns raised around fuel poverty and the estate environment.</p> <p>Not SHQS compliance (75% compliant at June 2022) and not ESSH 1 complaint (95% compliant at June 2022).</p> <p>New Corporate Plan clear focus on improving energy efficiency and common areas. Resources in place to replace all electric storage heaters over a four year period. Funding secured to deliver in over 300 properties from 2021/2022.</p> <p>Resources in place to improve foyers, communal areas and component replacements such as boilers.</p>	<ul style="list-style-type: none"> ▪ 2nd – Corporate Business Plan including financial plans and projections. ▪ 1st – 2022/23 Investment Plans ▪ 2nd – 2021/22 ARC 	<p>Delivery of 2022/23 Investment Programme</p>	

	Charter Outcome	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
5.	<p>Repairs, maintenance & improvements</p> <p>Social landlords manage their businesses so that tenants' homes are well maintained, with repairs and improvements carried out when required, and tenants are given reasonable choices about when work is done.</p> <p>This outcome describes how landlords should meet their statutory duties on repairs and provide repairs, maintenance and improvement services that safeguard the value of their assets and take account of the wishes and preferences of their tenants. This could include setting repair priorities and timescales; setting repair standards such as getting repairs done right, on time, first time; and assessing tenant satisfaction with the quality of the services they receive.</p>	<p>Customer satisfaction with quality of the repairs service has been behind target in 2022/23 impacted by early termination of the contract.</p> <p>Repairs Policy updated in March 2021.</p> <p>Repairs timeframes: performance exceeds benchmarks for emergency and routine repairs.</p> <p>Repairs right first time: significant reduction in performance in June and July 2022.</p> <p>High levels of customer satisfaction with improvement works.</p> <p>Refocused Property Team during 2019 to introduce patch-based Property Officers.</p> <p>New repairs contract to launch in October 2022.</p>	<ul style="list-style-type: none"> ▪ 3rd – repairs and investment works customer satisfaction ▪ 2nd – strategic performance indicators ▪ 1st – repairs and maintenance policy 	<p>Complete mobilisation of new repairs contract (including full interface) by December 2022 (<i>2022-2023 Delivery Plan</i>)</p>	

	Charter Outcome	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
6.	<p>Estate management, anti-social behaviour, neighbour nuisance & tenancy disputes</p> <p>Social landlords, working in partnership with other agencies, help to ensure as far as reasonably possible that tenants and other customers live in well-maintained neighbourhoods where they feel safe.</p> <p>This outcome covers a range of actions that social landlords can take on their own and in partnership with others. It covers action to enforce tenancy conditions on estate management and neighbour nuisance, to resolve neighbour disputes, and to arrange or provide tenancy support where this is needed. It also covers the role of landlords in working with others to tackle anti-social behaviour.</p>	<p>Customer satisfaction with quality of the neighbourhood reduced in 2022 and is lower than peers.</p> <p>New in-house landscaping service introduced for approximately 1/3 of the stock in 2017 with positive results.</p> <p>Landscaping service externally post-inspected</p> <p>Estate Management Policy in place and updated in 2020 setting out standards customers can expect.</p> <p>Anti-social behaviour policy sets out standards customers can expect. New anti-social behaviour strategy approved October 2019 and processes developed.</p> <p>Good performance on resolution of ASB issues – better than peers in 2021/22.</p> <p>New project in place to replace GCC bulk uplift service.</p>	<ul style="list-style-type: none"> ▪ 1st – Estate Management Policy ▪ 1st – Anti-social behaviour policy ▪ 2nd ASB strategy ▪ 2nd – ASB key performance indicators ▪ 3rd – External post inspection of landscaping service 		

	Charter Outcome	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
7. 8. 9.	<p>Housing options</p> <p>Social landlords work together to ensure that people looking for housing get information that helps them make informed choices and decisions about the range of housing options available to them, and that tenants and people on housing lists can review their housing options.</p> <p>Social landlords ensure that people at risk of losing their homes get advice on preventing homelessness.</p> <p>These outcomes cover landlords’ duties to provide information to people looking for housing and advice for those at risk of becoming homeless. This could include providing housing ‘health checks’ for tenants and people on housing lists to help them review their options to move within the social housing sector or to another sector.</p>	<p>Bi-annual visits to all tenants commenced in April 2022 following a covid-prompted pause.</p> <p>No longer participating in Housing Options prior to potential customers joining the housing register.</p> <p>Homes still allocated through traditional allocations where are labour intensive and not transparent for customers.</p>	<ul style="list-style-type: none"> ▪ 1st – Allocations Policy 	<p>Implementing Find My Home Choice Based Lettings system by April 2023 (<i>Delivery Plan</i>).</p>	

	Charter Outcome	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
10.	<p>Access to social housing</p> <p>Social landlords ensure that people looking for housing find it easy to apply for the widest choice of social housing available and get the information they need on how the landlord allocates homes and on their prospects of being housed.</p> <p>This outcome covers what social landlords can do to make it easy for people to apply for the widest choice of social housing that is available and suitable and that meets their needs. It includes actions that social landlords can take on their own and in partnership with others, for example through Common Housing Registers or mutual exchange schemes, or through local information and advice schemes.</p>	<p>Development Policy updated in 2021 with continued focus on new build which meets housing need identified in 2017 housing needs and demand study.</p> <p>Clear Allocations Policy fully reviewed in 2018 in response to 2014 Housing Act and to add affordability as a dimension of housing need.</p> <p>No longer participating in Housing Options prior to potential customers joining the housing register.</p> <p>Homes still allocated through traditional allocations where are labour intensive and not transparent for customers.</p>	<ul style="list-style-type: none"> ▪ 1st - Allocations Policy ▪ 1st – New Build Policy ▪ 3rd – Housing needs and demand study 	<p>Implementing Find My Home Choice Based Lettings system by April 2023 (<i>Delivery Plan</i>).</p>	

	Charter Outcome	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
11.	<p>Tenancy sustainment</p> <p>Social landlords ensure that tenants get the information they need on how to obtain support to remain in their home; and ensure suitable support is available, including services provided directly by the landlord and by other organisations.</p> <p>This outcome covers how landlords on their own, or in partnership with others, can help tenants who may need support to maintain their tenancy. This includes tenants who may be at risk of falling into arrears with their rent, and tenants who may need their home adapted to cope with age, disability, or caring responsibilities.</p>	<p>Rent arrears policy focused on prevention</p> <p>Referral pathways in place to a range of third sector support providers</p> <p>Financial support team mainstream funded by the Association</p> <p>Tenancy sustainment slightly lower than peers and lower for previously homeless households in 2021/2022.</p> <p>Resources allocated to deliver adaptations where required and improved process introduced in 2019 for adaptations decisions</p>	<ul style="list-style-type: none"> ▪ 1st – rent arrears policy ▪ 3rd – universal credit internal audit during 2019/20 ▪ 1st – adaptations policy 		

	Charter Outcome	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
13.	<p>Value for money</p> <p>Social landlords manage all aspects of their businesses so that tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.</p> <p>This standard covers the efficient and effective management of services. It includes minimising the time houses are empty; managing arrears and all resources effectively; controlling costs; getting value out of contracts; giving better value for money by increasing the quality of services with minimum extra cost to tenants, owners and other customers; and involving tenants and other customers in monitoring and reviewing how landlords give value for money.</p>	<p>Rent arrears performance improved in 2021/22.</p> <p>Void turnaround improved significantly in 2022/23.</p> <p>Competitively procured contracts in place for all key services.</p> <p>Savings target of £750k over seven years exceeded ahead of time.</p> <p>Current target of savings of £100k per year for three years.</p> <p>Current business plan assumption is rent increase at CPI but this will not be achievable in the current high inflation environment.</p>	<ul style="list-style-type: none"> ▪ 2nd – Corporate Business Plan and long term financial plans. ▪ 2nd – Strategic key performance indicators ▪ 2nd - Annual Procurement Strategy ▪ 1st – Procurement Policy 	<p>Complete 2022/2023 rent consultation process including consideration of options for the April 2023 rent increase including above CPI rent increases in future years (<i>2022-23 Board and Committee Schedule</i>).</p>	

	Charter Outcome	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions
14. 15.	<p>Rents and service charges</p> <p>Social landlords set rents and service charges in consultation with their tenants and other customers so that a balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and service users can afford them. Tenants get clear information on how rent and other money is spent, including details of any individual items of expenditure above thresholds agreed between landlords and tenants.</p> <p>These outcomes reflect a landlord’s legal duty to consult tenants about rent setting; the importance of taking account of what current and prospective tenants and other customers are likely to be able to afford; and the importance that many tenants place on being able to find out how their money is spent. Each landlord must decide, in discussion with tenants and other customers, whether to publish information about expenditure above a particular level, and in what form and detail. What matters is that discussions take place and the decisions made reflect the views of tenants and other customers.</p>	<p>Rent levels broadly in line with the national average but 7 – 9% lower than peer landlords in Glasgow.</p> <p>Rents freeze in April 2021. Rents projected to increase by a flat CPI only increase from 2022 onwards. 3.6% increase in April 2022.</p> <p>Customer satisfaction that rent provides value for money reduced in 2022 and is lower than peers.</p> <p>Extensive customer consultation on rent options carried out in 2021. Over 500 tenants responded to the rent survey in 2021 and over 55% were in support of the proposed rent increase.</p> <p>Consultation with customers around changes to rent for internet and more efficient heating systems completed in August 2019 with responses from over 50% of customers and in May 2020 with responses received from over 20% of customers.</p> <p>Publication schedule in place publishing transparent financial information.</p>	<ul style="list-style-type: none"> ▪ 2nd – Board papers on 2019 and 2020 rent consultations ▪ 2nd – Corporate Business Plan and long term financial plans ▪ 3rd – externally delivered customer satisfaction survey ▪ 1st- rent structure 	

Regulatory Standards

Standard 1

The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
1.1	<p>The governing body sets the RSL’s strategic direction. It agrees and oversees the organisation’s business plan to achieve its purpose and intended outcomes for its tenants and other service users.</p>	<p>There are 2/3 Board Away Days per year that enable strategic discussions, including a financial business planning workshop in the spring. These days cover a range of ‘where are we now’ information including customer feedback, risk review, KPI performance, and budget performance. This also covers consideration of external factors through SWOT and PESTLE analyses.</p> <p>The financial business planning workshop in the spring gives Board opportunity to consider medium term and long term financial scenarios.</p> <p>The draft Corporate Business Plan is then produced, then the final Business Plan presented to Board for approval.</p> <p>Draft priorities are shared with RTOs for comment.</p> <p>The three year Corporate Plan is translated into an annual Delivery Plan, KPIs, and budgets. All of these are reported quarterly to Assurance Boards.</p> <p>2020 internal audit in business planning returned strong result</p>	<ul style="list-style-type: none"> ▪ 1st – away day agendas, slides and notes ▪ 2nd - Standing Orders and Scheme of Delegation approved by Board ▪ 2nd - Corporate Business Plan and appendices including risk assessment, annual delivery plan, and annual KPIs approved by Board 		

1.2	<p>The RSL's governance policies and arrangements set out the respective roles, responsibilities and accountabilities of governing body members and senior officers, and the governing body exercises overall responsibility and control of the strategic leadership of the RSL.</p>	<p>This is set out in broad terms in the Standing Orders and Scheme of Delegation.</p> <p>Up to date job descriptions for the Chief Exec, Directors and Performance & Governance Manager are in place. Role descriptions are also in place for Board Members, the Chair and Vice Chair. These are shared during induction so expectations are clear. Exec JDs are reviewed annually as part of appraisals. Non-exec JDs are reviewed every three years as per the Policy Schedule.</p> <p>Board reviews are carried out annually and a new Governance Effectiveness Plan approved annually, with progress reported quarterly Assurance Boards.</p> <p>Board Away Days in May 2019 and December 2020 focus on Code of Conduct and the role of the Board. Further Code of Conduct training planned for 2022/23.</p> <p>Consideration of appropriateness of reports and information to Board is completed annually as part of Board review process. Exec team participates in the Board review process.</p> <p>Board and Committee structure fully reviewed in 2018/19 and a new streamlined structure introduced included quarterly Assurance Boards to ensure the right information is considered in the right place.</p> <p>External programme of Board development support</p> <p>Company Secretary role moved from CEO to Director of Resources in 2021 following recommendation from external review.</p>	<ul style="list-style-type: none"> ▪ 1st - role descriptions for senior officers, Board Members and officer bearers ▪ 1st – papers from Board Away Day ▪ 2nd - Scheme of Delegation and Standing Orders approved by Board ▪ 2nd - investigations following breaches in Code of Conduct presented to Board for decision 		
1.3	<p>The governing body ensures the RSL complies</p>	<p>Our Rules are based on the SFHA model rules and were updated during 2020. Any deviations from the</p>	<ul style="list-style-type: none"> ▪ 1st – Board report templates 	<p>Recruitment of new tenant Board Members by November</p>	

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
	<p>with its constitution and its legal obligations. Its constitution adheres to these Standards and the constitutional requirements set out below.</p>	<p>rules comply with the constitutional standards. This was confirmed with external legal advice. These include provision for emergency decisions outside of meetings via email – this is then minuted at the next meeting.</p> <p>There is a section in all Board reports to consider legal/regulatory issues, including reference to the Rules and notifiable events.</p> <p>External legal advice is taken as appropriate, e.g. around bringing the dormant subsidiary back into use.</p> <p>The Standing Orders were fully reviewed and re-written in 2018/19 and updated in 2020 and 2021..</p> <p>A clear Scheme of Delegation is in place and includes reference to notifiable events and notification to other key bodies such as funders.</p> <p>Organisational details are kept up to date on the Landlord Portal. This is managed by the Performance and Governance Manager.</p> <p>Regulatory updates are a standing agenda item at monthly senior management team meetings.</p> <p>The Association is not currently compliant with its Rules due to balance of tenants and non-tenants on the Board.</p>	<ul style="list-style-type: none"> ▪ 1st – Governance Excellence Plan and Board Learning & Development Plan ▪ 2nd – Scheme of Delegation approved by Board ▪ 3rd – Rules approved by Regulator and FCA 	<p>2022-23 (<i>Governance Effectiveness Plan</i>).</p>	

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
1.4	All governing body members accept collective responsibility for their decisions.	<p>Collective responsibility is highlighted in Board Member induction.</p> <p>Board minutes reflect the discussions that take place and are available on the website. Disagreements at Board are settled by votes and this is recorded in the minutes.</p> <p>https://www.maryhill.org.uk/about-us/board-meetings-and-minutes/</p> <p>The annual Governance Effectiveness process includes a self-assessment on collective decision making.</p> <p>Board Away Days in May 2019 and December 2020 focused on Code of Conduct and the role of the Board.</p> <p>Board induction process refreshed in 2022 to strengthen section on the Code of Conduct and expectations.</p>	<ul style="list-style-type: none"> ▪ 1st - Board minutes including those on the Maryhill Housing website ▪ 1st - Board Member induction programme ▪ 1st – papers from Board Away Day ▪ 2nd – Board Member Code of Conduct signed annually by all Board Members 		

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
1.5	<p>All governing body members and senior officers understand their respective roles, and working relationships are constructive, professional and effective.</p>	<p>Meetings are chaired effectively to ensure purpose of reports and decisions required from Board members are clear. Board, senior officer and officer bearer role descriptions are in place.</p> <p>Effective Board member induction programme that has been checked against the GWSF guidance and other best practice is in place. This includes the Code of Conduct and worked examples of the role of the Board, and involves a meeting with the Chair. A 6 month review is carried out to ensure the effectiveness of the induction process.</p> <p>Board induction process refreshed in 2022 to strengthen section on the Code of Conduct and expectations.</p> <p>The annual Board review process explicitly asks a question around constructive relationships between Board members and senior staff.</p> <p>A process is in place to appraise the Senior Officer's performance in line with the CEO Performance Management Framework. The outcome of this is reported to the Board.</p> <p>An external Board development consultant was appointed for 2020/21.</p> <p>Private Board review discussion is held after each Board meeting.</p>	<ul style="list-style-type: none"> ▪ 1st - role descriptions for senior officers, Board Members and officer bearers ▪ 1st – CEO Performance Management Framework ▪ 1st - Board member induction programme ▪ 2nd - Board member review process ▪ 3rd – External Board member review every three years 		

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
1.6	<p>Each governing body member always acts in the best interests of the RSL and its tenants and service users, and does not place any personal or other interest ahead of their primary duty to the RSL.</p>	<p>An effective Board Member induction programme is in place that includes the Code of Conduct and Declarations of Interest. All Board Members also sign these documents every year following the AGM.</p> <p>Board induction process refreshed in 2022 to strengthen section on the Code of Conduct and expectations.</p> <p>All Board reports include links to the Strategic or annual plans.</p> <p>A Register of interest is held and checked before every Board meeting by the Performance and Governance Manager and reported to the Audit and Risk Committee quarterly.</p> <p>Board Members are elected onto the Board at annual AGMs. Candidates are invited to describe why they want to join the Governing Board and this background information is included in the documentation.</p> <p>Board Away Days in May 2019 and December 2020 focused on Code of Conduct, different types of interest and the role of the Board.</p>	<ul style="list-style-type: none"> ▪ 1st – Board Member files with signed documents ▪ 1st – Board recruitment process ▪ 1st - Board member induction programme ▪ 1st – papers from Board Away Day ▪ 2nd – Board Member Code of Conduct and Declarations of Interest signed annually by all Board Members ▪ 2nd - Board member review process ▪ 3rd – External Board member review every three years 		

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
1.7	The RSL maintains its independence by conducting its affairs without control, undue reference to or influence by any other body (unless it is constituted as the subsidiary of another body).	<p>Responsibilities to declare interests set out in staff and Board Member Code of Conduct.</p> <p>There is an opportunity to declare interests at the start of every Board and Committee meeting, this is also checked by the Performance and Governance Manager and included in the note to chair. Conflicts are managed appropriately.</p>	<ul style="list-style-type: none"> ▪ 1st – Governance Effectiveness Plan ▪ 1st – Board Member files with signed documents ▪ 1st - Board member induction programme ▪ 1st – Employee Code of Conduct ▪ 2nd – Board Member Code of Conduct and Declarations of Interest signed annually by all Board Members 		

Standard 2

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

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
2.1	<p>The RSL gives tenants, service users and other stakeholders information that meets their needs about the RSL, its services, its performance and its future plans.</p>	<p>Information for customers and other stakeholders is published on our accessible website, on social media, in our newsletters (3 per year), and in our Annual Review. We also have an online portal for customers – My Home. We currently have approximately 1000 users.</p> <p>Information is also given to new tenants when they move into their property, explaining about our services and what they can expect.</p> <p>Improvements have been made to the information we publish about our Investment Programme, following a review by our scrutiny panel.</p> <p>We have a Customer Engagement Strategy and Communication Strategy that set out how we will engage and communicate with all stakeholders.</p> <p>We have a toolkit for staff about how to communicate with customers who cannot speak or read English. Interpretation and translation is provided.</p> <p>Website reviewed to ensure FOI compliance and a range of information published in line with Information Commissioner/Scottish Federation of Housing Associations guidance</p>	<ul style="list-style-type: none"> ▪ 1st – Maryhill Housing website and social media ▪ 1st – My Home portal ▪ 1st – newsletters ▪ 1st – Annual Review ▪ 1st – Tenant Handbook ▪ 2nd – Customer Engagement Strategy approved by Board ▪ 2nd – Communication Strategy approved by Board 	<p>Review how we capture and record customers' preferred communication method / communication needs, by December 2022 (as part of new Equality, Diversity and Inclusion Strategy) August 2022 March 2021 March 2020 (<i>Delivery Plan</i>)</p>	

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
2.2	<p>The governing body recognises it is accountable to its tenants, and has a wider public accountability to the taxpayer as a recipient of public funds, and actively manages its accountabilities.</p>	<p>Our website and social media profiles are used for wider public accountability, as we have an important role in our local community that goes beyond our standard housing and factoring services. The website includes electronic copies of our newsletters, Annual Review and annual statutory accounts.</p> <p>Our newsletter includes ‘you said, we did’ reporting on our complaints and other feedback.</p> <p>A working group of customers helped to develop our Annual Report on the Charter (pre-covid).</p> <p>We hold consultation events for our new developments in the area and these are open to the public.</p> <p>We regularly hold events in the local community, such as our Christmas and Halloween events, and these are promoted to the wider public through posters in local shops and schools (these will resume later in 2022)</p> <p>We produced a publication framework as part of our Freedom of Information implementation. This includes publication of Board papers.</p>	<ul style="list-style-type: none"> ▪ 1st – Maryhill Housing website and social media ▪ 1st – newsletters ▪ 1st – Annual Review ▪ 1st – consultation and other events 		

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
2.3	The governing body is open and transparent about what it does, publishes information about its activities and, wherever possible, agrees to requests for information about the work of the governing body and the RSL.	<p>We publish a range of information on our website, including the minutes from our Board meetings. https://www.maryhill.org.uk/about-us/board-meetings-and-minutes/</p> <p>When additional information is requested from customers or other stakeholders we always try to be as open as possible and provide this for them.</p> <p>Guide to Information in place and Publication Scheme produced in line with best practice from SFHA.</p> <p>Processes introduced and team training completed on Freedom of Information.</p>	<ul style="list-style-type: none"> ▪ 1st – Maryhill Housing website ▪ 1st – record of Subject Access Requests ▪ 1st – Freedom of Information Implementation Plan ▪ 2nd – GDPR Policy approved by Board, with a range of supporting procedures ▪ 3rd – 2019/20 FOI preparedness audit 		

2.4	<p>The RSL seeks out the needs, priorities, views and aspirations of tenants, service users and stakeholders. The governing body takes account of this information in its strategies, plans and decisions.</p>	<p>We carry out a full customer survey at least once every 3 years. This includes the statutory Charter questions as well as a range of other questions specific to our services and objectives.</p> <p>In support of the full survey, we also carry out smaller service-based surveys. These cover areas such as repairs, anti-social behaviour investment & maintenance, and new tenancies. The results of these surveys are presented back to the Board quarterly and reviewed in more detail during an away day. Improvement actions are agreed to address any areas of dissatisfaction.</p> <p>We received over 500 responses to our 2021 rent consultation with over 55% of respondents in favour of rent increase proposals.</p> <p>We have a scrutiny group, the Service Improvement Panel, and work with 8 RTOs. Board Members attend consultation events with these groups, such as around the new Customer Charter.</p> <p>We have a Customer Engagement Strategy which sets out how customer influence decisions. We introduced a new approach to involving customers in 2019 which included digital feedback. The organisation's Stakeholder Map is contained within the Communications Strategy and stakeholders are actively engaged with.</p> <p>Training has been delivered for Board Members in 2021 explaining strategic and local stakeholders and partners.</p> <p>Tenants, owners and staff have been involved in discussing how the Association should respond to the cost of living crisis and very high inflation.</p>	<ul style="list-style-type: none"> ▪ 1st – online, text and paper surveys, including annual Rent Consultation ▪ 1st – survey results and action plans ▪ 1st – Service Improvement Panel minutes and reports ▪ 2nd – Board Away Day slides and notes, reviewing customer satisfaction results and agreeing priorities ▪ 2nd – Customer Engagement Strategy approved by Board 		
-----	--	---	---	--	--

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
2.5	<p>The RSL is open, co-operative, and engages effectively with all its regulators and funders, notifying them of anything that may affect its ability to fulfil its obligations. It informs the Scottish Housing Regulator about any significant events such as a major issue, event or change as set out and required in notifiable events guidance.</p>	<p>We have a positive relationship with our Regulation Plan Manager at the Scottish Housing Regulator, and often discuss issues or keep them informed. We also have a robust notifiable events process, to ensure that we notify the Regulator formally of any incidents that meet the set criteria. The Scheme of Delegation sets out who is responsible for reporting notifiable events and a register is held.</p> <p>We also have a good working relationship with the SPSO and ICO, and staff are clear when to raise relevant issues with Corporate Support.</p> <p>Any notifiable events are reported to Board in the Governance Report at each meeting, or beforehand via email if required.</p> <p>Covenant compliance is reported to the Board quarterly and the relationship with key partners is actively managed at a senior level, e.g. six monthly liaison meetings with funders.</p> <p>A governance calendar is in place and used to develop Board and Committee agendas.</p>	<ul style="list-style-type: none"> ▪ 1st - Notifiable Events process and records ▪ 1st – Governance Calendar ▪ 2nd – CEO Reports to Board ▪ 3rd - Internal and External Audit Reports 		

Standard 3

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

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
3.1	<p>The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes, and control costs effectively. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times.</p>	<p>Board approve budget, medium term financial plans and long term financial plans annually as part of Business Planning cycle. Board have the opportunity to comment on draft before budget is finalised.</p> <p>Corporate Business planning process includes feedback from customers and prioritisation of resources in response to this – e.g. in 2018 and 2021 feedback in customer satisfaction survey around cost of heating – resources allocated to replacing electric heating systems.</p> <p>Rents approved annually by the Board and in 2018 options given to tenants. Proposed to consult on options in 2022. Robust rent setting process in line with Regulator’s thematic enquiry. Rent affordability tested in a variety of ways. Rent affordability included as a key section in the Corporate Plan.</p> <p>Costs are externally benchmarked and anomalies have been investigated and addressed – e.g. high reactive repairs spend.</p> <p>Performance against budget is monitored monthly by senior management team and reported in detail to the Audit and Risk Committee quarterly and at Assurance Boards.</p>	<ul style="list-style-type: none"> ▪ 1st - Corporate Business Plan ▪ 2nd - Board away day presentations and notes ▪ 2nd - Value for money strategy ▪ 1st - Treasury management policy ▪ 1st - Annual report ▪ 1st - Scheme of delegation ▪ 3rd - Internal audit plan and reports ▪ 3rd - External audit reports ▪ 3rd - HouseMark cost benchmarking report ▪ 3rd - External audit management letter 		

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
		<p>Business Plans have been re-cast in October 2022 in light of very high inflation and the potential rent restrictions imposed by Scottish Government.</p> <p>Treasury management policy is in place and reviewed annually by an external advisor that reports directly to the Board.</p> <p>Treasury Management Strategy in June 2020.</p> <p>Covenant compliance is assessed and projected quarterly.</p> <p>Corporate business planning clearly assesses covenant compliance.</p> <p>Key business plan long term financial assumptions were tested externally during 2018 and amendments made – e.g. bad debt provision increased.</p> <p>Value for money strategy in place and reviewed annually as part of business planning process. Current programme of savings - £300k over three years. New approach to savings being considered in current high inflation environment.</p> <p>Annual report includes information on where money is spent and rent affordability.</p> <p>3 year internal audit plan prepared annually with input from Audit committee and senior staff. Regulator's key business planning risks considered in internal audit plan. Progress against audit actions reported quarterly to Audit and Risk Committee.</p>			

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
		<p>Scheme of delegation was reviewed in 2018/19 and 2020 and new authorisation levels introduced to support efficient financial management.</p> <p>All Board reports include a section on financial implications and value for money.</p>			
3.2	<p>The governing body fully understands the implications of the treasury management strategy it adopts, ensures this is in the best interests of the RSL and that it understands the associated risks.</p>	<p>Treasury management policy previously approved every three years by Audit and Risk committee – from 2019 approved by Board. The Policy takes account of the CIPFA code on Treasury Management.</p> <p>Effectiveness of Treasury Management tested annually by external advisors reporting to Board/Committee.</p> <p>Specialist Treasury Management advice externally procured as required, e.g. 2018 Treasury Management Review and reprocured in 2021 on a retainer basis. This included training on Treasury Management to the Board.</p> <p>Treasury Management decisions included in Scheme of Delegation.</p> <p>Treasury Management included in the Association’s strategic risk register.</p>	<ul style="list-style-type: none"> ▪ 1st - Reports and training materials around 2018 Treasury Management Review. ▪ 2nd - Corporate Risk Register ▪ 1st - Finance and Treasury Management training provided to the Board during 2018. 		

3.3	<p>The RSL has a robust business planning and control framework and effective systems to monitor and accurately report delivery of its plans. Risks to the delivery of financial plans are identified and managed effectively. The RSL considers sufficiently the financial implications of risks to the delivery of plans.</p>	<p>Whole Association approach to business planning commenced in the autumn and concluded in the Spring with draft and final plans to Board. Business Planning processes developed from SHR guidance.</p> <p>Risk review completed and included in the Corporate Plan as an appendix. Key risks reported to the Audit and Risk Committee and Assurance Board quarterly.</p> <p>Key risks tested through financial scenarios and discussed as Board business planning workshop. Scenario testing includes treasury risks, e.g. LIBOR increases.</p> <p>High level strategic objectives translated into annual delivery plan (action plan), KPI targets, policy schedule. Key performance targets developed through Board working group. All of these key documents separately approved by the Board. KPIs set following benchmarking exercise with comparable landlords.</p> <p>Performance against budget reported to Senior Team monthly, and Audit and Risk Committee and Board quarterly.</p> <p>Progress against these along with any corrective action reported to new assurance Board quarterly.</p> <p>All reports for new Assurance Board have been reviewed for 2019 and new health and safety report introduced for 2022 to ensure clear and simple to support the Board to challenge as appropriate.</p> <p>Group structures considered as part of 2022 business planning process.</p>	<ul style="list-style-type: none"> ▪ 2nd - Corporate Business Plan ▪ 1st - Annual delivery Plan ▪ 2nd - Annual KPIs and Policy and Performance Committee report including benchmarking ▪ 2nd - Progress reports to Assurance Board ▪ 2nd - Risk Board and Committee reports ▪ 2nd - Budget Board and Committee reports. 		
-----	---	--	---	--	--

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
3.4	<p>The governing body ensures financial forecasts are based on appropriate and reasonable assumptions and information, including information about what tenants can afford to pay and feedback from consultation with tenants on rent increases.</p>	<p>Affordability assessed as part of annual rent setting process. Affordability assessed in line with Regulator’s Thematic Review and using SFHA / HouseMark tool.</p> <p>Board decision on final rent increase considers feedback from tenants.</p> <p>Key financial assumptions, e.g. long term interest rates, itemised as part of annual Corporate Business Plan and compared with previous years. Explanation of provenance of assumptions included, e.g. bank of England projections.</p> <p>Key financial business planning assumptions tested by external Treasury Advisers during 2018.</p> <p>2021 Business Plan assumptions informed by Treasury Advisors published information.</p> <p>Treasury Advisors annual services provided include review of business plan</p> <p>Five year financial projections are submitted to SHR in accordance with statutory guidance.</p>	<ul style="list-style-type: none"> ▪ 3rd - Report by Treasury advisers on business plan assumptions. ▪ 2nd - Rent increase Board reports – pre and post consultation. 		

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
3.5	<p>The RSL monitors, reports on and complies with any covenants it has agreed with funders. The governing body assesses the risks of these not being complied with and takes appropriate action to mitigate and manage them.</p>	<p>Covenant compliance both actual and projected included in quarterly management accounts report to Board and Audit and Risk Committee quarterly.</p> <p>Detailed Treasury Review Process undertaken in 2018 which considered covenants and considered in detail by Audit and Risk Committee prior to approval by Board. New Treasury Policy approved August 2022.</p> <p>Board member financial training delivered internally by Head of Finance/Director of Resources and externally by Treasury Advisers included information on covenant compliance.</p> <p>Covenant compliance of long term and medium term financial plans set out in Corporate Business Plan.</p> <p>Testing of financial scenarios including assessment against covenants and the impact on financial viability assessed.</p> <p>Risks and mitigation actions reported to Board quarterly.</p> <p>Discussions have been held with lenders around the implications of the high inflation environment and the potential for rent restrictions.</p> <p>External advice from the Association’s Treasury Advisers has been taken around the current high inflation environment and options available to the Association.</p>	<ul style="list-style-type: none"> ▪ 1st - Financial and Treasury Management Board training materials ▪ 2nd - Quarterly management accounts ▪ 2nd - Annual Corporate Business Plan and financial appendices. 		

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
3.6	<p>The governing body ensures that employee salaries, benefits and its pension offerings are at a level that is sufficient to ensure the appropriate quality of staff to run the organisation successfully, but which is affordable and not more than is necessary for this purpose.</p>	<p>Full EVH members so salaries and other elements of Ts and Cs set centrally.</p> <p>Pensions reviewed during 2017 and 2019 and changes introduced in April 2018 and April 2020 – external pension advice procured and reported directly to the Board. Majority of staff moved to defined contribution pension scheme.</p> <p>Non-EVH changes to terms and conditions require Board approval in scheme of delegation.</p> <p>Staff terms and conditions and benefits package considered in Spring 2022 and staff consultation taken place in October 2022.</p>	<ul style="list-style-type: none"> ▪ 1st - Staff terms and conditions ▪ 2nd - Reports to the Board during pension review ▪ 2nd - Reports to the Board during SMT restructure 		

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
3.7	<p>The governing body ensures the RSL provides accurate and timely statutory and regulatory financial returns to the Scottish Housing Regulator. The governing body assures itself that it has evidence the data is accurate before signing it off.</p>	<p>Audited accounts, audit management letter and Board response to the auditor all approved by the Board following detailed consideration by the Audit and Risk Committee.</p> <p>External audit function regularly re-tendered to ensure current Best Practice is applied.</p> <p>Governance calendar in place from April 2019 setting out all returns, leads and sign off required. This is reviewed monthly by Senior Management Team.</p> <p>From 2019 returns requiring Board approval, e.g. the ARC is considered by the Board ahead of submission and since 2020 a working group was set up to consider this in detail.</p> <p>Corrections to returns are made as required, e.g. in 2018, 2019 and 2021 corrections made to ARC and five year financial returns. Board made aware of this.</p>	<ul style="list-style-type: none"> ▪ 1st - Governance Calendar 		

Standard 4

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

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
4.1	<p>The governing body ensures it receives good quality information and advice from staff and, where necessary, expert independent advisers, that is timely and appropriate to its strategic role and decisions. The governing body is able to evidence any of its decisions.</p>	<p>We have an agreed reporting format for Board and Committees, that helps summarise each report and make clear what we are asking Board Members to consider. We record all decisions in our agreed minute format, and publish Board decisions on our website. Board papers are issued a week in advance. Board papers are structured to consider key issues first. Format of Board papers is considered as part of Board review process and changes have been made in 2018, 2019 and 2020. https://www.maryhill.org.uk/about-us/board-meetings-and-minutes/</p> <p>We reviewed and streamlined our Committee structure in 2019, as well as reviewing our Scheme of Delegation to agree what must be considered at each governance level.</p> <p>We make good use of external professionals and advisors, particularly in relation to areas identified as requiring additional assurance and / or more complex areas, e.g. pensions, treasury. Specialist advisors provide advice directly to the Board by attending meetings. In addition, Board Members and senior officers are encouraged to attend networking and learning events throughout the year.</p> <p>Two Board away days were held in 2021/22.</p>	<ul style="list-style-type: none"> ▪ 1st – Maryhill Housing website ▪ 1st – Board training budget and Learning & Development Plan ▪ 1st – Board agendas, papers and minutes ▪ 2nd – Standing Orders, Scheme of Delegation and Committee remit approved by Board ▪ 3rd – presentations and reports from external advisors 		

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
4.2	<p>The governing body challenges and holds the senior officer to account for their performance in achieving the RSL’s purpose and objectives.</p>	<p>There are good discussions at Board and Committee meetings, with questions being asked of senior officers relating to their papers and the decisions Board Members are being asked to make. A session on scrutiny and challenge was provided at the May 2019 Board Away Day this year.</p> <p>The relationship between Board and senior officers is reviewed annually as part of the Board Appraisal process.</p> <p>The CEO’s performance is appraised annually using an agreed process by a sub-committee of Board members. This is set out in the CEO Performance Management Framework. The outcome is reported to the Board.</p> <p>Performance across the business (KPIs, development, investment delivery, finance, risk) is reported to quarterly Assurance Boards.</p> <p>A new Scheme of Delegation was approved in 2019 and ensures appropriate delegation for efficient running of the business.</p> <p>CEO performance management framework introduced in May 2021.</p>	<ul style="list-style-type: none"> ▪ 1st – Board agendas, papers and minutes ▪ 1st – Board appraisal process and records ▪ 2nd – Standing Orders, Scheme of Delegation and Committee remit approved by Board ▪ 2nd – CEO appraisal process 		

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
4.3	<p>The governing body identifies risks that might prevent it from achieving the RSL’s purpose and has effective strategies and systems for risk management and mitigation, internal control and audit.</p>	<p>We have a detailed risk register and map including lead senior officers that is updated at least quarterly and reported to management, to Audit & Risk Committee, and to Board. The risk approach was reviewed and improved during 2019 and considers SHR guidance on risk as part of risk identification. A new Risk Policy and procedures were approved in 2022.</p> <p>We have a Risk Strategy that forms part of our Corporate Plan and is reviewed annually with approval from Board.</p> <p>Risk implications are included on our Board paper template, so all decisions are made with the relevant risk areas being considered.</p> <p>Our internal and external auditors regularly check our Risk Register to inform their audit proposals. Three yearly internal audit plans are approved annually by the Board following discussion with senior management team and Audit and Risk Committee.</p> <p>Risks are considered in detail quarterly by senior management team and highlighted to all managers.</p> <p>Our Scheme of Delegation and Board reports include identification of notifiable events and responsibilities for submitting.</p>	<ul style="list-style-type: none"> ▪ 2nd – Risk Strategy and Risk Register approved by Board ▪ 2nd - Risk reports to Audit & Risk Committee and to Board ▪ 3rd - Internal and External Audit reports and plans 		

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
4.4	<p>Where the RSL is the parent within a group structure it fulfils its responsibilities as required in our group structures guidance to:</p> <p>a) control the activities of, and manage risks arising from, its subsidiaries;</p> <p>b) ensure appropriate use of funds within the group;</p> <p>c) manage and mitigate risk to the core business; and</p> <p>d) uphold strong standards of governance and protect the reputation of the group for investment and other purposes.</p>	<p>We currently have a subsidiary- Maryhill Living Ltd.</p> <p>Governance framework for the subsidiary was approved in 2022 following external legal advice.</p> <p>Detailed governance documents setting out the relationship between Maryhill Living and Maryhill Housing approved in September 2022.</p>	<ul style="list-style-type: none"> ▪ 1st - Maryhill Communities Ltd minutes ▪ 1st - Companies House returns and online profile 		

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
4.5	<p>The RSL has an internal audit function. The governing body ensures the effective oversight of the internal audit programme by an audit committee or otherwise. It has arrangements in place to monitor and review the quality and effectiveness of internal audit activity, to ensure that it meets its assurance needs in relation to regulatory requirements and the Standards of Governance and Financial Management. Where the RSL does not have an audit committee, it has alternative arrangements in place to ensure that the functions normally provided by a committee are discharged.</p>	<p>We have had an internal auditor for many years. Our three year internal audit plan is signed off by the Board as part of the Corporate Plan following working groups with Senior Management Team and the Audit and Risk committee. This includes consideration of key risk areas and risk and business planning guidance from the Scottish Housing Regulator. During the Audit and Risk Committee where the 3 year plan is considered there is time for the Committee to meet directly with the internal auditors without staff present.</p> <p>The audit plan and all audit reports are presented to our Audit & Risk Committee, which meets quarterly and has a remit strongly focused around audit, risk, assurance and financial management. The internal auditor also produces an annual report summarising internal audit activity which goes to the full Board. The Board and Audit Committee both have the ability to request time with the internal auditors without staff present.</p> <p>Our internal auditor was re-procured in 2019 following a competitive process using SFHA guidance.</p> <p>In 2022/21 we continued to procure a separate programme of third line of defence reviews, usually by specialists, to supplement traditional internal audit. Progress in delivering these also reported to Audit and Risk Committee quarterly.</p>	<ul style="list-style-type: none"> ▪ 1st - Audit & Risk agendas, papers and minutes ▪ 2nd - Internal Audit Plan approved by Board ▪ 3rd - Internal Audit Reports ▪ 3rd - External Audit Reports 		

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
4.6	The governing body has formal and transparent arrangements for maintaining an appropriate relationship with the RSL’s external auditor and its internal auditor.	<p>Our internal and external auditors are formally procured in line with our Procurement Policy. Once assigned the contract they provide an audit programme or plan to formalise what they will review and report on while working for us. This plan is approved by Audit & Risk Committee and by Board.</p> <p>The External Audit Report is considered and approved at the annual AGM, alongside the statutory accounts. A representative from the firm presents the Report to all Members in attendance.</p>	<ul style="list-style-type: none"> ▪ 1st - AGM papers and minutes ▪ 1st - Board papers and minutes ▪ 1st - Internal & External Audit contracts ▪ 1st - Audit & Risk papers and minutes ▪ 2nd - Internal & External Audit Plans approved by Board ▪ 3rd - Letter confirming independence of external auditor 		

Standard 5

The RSL conducts its affairs with honesty and integrity.

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
5.1	<p>The RSL conducts its affairs with honesty and integrity and, through the actions of the governing body and staff, upholds the good reputation of the RSL and the sector.</p>	<p>Corporate Business Plan includes clear sections on values having been developed through extensive consultation with staff and in response to feedback from customers – hence the new value to Deliver on Promises.</p> <p>Senior Management Team and Board workshop held to discuss Corporate Business plan in February of each year.</p> <p>Board member Code of Conduct included in Board Member induction and re-emphasised as part of May 2019 and December 2020 Board Away Days. This also considered role as a Trustee of a Charity. Additional training on the Board Code of Conduct completed October 2022.</p> <p>Explicit expectation for senior staff to be outward looking in JDs and competency framework and the association takes the opportunities to promote the work of the Association through housing press and by speaking and conferences and events.</p> <p>Development of openness culture through All Manager quarterly away days and staff engagement surveys.</p> <p>Networking with local organisations carried out as part of developing 2022 Equality, Diversity and Inclusion Strategy. Also integration with the wider community through social media, Community Fund and donations programme.</p>	<ul style="list-style-type: none"> ▪ 2nd - New Corporate Business Plan. ▪ 1st - Board member signed codes of conduct ▪ 3rd - Best companies survey to assess effectiveness of leadership ▪ 2nd Board Review process (internally) ▪ 3rd – external Board review process very three years 	<p>Values publicly stated in offices by October 2019 March 2020 TBC</p>	

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
		<p>Assessment of honesty and value driven included in annual Board review process.</p> <p>The organisation is a Glasgow Living Wage employer and is part of the Disability Confident Scheme.</p> <p>Corporate Plan objectives, vision and values embedded across the organisation – e.g. 1-1s, all manager meetings. New appraisal process launched in December 2019 and tracked quarterly.</p>			

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
5.2	<p>The RSL upholds and promotes the standards of behaviour and conduct it expects of governing body members and staff through an appropriate code of conduct. It manages governing body members' performance, ensures compliance and has a robust system to deal with any breach of the code.</p>	<p>Code of conduct signed annually by Board members – use SFHA model.</p> <p>Code of conduct included in Board member induction process (refreshed in 2022) and considered in detail at Board Away days in 2019 and 2020 and refresher training provided in 2022.</p> <p>Robust process for Annual Board member review – externally delivered in 2020 and 2021, internally in 2022. Board member Code of Conduct and the Association's values form part of the annual Board review process. Results from the review process discussed at Board in autumn and then feed into following year's Governance Effectiveness Plan.</p> <p>Robust process in place to manage alleged breaches in the code of conduct – Regulator notified and process in Code of Conduct followed for alleged breaches. Process led by the Chair as appropriate and external investigation carried out as required. External review carried out in 2020 followed potential breaches and improvements approved to the protocol for managing potential breaches. Improvements made again in 2022 following application of the new process in practice.</p>	<ul style="list-style-type: none"> ▪ 1st - Signed Board Member code of conducts ▪ 1st - Board member induction materials and procedure ▪ 1st - Board member review process – paper to the Board ▪ 1st - Notifiable events regarding alleged breaches in the Code of Conduct. 		

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
5.3	<p>The RSL pays due regard to the need to eliminate discrimination, advance equality and human rights, and foster good relations across the range of protected characteristics in all areas of its work, including its governance arrangements.</p>	<p>Introduction of equality impact assessment for policies as per policy schedule from September '19. Senior Management Team trained and format externally verified.</p> <p>Toolkit in place for communicating with staff who do not speak or read English and training provided to staff. Interpretation and translation offered.</p> <p>Equality and diversity strategy approved in April 2018 and refreshed in May 2019 following a period of assessment against good practice and consultation with relevant representative groups. New E, D and I Strategy to be approved in December 2022.</p> <p>New values include 'embracing people's differences' which reflects the importance of inclusion.</p> <p>Processes in place to encourage applications for jobs from under-represented groups, e.g. promotion of jobs to specific networks. Ethnic diversity of staff team now reported to the Board.</p> <p>Equalities policy in place to safeguard against discrimination of staff.</p> <p>E and D training completed by all staff and Board during 2018 and 2021 and part of induction from 2019. Cultural awareness training delivered to all staff in 2019 and 2020.</p>	<ul style="list-style-type: none"> ▪ 2nd - Equality and diversity strategy and action plan ▪ 1st - Equalities policy ▪ 1st - EIA for new policies ▪ 1st - Accessible office facilities 	<p>The Association to develop its approach to human rights by December 2022 (as part of Equality, Diversity and Inclusion Policy) (<i>Delivery Plan</i>)</p>	

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
5.4	<p>Governing body members and staff declare and manage openly and appropriately any conflicts of interest and ensure they do not benefit improperly from their position.</p>	<p>Requirement to declare interests set out in staff Ts and Cs and Board Code of Conduct. This is completed annually for both groups and a register held. Guidance is issued to explain what should be registered as an interest.</p> <p>SFHA model payments and benefits policy is in place for staff and Board members.</p> <p>Board member induction includes responsibility to declare interests. Further discussion held on this at May 2019 Governance Away Day and refresher training provided October 2022.</p> <p>There is a standing item on Board agenda for declaration of interests. This is reported to the Audit and Risk Committee quarterly. This is also checked in advance of Board meetings by the Performance and Governance Manager.</p> <p>Where declarations of interest are noted this is managed appropriately, e.g. members of the Board not participating in discussions or leaving the room for certain discussions. This is minuted.</p> <p>There is a standing item on senior management team agendas for regulatory updates. This is checked by the Performance and Governance Manager.</p>	<ul style="list-style-type: none"> ▪ 1st - Register of interests ▪ 1st - Board member declarations of interest on file ▪ 1st - Gifts, payments and benefits policy and register in place based on the SFHA model. 		

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
5.5	The governing body is responsible for the management, support, remuneration and appraisal of the RSL’s senior officer and obtains independent, professional advice on matters where it would be inappropriate for the senior officer to provide advice.	<p>Appraisal process is in place for the Senior Officer which is undertaken by the Chair, Vice chair and Chair of Staffing Committee. This is then reported to the full Board. Feedback is sought from the full Board to include in the appraisal.</p> <p>From April 2019 CEO remuneration managed in line with the SHR guidance.</p> <p>A salary benchmarking exercise was carried out ahead of recruitment to the current CEO.</p> <p>Where the CEO has a personal interest, e.g. the March 2019 Board paper on CEO remuneration, the CEO is not involved in these discussions.</p> <p>CEO performance management framework introduced in May 2021.</p>	<ul style="list-style-type: none"> ▪ 2nd - CEO appraisal ▪ 2nd - Board reports following CEO appraisal ▪ 2nd - CEO remuneration report to Board March 2019. 		
5.6	There are clear procedures for employees and governing body members to raise concerns or whistleblow if they believe there has been fraud, corruption or other wrongdoing within the RSL.	<p>Fraud theft and anti-bribery policy in place and all staff trained on this in February 2019. Refresher training provided virtually during 2020.</p> <p>Whistleblowing Policy and procedure in place – reviewed October 2022.</p> <p>Payments internal audit carried out in 2018 following payment of a fraudulent invoice and processes improved as a result.</p> <p>Fraud and attempted fraud notified to the Board and Regulator and a full learning review carried out.</p>	<ul style="list-style-type: none"> ▪ 1st - Whistleblowing policy ▪ 1st - Fraud, theft and anti-bribery policy ▪ 3rd - Payments internal audit ▪ 2nd - 2019 fraud notifiable event 		

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
5.7	Severance payments are only made in accordance with a clear policy which is approved by the governing body, is consistently applied and is in accordance with contractual obligations. Such payments are monitored by the governing body to ensure the payment represents value for money. The RSL has considered alternatives to severance, including redeployment.	<p>Severance payments are made in line with the payments and benefits policy based on the SFHA model and the terms and conditions and the Severance Policy.</p> <p>Legal advice has been taken in all instances of severance and the legal advice has been presented directly to the Board to provide assurance that the policy has been complied with.</p>	<ul style="list-style-type: none"> ▪ 1st - Payments and benefits policy ▪ 2nd - Board reports on staffing restructures during 2018 and 2019. 		
5.8	Where a severance payment is accompanied by a settlement agreement the RSL does not use this to limit public accountability or whistleblowing. The RSL has taken professional legal advice before entering into a settlement agreement.	Settlement agreements are drafted by our legal advisers and the format does not limit public accountability or whistleblowing.	<ul style="list-style-type: none"> ▪ 1st - Example settlement agreement 		

Standard 6

The governing body and senior officers have the skills and knowledge they need to be effective.

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
6.1	<p>The RSL has a formal, rigorous and transparent process for the election, appointment and recruitment of governing body members. The RSL formally and actively plans to ensure orderly succession to governing body places to maintain an appropriate and effective composition of governing body members and to ensure sustainability of the governing body.</p>	<p>We currently have 9 elected Board Members. Our minimum is 7 and max 15, with at least 12 of these being elected, so we are not meeting that requirement. 5 are customers (4 tenants, 1 owner) and 5 independent. This means we are in breach of our rules as we must have a customer majority.</p> <p>There is a role description in place for Board Members and Office Bearers.</p> <p>Board recruitment is ongoing to recruit new tenant Board members.</p> <p>We use the annual face-to-face Board appraisal process to discuss with Board Members what their plans may be for the future. This allows us to manage succession effectively.</p> <p>The Chair and Vice Chair were re-elected in September 2022.</p> <p>A Board recruitment procedure is in place and was refreshed in September 2022. Potential new Board Members are issued with a Board recruitment pack, are invited to observe two Board meetings, submit an application form and are interviewed by a panel of Board Members.</p>	<ul style="list-style-type: none"> ▪ 1st – Governance Effectiveness Plan ▪ 1st – Board Member Information maintained by Corporate Support ▪ 1st – AGM papers and minutes ▪ 1st – Board Member Recruitment Process ▪ 1st – Board Member Induction Checklist & materials ▪ 2nd – Board Member Appraisal Process and paperwork approved by Board and carried out by Chair ▪ 3rd – Rules approved by Regulator and FCA 	<p>Recruitment of tenant Board Members by November 2022 (<i>Governance Effectiveness Plan</i>)</p>	

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
6.2	<p>The governing body annually assesses the skills, knowledge, diversity and objectivity it needs to provide capable leadership, control and constructive challenge to achieve the RSL’s purpose, deliver good tenant outcomes, and manage its affairs. It assesses the contribution of continuing governing body members, and what gaps there are that need to be filled.</p>	<p>We have a detailed annual Board Appraisal Process, which covers Board Members’ own performance and skills assessment (discussed at face-to-face discussions) as well as wider governance effectiveness. For the latter, we use an electronic survey to gather Board Member views, followed by a Governance Effectiveness workshop to discuss the results as a group.</p> <p>The final output of this process is a Governance Effectiveness Plan, structured in line with the Regulatory Framework and outlining what actions will be taken to improve our compliance over the next year.</p> <p>In 2020 and 2021 the Board review process was completed externally to help support a relatively new and inexperienced Board. It is being delivered internally in 2022.</p> <p>When looking to recruit new Board members we identify the skills we require (based on the feedback from the review process) as part of the advertisement and assessment process.</p> <p>The skills the Board are seeking is promoted via newsletters, social media and external advertisement.</p>	<ul style="list-style-type: none"> ▪ 1st – Governance Effectiveness Plan ▪ 1st – analysis of Governance Effectiveness survey ▪ 1st – Governance Effectiveness presentations (Oct & Jan Board meetings) ▪ 1st – relevant Board minutes ▪ 2nd – Board Member Appraisal Process and paperwork approved by Board and carried out by Chair ▪ 2nd – Governance Effectiveness Plan approved by Board and progress reported quarterly ▪ 3rd – Board appraisals managed by external facilitator every third year 		

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
6.3	<p>The RSL ensures that all governing body members are subject to annual performance reviews to assess their contribution and effectiveness. The governing body takes account of these annual performance reviews and its skills needs in its succession planning and learning and development plans. The governing body ensures that any non-executive member seeking re-election after nine years' continuous service demonstrates continued effectiveness.</p>	<p>In 2020 and 2021 our annual Board Appraisal Process was delivered externally. In 2022 it will be delivered in-house. We use individual Board Appraisal forms to review each individual's performance during the year, as well as an electronic survey to gather their views on other areas of governance / the Board. Meetings are then held between the Chair and each Board Member, followed by a Governance Effectiveness workshop to discuss the outputs as a group.</p> <p>For the Chair herself, in 2022 a survey was sent to all Board Members asking for their feedback on him. She then had an appraisal meeting with the Vice Chair.</p> <p>The final output of this process is a Governance Effectiveness Plan including Board Learning & Development Plan. The L&D Plan sets out what training will be held during the year to ensure we have the right mix of skills and that Board Members stay up to date with regulatory matters.</p> <p>Our last Board Member subject to the 9-year rule was in 2017. The normal appraisal process was expanded to consider his contribution to the Board and to what extent he remained objective and effective. The Chair was satisfied that this Board Member should continue, and this recommendation was then discussed and approved by Board.</p>	<ul style="list-style-type: none"> ▪ 1st – Governance Effectiveness Plan ▪ 1st – analysis of Governance Effectiveness survey ▪ 1st – Governance Effectiveness presentations (Oct & Jan Board meetings) ▪ 1st – relevant Board minutes ▪ 1st – Board Member Information maintained by Corporate Support ▪ 2nd – Board Member Appraisal Process and paperwork approved by Board and carried out by Chair ▪ 2nd – Governance Effectiveness Plan approved by Board and progress reported quarterly ▪ 2nd – Board Learning & Development Plan approved by Board ▪ 3rd – Board appraisals managed by external facilitator every third year 		

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
6.4	The RSL encourages as diverse a membership as is compatible with its constitution and actively engages its membership in the process for filling vacancies on the governing body.	<p>Our approach to membership is clearly set out in our rules. We promote shareholding membership when we sign up new tenants, through our website and through adhoc discussions with customers, e.g. responding to complaints or customer satisfaction surveys. Of our 10 elected Board Members, 5 are tenants of the association.</p> <p>Board recruitment is ongoing and we are specifically seeking more tenant Board members who are representative of the Maryhill community.</p>	<ul style="list-style-type: none"> ▪ 1st – Board Member Information maintained by Corporate Support ▪ 1st – Board Member Recruitment Process ▪ 3rd – Rules approved by Regulator and FCA 	Recruitment of tenant Board Members by November 2022 (<i>Governance Effectiveness Plan</i>)	

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
6.5	<p>The RSL ensures all new governing body members receive an effective induction programme to enable them to fully understand and exercise their governance responsibilities. Existing governing body members are given ongoing support and training to gain, or refresh, skills and expertise and sustain their continued effectiveness.</p>	<p>We have a detailed induction process to help all new Board Members learn about the housing sector and our organisation, understand the Board Member role, observe Board meetings as well as meeting staff and other Board Members, receiving tours of our stock, and meeting with the Chair to discuss their interests and skills. This induction process was revised in 2019 following consideration of Best Practice from GWSF and in 2022 as a learning action from the management of a potential breach of the Board Code of Conduct.</p> <p>Our annual Board Appraisal Process and Board Learning & Development Plan ensure new and existing Board members are given ongoing support and training. This forms part of our Governance Effectiveness Plan reported to the Board three times a year. We have a healthy L&D budget for our Board Members, this ensures they are able to attend conferences and formal training throughout the year. All Board Member training is captured on a tracker. We also provide a programme of internal briefing sessions.</p> <p>Board member learning from training or events is reported back to the wider Board at the next meeting with a standing agenda item.</p>	<ul style="list-style-type: none"> ▪ 1st – Board Member Recruitment Process ▪ 1st – Board Member Induction Checklist & materials ▪ 2nd – Board Member Appraisal Process and paperwork approved by Board and carried out by Chair ▪ 2nd – Board Learning & Development Plan approved by Board 		

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
6.6	If the governing body decides to pay any of its non-executive members then it has a policy framework to demonstrate clearly how paying its members will enhance decision-making, strengthen accountability and ownership of decisions, improve overall the quality of good governance and financial management and deliver value for money.	<p>We do not currently pay our Board Members, who are involved with us on a voluntary basis only.</p> <p>We have a Board Expenses Policy that ensures Board Members are not out of pocket for attending our meetings or other events. This covers travel expenses and overnight allowances for those who wish to claim them, as well as child care if required. This policy is regularly reviewed and approved by Board.</p>	<ul style="list-style-type: none"> 2nd – Board Expenses Policy approved by Board annually 		
6.7	The governing body is satisfied that the senior officer has the necessary skills and knowledge to do his/her job. The governing body sets the senior officer's objectives, oversees performance, ensures annual performance appraisal, and requires continuous professional development.	<p>The Chief Executive goes through an annual appraisal process, with an appraisal meeting held with the Chair, Vice Chair and Chair of Staffing Panel. The outcome of this appraisal is reported to the full Board.</p> <p>Part of this process is agreeing the Chief Executive's objectives for the year. These objectives are presented to Board for formal approval. The objectives fall under 3 main headings – Behaviours, Tasks, and Skills. This is in line with the wider Staff Appraisal Process of the organisation.</p> <p>CEO performance management framework introduced from May 2021.</p>	<ul style="list-style-type: none"> 1st – Staff Appraisal Process 1st – Chief Executive appraisal form 1st – Relevant Board paper and minutes 2nd – Chief Executive objectives approved by Board 		

Standard 7

The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants.

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
7.1	The governing body discusses and scrutinises any proposal for organisational change and ensures that the proposal will benefit current and future tenants.	<p>Any proposal for organisational change would be subject to significant discussion by the Board supplemented by external advice.</p> <p>At Maryhill we have a subsidiary and in the past three years we have investigated the best structures for delivery of certain activities, such as selling development services. Consideration of these issues has not directly affected current or future tenants.</p> <p>Previously options appraisals have been carried out following the departure of CEOs and the brief for these was clear that tenants' interests are a key consideration.</p> <p>The Board will be holding a workshop session in 2022 will be held to consider potential future partnership opportunities and key priorities for tenants.</p>	<ul style="list-style-type: none"> 3rd - Board paper and external legal advice November 2018 on subsidiary governance 1st - Brief for 2014 option appraisal following departure of the CEO. 		
7.2	The RSL ensures that its governance structures are as simple as possible, clear and allow it to meet the Standards of Governance and Financial Management, Constitutional Requirements, and Group Structures guidance.	<p>Investigation into options for group structure specifically considered the Group Structures Guidance and the Standards of Governance and Financial Management. The proposed group structure following this exercise aimed to be as simple and clear as possible.</p> <p>Governance framework for the subsidiary approved by the Board in May 2022 and detailed documents approved September 2022.</p>	<ul style="list-style-type: none"> 2nd - Board paper November 2018 on subsidiary governance 		

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
7.3	The RSL ensures adequate consultation with, and support from, key stakeholders including tenants, members, funders (who may need to give specific approval) and local authorities as well as other regulators.	<p>The only constitutional change at Maryhill in recent years has been an update to the rules to bring them into line with the SFHA model process. This process was completed quickly and efficiently.</p> <p>Requirements on rule changes set out in Scheme of Delegation. Senior Management Team and Board received training on the scheme of delegation and notifiable events in April 2019.</p>	<ul style="list-style-type: none"> 1st - Scheme of Delegation approved in January 2019 and updated in April 2019 to include regulatory requirements. 		
7.4	The governing body is satisfied that the new (or changed) organisation will be financially viable, efficient and will provide good outcomes for tenants.	This was given detailed consideration and approved in the development of the government framework and detailed documents setting out the relationship between Maryhill Housing and Maryhill Living in 2022.			
7.5	The RSL establishes robust monitoring systems to ensure that delivery of the objective of the change and of commitments made to tenants are achieved (for example in relation to service standards, operating costs and investment levels).	<p>The Association has not recently undertaken any organisational change.</p> <p>The second stage stock transfer in 2011 comprised the most significant organisational change at Maryhill and the association reviewed these commitments in April 2020.</p>			

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
7.6	Charitable RSLs seek consent/notify OSCR of changes to their constitution and other changes as appropriate.	This was completed as part of the 2020 Rule Change process.	<ul style="list-style-type: none"> 1st - 2018/19 rule change process including notification to OSCR. 		
7.7	The governing body ensures that disposals, acquisitions and investments fit with the RSL's objectives and business plan, and that its strategy is sustainable. It considers these taking account of appropriate professional advice and value for money - whether as part of a broader strategy or on a case by case basis.	<p>The Association's approach to acquisitions and disposals is covered in our Asset Management Strategy and our Property Purchase and Sale Policy.</p> <p>Our approach to Investments is set out in our Treasury Management Policy and performance is externally assessed annually.</p> <p>Our Capital Accounting Policy was approved in 2020.</p> <p>The Association has commenced work to assess the long-term viability of its multi-storey stock and considered this at the November 2019 Board away day. An external review was concluded at approved by the Board in October 2020.</p>	<ul style="list-style-type: none"> 2nd - Asset Management strategy 1st - Treasury Management Policy 1st Capital Accounting Policy 1st - 2019-20 Delivery Plan 3rd – Board Paper and external advice on disposal of commercial unit at 1036 Maryhill Road 3rd – Annual external review of Treasury performance 		
7.8	The RSL complies with regulatory guidance on tenant consultation, ballots and authorisation.	This does not apply to Maryhill.			

	Description	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
7.9	The RSL notifies the Regulator of disposals in accordance with regulatory guidance.	<p>Regulator is notified of disposals in accordance with the Regulatory guidance and specific advice was sought in 2019 around the treatment of 'flipping tenancies'. Notifiable event was submitted in April 2019.</p> <p>In 2019 the Delegations Schedule was updated to include notifiable events and other regulatory permissions and the standard Board paper format was updated to include notifiable events</p>	<ul style="list-style-type: none"> ▪ 1st - April 2019 notifiable event on housing leases. ▪ 1st – Delegation Schedule 		
7.10	The RSL only agrees fixed or floating charges where the assets are used to support core activities. This should exclude providing security in relation to staff pensions.	The Association's only loan is to fund core activity of investment in our homes and building new homes. The Association does not provide any security in relation to pensions.	<ul style="list-style-type: none"> ▪ 1st - 30 year financial plans 		

Regulatory Requirements & Legislation

	Each landlord must....	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
i.	Prepare an Annual Assurance Statement in accordance with our published guidance, submit it to us between April and the end of October each year, and make it available to tenants and other service users.	Most recent statement signed off by the Board in October 2022.	<ul style="list-style-type: none"> ▪ 1st – Governance Effectiveness Plan ▪ 2nd - Assurance Board meetings with standard agenda ▪ 2nd - Assurance Framework and Dashboard 		
ii.	Notify us during the year of any material changes to the assurance in its Assurance Statement.	Ongoing compliance with the Regulatory framework assessed at will be assessed at Assurance Board meetings three times a year. Assurance dashboard updated at these meetings and both papers published quarterly.	<ul style="list-style-type: none"> ▪ 1st – Board Schedule ▪ 2nd - Assurance Board meetings with standard agenda 2nd - Assurance Framework and Dashboard 		
iii.	Have assurance and evidence that it is meeting all of its legal obligations associated with housing and homelessness services, equality and human rights, and tenant and resident safety.	<p>Legal obligations included in implications section of all Board reports. Policies refer to relevant legislation. Compliance against key legislative areas below:</p> <p>Allocations: Current policy compliant with the 2014 Housing Scotland Act. Lettings quotas reported at quarterly Assurance Boards. Lets to homeless households significantly increased following request from GCC and Scottish Government. Evidence of tenant consultation with Allocations Policy was changed. Housing needs and demand study carried out in 2017.</p>	<ul style="list-style-type: none"> ▪ 2nd – Board report cover papers ▪ 3rd - External Audit reports ▪ 3rd - Specific Internal Audits 	<p>Environmental Strategy to be produced by September 2020 during 2021/22 2022/2023(<i>Policy Schedule</i>).</p> <p>Develop proposals to further Human Rights by December 2022 (as part of Equality, Diversity and Inclusion Strategy) (<i>Delivery Plan</i>)</p> <p>Range of health and safety actions as set out in quarterly</p>	

	Each landlord must....	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
		<p>Anti-social behaviour: Current policy compliant with the 2014 Housing Scotland Act. Customer satisfaction on ASB collected and reported to Board three times a year. Evidence of tenant consultation when ASB Policy was updated.</p> <p>Evictions: Eviction covered in ASB and rent arrears policies. Specialist legal advice taken. Evictions reported to Assurance Boards three times a year.</p> <p>Abandonments: Statement on abandonments included in Allocations policy. Abandonments reported monthly to Operational Management Team.</p> <p>Homelessness: Proportion of lets to homeless households reported to Assurance Boards. Active participants in local lettings communities. Contributed to the development of the rapid rehousing plan.</p> <p>Equalities and human rights: All Board reports consider equalities. From August 2019 key policies include a full equalities impact assessment. Strategic objectives linked to equalities. Celebrate diversity a core value. E, D and I Policy in place and Equality and Diversity Strategy in place. Not currently collecting equalities data for all protected characteristics groups although proposals approved in September 2022.</p> <p>Tenancy agreements: Tenancy agreement updated following 2014 Act. New tenancy agreement approved by the Board and checked by legal advisers. Evidence of consultation on changes on ASB and Allocations.</p>		<p>Health and Safety Assurance report.</p> <p>Start collected equalities data for all protected characteristics groups by January 2023 (2022 – 2023 Delivery Plan)</p>	

	Each landlord must....	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
		<p>Environmental Protection. No current Environmental Strategy in Place due to be completed during 2022 – 2023.</p> <p>Accounting and Taxation. External and internal auditors in place. VAT review carried out by external auditors in 2019. Strong result in financial controls audit in 2020/21.</p> <p>Employment Law. HR employment advice from EVH and external legal advisers.</p> <p>Health and Safety. Health and health policies and procedures in place and audit and external advice provided by ACS Risk on organisational health and safety and Housing H and S Compliance on Landlord Health and Safety. Specialist external audit of landlord health and safety completed 2020 – 2021 in all six key areas. CDM Policy in place and refreshed in 2022. External risk assessments completed and acted on for fire safety.</p> <p>Other key areas of non-compliance (although non-material): electrical safety; stock fire safety; render failure; gas safety; asbestos safety; water safety (legionella). Clear plans in place to address all areas requiring improvement.</p>			

	Each landlord must....	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
iv.	<p>Notify us of any tenant and resident safety matters which have been reported to, or are being investigated by the Health and Safety Executive, or reports from regulatory or statutory authorities, or insurance providers, relating to safety concerns.</p>	<p>Training on health and safety delivered to Board members during 2018/19 and separate health and safety section of Assurance Board meetings now introduced.</p> <p>Incidents reported to HSE as required and notifiable events submitted to the SHR, e.g. recent notifications around asbestos, gas, electrical safety and legionella. Any such incidents included in the Health & Safety report to Board.</p> <p>Liaison with insurers around risks posed by failing render at Glenavon. Actions requested by the insurers all taken.</p> <p>Stock condition survey completed for over 80% of properties over the last ten years. Stock condition surveys recently recommenced following covid. External stock condition survey being considered for 2023.</p> <p>Monthly close inspections commenced again in April 2021 following covid.</p>	<ul style="list-style-type: none"> ▪ 2nd – Health & Safety assurance report ▪ 3rd – HSE incident investigations ▪ 3rd – notifiable events reviewed by SHR 		
v.	<p>Make its Engagement Plan easily available and accessible to its tenants and service users, including online.</p>	<p>Engagement Plan available online.</p> <p>Engagement Plan promoted in winter 2021 newsletter and will be promoted in winter 2022.</p>	<ul style="list-style-type: none"> ▪ 1st – Maryhill Housing website 		

	Each landlord must....	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
vi.	Register all requirements for providing data to us with the Information Commissioner’s Office as a purpose for which they are acquiring data under the Data Protection Act 2018.	Association is registered with the ICO.	<ul style="list-style-type: none"> ▪ 3rd – ICO registration ▪ 3rd – GDPR Internal Audit 		
vii.	Submit an Annual Return on the Charter to us each year in accordance with our published guidance.	<p>ARC returns consistently submitted within required timeframes.</p> <p>Internal review of data accuracy/validity.</p> <p>Corporate oversight/management of the submission.</p> <p>Board working group set up to review data in detail.</p> <p>Performance against the Charter including benchmarking reported to the Board quarterly.</p> <p>Performance information is shared with customers through the Association’s website from November 2019 as part of FOI preparation and in quarterly newsletters from winter 2020.</p>	<ul style="list-style-type: none"> ▪ 2nd – Annual ARC report to Board ▪ 3rd – SHR engagement rating 		

	Each landlord must....	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
viii.	<p>Involve tenants, and where relevant other service users, in the preparation and scrutiny of performance information. It must:</p> <ul style="list-style-type: none"> • agree its approach with tenants • ensure that it is effective and meaningful – that the chosen approach gives tenants a real and demonstrable say in the assessment of performance • publicise the approach to tenants • ensure that it can be verified and be able to show that the agreed approach to involving tenants has happened • involve other service users in an appropriate way, having asked and had regard to their needs and wishes. 	<p>Performance information reported to Service Improvement Panel to inform scrutiny reviews.</p> <p>Clear governance framework around scrutiny developed in partnership with the Tenant Information service (TIS)</p> <p>Customer satisfaction survey developed with the Tenants’ Service Improvement Group.</p> <p>Our approach to the preparation and scrutiny of performance information is proactively agreed with tenants through our scrutiny panel. Tenants were also asked to feedback on our draft video annual review and feedback on the final version. This was incorporated into the Annual Reviews for 2020 and 2021.</p> <p>Moving away from reliance on traditional customer engagement methods, e.g. RTOs and public meetings, and focusing more on different ways to get feedback from a more representative sample of tenants focused on customer insight. This is set out in the Customer Engagement Strategy.</p> <p>Scrutiny reports are published on the Association’s website as part of our FOI implementation plan.</p> <p>Owners are fully consulted on our service, e.g. recent consultation on a potential new Customer Charter involving owners.</p> <p>The Scrutiny Panel (Service Improvement Group) has not been active since covid and requires review.</p>	<ul style="list-style-type: none"> ▪ 1st – SIP scoping document and meeting notes 	<p>Review Service Improvement Group (scrutiny panel) by March 2023 (<i>Governance Effectiveness Plan</i>)</p>	

	Each landlord must....	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
ix.	<p>Report its performance in achieving the Charter to its tenants and other service users by October. It must agree the format of reporting with tenants, ensuring that it is accessible, with plain and jargon-free language.</p> <p>When reporting performance it must:</p> <ul style="list-style-type: none"> • provide them with an assessment of performance in delivering each of the relevant Charter outcomes and standards • include comparisons – these should include comparisons with previous years, other landlords and national performance • set out how and when the landlord intends to address areas for improvement • give tenants and other service users a way to feed back their views on the style and form of the reporting. 	<p>Annual Review developed following feedback from a panel of tenants. Includes an assessment of performance against charter indicators, showing relevant comparisons and trends. It sets out where we aimed to address areas for improvement. Customers asked to feedback on the style and content of the video annual review and feedback incorporated into 2021 and 2022 review.</p>	<ul style="list-style-type: none"> ▪ 1st – consultation exercise ▪ 2nd - Annual Review approved by Board ▪ 3rd – SHR engagement rating 		

	Each landlord must....	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
x.	Make our report on its performance easily available to its tenants, including online.	<p>Paper copies of the Annual Review have been issued to all tenants in past years. It is also available online, along with historical versions.</p> <p>https://www.maryhill.org.uk/about-us/annual-reports-and-newsletters/</p> <p>Video annual review available on the Association's website.</p>	<ul style="list-style-type: none"> 1st – Maryhill Housing website 		
xi.	Have effective arrangements and a policy for whistleblowing by staff and governing body which it makes easily available and which it promotes.	<p>Whistleblowing Policy in place, approved by the Board and training provided to all staff in 2019. Updated in October 2022.</p> <p>Virtual refresher of whistleblowing training issued in 2020.</p>	<ul style="list-style-type: none"> 1st – Whistleblowing Policy and procedures 1st – staff and Board training 2nd – Policy approved by Board 		
xii.	Make information on reporting significant performance failures, including our leaflet, available to its tenants.	<p>Significant Performance Failures information available online:</p> <p>https://www.maryhill.org.uk/our-tenants/performance-service-standards-service-failure</p> <p>Significant failures leaflet available in reception.</p>	<ul style="list-style-type: none"> 1st – Maryhill Housing website 		

	Each landlord must....	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
xiii.	Provide tenants and other service users with the information they need to exercise their right to complain and seek redress, and respond to tenants within the timescales outlined in its service standards, in accordance with guidance from the Scottish Public Services Ombudsman (SPSO).	<p>Information provided to tenants via our website and a paper leaflet available in reception.</p> <p>Complaints performance reported to Assurance Boards including learning from complaints outcomes, comparison with others.</p> <p>Consultation with customers over 250 responses received on reasonable response times to complaints. Changes incorporated Customer Charter.</p> <p>New internal targets for complaints timeframes introduced from November 2019.</p>	<ul style="list-style-type: none"> ▪ 1st – complaints leaflet ▪ 2nd – Complaints Policy approved by Board ▪ 2nd – Complaints & Other Customer Feedback assurance report 		
xiv.	Ensure it has effective arrangements to learn from complaints and from other tenant and service user feedback, in accordance with SPSO guidance.	<p>Learning from complaints forms in place for staff and learning from complaints group in place. 'You Said, We Did' section in all newsletters and now in customer feedback report for all Assurance Board meetings.</p>	<ul style="list-style-type: none"> ▪ 1st – Complaints procedures and forms ▪ 2nd – Complaints & Other Customer Feedback assurance report 		

	Each landlord must....	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
xv.	<p>Have assurance and evidence that it considers equality and human rights properly when making all of its decisions, in the design and review of internal and external policies, and in its day-to-day service delivery.</p>	<p>Equalities implications section of Board reports in place.</p> <p>Equality impact assessment procedure in place and in use from August 2019.</p> <p>Equality and Diversity Policy in place and refresh currently out for consultation.</p> <p>Equality and Diversity Strategy and action plan in place.</p> <p>Equalities KPIs in place and reported quarterly to Assurance Boards.</p> <p>Toolkit in place for communicating with staff who do not speak or read English. Training provided to staff.</p> <p>Proposal to use CIH Human Rights ‘walking the talk’ guidance to improve approach to Human Rights approved by Board in September 2022.</p>	<ul style="list-style-type: none"> ▪ 1st – Delivery Plan ▪ 2nd – Board report cover papers ▪ 2nd – Equality & Diversity Strategy approved by Board 	<p>Self-assessment against the CIH’s ‘Walking the Talk’ guidance and taking actions forward in new Equality, Diversity and Inclusion Strategy.</p>	

	Each landlord must....	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
xvi.	<p>To comply with these duties, landlords must collect data relating to each of the protected characteristics for their existing tenants, new tenants, people on waiting lists, governing body members and staff. Local authorities must also collect data on protected characteristics for people who apply to them as homeless. Landlords who provide Gypsy/Traveller sites must collect data on protected characteristics for these service users.</p>	<p>Some equalities data currently collected as required for ARC (ethnicity and disability), but not every protected characteristic group.</p> <p>Board approval of an approach to collecting data for all protected characteristics groups in September 2022.</p>	<ul style="list-style-type: none"> ▪ 1st – housing application form ▪ 1st – tenant visit form and procedure ▪ 1st – equalities data on SDM 	<p>Start collecting equalities data for all protected characteristics groups by January 2023.</p>	

	Each landlord must....	How does this happen at Maryhill?	Assurance – lines of defence	Agreed actions	
xvii.	<p>Make publicly available up to date details of:</p> <ul style="list-style-type: none"> • who is on its governing body • the date when they first became a member/office holder • how to become a member of the RSL and of the governing body, and • minutes of governing body meetings. 	<p>Up to date Board Member information available online, as well as contact details for becoming a Board Member.</p> <p>https://www.maryhill.org.uk/about-us/the-maryhill-board/</p> <p>https://www.maryhill.org.uk/about-us/joining-the-association/</p> <p>Board minutes published online following approval. Updated after each meeting.</p> <p>https://www.maryhill.org.uk/about-us/board-meetings-and-minutes/</p> <p>Audit and Risk committee minutes now available online following approval.</p> <p>Board member nomination forms include explanation of skills required based on the Board review process.</p>	<ul style="list-style-type: none"> ▪ 1st – Maryhill Housing website 		



Scottish Housing
Regulator

Annual Assurance Statement

Statutory Guidance
February 2019

About us

We are the independent regulator of social landlords in Scotland.

We safeguard and promote the interests of:

Around:

600,000

Tenants who live in homes provided by social landlords

Over:

123,000

Home owners who receive services of social landlords

Over:

45,000

People and their families who may be homeless and seek help from local authorities

Around:

2,000

Gypsy/Travellers who can use official sites provided by social landlords

We regulate:

Around:

200

Social landlords

Around:

160
32

Registered social landlords

Local authorities

Our equalities commitment

Promoting equalities and human rights is integral to all of our work. We set out how we will meet our equalities duties in our Equalities Statement.

Our role:

To monitor, assess and report on social landlords' performance of housing activities and RSLs' financial wellbeing and standards of governance. We intervene, where we need to, to protect the interests of tenants and service users.

Our Regulatory Framework explains how we regulate social landlords. It is available from: www.scottishhousingregulator.gov.uk



HAPPY TO **TRANSLATE**

1. Introduction and purpose

- 1.1 Social landlords must submit to us an Annual Assurance Statement providing assurance that their organisation complies with the relevant requirements of chapter 3 of the [Regulatory Framework](#). This includes regulatory requirements that apply to all social landlords and the Standards of Governance and Financial Management that apply to Registered Social Landlords (RSLs).
- 1.2 The Statement should be made and submitted by the RSL's governing body, or the relevant local authority committee which has been delegated authority to complete the Statement by the local authority. This guidance is for members of governing bodies and local authority committees.
- 1.3 This guidance sets out how landlords should prepare their Statement and submit it to us. In complying with this guidance landlords will meet the requirements on Annual Assurance Statements in chapter 3 of the [Regulatory Framework](#).
- 1.4 Each landlord should confirm in its Statement its compliance with all of the relevant requirements at chapter 3 of the Framework. Where a landlord does not fully comply, it should set out in the Statement how and when it will make the necessary improvements to ensure compliance.

2. How should you assure?

- 2.1 It is for you to determine the most appropriate and effective way to get the necessary assurance on your organisation's compliance with regulatory requirements. Your approach should enable you to reach an objective and evidence-based judgement on compliance, ensuring sufficient evidence and information, and where necessary independent assurance.
- 2.2 In determining your approach for each requirement at Chapter 3 in the Regulatory Framework, you should consider:
- what level of assurance is proportionate, considering your organisation's business and context;
 - the sources of assurance and evidence you have and whether they are sufficient and reliable; and
 - whether you need independent assurance, and what that should be.
- 2.3 It is for each governing body and local authority committee to consider the timeframe and process for getting assurance.
- 2.4 You should keep a record of the evidence you have used, and how you got the assurance you needed. We do not require landlords to send this evidence to us, as it is your evidence for you to reach a judgement on compliance. But we may ask to see it, or elements of it, if we are engaging with your organisation.

Internal Audit

- 2.5 Landlords should consider how to best use internal audit as a source of independent assurance when making their Annual Assurance Statements on whether they are meeting regulatory requirements, including the Standards of Governance and Financial Management for RSLs.

Tenants and other service users

You should consider feedback from tenants and other service users as part of your assurance framework. This feedback is an important, objective view of how your organisation is performing and in particular, whether you are achieving the Charter outcomes. Each governing body and local authority committee should take account of tenant and service user feedback when assuring itself against the requirements.

3. What should you do if you find you don't comply?

- 3.1 Where you identify areas for improvement, your governing body or committee should agree appropriate actions. But they do not all necessarily need to be recorded in the Assurance Statement. The key question is whether these issues are of such materiality and significance that they mean you cannot say confidently that your organisation is complying with a particular requirement. Any areas of material non-compliance should be disclosed in the Statement.
- 3.2 It is for each governing body and committee to weigh up the evidence and seriousness of the issue and reach a judgement on whether it is material and should be disclosed.
- 3.3 When you consider materiality, you should look at whether the issue could:
- seriously affect the interests and safety of tenants, people who are homeless or other service users;
 - threaten the stability, efficient running or viability of service delivery arrangements;
 - bring the landlord into disrepute, or raise public or stakeholder concern about your organisation or the social housing sector; and
 - in the case of RSLs, put at risk the good governance and financial health of the organisation.
- 3.4 If we are engaging with your organisation at a later date, it is possible that we might reach a different view about whether an issue is material. This is a matter of judgement. In these circumstances, the most important considerations for us when deciding whether to engage further would be:
- whether your governing body or committee is fully aware of the issue and has taken a view on materiality and disclosure; and
 - whether you are taking effective action to resolve the issue within an appropriate timeframe.

4. What should the Statement cover?

- 4.1 Your Statement should be short and succinct. It should confirm compliance, or otherwise, with relevant regulatory requirements at the date of signing (but note that section 5 explains that there is an ongoing requirement to notify us of changes in-year).
- 4.2 The Statement should be completed and agreed by your governing body or local authority committee. Your governing body or committee should:
- Confirm that you have appropriate assurance that you comply with:
 - all relevant regulatory requirements set out in Chapter 3 of the Regulatory Framework
 - all relevant standards and outcomes in the Scottish Social Housing Charter
 - all relevant legislative duties
 - the Standards of Governance and Financial Management (RSLs only)

Example wording:

We comply with the regulatory requirements set out in Chapter 3 of the Regulatory Framework.

- Set out any areas where you do not materially comply, and describe briefly how you are planning to improve in those areas and the timeframe for improvement.

Example wording:

We achieve all but the following standards and outcomes in the Scottish Social Housing Charter for tenants, people who are homeless and others who use our services:

- <AREA WHERE YOU DO NOT MATERIALLY COMPLY>:<HOW WE PLAN TO IMPROVE>
- <AREA WHERE YOU DO NOT MATERIALLY COMPLY>:<HOW WE PLAN TO IMPROVE>

- Confirm that you have seen and considered appropriate evidence to support the level of assurance you have.
 - Confirm the date of the meeting of your governing body or committee at which you considered and agreed the Statement.
 - Sign the Statement. This should be by your Chairperson or Chair of the committee.
- 4.3 If your RSL is part of a group structure, and the parent is a Scottish RSL, the parent should submit one Statement on behalf of the whole group. The Statement must clearly explain which RSLs it relates to, and disclose any material non-compliance in subsidiary RSLs.
- 4.4 You may wish to produce a more detailed version of the Statement for your tenants and other stakeholders, with additional information about how you obtained assurance and your work during the year. It is up to each governing body and committee to decide whether you wish to do so, in the context of the other performance information that you publish and taking account of any feedback from your tenants. You do not need to send us any additional Statement you produce.

5. What happens next?

- 5.1 You must submit your Statement to us between April and October each year through the landlord portal. Instructions on how to do this can be found on the [portal](#). You should also make the Statement easily available to your tenants.
- 5.2 We will publish each landlord's Statement.
- 5.3 Your Statement will form part of the overall regulatory view that we have of your organisation.
- 5.4 Where you have told us about an area of non-compliance, and we are assured that you have effective plans and the capacity and willingness to improve or resolve the issue, it will be for you to take forward the improvement. We may ask you to keep us updated.
- 5.5 In these circumstances we will not engage with you unless the issue presents such a significant risk to the interests of tenants and service users that we need to monitor it closely, or take action, to ensure it is resolved successfully. We will contact you if we require any further information or assurance.
- 5.6 You must notify us during the year if anything happens which materially changes the level of assurance in your Statement. This could be a positive development, such as completion of planned improvement work. Or it could be that you have found a new area of material non-compliance. If so, you must tell us about the issue and what you are doing to resolve it. For RSLs, you should do this in accordance with our [notifiable events guidance](#). Local authorities should write to the SHR contact person named in your Engagement Plan.

This guidance has been issued under section 35 of the Act and is intended to ensure that all social landlords understand the purpose of the Annual Assurance Statement as it relates to housing activities.

This guidance has also been issued under section 36 of the Act and is intended to ensure that RSLs understand the purpose of the Annual Assurance Statement as it relates to governance and financial management.



**Scottish Housing
Regulator**

www.scottishhousingregulator.gov.uk

7 - Glenavon Heating Decision

Rebecca Wilson


| For Decision

Attachments

[7. Glenavon Heating Decision.pdf](#)

[7.1 Appendix 1 - Glenavon Heating Slides from Away Day 12 March 2022.pdf](#)

[7.2 Appendix 2 - Glenavon heating report.pdf](#)

REPORT TO:	Board	
DATE OF MEETING:	27th October 2022	
AGENDA ITEM:	7	
CONFIDENTIALITY:	Non confidential	
AUTHOR:	Rebecca Wilson, Director of Resources	
RESPONSIBLE DIRECTOR:	Bryony Willett, CEO	

GLENAVON HEATING DECISION

1. PURPOSE

- 1.1 The purpose of this paper is to seek Board approval for the replacement heating system for the 3 multi storey blocks at Glenavon Road.

2. RECOMMENDATIONS

2.1 Board is asked to:

- **Approve** High Heat Retention storage heaters (HHR) as the replacement heating solution for Glenavon
- **Note** that the alternative option of Kensa ground source heat pumps was considered but is not recommended due to the significantly higher costs of this option and the lack of ongoing funding (e.g., renewable heat incentive) to support this.
- **Note** that the addition of battery storage as part of the HHR option is not recommended due to the additional costs involved and the unresolved questions around the feasibility of implementing this emerging technology in our properties
- **Note** that the Scottish Government has confirmed that the HHR costs could be eligible for Theme 2 funding under the Social Housing Net Zero Heat Fund and that if HHR is approved at tonight's meeting that officers will proceed to make a funding application by the end of November 2022. Note also that this funding application will be extended to cover the Association's low-rise stock in advance of proposals on the heating option for the low-rise stock coming to November Board.
- **Discuss and approve in principle** the proposed amendment to the Rent Structure to add a rent factor for HHR storage heating system resulting in a £5 per month increase in rents to reflect the increased amenity of the new system. If agreed amended Rent & Service Charge Policy will come to January Board.

3. EXECUTIVE SUMMARY

- 3.1 The three Glenavon high rise blocks are currently heated by traditional old fashioned storage heaters which are expensive to run, difficult to control and unpopular with customers. The Association has piloted air source heat pumps and high heat retention storage heaters as alternative systems. At the March 2022 Away Day it was agreed that officers would:

- Carry out further tenant consultation on high heat retention storage heaters
- Seek clarification on the hot water issues identified during the pilot and explore options

- Investigate scenarios for the use of batteries for storing electricity and the impact these would have on the heating proposals
- Seek further feedback from other Housing Associations who have installed the Kensa heating system and explore this option more fully

3.2 These actions have now been completed and officers are recommending to proceed with replacing the current heating systems with high heat retention storage heaters without batteries which will be eligible for grant funding from the Scottish Government.

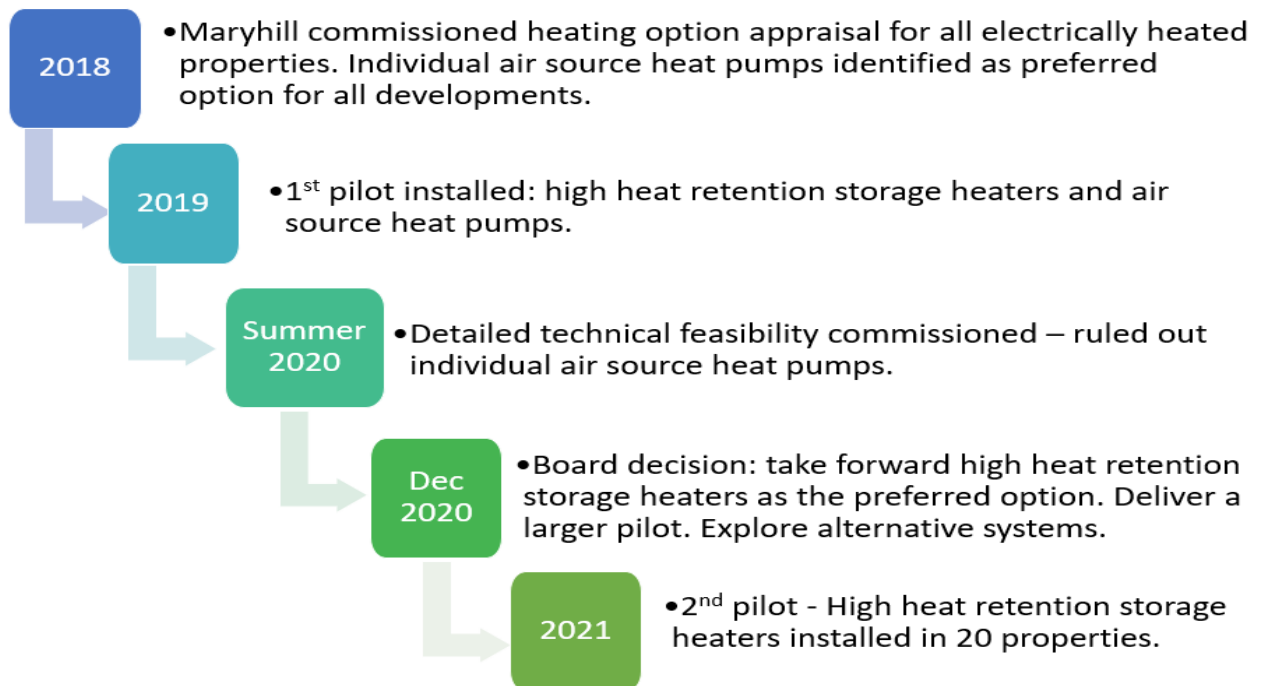
IMPLICATIONS OF THE REPORT	
FINANCIAL RESOURCE AND VALUE FOR MONEY:	<p>The Association’s business plan (as approved in March 2022) assumes that the current heating system will be replaced with HHR storage heaters and new hot water tanks at a cost of £5.5k per unit. These costs are based on the 2021 pilot installations.</p> <p>The March 2022 business plan also assumes that rents in properties receiving the HHR heating will increase by £5.00 per month the year after the install to reflect the additional amenity of the improved system.</p> <p>The March 2022 business plan currently assumes no grant income towards these heating upgrades.</p> <p>The revised Business Plan presented as part of the rent and service charges paper to October 2022 Board assumes that high heat retention storage heaters will be installed without batteries and that grant income will be received.</p>
LEGAL/ REGULATORY/ RULES/NOTIFIABLE EVENTS:	<p>The Association has a regulatory duty to consult tenants on proposed changes to rents and to give at least 28 days’ notice of rent increases. The Association also has a responsibility to ensure rents are genuinely affordable for tenants and prospective tenants and provide value for money. This is stated in the Scottish Social Housing Charter outcome 14 ‘a balance has to be struck between the level of services provided, the cost of the services and how far customers can afford them’.</p> <p>The Association has a Regulatory duty to bring all of its properties up to the Energy Efficiency in Scottish Social Housing (ESSH). A very small number of tenanted properties in Glenavon do not currently meet this standard, and the proposed new heating system would address this.</p> <p>The Scottish Government also introduced an ESSH 2 standard by 2032 which stated that <i>All social housing meets, or can be treated as meeting, EPC Band B (Energy Efficiency rating), or is as energy efficient as practically possible, by the end of December 2032 and within the limits of cost, technology and necessary consent.</i> ESSH 2 also included an interim expectation that properties will meet EPC band D by 2025.</p> <p>The ESSH 2 standard is currently under review (due for completion in 2023). While the review is underway, the current ESSH2 2025 and 2032 milestones are on hold temporarily to ensure that any investment is targeted towards long-term solutions that deliver net zero and support the eradication of fuel poverty. During the review Scottish Government have confirmed that social landlords should continue to invest in energy efficiency measures to help reduce running costs, and in zero emissions heating systems where appropriate.</p> <p>Installing new storage heater systems would achieve lower Energy Performance Certificate (EPC) ratings (C or D depending on location in the block).</p>

IMPLICATIONS OF THE REPORT

CORPORATE PLAN/STRATEGIC OBJECTIVES:	One of the Association's strategic objectives is 'reducing customers' fuel bills by improving energy efficiency and replacing heating systems.
CUSTOMER/TENANT PARTICIPATION:	<p>Customer feedback from consultation sessions carried out in Spring/summer 2022 are included in the report.</p> <p>Customers are aware that the Association is committed to finding the best solution for the heating systems at Glenavon, that both air source heat pumps and high heat retention storage heaters have been piloted and a written update is provided on a six-monthly basis.</p>
COMMUNICATIONS:	<p>Written communication will be issued to all customers at Glenavon once the Association has a firm way forward for the heating replacement.</p> <p>It is proposed that further in person sessions are held in November 2022.</p>
HEALTH AND SAFETY:	There are no health and safety implications at this stage. The project to install new storage heaters would be subject to full CDM regulations.
ENVIRONMENTAL:	Installing new storage heater systems would achieve lower EPC ratings (C or D depending on location in the block). These more efficient systems should reduce carbon emissions.
EQUALITY IMPACT ASSESSMENT:	<p>Women (with young children), older people and those with physical disabilities or other health concerns are more negatively affected by the existing expensive, inefficient heating systems. This is because they are more likely to spend more time at home. They will also see the biggest financial, comfort and potentially health benefits as more efficient heating systems are installed.</p> <p>A full equality impact assessment has not been carried out at this stage.</p>
RISK ANALYSIS:	<p>There are significant financial, service delivery and reputational risks surrounding the decision on a way forward for the heating at Glenavon:</p> <ul style="list-style-type: none"> - The new heating system installed may not adequately heat customers' homes. - The new heating system installed may not deliver financial savings for customers <p>The results from the high heat retention pilot suggest that the risk of inadequate heating is minimal.</p> <p>The pilot also indicated that new storage heaters may be unlikely to deliver financial savings for customers, even though they are more energy efficient, due to the usage, tariff, and energy market. Therefore, it will be vital to make sure communications around the new storage heaters is clear, customers are supported to use the system and smart controllers and the Association does not over-promise financial savings.</p>
FREEDOM OF INFORMATION:	<p>The following should not be published:</p> <p><input checked="" type="checkbox"/> N/A <input type="checkbox"/> Full Report <input type="checkbox"/> Section(s):</p> <p>Reason for redacting:</p> <p>Confidential: <input type="checkbox"/></p> <p>Commercially Sensitive: <input type="checkbox"/></p>

4. BACKGROUND

4.1 The identification of the preferred heating option for Glenavon had been ongoing since 2018 as set out in the timeline diagram below:



4.2 In December 2020 Board approved that a pilot of HHR storage heaters, in 20 households, be taken forward at Glenavon, and that the HHR option be used for business planning purposes as the preferred heating option.

4.3 In addition to running the HHR pilot, Board requested that consideration be given to communal renewable heating options, through learning from other Associations.

4.4 The outcome of the HHR pilot and also the alternative option of ground source heat pumps were considered at the Board Away Day in March 2022. The slides from this section of the Away day are included at Appendix 1 for information.

4.5 At the March Away Day, Board noted that officers intended to consult tenants on the proposed heating solutions. Board also requested the following:

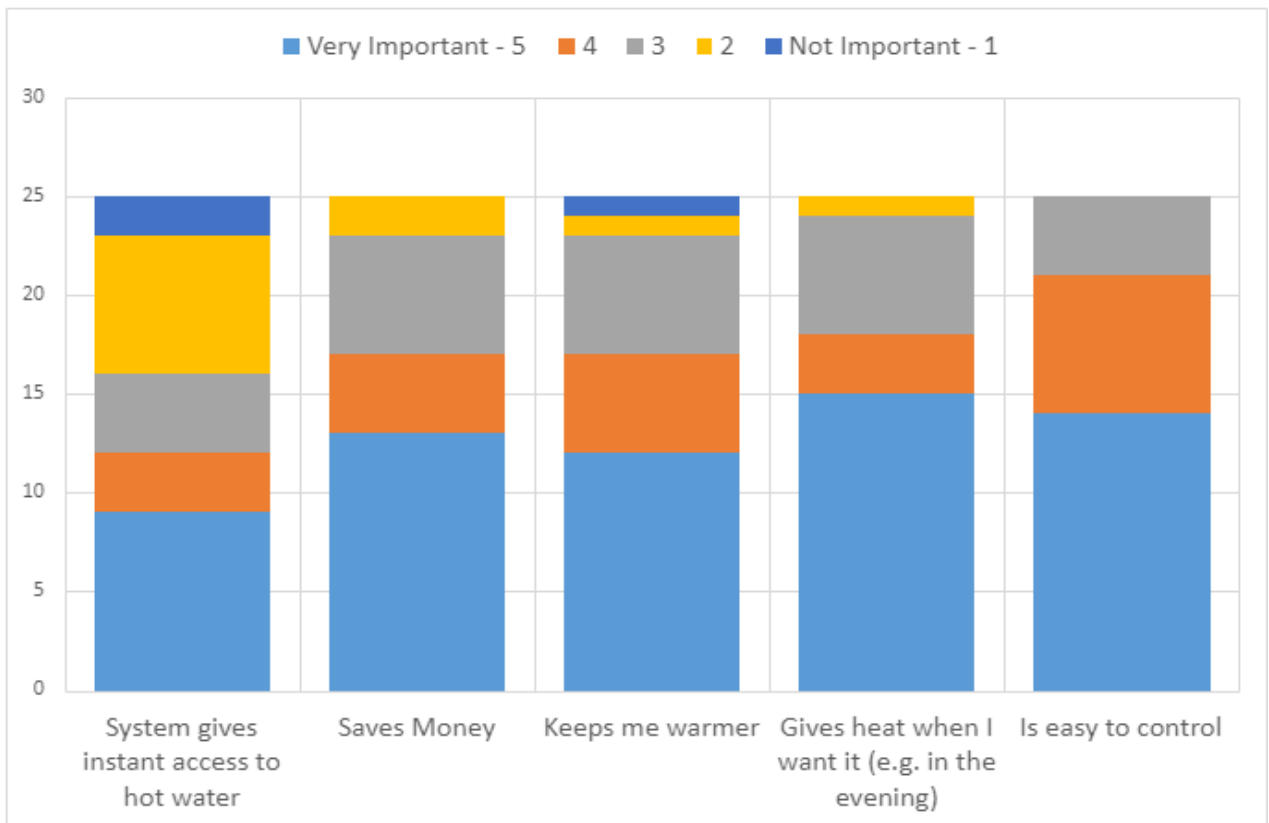
- seek clarification on the hot water issues identified during the pilot and for different options to be explored
- investigate scenarios for the use of batteries for storing electricity and the impact these would have on the heating proposals
- seek further feedback from other Housing Associations who have installed the Kensa heating system and explore this option more fully

5. TENANT CONSULTATION

5.1 Following the March Away Day, three in person consultation events took place at the Glenavon blocks, with these events including an update on the heating options and a request that tenants undertake a quick survey. A total of 25 tenants answered the survey questions, with the results summarised below:

Question	Thinking about the feedback from the heating pilot, what do you think we should do next?	
Answer	Roll out the new storage heater installation, starting later this year	17
Answer	Explore further the ground source heat pump option by talking to other landlords who have installed this system	8
TOTAL		25

A further 5 questions were then asked on what was important to tenants about the new heating system, with answers on a scale of 1-5 where 5 is very important and 1 is not important. The results are summarised in the graph below:



5.2 The results of the consultation, albeit from only a relatively small number of the total 360 homes in Glenavon, show a clear preference for the storage heaters and the feature with the highest number of 5s is 'Gives heat when I want it' and the highest combined 5&4s is 'Easy to control'. The least important factor is 'Instant access to hot water'. The majority of responses came from tenants who did not participate in the pilot programme.

6. PILOT REVIEW

6.1 The HHR Pilot involved the installation of new HHR storage heater systems and hot water tanks in 20 properties at Glenavon, with installs taking place during August & September 2021 and pilot running until Feb 2022.

Findings from the pilot were reported to the March 2022 Away day and summarised below:

Positives

Feels warmer
Heats the home
More controllable
Easier to use
Recommended by 10
of 13 customers

Negatives

No decrease in usage
Increased costs
Customer support
Hot water supply –
can't fill a bath!

- 6.2 The per unit cost of the high heat retention storage heaters and new hot water systems installed averaged at £4.8k. For budget purposes going forward an allowance is included for inflation and smart controllers taking it to £5.5k.
- 6.2 Since the Away Day the hot water issues have been investigated. It was identified that a small number of tenants had faulty thermostat controllers, and these have recently been replaced which has resolved the hot water issue.
- 6.3 In addition to investigating the specific hot water issues reported, all pilot customers were recently contacted to obtain feedback on their new heating now that they have had it in place for over a year. The findings are summarised below:
- 12 out of 21 customers phoned (couldn't get through to the others).
 - 2 we knew had issues with faulty thermostat controllers. This is now fixed.
 - 1 customer has a family of 4 and uses the boost function every other day as he uses a lot of hot water to bath his children.
 - The remaining 9 customers said they like the system and have no complaints.

7. BATTERY STORAGE

- 7.1 It is possible to install an inverter and storage battery in properties which enables the customer to charge the battery at the cheapest times in the day and then use this stored power to operate their appliances in the home at more expensive times of the day. The battery option therefore has the potential to save customers money in their electricity usage.
- 7.2 As part of the HHR Pilot, our contractor Turners proposed the inclusion of battery storage within a small number of installs. 2 customers agreed to have batteries installed in their properties. Due to covid issues and lack of access, only 1 battery was installed and after installation it was identified that the electricity infrastructure in the property could not support the battery. The battery has therefore never been able to operate correctly, and we are currently in the process of arranging removal of the battery and identification of a new property where it could be installed correctly.

- 7.3 The Association's appointed energy consultants, Hulley & Kirkwood, have advised that they do not have any specialist knowledge in batteries, and they were not involved in the addition of batteries to the HHR Pilot. They are not able to provide the Association with any specialist advice on battery systems.
- 7.4 The Association has recently met with a consultant who does specialise in battery systems. The information obtained is summarised below:
- The cost of a battery and inverter is £2.4k per property
 - Installing HHR systems with batteries would allow for one less storage heater to be installed and replaced with a panel heater, this would result in a per unit cost of £7.4k
 - Current indications from the Scottish Government are that battery storage is not something that would fall within the Social Housing Net Zero Heat Fund
 - Locations to site the battery would need to be identified, preferably somewhere cool so could be out on the landings with the inverter located within the property
 - Requirement for building warrant is not known
 - Life expectancy of the battery averages at 10 years, though this is dependent on how the battery is used. Optimal usage could increase the battery life, but ineffective use could degrade the battery more quickly.
 - The cost benefits of the battery can be maximised by the customer switching tariffs, shopping around between suppliers to be in control of their own power usage, this would require a smart meter to be installed and use of portal controls
 - Our Glenavon properties currently have Scottish Power White Meter Comfort Plus meters, and it is unknown if the battery and inverter demonstrated would work with the existing meters
 - The majority of tenants have prepayment meters, and it is unclear if the batteries could operate with prepayment meters
 - From the ASHP installations at the mini multis we know that getting Scottish Power to change from the existing dual tariff meters can be difficult

8. ALTERNATIVES INCLUDING KENSA GROUND SOURCE

- 8.1 Following the March Away Day officers contacted two English housing associations who had installed Kensa ground source heat pump systems (Together Housing and Your Housing Group).
- 8.2 The key feedback from these discussions is summarised below. A table showing more detailed feedback is shown in the table at Appendix 2:
- Per unit costs ranged from £12.5k to £22k (more expensive scheme included Sunamp hot water store which uses a battery and provides instant hot water)
 - The work to install the ground source heat pumps is very disruptive in the land around the properties where the drilling would take place, although kensa managed this very well on site.
 - Both projects were funded through the Associations' own resources and commercial renewable heat incentive (RHI) funding. The commercial RHI effectively meant both schemes were fully funded in the long term. Commercial RHI funding is no longer available.
 - Tenants were very positive about both schemes anecdotally, particularly in terms of controllability. Both organisations had significant problems with previous systems (e.g., multiple complaints and a petition) and received almost no complaints about the new systems. Neither organisation had carried out a full study or had substantive data on cost savings for customers. Some customers anecdotally reported cost reductions, some reported cost increases.

9. LOW RISE STOCK (Cumladden Deck Access, Cadder & Skirsa)

- 9.1 Although this report is only seeking approval for the heating and hot water system for the Glenavon properties, there are also 241 further non-multi storey properties that have the outdated electric storage heating in place.
- 9.2 An initial feasibility assessment in 2022 of the majority of this stock has indicated that air source heat pumps, either individual or communal, are unlikely to be the right heating option. Reasons for unsuitability included: potential planning restrictions, lack of suitable locations for siting the ASHP units and roof load being inadequate to allow roof siting for a communal system. A further, more detailed feasibility assessment is currently being undertaken, and officers think it is likely that HHR storage heaters may well be the recommended option.
- 9.3 Given the Social Housing Net Zero Heat Fund has an installation deadline of 31 March 2024, officers intend to include the low-rise stock within the draft funding bid pending receipt of this detailed feasibility.
- 9.4 It is proposed that a report will come to November Board seeking approval of the new heating and hot water system for the low-rise stock ahead of the submission of any funding bid by 30th November.

10. SCOTTISH GOVERNMENT FUNDING

- 10.1 A representative from the Scottish Government has confirmed that the installation of High Heat Retention (HHR) storage heaters may be eligible for funding under Theme 2 of the Social Housing Net Zero Heat Fund (SHNZHF), as long as the new storage heaters can be demonstrated to be more energy efficient than the existing storage heaters.
- 10.2 The original heating systems option appraisal carried out by Engie in 2018 indicated that new HHR storage heating in Glenavon would deliver a carbon saving of 330,000 kg CO₂ per annum. Our current energy advisors Hulley & Kirkwood will provide updated carbon saving figures to accompany any funding application.
- 10.3 Applications to the SHNZHF can be made to the Scottish Government at any time and will be reviewed quarterly. It is intended to submit an application to the fund by next deadline of 30th November 2022.
- 10.4 Total capital funding available to projects from SHNZHF is up to £10 million for a single project. Projects must provide a minimum of 50% match funding. These are the same principles which applied to the funding for the Air Source Heat Pump project at the mini multistoreys.
- 10.5 Projects eligible for Theme 2 funding must be fully installed and commissioned by 31 March 2024. For this reason, it is proposed to include the low-rise stock as well as Glenavon in the November 2022 funding bid.

11. RECOMMENDED WAY FORWARD

- 11.1 It is recommended to proceed with the replacement of the current traditional storage heaters and hot water system with high heat retention storage heaters and new immersion heaters for the following reasons:

- The upfront capital cost is significantly less than the alternative ground source heat pump option (£5.5k per unit for HHR vs at least £18.4k per unit for ground source) (or (£2.75k vs £9.2k per unit with 50% grant)
- The high heat retention storage heaters would be much quicker to install and less disruptive to customers than ground source heat pumps
- Customers would not have to change their current meters and would still be in receipt of the Economy 7 Comfort Plus tariff
- Smart controllers can be used with the existing meter set up
- Customers are in favour of proceeding with this option
- Feedback from the pilot is that the new high heat retention storage heaters are easier to control and keep customers warmer
- The water issues identified in the March Away Day have been resolved and the new hot water storage proposed does not require regular maintenance for legionella protection
- The additional cost and unproven nature of use of batteries in a social housing setting means we do not propose progressing with battery storage

11.2 It is not expected at this time that the high heat retention storage heaters will significantly reduce tenants' heating costs. However, the new system will deliver a more efficient and controllable heating method. It is imperative that the Association engages well with customers about their new system to maximise the efficient running of their heating.

11.3 The HHR storage heaters are demonstrated to deliver carbon reductions thus contributing to the Scottish Government net zero agenda in a way that is affordable to the Association, and which meets customers heating and hot water requirements.

11.4 In the longer term it is proposed that the Association looks to reduce heating bills for customers at Glenavon through a 'fabric first' approach. In practice this means insulating the outside of the building (the fabric) to reduce the need for heating. A fabric first approach is an established best practice in improving energy efficiency of buildings (and therefore reducing energy bills through reducing the demand for heating). In practice, at Glenavon, this will mean adding to the current insulation when the render issue is resolved and maximising the efficiency of the new windows that will be installed at the same time as the render repair/replacement.

12. RENT INCREASE CONSIDERATION

12.1 Properties which currently have the old traditional storage heaters receive a £12.09 per month deduction from their rent to reflect the poor amenity provided by this inefficient and difficult to control systems.

12.2 Feedback from the HHR pilot is that the new high heat retention storage heaters are easier to control and keep customers warmer. These systems therefore provide a higher level of amenity to tenants than the traditional system.

12.3 The Association's Rent Structure sets out a number of criteria based on the amenity provided to the customer. The current criteria for heating source is set out below:

Type of Heating	Monthly charge
Electric	-£12.09 deduction
Gas	£0
Air Source Heating	£0
Smart heating (air source plus internet)	£5.34

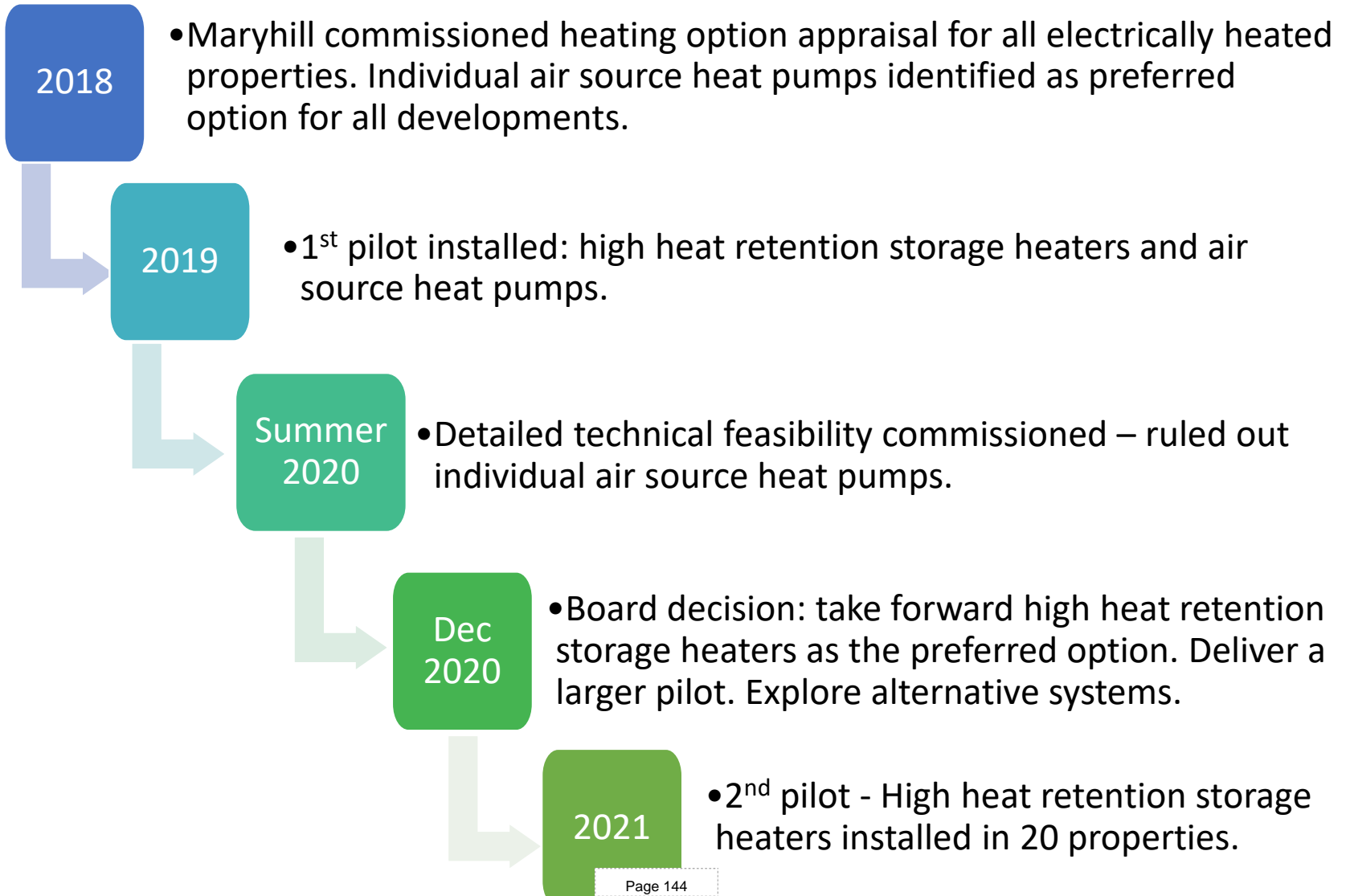
- 12.4 To reflect the increased amenity offered by the new HHR systems, it is proposed to create a new 'type of heating' of high heat retention which would have a monthly deduction of £7.09, i.e., would see an increase in these tenants' rents of £5 per month.
- 12.5 In line with the approach taken with the air source heat pump installations, tenants would not be charged this new rent element until the April following completion of the install. Consultation with tenants would be required before this new rent charge could be implemented.
- 12.6 Board are asked to discuss and agree in principle this approach. If agreed a revised Rent & Service Charge Policy will come to the January Board and reflect the new 2023/24 rent levels considered at that meeting.



A heating solution for Glenavon

Jennifer Simon, Director of Operations
Carol Bain, Head of Property
Rebecca Wilson, Director of Resources

Trying to find a heating replacement solution for Glenavon



High Heat Retention Option

Replace existing storage heaters with Quantum High Heat Retention storage heaters with smart controls.

Addition of battery storage would increase efficiency/flexibility of use as it enables tenants to purchase electricity at a lower tariff and store to use later.

If battery storage is included, the system would qualify as a Net Zero heating system and attract Scottish Government funding.



High Heat Retention Option

Item	Details
Capital Cost	Option 1 – No battery storage £1.9m Option 2 – With battery costing up to £5.5k per unit £3.8m – after funding £1.9m
Capital Funding Potential	Battery storage option – £1.9m Scottish Government Net Zero Funding
Life Span	<ul style="list-style-type: none"> • Storage heaters – 20 years • Battery – not yet known as battery option not finalised
Ongoing Costs	<ul style="list-style-type: none"> • Battery option may impact hot water storage and servicing requirements.
Manufacturers claims for tenant experience	<ul style="list-style-type: none"> • Easy-to-use controls • Deliver heat only when it is required ensuring no energy or money is wasted • Boost element to ensure heat is always available
Manufacturers estimated cost for tenants	<ul style="list-style-type: none"> • Up to 27% cheaper to run than a standard storage heater system

Heating Pilot

20 households

Incentivised
participation

Various locations
within blocks

Installation Aug-
Sept 2021

Pilot Objectives



Thermal Comfort



Cost Savings



Ease of Use

Pilot Outcomes

Positives

- Feels warmer
- Heats the home
- More controllable
- Easier to use
- Recommended by 10 of 13 customers

Negatives

- No decrease in usage
- Increased costs
- Customer support
- Hot water supply – can't fill a bath!

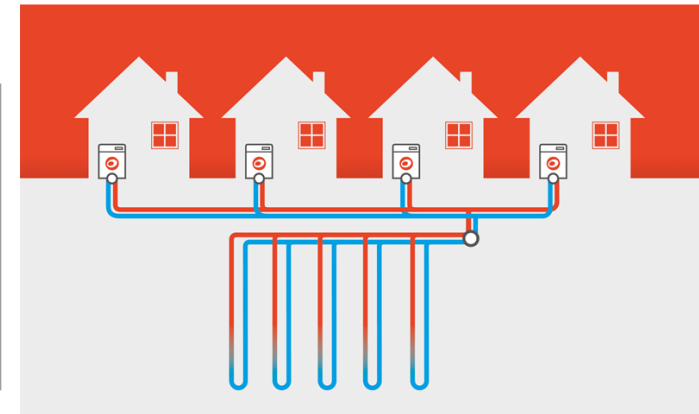
Glenavon Heating – Alternative Option



Kensa 'shoebox' ground source heat pump

Typical GSHP running costs

Average values per property type	Current System Estimated Running Cost (Electric)	Total Estimated Running Cost GSHP	Total Estimated Saving for Tenants
Flat – 1 bed	£965.27	£461.25	£504.02
Flat – 2 bed	£1,194.19	£595.67	£598.52



Carbon Reduction Based on Average Consumption – SAP 10.1 Carbon Intensity Figures

Glenavon Tower blocks	Electrics		Heat Pump	
	Carbon Intensity of Fuel (gCO2e / kWh)	Resulting Annual Emissions (kgCO2e / year)	Carbon Intensity of Electricity (gCO2e / kWh)	Resulting Annual Emissions (kgCO2e / year)
Estimate Annual Heating Demand per Property (kWh / year)				
7857	0.136	1068.61	0.136	344.71

Glenavon Heating – Alternative Option



Figure 2 Schematic demonstrating the general design of a GSHP installation including the ground array.



Figure 3 A photo showing a GSHP installed at a property.

Glenavon Heating – Alternative Option

Kensa ground source heat pump option

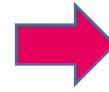
Item	Details
Capital Cost	<ul style="list-style-type: none"> £6.7m including VAT £3.35m incl VAT if funding achieved
Capital Funding Potential	<ul style="list-style-type: none"> £3.35m Scottish Government Net Zero Funding
Life Span	<ul style="list-style-type: none"> Heat pump – 20 years Ground array – 100 years
Ongoing Costs	<ul style="list-style-type: none"> £40k heat pump servicing every 2 years
Manufacturers claims for tenant experience	<ul style="list-style-type: none"> Individual heat pump and tank in each dwelling providing heating & hot water Powered by occupant's electricity supply & free to switch energy suppliers Radiators with individual TRV controls – equivalent to mains gas system
Manufacturers estimated cost for tenants	<ul style="list-style-type: none"> Price per kWh of energy likely to be higher than storage heaters But fewer kWh used to heat the home – estimated 57% less electricity used
Learning from others	<ul style="list-style-type: none"> Thermal comfort has improved for customers Costs for customers have not reduced Installation can be very disruptive and asbestos will increase costs beyond budget figures

Option Comparison – produced by Kensa

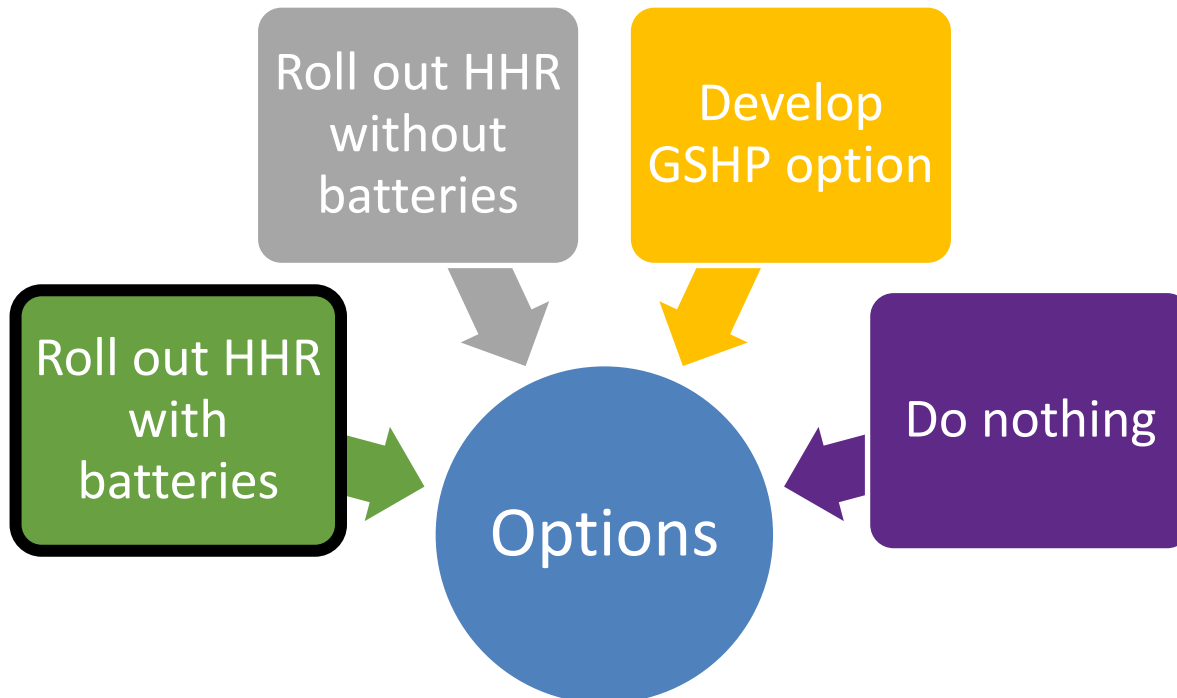


Next Steps

Customer consultation



- Pilot outcome
- Hot water
- Rent increase



Appendix 2: Feedback from Together Housing and Your Housing Group on Kensa Ground Source Heat Pumps

Association	Together	Your Housing group
System type	Kensa ground arrays. 3 x 17 storey tower blocks - removing obsolete gas systems. Smart thermostats were also installed that allows the landlord to see how the customer is using the system. Having access to this data is really important.	2 blocks of flats. 3 storey. 49 units.
Contractor	Kensa lead contractor	Kensa lead contractor.
Number of units served	300	49 units.
Internal to the property - heating and hot water configuration	Wet heating system. Tank for hot water storage. Not Sunamp - too expensive.	Sunamp thermal store. Could even run the showers off this. Really positive about this.
Individual or communal supply?	Communal array but individual supply from there.	Communal array but individual supply from there.
When installed	2018 to today	2021
Per unit capex cost	£12.5k - £18k per unit.	£22k per unit.
Funding source	Own capital and RHI income.	Own capital and commercial RHI.
Is it cheaper for tenants? Any evidence to support this?	Depending on usage previously, sometimes customers' costs would have gone up, but they do have a full heating system.	Haven't actually gone back and done a survey but have never had a complaint. Whereas previously received lots of complaints and petitions.
Are tenants warmer?	Yes when replacing them compared to electric storage heaters. Not sure when replacing gas systems.	Haven't actually gone back and done a survey but have never had a complaint. Whereas previously received lots of complaints and petitions.

Is it easy to control?	Tenants really appreciate the controllability - smart thermostats included as standard. Much better visibility. Use beanbag app which is like a hive/nest to allow them to control them remotely. These include	Yes it was really easy to control and gave them heat when they wanted it.
What are the ongoing maintenance implications?	Built training into the contract. Annual service required - for warranty and RHI.	Annual visit to the shoebox. No maintenance of the arrays.
What was the experience of installation/level of disruption?	Very disruptive outside but Kensa are experts at drilling. Piping boxed in. 3 - 4 days per property.	Installation experience really positive. Th outside work was really disruptive. There was less disruption inside the home. provided decoration/disturbance vouchers: approx £300 - £400
Would the tenants recommend it?	Yes – tenants very positive. Particularly about controllability.	Yes. Tenants incredibly positive about it - tenants reporting that it gave them heating when the wanted it and kept them warm.
In-house inspection/clerk of works	Surveyors and tenant liaison team in-house. Expect the contractor to have tenant liaison. Intensive client side input.	Project surveyors who check the quality and customer liaison officers - dedicated to the scheme. They were on site once/twice a week. Kensa also had their own liaison officer. Switchee programmer was straightforward and easy to use. Pretty intuitive for tenants. Access issues were minimal.
Would you recommend it?	Yes. There is no other solution for these blocks and the commercial RHI funding meant it was a bit of a no-brainer decision.	Yes definitely - and definitely compared to new storage heaters which had been failing since install.

<p>Any other relevant information</p>	<p>Kensa act as lead contractor. Kensa then sub out the heat pump installations. This could be problematic if the interface with the sub-contractor wasn't working well. They secured an RHI deadline extension. Looking to monitor the data into the repairs and maintenance function. They have been set up to work on an exception basis. Information for tenants is vital - at first install but also at tenancy change. Leaflets and videos and briefings for front facing staff. Did appraisal on RHI to assess costs over 20 years. Shoe box easy to take in and out if it needs repairs. Planning to use common ground array ground source on any blocks over two stories moving forward. Procured through a heat pump framework. Had a contractor day. There are alternatives out there - e.g. Swedish firm Nebe and Vaillant but they didn't meet the needs. Did do a scan of the market to assess options. Let a programme of contracts to Kensa.</p>	<p>Started to look at it because of a petition received from customers. Feasibility study completed. Could previously get RHI for it. Procurement fairly open once ground source identified as the preferred option. Price/quality split. Did a beauty pageant of different suppliers. Attraction of Kensa system was that it isn't communal and doesn't need an external communal boiler house type system. Kensa shoebox preferred system. Would really recommend Kensa as a contractor. Not a lot of complaints from customers. Making good work very positive. Challenge because sloped site. System offered free of charge to owners. No issues with quality during the install period. Had real issues with the previous new high heat retention storage heaters. Definitely would not recommend it and they have had real issues. Also including a Switchee controller which is a programmable digital thermostat - which the landlord can access.</p>
--	--	---

8

19:45, 5 min

8 - Write-Offs and Write-Backs

Joanne Reid

| For Decision

Attachments

[8. Write Offs and Write Backs October 2022.pdf](#)

REPORT TO:	Board	
DATE OF MEETING:	27 October 2022	
AGENDA ITEM:	8	
CONFIDENTIALITY:	Non confidential	
AUTHOR:	Joanne Reid, Head of Neighbourhoods & Communities	
RESPONSIBLE DIRECTOR:	Jennifer Simon, Director of Operations	

REPORT TITLE: Write offs and write backs

1. PURPOSE

1.1 The purpose of this report is to seek Board approval to write off unrecoverable debt.

2. RECOMMENDATIONS

2.1 The Board is asked to:

- **Note** that there is no request for write off for sequestrated debt.
- **Note** that there is no request for write off for factoring debt.
- **Approve** the write off of £52,294.72 in respect of former tenant arrear debts for the period 1st April 2022 to 30th September 2022.
- **Approve** the write off of £11,034.00 in respect of rechargeable repairs.
- **Approve** the write back of £264.37 of arrears previously written off by the Association.

3. EXECUTIVE SUMMARY

3.1 The Board is asked to approve the write off £52,294.72 of former tenant arrears. The Association and its external debt collection agency (Network Credit Services) have attempted to collect this debt, but this is now deemed irrecoverable.

3.2 The Board is asked to approve the write off for rechargeable repairs totaling £11,034.00. All these rechargeable debts relate to former tenants. The Association and its external debt collection agency (Network Credit Services) have attempted to collect this debt, but this is now deemed irrecoverable.

IMPLICATIONS OF THE REPORT

FINANCIAL RESOURCE AND VALUE FOR MONEY:	The proposed write off amount in respect of former tenant arrears is covered within the bad debt provision and the write off for the year is within budget. The proposed write off in respect to rechargeable repairs does not have any cash implications because the money has already been spent and provided for in bad debt provision.
LEGAL/REGULATORY/ RULES/NOTIFIABLE EVENTS:	Under the Scottish Housing Regulator’s Regulatory Framework (3.1) the Association must have ‘effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes, and control costs effectively. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times.’
CORPORATE PLAN/STRATEGIC OBJECTIVES:	This report relates to the strategic objective of: Enabling Better Lives and Improving Efficiency and Reducing Costs.
CUSTOMER/TENANT PARTICIPATION:	N/A
COMMUNICATIONS:	Customers are provided with quarterly performance updates via the Association’s newsletter and the Association details write off information in the Annual Return to the Charter.
HEALTH AND SAFETY:	N/A
ENVIRONMENTAL:	N/A
EQUALITY IMPACT ASSESSMENT:	N/A
RISK ANALYSIS:	<p>The key risks are:</p> <p>Financial: rental income is essential to the Associations long term viability. This is mitigated by reducing rent arrears when tenancies ends which reduces write offs required.</p> <p>Staff resources: regular write-offs are part of good housekeeping to ensure staff resources are focused on the collection of recoverable debt.</p>
FREEDOM OF INFORMATION:	<p>The following should not be published:</p> <p><input type="checkbox"/> N/A <input checked="" type="checkbox"/> Full Report <input type="checkbox"/> Section(s):</p> <p>Reason for redacting:</p> <p>Confidential: <input checked="" type="checkbox"/></p> <p>Commercially Sensitive: <input type="checkbox"/></p>

4. FORMER TENANT ARREARS

4.1 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

4.5 [REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

4.6 [REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

[Redacted]

[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]

5.2

[Redacted text block]

- [Redacted bullet point]
- [Redacted bullet point]
- [Redacted bullet point]

[Redacted text block]

[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]

6. [Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

9.3

[REDACTED]

9

19:50, 10 min

9 - CEO Report

Bryony Willett

| For Decision

Attachments

[9. CEO Report.pdf](#)

[9.1 CEO Report - Appendix 1 - Whistleblowing Policy - track changes.pdf](#)

REPORT TO:	Board	
DATE OF MEETING:	27th October 2022	
AGENDA ITEM:	9	
CONFIDENTIALITY:	Confidential	
AUTHOR:	CEO/Directors/Senior Managers	
RESPONSIBLE DIRECTOR:	Chief Executive	

REPORT TITLE: CHIEF EXECUTIVE'S REPORT

1. PURPOSE

- 1.1 This report aims to provide Board with an overview of key activity and issues for information. The report updates Board Members on organisational and operational issues and provides progress updates on items which do not require a paper in their own right.

2. RECOMMENDATIONS

- 2.1. Board is asked to:
- **Approve** amending the Leased Properties Policy to add one unit to be leased to the contractor Everwarm to provide a base in Maryhill.
 - **Approve** the revised post at Oran
 - **Approve** the projected budget overspend for reactive repairs
 - **Approve** the projected budget overspend for air source heat pump project
 - **Approve** the revised Whistleblowing Policy as shown at Appendix 1

Contents:

1. Chief Executive
2. Operations
3. Resources

IMPLICATIONS OF THE REPORT	
FINANCIAL RESOURCE AND VALUE FOR MONEY:	A number of the items in this report have financial implications, including Maryhill Locks and Glenavon render however no approvals are sought under these items.
LEGAL/ REGULATORY/ RULES/NOTIFIABLE EVENTS:	The Glenavon render issue; Whistleblowing and reactive repairs procurement are subject to a live notifiable event. External legal advice has been taken to inform the following items: Maryhill Locks defects; Glenavon render.
CORPORATE PLAN/ STRATEGIC OBJECTIVES:	The following items relate to 2022/2023 Delivery Plan priorities: working group for in-house services; exploring partnership opportunities; mobilisation of the new repairs contract.
CUSTOMER/TENANT PARTICIPATION:	There are no items in this report with customer participation implications.

IMPLICATIONS OF THE REPORT	
COMMUNICATIONS:	The Association has communicated with customers about the changes in the reactive repairs service via the newsletter, a specific letter and social media. The new Whistleblowing Policy will be published on the Association's website.
HEALTH AND SAFETY AND WELLBEING:	There are no health and safety implications
ENVIRONMENTAL:	There are no environmental implications
EQUALITY IMPACT ASSESSMENT:	No equality impact assessment has been carried out on the items contained in this report. There are no direct equality implications of items in the report.
RISK ANALYSIS:	A number of items relate to strategic risks as follows: 2.1 Glenavon render – Glenavon render 2.3 Additional leased properties – Housing need 2.4 Reactive repairs mobilisation – Contractor failure
FREEDOM OF INFORMATION:	The following should not be published: <input type="checkbox"/> N/A <input type="checkbox"/> Full Report <input checked="" type="checkbox"/> Section(s): 1.1, 2.1, 2.2, 2.5, 2.6, 2.7 (and sections within recommendations and implications table in respect of these) Reason for redacting: Confidential: <input type="checkbox"/> Commercially Sensitive: <input checked="" type="checkbox"/> (1.2, 2.1, 2.2, 2.5, 2.6, 2.7)

1. [REDACTED] Removed as commercially sensitive.

1.1 [REDACTED]

[REDACTED] [REDACTED]
[REDACTED]
[REDACTED]

2. [REDACTED]

2.1 [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[Redacted text block]

[Redacted text block]

2.2 [Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

2.3 Additional leased properties – update

Refugee Team to house people displaced from Ukraine: Three leases have been signed and the remaining eight properties will be allocated as and when properties become available.

The project to support destitute asylum seekers: has viewed a range of properties and have signed lease for two properties.

Elpis sunflower project: We have been unable to progress signing any leases but are continuing to work with them to identify suitable properties.

2.4 Change to the Leased properties Policy



The Association has been approached by Everwarm the new reactive repairs contractor about leasing a property for use as an office and welfare base for their operatives who will be working on the Associations contract.

It has been confirmed that the property will be used purely as an office and base for the team to access welfare facilities.

The Association previously leased a two bedroomed flat to Turner Property Services in one of the mini multis to be used as a base during the contract to install the air source heat pump heating upgrades. There were no concerns or complaints raised by residents about the use of this flat as a base for the contractors.

Leasing properties is a notifiable event and in line with the Leasing Policy the Association will inform the Regulator of any changes to the policy.

The rent charged for the property will fall under Leased properties (type 1) where the charge applied is more in line with a commercial rent and rent increases are applied at a rate of RPI plus 1%. It is proposed that the property will be let on an Occupancy Agreement in line with Turner arrangement based on advice given by the Solicitors at that time.

The Officers have no concerns with the request and think that it would be beneficial to have an onsite presence in Maryhill of the reactive repairs' contractor.

The Board are asked to approve the proposal to lease a property to Everwarm for the duration of the reactive repairs contract and to approve an amendment to the Leased Properties Policy to reflect leasing one property to Everwarm.

2.5

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted text block]

2.5 [Redacted text]



[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

- [Redacted list item 1]
- [Redacted list item 2]
- [Redacted list item 3]
- [Redacted list item 4]

2.6 [Redacted text]

[Redacted text block]

- [REDACTED]
- [REDACTED]

2.7 [REDACTED]

[REDACTED]

3. RESOURCES

3.1 Working group for in-house services

A working group to consider the Association’s appetite to explore in-house services was attended by four Board Members, officers, and Savills on 6th June. Savills gave a presentation which highlighted the different options open to the Association, but also some of the challenges, primarily around the limited scale of operation. This would mean that overheads may be high and potential financial benefits of in-house may not be realised.

The outcome of the workshop was that officers would contact other Associations with a range of different in-house models to learn from their experiences, before reporting back to the working group in September and the Association’s Board in the November away day.

The learning discussions with other RSLs are underway, however it is proposed due to the financial planning work needed to address the potential rent restrictions, that the next working group meeting will be delayed until later in the year.

3.2 Whistleblowing

As advised to Board by email from the Chief Executive on 22 June 2022, our internal auditors have been appointed to carry out a whistleblowing investigation following receipt by the Association of a communication on 18 June 2022. The auditors have submitted a draft report to the Chair, but this has not yet been finalised at the time of writing.

3.3 Annual procurement report

The Annual Procurement Report for 2021/22 was due for publication by the end of August 2022. Drafting of this report is underway but has not been completed due to the additional financial planning work in respect of potential rent restrictions. The Board will be updated once the Annual Procurement Report has been published.

3.4 Whistleblowing Policy

The Whistleblowing Policy was last approved by Board in October 2019. The policy was reviewed as part of the Collaborative Governance review in 2021, and the following improvements were suggested:

- Adding the SHR regulatory requirements into the Legal Framework section
- Amendments of section 5.1 to make clear that staff or committee can go direct to SHR and this is not just when allegation is about CEO and/or Chair, also amendment to make clear the route for allegations from committee members.

The attached policy shows the updates proposed to address the above points.

The only other change proposed is in regard to the ways to contact the Chair shown in Appendix 1. The current policy provides a whistleblowing email address, with any emails to this address being automatically forwarded directly to the Chair. In light of the recent amendments to the Board Code of Conduct in respect of dealing with breaches, it is proposed to remove this ability to email directly to the Chair, instead it is proposed that any whistleblowing to the Chair will be by way of private and confidential letter to the Association's office. Any letters received would be forwarded to the Chair unopened, thus retaining the confidentiality, but removing the direct contact between the whistleblower and the Chair.

Board approval is requested for the updated Whistleblowing Policy at Appendix 1.



Title	WHISTLEBLOWING POLICY
Purpose	The purpose of this policy is to provide a mechanism to ensure that any employee, Board member or stakeholder of Maryhill Housing Association feels able to raise a whistleblowing concern.
Scope	<p>All employees, Board members and Stakeholders working for or acting on behalf of the Association are covered by this policy. The policy also applies to suppliers and those providing services under a contract within MHA.</p> <p>A whistleblower is someone who reports certain types of wrongdoing, usually it will be something they have seen at work - though not always.</p> <p>The wrongdoing disclosed must be in the public interest. This means it must affect others, for example the general public.</p> <p>A whistleblower is protected by law – they should not be treated unfairly or lose their job because they ‘blow the whistle’.</p> <p>A whistleblower can raise concerns at any time about an incident that happened in the past, is happening now, or which they believe will happen in the near future.</p>
Definitions	<p>Whistleblowing – Whistleblowing is where a member of staff raises concern about improper conduct, wrongdoing, risk or malpractice with someone in authority either internally or externally e.g. a regulator. Officially, this is known as making a ‘protected disclosure’.</p> <p>What’s the difference between a grievance and whistleblowing?</p> <ul style="list-style-type: none"> • Whistleblowing is about conduct that affects others: for example, fraud or a failure to comply with health and safety requirements. • A grievance is where a member of staff has a personal complaint about their own employment situation.
Policy Statement	<p>1. Introduction</p> <p>1.1 Maryhill Housing Association (MHA) is committed to the highest standards of openness, probity and accountability. As employees are often the first to realise that there may be something seriously wrong, the Association expects those who have serious concerns about any aspect of MHA’s work to come forward and speak up without fear of reprisal.</p> <p>1.2 Therefore, the Association recognises that it is an important aspect of accountability and transparency to provide a mechanism to ensure that no employee, Board member or stakeholder of the organisation feels at a disadvantage in raising legitimate concerns.</p>

- 1.3 The Public Interest Disclosure Act 1998 gives legal protection to employees against being dismissed or penalised by their employers as a result of publicly disclosing certain serious concerns. These concerns must be made in the 'public interest' as per the Enterprise and Regulatory Act 2013. In addition if a disclosure is not made in 'good faith' this will still be considered by an employment tribunal but any compensation can be reduced by up to 25% in such circumstances.
- 1.4 Employers may also be held vicariously liable for workers who victimise colleagues for making a disclosure. MHA will take all reasonable steps to protect workers from being victimised.
- 1.5 All employees, Board and Stakeholders working for or acting on behalf of the Association are covered by this policy. The policy also applies to suppliers and those providing services under a contract within MHA.
- 1.6 If you are a customer, member of the public or other service user, you should raise any concerns regarding "Whistleblowing" directly with the Chief Executive, or in writing marked 'Private and Confidential' FAO to the Chief Executive.
- 1.7 General Data Protection Regulations: MHA will treat your personal data in line with our obligations under the current data protection regulations and our own GDPR Policies & Procedures. Information regarding how your data will be used and the basis for processing your data is provided in MHA's employee privacy notice.
2. Scope of the Policy
- 2.1 This policy is designed to enable employees, Board members and other stakeholders of MHA to raise concerns internally and at a high level to disclose information that the individual believes shows malpractice or impropriety. A number of policies are already in place, including dignity at work, and disciplinary and grievance procedures. This policy is intended to cover concerns that are in the public interest and may (at least initially) be investigated separately, but may lead to the instigation of other procedures. These concerns might include:
- Financial malpractice, impropriety or fraud
 - Dangers to health and safety or the environment
 - Criminal activity involving Maryhill Housing Association, its staff, Board members or stakeholders
 - Professional malpractice
 - Improper conduct or unethical behaviour
 - Failure to meet legal obligations
 - Abuse of power or status
 - Deliberate attempts to conceal any of the above
3. Legal Framework
- Public Interest Disclosure Act 1998
 - Enterprise & Regulatory Act 2013

- Scottish Housing Regulator – Regulatory Framework

4. Safeguards

4.1 Protection

This policy is designed to offer protection to those employees of the Association who disclose such concerns provided the disclosure is made:

- In the public interest
- To an appropriate person/body; and
- That the individual has reasonable belief in the validity of the concerns being raised

The Association will not tolerate any harassment or victimisation (including informal pressures) and will take appropriate action to protect the individual when they raise a concern with the above provisions acknowledged.

4.2 Confidentiality

All concerns will be treated in confidence and every effort will be made not to reveal the individual's identity if they so wish. However, at the appropriate time the individual may need to come forward as a witness.

4.3 Anonymous Allegations

This policy encourages individuals to put their names to any disclosures they make. Concerns expressed anonymously are much less robust, but may nevertheless be considered at the discretion of the Association.

4.4 Untrue Allegations

If an individual makes an allegation that is not confirmed by the subsequent investigation, it is probable that no action will be taken against them. However, if the individual makes an allegation that is deemed to be made 'in bad faith' i.e. frivolously, maliciously or for personal gain, disciplinary action may be taken against them and this may be up to and including dismissal. It should also be noted that under the provisions of the Enterprise and Regulatory Act 2013, if a disclosure is not made in 'good faith' this will still be considered by an employment tribunal but any compensation can be reduced by up to 25% in such circumstances.

5. Dealing with a whistleblowing matter

5.1 Reporting the concern

The individual should normally raise concerns with their immediate line manager. This information will be passed on as soon as possible to the Chief Executive.

However, if the concern is about the line manager or in anyway relates to the line managers actions, the individual should report the concern directly to the Chief Executive.

If the concern is about the Chief Executive or in anyway relates to the Chief Executives actions, the individual should go direct to the Chairperson whose contact details are shown in Appendix 1

Board members should normally raise any concern with the Chairperson.

If both the Chief Executive and Chairperson are implicated in the concerns can also be raised directly with the Scottish Housing Regulator, by staff or Board members, if for whatever reason, the individual feels unable to raise these internally. The, the individual should go direct to the Scottish Housing Regulator, contact details are shown in s-per Appendix 1.

Although the individual is not expected to prove beyond doubt the truth of an allegation, they will need to demonstrate that there are reasonable grounds for their concern.

The earlier the individual expresses their concern, the easier it is to action.

The Chief Executive and/or Chairperson must also notify the Scottish Housing Regulator of any whistleblowing allegations in accordance with Notifiable Events statutory guidance.

5.2 Appointing an investigator

On receipt of a disclosure the appropriate person will launch an investigation.

All disclosures will be investigated by the Chief Executive, unless the complaint is against the Chief Executive or is in any way related to their actions.

Where the complaint is related to the Chief Executive, the Chairperson will appoint an independent person to investigate the allegations.

Depending on the circumstances surrounding the investigation appropriate action will be taken in accordance with the Association's existing policies and procedures.

The Chief Executive and/or Chairperson may appoint a member of the senior management team to investigate, appoint an appropriate external investigator if deemed necessary, or may refer the matter to the external auditor or the police.

5.3 Investigation Process

The investigator will not be the person who makes any decision regarding the concern raised, but they will write to the person who raised the concern as soon as possible and:

- Acknowledge that the concern has been received;
- Indicate how the matter will be dealt with;
- Give an estimate of how long it will take to provide a final response;
- Supply the individual with information on staff support mechanisms; and inform the individual whether further investigations will take place and if not, explain why.

The amount of contact between the persons considering the issues and the individual will depend on the nature of the matters raised, the potential difficulties

	<p>involved and the clarity of the information provided. If necessary, the Association will seek further information from the individual concerned.</p> <p>Where any meeting is arranged, the individual can be accompanied by a trade union representative and can also have the meeting off-site if they wish.</p> <p>6. Raising a concern externally</p> <p>Public Interest Disclosure Act (1998) provides protection for staff who make a whistleblowing claim to a prescribed person whether or not they have raised the matter within their own organisation.</p> <p>It is a requirement of the Regulatory Standards that RSLs ensure that their whistleblowing policy also makes it clear that staff can appropriately report concerns to the Scottish Housing Regulator (as one of the prescribed persons) and that they should not suffer any detriment for doing so.</p> <p>Board members are not covered by the Public Interest Disclosure Act but the SHR will handle concerns raised by governing body members in <u>the</u> same way as qualifying disclosures by staff.</p> <p>In terms of how the SHR would deal with a concern raised information can be found in the “Whistleblowing about a regulated body” published by the SHR in April 2015.</p> <p>Employees can also obtain advice, in confidence, by contacting their trade union (if appropriate).</p> <p>7. Outcome of Investigation</p> <p>In terms of matter reported internally, the person who undertook the investigation should submit their report to the person who appointed them, i.e. the Chief Executive or Chairperson. The Chief Executive or Chairperson will then consider and decide what action to be taken. If there are reasonable grounds to substantiate the complaint, an appropriate procedure will be initiated. This may also include referral to an external body or regulator.</p> <p>Where an individual feels that their concern has not been dealt with appropriately, they can appeal the decision internally to the Chair of the Audit Committee. If, after appealing internally the individual is still not satisfied with the outcome, they can raise the issue externally (if they haven’t already done so) with any of the Prescribed Persons outlined in Appendix 1.</p>
Approval	Board, 31-27 October 2019 <u>2022</u>
Policy Owner	Rebecca Wilson, Director of Resources
Review	October 2022 <u>2025</u>

Chairperson contact details

By email: ~~_____~~ whistleblowing@maryhill.org.uk

Online: ~~_____~~ [using the contact form on our website www.maryhill.org.uk](http://www.maryhill.org.uk)

By mail: PRIVATE & CONFIDENTIAL
FAO The Chair
Maryhill Housing Association
45 Garrioch Road
Glasgow
G20 8RG

List of Prescribed Persons

- **Scottish Housing Regulator**
Tel: 0141 242 5642
- **Environmental Health**
Glasgow City Council Tel: 0141 287 2000
- **Health and Safety Executive**
Tel: 0300 003 ~~1647~~ [1747](tel:03000031747)

Further Sources of Information

- **ACAS**
Helpline: ~~08457 47 47 47~~ [0300 123 1100](tel:03001231100)
www.acas.org.uk
- **Protect (formerly Public Concern at Work)**
Tel (general): 020 ~~7 404 6609~~ [3117 2520](tel:02074046609)
- **Unite the Union**
Tel: 0141 404 5424

10

20:00, 10 min


10 - Governance Report

Rebecca Wilson

| For Decision

Attachments

[10. Governance Report.pdf](#)

REPORT TO:	Board	
DATE OF MEETING:	29th September 2022	
AGENDA ITEM:	10	
CONFIDENTIALITY:	Non-Confidential	
AUTHOR:	Director of Resources/ CEO/ Performance and Governance Manager	
RESPONSIBLE DIRECTOR:	Director of Resources	

REPORT TITLE: GOVERNANCE REPORT

1. PURPOSE

- 1.1 This report aims to provide Board with an overview of key governance activity. The report updates Board Members on issues that relate to the Association’s Rules, its Regulators, or the Board, where such items do not require a paper in their own right.

2. RECOMMENDATIONS

2.1. Board is asked to:

- **Note** the remaining items in this report.
- **Consider** appointment to Maryhill Living Board.
- **Provide** feedback on whether training should be booked between October and December and if so, which training should be prioritised.
- **Approve** the removal of 9 members from the Shareholding Members Register.
- **Approve** appointment of Tim Holmes as Staffing Panel Chair

Contents:

1. Regulatory issues
2. Board issues
3. Maryhill Living issues
4. Other Governance issues

IMPLICATIONS OF THE REPORT	
FINANCIAL RESOURCE AND VALUE FOR MONEY:	There are no financial or value for money implications from this report.
LEGAL/ REGULATORY/ RULES/NOTIFIABLE EVENTS:	<p>The Scottish Housing Regulator set outs in the Standards of Governance and Financial Management for RSLs:</p> <p><i>“Standard 1 – The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.</i></p> <p><i>1.2 The RSL’s governance policies and arrangements set out the respective roles, responsibilities and accountabilities of governing body members and senior officers, and the governing</i></p>

IMPLICATIONS OF THE REPORT	
	<p><i>body exercises overall responsibility and control of the strategic leadership of the RSL.</i></p> <p><i>1.3 The governing body ensures the RSL complies with its constitution and its legal obligations.”</i></p> <p>The purpose of this report, in providing updates on key governance activity, including regulatory and Rules compliance, and therefore to address the above guidance.</p>
CORPORATE PLAN/ STRATEGIC OBJECTIVES:	<p>The following are identified as objectives within the Governance Effectiveness Plan:</p> <p><i>“Ongoing recruitment to be carried out for new Board members who are reflective of the Maryhill and Ruchill communities.”</i></p>
CUSTOMER/TENANT PARTICIPATION:	There are no tenant participation implications
COMMUNICATIONS:	There are no communication implications
HEALTH AND SAFETY AND WELLBEING:	There are no health & safety implications
ENVIRONMENTAL:	There are no environmental implications
EQUALITY IMPACT ASSESSMENT:	There are no equality implications
RISK ANALYSIS:	<p>This report addresses the following strategic risks:</p> <p>Legislation & Regulation - <i>Failure of staff to ensure MHA meets Statutory and Regulatory standards related to operational activities</i></p> <p>Board Effectiveness - <i>Failure of the Board to lead the organisation effectively</i></p>
FREEDOM OF INFORMATION:	<p>The following should not be published:</p> <p><input type="checkbox"/> N/A <input type="checkbox"/> Full Report <input checked="" type="checkbox"/> Section(s): 1.1, 2.7; Appendix 1 Board member commitments</p> <p>Reason for redacting:</p> <p>Confidential: <input checked="" type="checkbox"/> 1.1, 2.7 names of applicants, Appendix 1</p> <p>Commercially Sensitive: <input type="checkbox"/></p>

1. REGULATORY ISSUES

1.1 [REDACTED] Removed as confidential

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- [Redacted]

[Redacted]

Reference	Date Submitted	Subject	Progress Update
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]

Reference	Date Submitted	Subject	Progress Update
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Reference	Date Submitted	Subject	Progress Update
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

1.2 Regulatory Correspondence

Correspondence was received from the Scottish Government to update that the legislation to enact the Programme for Government announcements of 6th September (the Cost of Living (Tenant Protection) (Scotland) Bill) - had been introduced to the Scottish Parliament. The draft legislation can be accessed [here](#) and is scheduled to have passed through the Scottish Parliament by mid-October.

Correspondence was received from the Scottish Housing Regulator regarding the Scottish Government Rent Restrictions and the economic climate. This confirmed an amendment to the Cost of Living Bill which confirmed that the Scottish Government will state the position regarding rent restrictions beyond April 2023 by 14th January 2023 which will give sufficient notice to inform benefit agencies and tenants. The Regulator also set out the following expectations, all of which the Association is acting on:

- Refreshing financial business plans
- Progressing rent consultation
- Considering rent restrictions/the economic situation in developing 2022 Assurance statements
- Entering into dialogue with lenders]

Correspondence was received from the Scottish Government to confirm that the Cost of living (tenant protection Bill) including the moratorium on evictions and the rent freeze until the end of March was agreed by the Scottish Government on 6th October. Key points are:

- There is an exemption to the eviction ban for arrears greater than £2,250, and for non-rent issues such as anti-social behaviour, not living in the property and domestic violence
- The Scottish government will make a decision on a rent freeze/rent restrictions beyond March 2023 by 14th January. This will give sufficient time to notify benefit agencies and tenants. If there is not a rent freeze the Association will be able to increase rents in April 2022.
- The letter also refers states that the Scottish Government '*will look to work at pace to agree the principles and process to most usefully inform social landlords' consultations with their tenants in partnership with the Short Life Task & Finish Group*' (this Group includes representatives from the housing association and local authority sectors). This suggests that Guidance may be expected on how social landlords should be conducting rent consultations. Sector bodies have confirmed this will be a statement of the principles informing rent increase proposals, e.g. absorbing some of the cost increase, protecting key services, rather than specifically what housing associations should be consulting on.

2. BOARD ISSUES

2.1 Chairs Action

Under section 9.1 of the Standing Orders, urgent unexpected matters of an exceptional nature which cannot wait until the next scheduled Board meeting can be approved via Chairs Action, this requires a written report to be provided to the Chair by the CEO (or in absence other Executive Management Team member) detailing the need for the urgent decision. This report is then signed by the Chair to confirm approval and reported to the next scheduled Board meeting.

There have been no Chair's Actions since the last Board meeting.

2.2 Delegated decisions taken by the Chair

There have been no delegated decisions taken by the Chair since the last Board meeting.

2.3 Potential breaches of the Board Member Code of Conduct

There are no potential breaches to report.

2.4 Shareholding membership applications

No new shareholding membership applications have been received since the last Board meeting.

Board are asked to approve the removal of the following shareholders' from the shareholding members register:

No	Name	Reason for Cancellation	Date Cancelled
198	Elizabeth Smith	Deceased	Sep-22
210	Griselda Haines	Deceased	Dec-20
420	Anna Maria MacLean	Deceased	Aug-20
680	Malcolm Sowry	Deceased	Feb-21
396	James Gemmell	Deceased	Sep-22
413	Vera Sheldon	Deceased	Sep-22
181	Joseph Cowan	Deceased	Sep-22
677	Andrew Stewart	Received email requesting to be removed as he is no longer wishes to be a member.	07/09/2022
696	Ryan Pasi	Received email requesting to be removed from membership.	12/09/2022

2.5 Board member leave of absence

Caitlyn McCabe's leave of absence has been approved until January 2023.

2.6 Board member commitments

The table at Appendix 1 provides an overview of individual Board members' commitments across the Association's activities.

Following approval at September Board of the revised Staffing Panel remit, Board is asked to approve the appointment of Tim Holmes as Panel Chair.

2.7 Board recruitment

Following his first induction session, [REDACTED] has decided to withdraw his application to join the Board.

Currently we have five expressions of interest from tenants to join the Board, with one tenant [REDACTED] having submitted her application form. [REDACTED] will be invited to attend a first induction session, following this an interview will be arranged.

Two induction sessions have been scheduled for 3rd November 2022 and invites have been sent to all five tenants who have shown an interest in joining the Board. So far, [REDACTED] and [REDACTED] have confirmed their attendance to the evening workshop but have not yet submitted applications.

2.8 Board Training

Board training requirements that are detailed in the Governance Effectiveness Plan for quarter 1 and 2 have been delayed. This training includes Effective Questioning, Performance Management, and Induction Refresher. Officers are aware of how busy

Board members are and are seeking feedback on whether training should be booked between October and December and if so, which training should be prioritised.

2.9 Board Updates

We have restarted the monthly Board Update email. This was issued by Bryony. Feedback is very much welcomed on content and format.

3 MARYHILL LIVING ISSUES

3.1 Following Roger Popplewell stepping down from his role as a Board member of Maryhill Living Ltd, there is currently a vacancy on this Board. Any Board member who wants to consider putting themselves forward for this role should contact the Performance & Governance Manager in the first instance. This vacancy will continue to be flagged on this report until filled.

4 OTHER GOVERNANCE ISSUES

4.1 Updates on delegated authority granted to staff

Current delegations are set out in Appendix 2.

4.2 Updates on delegated authority to Committees

There are currently no live delegations to Committee, as shown in Appendix 2 and subsequently no delegated authority actions were taken by Committee since the last report.



NAME	Office Bearer	MHA Board	Audit & Risk	Staffing Panel	Hub Board	ML Board	Other Commitments
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]			[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]			[REDACTED]
[REDACTED]		[REDACTED]					[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]		[REDACTED]		[REDACTED]			[REDACTED]
[REDACTED]		[REDACTED]			[REDACTED]		[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]				[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]				[REDACTED]
[REDACTED]		[REDACTED]	[REDACTED]			[REDACTED]	[REDACTED]
[REDACTED]						[REDACTED]	[REDACTED]
[REDACTED]						[REDACTED]	[REDACTED]

Appendix 2 - Specific Delegations of Authority out with Standing Orders

Details of Delegation Granted	Meeting Granted At	Delegation Granted To	Delegation Valid To	Delegation Complete
<p>North Maryhill land transfer – areas around the blocks. Board approved the transfer of land as set out at in Item 6, section 4.7 and Appendix A from Glasgow City Council to Maryhill Housing as long as the annual additional cost to maintain these areas does not exceed £2000 per annum and no significant health and safety concerns are raised by the Association’s play park inspections contractor.</p>	<p>6 July 2020 Board Meeting</p>	<p>Chief Executive</p>	<p>Ongoing</p>	

11 - New Supply Shared Equity Criteria


Jennifer Simon

This agenda item has been added since original agenda was issued on 18/10/22.

For Decision

Attachments

[11. New Supply Shared Equity Criteria.pdf](#)

REPORT TO:	Board	
DATE OF MEETING:	27th October 2022	
AGENDA ITEM:	11	
CONFIDENTIALITY:	Non-Confidential	
AUTHOR:	Jennifer Simon, Director of Operations	
RESPONSIBLE DIRECTOR:	Bryony Willett, CEO	

REPORT TITLE:

1. PURPOSE

- 1.1 The purpose of this report is to set out the criteria for the allocation and sale of the 18 New Supply Shared Equity (NSSE) units which are being developed as part of the Botany Corner site.

2. RECOMMENDATIONS

- 2.1 The Board is asked to:

- **Approve** the criteria for the allocation and sale of the New Supply Shared Equity units as set out at 4.6 and 4.9
- **Approve** that units for sale can be underoccupied by no more than two extra bedspaces as set out at 5.1 if there are no eligible buyers available.

3. EXECUTIVE SUMMARY

- 3.1 The NSSE scheme allows prospective homeowners to buy a new build home without having to cover the cost of the property in full, with some of the cost being met by the Scottish Government.
- 3.2 The buyer normally purchases a share of between 60%-80% of the value of the property and the Scottish Government will hold the remaining share with the share being repaid to the Scottish Government if the property is sold.
- 3.3 The buyer retains responsibility for all costs associated with the home although they do not fully own the property, e.g., mortgage costs, insurance, repairs, and maintenance etc.
- 3.4 NSSE is primarily aimed at low to medium income households and income assessments must be carried out to confirm that buyers cannot afford to buy a new build property outright.
- 3.5 The Scottish Government has set out guidance for the allocation and sale of NSSE units with the aim of supporting first time buyers and specific priority groups which are listed below:

- people living in social housing
- people in the armed forces
- veterans who have left the armed forces within the past two years
- widows, widowers, and other partners of service personnel killed in action for up to two years after their partner has been killed,
- people aged 60 and over,
- disabled people
- those who have previously owned a home and experienced a significant change in circumstances, e.g., marital breakdown

3.6 Legal advice has been taken on the criteria for NSSE units and it has been confirmed that additional criteria can be added as long as the priority groups identified by the Scottish Government are included. It is proposed that the following criteria be included as a priority group to ensure that there is consideration for all groups in housing need:

- applicants who have applied for social housing
- tenants renting privately (including mid-market rent)

3.7 An estate agent has been procured who will market and carry out the assessment of applicants in line with criteria as set out by the Association.

IMPLICATIONS OF THE REPORT

FINANCIAL RESOURCE AND VALUE FOR MONEY:	Following the Board meeting the Estate Agent will be instructed to begin marketing of the NSSE units to maximise sales and limit the risk of units remaining unsold following handover.
LEGAL/REGULATORY/RULES/NOTIFIABLE EVENTS:	The Scottish Government sets out clear guidelines and criteria for the sale of NSSE units.
CORPORATE PLAN/STRATEGIC OBJECTIVES:	The Associations long term strategic objective is to provide places to feel proud of and developing vacant sites supports this objective.
CUSTOMER/TENANT PARTICIPATION:	N/A
COMMUNICATIONS:	Details of the NSSE scheme have been published in newsletters and on the Associations website to ensure that current tenants and the wider community are aware that low-cost home ownership will be available in the area.
HEALTH AND SAFETY:	N/A
ENVIRONMENTAL:	N/A
EQUALITY IMPACT ASSESSMENT:	Due to the Association adding additional criteria an Equality Impact Assessment will be undertaken and will be available at the meeting.
RISK ANALYSIS:	<p>The key risks are regulatory, legal, and reputational as failure to implement the NSSE in line with legal requirements will in effect mean that the Association is not meeting its regulatory and legal requirements.</p> <p>Failure to develop balanced and sustainable communities could become a reputational risk for the Association if access to housing is not available to all sections of the community.</p>
FREEDOM OF INFORMATION:	<p>The following should not be published:</p> <p><input checked="" type="checkbox"/> N/A <input type="checkbox"/> Full Report <input type="checkbox"/> Section(s):</p> <p>Reason for redacting:</p> <p>Confidential: <input type="checkbox"/></p> <p>Commercially Sensitive: <input type="checkbox"/></p>

4. BACKGROUND

- 4.1** The Association is due to take handover of the Botany Corner site early next year and included in the development are 18 New Supply Shared Equity (NSSE) units which have been developed as units for sale.
- 4.2** The NSSE scheme allows prospective homeowners to buy a new build home without having to cover the cost of the property in full, with the remaining cost being met by the Scottish Government.
- 4.3** The buyer normally purchases a share of between 60%-80% of the value of the property and the Scottish Government will hold the remaining share with the share being repaid to the Scottish Government if the property is sold in the future. There is no requirement to pay the remaining share to the Government unless the property is sold, and the homeowner has the option to increase the share of the property they own at a later date.
- 4.4** The buyer retains responsibility for all costs associated with the home although they do not fully own the property, e.g., mortgage costs, insurance, repairs/maintenance, council tax and utility costs etc.
- 4.5** The NSSE is primarily aimed at low to medium income households and income assessments must be carried out to confirm that buyers cannot afford to buy a new build without assistance from the NSSE scheme.
- 4.6** The Scottish Government sets out guidance for the allocation and sale of NSSE units with the aim of supporting first time buyers and specific priority groups which are listed below:
- people living in social housing
 - people in the armed forces
 - veterans who have left the armed forces within the past two years
 - widows, widowers, and other partners of service personnel killed in action for up to two years after their partner has been killed,
 - people aged 60 and over,
 - disabled people
 - those who have previously owned a home and experienced a significant change in circumstances, e.g., marital breakdown
- 4.7** As the properties are due to be handed over early next year the marketing of these units through an estate agent will now need to commence and the criteria for the allocation and sale of the properties will now need to be agreed by the Board.
- 4.8** The specific conditions and criteria for the sale of NSSE units as set out by the Scottish Government is stated above at 4.6. However, legal advice has been taken and it has been confirmed that the Association could include additional criteria to the mandatory criteria provided by the Government.
- 4.9** Having discussed the criteria as a team it was felt that the following criteria should be included as a priority group to ensure that there is consideration for all groups in housing need:

- applicants who have applied for social housing
- tenants renting privately (including mid-market rent)

5.0 Under occupation

5.1 As the units are for sale, the normal principles of the Allocation would not be applicable in terms of the buyer's suitability for the size of the property. It is therefore proposed that overcrowding is not permitted under any circumstances. However, it is acknowledged that whilst the aim is to sell the units to prospective buyers who need a particular size of accommodation to suit the needs of their family there may be occasions where this cannot be met. It is therefore proposed that in these cases properties will not be sold where there are more than two extra bedspaces above the needs of the buyer.

6.0 Next Steps

Countrywide Estate Agents have been procured to market the units for sale and will be carrying out the initial assessment, financial checks, and support with the sale of the units. Due to the information provided to customers and the wider community there are several people that have registered a note of interest and these potential buyers will be exhausted before Countrywide begin to market the units more widely.

12 - Meeting Review

| For Discussion