

**Provanhall Housing Association
Business Plan 2021/22 to 2023/24**

***APPROVED BY THE MANAGEMENT COMMITTEE
15 November 2021***

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Appendix 2: Year 1 Resource Plans (2021/22)

Appendix 4: Strategic Risk Register

Appendix 5: Financial Plans and Cashflows

EXECUTIVE SUMMARY

Introduction

Provanhall Housing Association (PHA) has produced this Business Plan to set out our vision, objectives, plans and resources for the three-year period from 2021/22 to 2023/24.

The Business Plan informs our relationships with our tenants, funders, regulators, and partner organisations. We have consulted with our tenants about their priorities for the future and we look forward to continuing this dialogue as implementation of the Business Plan takes shape.

About PHA

PHA owns and manages 516 homes for social rent, and we factor a further 18 properties, all located in the Provanhall area of Easterhouse.

We are led by an experienced and capable Management Committee (MC) made up of volunteers who live locally. Our MC members are committed to providing decent housing and a better quality of life for their fellow residents and they have strong insight into the needs of our tenants and community. The MC's responsibilities include providing the Association with leadership and direction, while operational management is led by the Director and Management Team.

PHA was set up as a community-controlled housing association in 1991, to tackle the poor housing conditions and neighbourhood decline that had developed when Glasgow City Council was the local landlord. Over the last 30 years, we have:

- Established community ownership of housing in the area
- Grown in size through a further stock transfer from Glasgow Housing Association
- Secured substantial public and private investment to create new and improved homes
- Managed our housing in a way that responds to local needs
- Invested in services and activities beyond housing that benefit the community
- Kept our operating costs under close control and our rents affordable.

We are proud of our achievements which have delivered sustainable regeneration, greatly improved living conditions for residents and long-term value for the public money invested in our community. While there is much still to do, PHA can look to the future with confidence.

Business Plan: Key Highlights

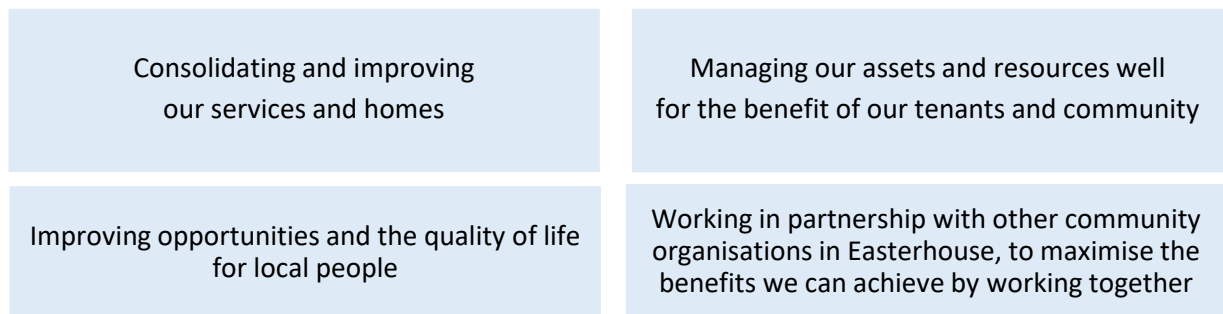
The MC's Vision is:

To make Provanhall a safe, stable and successful community

The MC has set **five strategic objectives** to help us achieve the Vision:

Services	Deliver high-quality services that meet tenants' needs, maximise tenant satisfaction and provide value for money
Homes	Provide affordable, high-quality homes that help to create a stable community
Community	Develop our role as a community anchor in Provanhall, providing and enabling services and activities that benefit individuals and the community as a whole
Resilience	Mitigate the impact of welfare cuts and other external factors that impact on tenants and PHA's business
Leadership & Organisation	Make sure we are an efficient and effective organisation, with the financial and organisational capacity to achieve our goals.

Overall, the Vision and Strategic Objectives means that our strategic direction over the next three years will be based on:



The Business Plan takes a comprehensive look at PHA's business as it is now and where we wish to go in future. It marries our plans and priorities with careful consideration of the financial and other resources available to us, working in a more challenging operating environment, and the major risks we must manage to keep the Plan on course. The Business Plan and the world outside will not stand still, so we will regularly take stock of progress and where we may need to make changes. Being agile and flexible in our approach will be key.

The Business Plans covers all aspects of PHA's business, from the governance role of the MC to the experience tenants should have when they use our services or look to us for support, to the relationships we have with other organisations.

PHA's customer services

We will aim to provide our tenants with a first-class service, to ensure they are highly satisfied with our services and feel that they get good value for money from PHA.

Our benchmarking and customer satisfaction results are already good and provide us with a sound platform for the future. To sustain and where necessary improve our performance, the keys to success will be to understand what is important to tenants, involve them in our work and make sure we stay focused on tenants' needs in how we work, day after day and week after week.

Chapters 8 and 9 set out what we will do to make these things happen.

PHA's asset management

PHA's aim is to provide all of our tenants with quality homes. Keeping our housing stock in good condition is also good business so that existing tenants want to stay with PHA and there is demand for our housing among people looking to be housed in Easterhouse.

We also want our homes to be safe and secure and located in an attractive environment. We will give top priority to meeting all of our legal obligations for ensuring the health and safety of our tenants.

PHA's planning for investment in tenants' homes will enter a new phase following the completion of a new stock condition survey in 2021. This will give us renewed information to plan our future investment programmes in a way that is reliable and efficient. This is particularly important in the current economic climate, when Brexit and other factors have resulted in higher costs for materials and labour is in shorter supply than usual.

Looking to the next 10 years, the Scottish Government is asking landlords and individual property owners to significantly improve the energy efficiency of their housing. This is an important goal, not least because it has the potential to alleviate fuel poverty which many of PHA's tenants experience. However, the Scottish Government has stated its requirements without knowing how change on the scale that it is seeking can be delivered in practice. Meeting government standards is likely to be a major challenge for all property owners in Scotland, in terms of costs and funding and the availability of suitable and affordable technological solutions.

PHA has begun to investigate how the new standards could be approached in a sustainable way and analysis of the new stock condition survey will assist with this. We will develop an initial energy efficiency plan in 2022/23. This will be an evolving issue over the coming years, rather than a "quick fix" due to uncertainties described above.

PHA's role in the community

Provanhall has high levels of poverty and inequality which PHA seeks to address by providing or enabling services that support residents and help to build a better community.

Along with partners, we played a major role in supporting the community during the emergency stages of the Covid-19 pandemic. This work will continue, to help address the longer-term harms the pandemic has caused.

Looking to the future, PHA will continue to make resources available for this important work, both financial and in kind. We will continue our strong partnership with Connect Community Trust to bring dedicated neighbourhood services to Provanhall. As part of the Easterhouse Housing and Regeneration Alliance (EHRA), we will also seek a better, more joined-up response to the needs of communities in Easterhouse involving GCC and other large-scale agencies, the community sector and community service providers like ourselves.

Partnerships

PHA has finite financial and human resources to contribute to community regeneration. The Business Plan recognises this, in emphasising the importance of working in partnership with others as well as delivering services in our own right.

Exploring opportunities to work in partnership in other areas is also on our agenda. We are working with EHRA partners to develop joint approaches to commissioning services such as internal audit and we hope to extend this to other types of procurement in future.

Governance and Finances

The ambitions set out in the Business Plan can only be fully realised if PHA has strong and effective governance and if we have the financial resources to put our plans into practice.

The financial projections accompanying the Business Plan confirm that the Association is in a position to meet our long-term maintenance and debt repayment obligations.

The projections use an evidence-based set of cost assumptions which will be continually updated as new information becomes available, such as analysis of the updated stock condition survey.

The projections forecast that PHA will make surpluses in 25 of the next 30 years and that positive cash balances will be maintained throughout the next 30 years. We do not anticipate that further borrowing will be needed to finance the planned maintenance programme, although there is headroom in the Plan for additional borrowing should circumstances change. The projections have been stress tested using a range of challenging scenarios. We expect to comfortably meet our local covenants with RBS throughout the remainder of the loan period.

We are operating in uncertain times, not least due to the pandemic and economic turbulence. Accordingly, the MC recognises the need to review and update our assumptions on a continuing basis. A focus on efficiency and budgetary control are both critical. The mission going forward is to work to budgets, protect future cash flow and deliver for our community.

CHAPTER 1 Introduction

This Business Plan sets out the strategy and priorities of Provanhall Housing Association (PHA) for the 3-year period from 2021/22 to 2023/24. The Plan describes:



The Business Plan is designed to be a practical tool:

- It describes our overall direction for the next three years, including our plans for consolidation, improvement and any growth or diversification that is planned.
- It enables the Management Committee (MC) to set PHA's objectives and targets and to review subsequent progress.
- It informs PHA's staff team about our goals, and their contribution to achieving these.
- It describes how we will continue to provide tenants and residents with high quality housing, repairs, estate management and asset management.

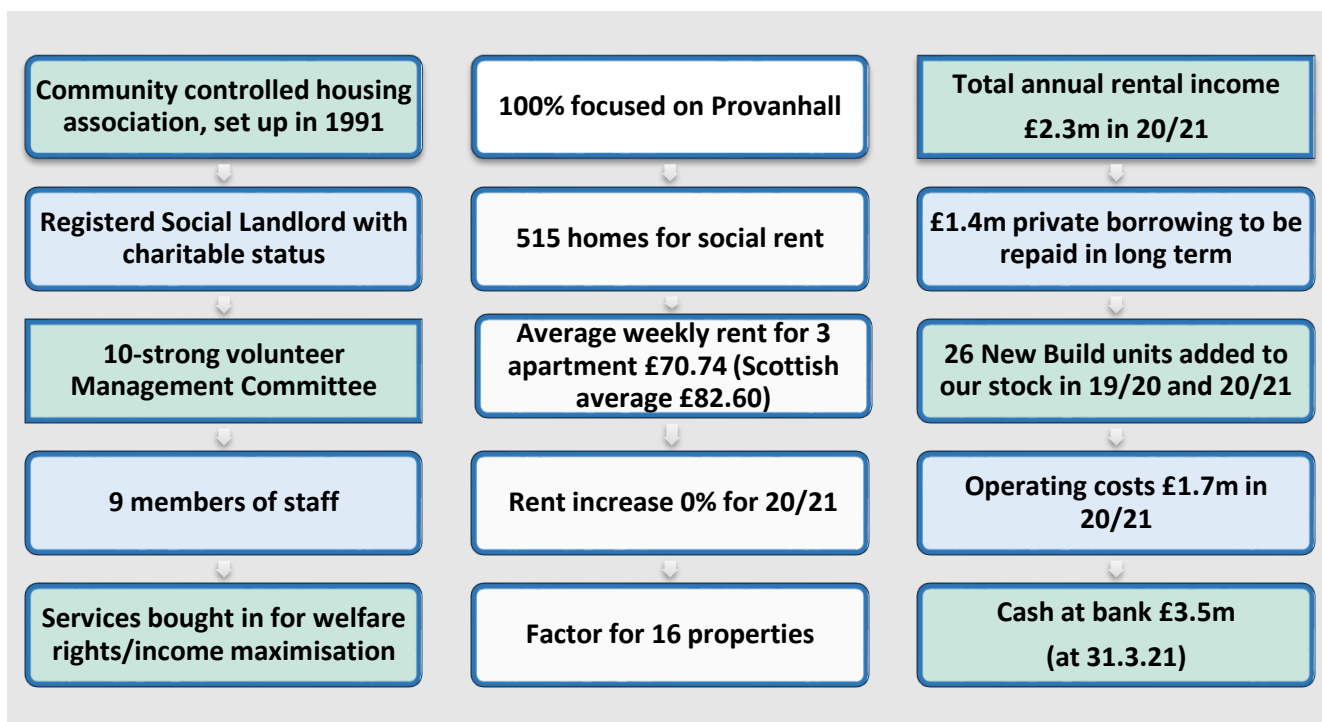
The Business Plan will inform our relationships with tenants and residents and with partner organisations. It will also be of interest to the Association's funders and regulators.

This year's Business Plan has been produced at a time of substantial change and uncertainty. The causes include the Covid-19 pandemic, changes in taxation and benefits, rising inflation and the increasing cost of living for our tenants, economic and supply chain issues that are pushing up our repairs and maintenance costs, future climate change obligations and the legislative and policy priorities of the new SNP-Green Scottish Government.

Political, social and economic uncertainty appears likely to continue during the Plan period, and this will impact PHA, our residents and community. While PHA cannot directly influence many of the uncertainties described in the Business Plan, we will do all that we can to preserve the position of the Association and our tenants and the legacy that local people in Provanhall have created over the last 30 years. In this regard, PHA's financial strength, low debt levels, low rent levels, low management costs and service excellence provide firm foundations for PHA to continue to flourish

CHAPTER 2 PHA's History and Achievements

The Association operates in the Provanhall neighbourhood of Easterhouse, 6 miles east of Glasgow city centre. The following graphic gives a quick profile of the Association at 31st March 2021:



PHA's roots go back to the 1950s when Glasgow Corporation followed a policy of large-scale slum clearance in the inner city and the creation of a new generation of council houses on the city's outer edges. Easterhouse was built from the mid-1950s onwards to house a population of 50,000 people and was the largest of the new estates that were built.

By the 1980s, many communities in Easterhouse including Provanhall had serious housing and social problems which the City Council was unable to resolve. A new breed of community-controlled housing associations emerged in Easterhouse – Provanhall among them - which became landlords, developers, and managers of housing. Led by local residents, the Easterhouse housing associations exemplified “people power” in action and became part of a citywide movement of similar organisations which acted as renewal agents in communities throughout Glasgow. The longevity of the Easterhouse associations tells its own story of why local solutions work and is testament to the many Easterhouse residents who have served on management committees without payment for the good of their community.

PHA's initial focus was on improving the quality and sustainability of housing, by renovating existing homes and building new ones. The new build element of the regeneration has helped to increase diversity in house types and sizes.

A second wave of growth occurred in 2009, when Glasgow Housing Association finally completed the transfer of 195 homes to the Association, following a six-year transfer process. This

established PHA as the owner and manager of all social rented housing in Provanhall, although GHA has since built 2 new build developments in Provanhall. PHA secured a role in the second of these developments, taking ownership of 26 completed homes during 2019/20 and 2020/21.

Community governance has been part of the Association's DNA throughout its history. The leadership provided by local people has contributed to sustainable regeneration, better long-term value for public money, and a wide range of other achievements, including:

- Comprehensive refurbishment of 371 properties (still in PHA ownership) originally acquired from the City Council.
- The construction of 144 new homes (still in PHA ownership).
- Investing £1.9 million in tenants' homes since 2009 through our cyclical and major repairs programmes. To date, these programmes have focused on boiler replacements, new kitchens, new bathrooms, common door set installations, new door entry systems and environmental works.
- Excellent local housing and maintenance services, evidenced by PHA's consistently high level of performance results in service delivery, along with very good levels of tenant satisfaction.
- Operational efficiency, demonstrated by low rents, low operating costs and a lean staffing structure.
- Maintaining low debt levels and strong cash flow.
- Winning the support of 88% of GHA tenants who voted in favour of the 2009 stock transfer, and continually promoting a culture in which all tenants identify with the Association and the Provanhall community.
- Improving the external amenity of the neighbourhood, notwithstanding the practical challenges where vacant land and other sites remain in Council ownership.
- Supporting The Connie, the local community centre, and the services it provides.
- Using PHA funds to support wider role activities and optimising the value of this investment by working in partnership with Connect Community Trust which raises funds from other sources and delivers wider role activities in the area.
- Providing Provanhall residents with financial support through purchasing services from Connect Community Trust and Connect People's Gateway. Working collaboratively with other Easterhouse housing associations through Easterhouse Housing and Regeneration Alliance (EHRA) on a wide range of initiatives. These have included joint housing allocations policy and common housing register; benchmarking and service improvement; apprenticeships; learning opportunities and joint training.
- Ensuring business continuity and protecting the safety of our tenants, staff, committee members and contractors during the Covid-19 emergency, while also working with local partners to provide Provanhall residents with practical help and support to get them through the pandemic.

While PHA has a long history of achievement, much remains to be done to meet our ambitions for the Provanhall community and to continually develop our service delivery to meet tenants' expectations. The Management Committee and staff retain all of their commitment and enthusiasm for addressing the challenges of the future, and our efforts will be assisted by the strong community spirit found in Provanhall.

CHAPTER 3 PHA's vision, aims and core values

The Management Committee has set the following vision and values:

Vision



To make Provanhall a safe, stable and successful community

- Everyone lives in a warm and affordable home, in a neighbourhood that is clean and well cared for
- Everyone has access to the opportunities needed to achieve a good quality of life

Values

PHA's values are based on valuing and respecting our customers; our committee members; our staff; and our partners. We will always strive to be:

Open and accessible	Accountable to the community	Inclusive and respectful	Supportive of our staff and committee members
Efficient and adaptable	Creative and innovative	Responsible	Fair and trustworthy

As a community anchor organisation, PHA provides a focal point for the Provanhall community. The MC is committed to achieving the best for everyone who lives in Provanhall. This means:

- PHA will work with all sections of the community, including tenants of other social landlords.
- We will work with other organisations who share our Vision and Values, in a spirit of partnership and co-operation.

Equality is central to our values. We will reflect this in our work and promote fair treatment and equal access to services and opportunities when working in our own right and when we are working with others. We will always seek to comply fully with equalities legislation, notably the Equality Act 2010 and the anti-discrimination provisions it contains.

CHAPTER 4 PHA's Future Direction and Strategic Objectives

PHA's Future Direction

The Association's future direction over the period of the Business Plan is as follows:



PHA remains open to the possibility of growth through further development in the future, but this is unlikely to be a priority in the next three years. Instead, the focus will be on service delivery, managing our assets and seeking a greater role in supporting our community to address existing poverty and inequality and the harms that the Covid-19 pandemic has caused. Our community support activities will build on the work we carried out before and during the pandemic and the local partnerships we have forged.

Strategic Objectives

The Management Committee has set five strategic objectives to be addressed and achieved over the three years of the Business Plan.

PHA Strategic Objectives 2021/22 to 2023/24

1. Deliver high quality services that meet tenants' needs, maximise tenant satisfaction and demonstrate value for money
2. Provide affordable, high-quality homes that meet local needs and help make Provanhall a safe, sustainable, and successful community
3. Develop our role as community anchor in Provanhall, enabling services and activities that benefit individuals and the community as a whole
4. Mitigate the impact of welfare cuts and other external factors that impact on tenants and PHA's business resilience
5. Make sure that PHA is an efficient and effective organisation, with the financial and organisational capacity to achieve our goals.

Each objective has a set of intended outcomes, as shown in Appendix 2.

Priority actions for addressing the strategic objectives in year 1 of the Plan are summarised at the end of the relevant Business Plan chapter and then shown in an expanded “SMART” format¹ in the Resource Plans also contained in **Appendix 2**.

The description of strategic direction and objectives provided above represent an evolution of PHA’s current strategy rather than a fundamental shift, but we are also aware that this will involve significant challenges as a result of the pandemic, a volatile economy and continued threats to tenants’ incomes and wellbeing.

The Business Plan and the accompanying strategic options appraisal chart our understanding of these challenges and express the Management Committee’s strong belief that PHA in its present form will better serve the interests of tenants and our community than any alternative organisational forms.

We may, over the course of the Business Plan period, apply options or risk review techniques to areas of our business where impact or value to the Association needs to be re-appraised periodically. For example, if we were to seek to resume a small-scale development programme.

¹ “SMART” stands for Specific, Measurable, Achievable, Relevant and Timebound. A SMART action plan ensures that the goals are specific and that progress towards outcomes can be tracked and measured in a transparent way.

CHAPTER 5 Governance and Leadership

Governance Model

PHA is a not-for-profit Scottish Charity and is registered with the Scottish Housing Regulator and the Office of the Scottish Charity Regulator. PHA is also a Property Factor registered with the Scottish Government.

PHA's Rules describe our permitted objects and are based on the principle of "one member, one vote". This ensures that we operate in a democratic manner.

We are a place-based organisation, with our purpose and priorities 100 per cent focused on the Provanhall community. We were established as a community-owned and community-controlled body and these features are as relevant today to our governance model as they were when we were first set up.

Members of PHA may attend and vote at general meetings, seek election to the MC, and vote in the election of MC members.

Constitution	Management Committee (Governing Body)	Regulation
<ul style="list-style-type: none">• Community Benefit Society• Individuals/Groups become members for £1• Registered Social Landlord• Scottish Charity	<ul style="list-style-type: none">• Up to 15 members• Elected by the members (co-options also possible)	<ul style="list-style-type: none">• Scottish Housing Regulator• Scottish Charity Regulator• Financial Conduct Authority• Scottish Government (Property Factor Register)

Management Committee and Structures

Appendix 1 provides information about the current members of the MC.

- 4 MC members have served for more than 9 years, 1 member has served for 7 years, while the remaining 5 members including the Chairperson have joined the MC in the last 5 years. This provides an effective balance between continuity and renewal in committee membership.
- All MC members are Provanhall tenants or factored owners.

The MC meets monthly (with the exception of July when no meeting is held) and is supported by three sub committees which meet quarterly. These are Housing Services; Technical Services; and Staff, Learning and Development. All meetings, and our Annual General Meetings for 2020 and 2021, have taken place online during the Covid-19 pandemic. Committee members have adapted

well to the challenges presented by online meetings and there has been no material disruption to committee business.

Sub Committees carry out their role under the authority of the Management Committee, with each Sub Committee's role and delegated authority being described in the Association's Standing Orders which are reviewed periodically. The aim of the structure is to enable proper scrutiny and assurance for all main business areas, while also permitting the MC to focus on its role of providing strategic direction and leadership.

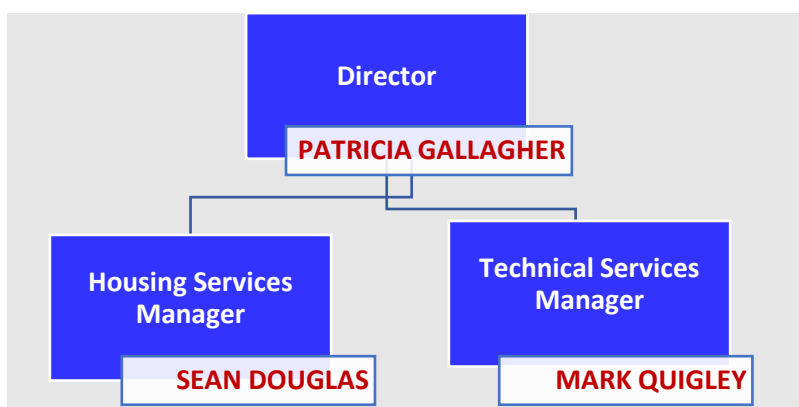
Skills audits and committee member reviews take place each year, to help members reflect on their skills and contribution to the MC and identify what support the Association can provide. A review of the MC itself is also carried out annually and we have a succession plan in place for the MC.

PHA works with the other members of the Easterhouse Housing and Regeneration Alliance (EHRA) to provide an annual programme of committee member training. Along with attendance at conferences, this approach enables committee members to stay up to date with topical subjects and to network with committee members from other housing associations. While these arrangements have been affected by the Covid-19 pandemic, committee members continued to take part in training in 2020/21, with good use made of the online training events provided by SHARE.

PHA has adopted the SFHA Code of Conduct for committee members and the SFHA/EVH Code of Conduct for staff. The Codes are supported by a range of other governance policies and procedures, to make sure that the Association meets good practice and regulatory standards.

Senior Management Team

The members of the Association's senior management team are:



All Senior Management Team members are suitably qualified and have a wealth of service and experience in housing. Further biographical details are provided in Appendix 1, along with a chart showing the Association's staffing structure.

Governance and Corporate Priorities for 2021/22

PHA's priorities are summarised below and then set out in a SMART Action Plan format at Appendix 2.

- 1. To approve a new PHA Business Plan for the period 2021/22 to 2023/24.**
- 2. To maintain effective succession planning arrangements for the MC, focused on promotion of committee membership within the community.**

Our aim is to make sure the membership of the MC is broadly representative of the community and that we have a mix of members who are able to bring different perspectives to the MC for example from work, volunteering or life experience.

Our current priorities are to attract new members from younger age groups and more male committee members. In turn, attracting new members will help to safeguard continuity in the event that our most experienced committee members from older age groups decide the time is right for them to step down.

- 3. To seek to establish a Youth Committee in the area.**

While committee members from younger age groups are always welcome on the MC, we recognise that younger people may want to get more involved in their community in ways other than membership of the MC.

The purpose of this initiative is twofold. Firstly, to ensure that PHA has a dedicated channel for communicating and engaging with young residents and secondly, to build up understanding and skills that might lead young people to think about joining the MC either now or in the future.

- 4. To put in place succession plans for our staff team.**

This will include the three senior posts in the staffing structure, where we are actively planning for the possibility of staff retirements or departures. The MC has been fully briefed on what it must do in such cases, including securing independent HR advice in the event of the resignation of the senior officer and agreeing a contingency plan in advance should interim cover be needed.

Plans will also cover all other PHA posts since our staff team is small in size which increases the impact of unexpected decisions to move on the part of staff members.

- 5. To implement the training plan arising from the 2021 round of committee member appraisals.**

Other Corporate Priorities for 2021/22

In addition, work will be carried out on a number of “cross cutting” areas that impact all aspects of PHA’s business. These represent corporate priorities and will involve each of our teams in planning and/or delivery activities. The priorities tasks are:

Tenant Participation

6. Deliver PHA’s 2021/22 programme of tenant participation activities.

Tenant Satisfaction

7. Plan for the next comprehensive Tenant Satisfaction Survey to be conducted in 2022.

Complaints

8. Introduce the new Model Complaints Procedure, including tenant information and staff training.

Equality Monitoring

9. Review the document “Collecting equality information: National guidance for Scottish social landlords” (August 2021) and develop a PHA system for collecting information about the protected characteristics in the Equality Act 2010.

CHAPTER 6 Strategic Analysis

This chapter describes the local and wider environment that PHA works in, and the issues this raises for our strategy. The chapter uses statistics and other data from a wide range of sources.

Area of Operation

The Association works exclusively in the Provanhall neighbourhood as shown in the following map:



Map accessed from www.google.co.uk

Population and Households in Easterhouse and Provanhall

Easterhouse

Between 2001 and 2011, Easterhouse lost both population and households, at rates that were among the highest in Glasgow. There was a 12% fall in households with children, while the number of single person households stayed largely the same. 552 dwellings were lost between 2001 and 2011 (about 1 in every 8 houses), mainly through demolition of social rented homes.

Glasgow's population increased by 4.4% between 2015 and 2019. More local data is unlikely to be available until the results from the delayed 2021 Census are published. However, it is almost certain that Easterhouse's population will have increased in recent years due to both RSL new build developments and promotion of developments by GCC of new homes for sale.

The resulting growth in population may bring some benefits to the wider community, for example by improving some public services in Easterhouse or making them more sustainable. However, while GCC has gathered in developer contributions for new development in Easterhouse, it has not

re-invested these resources to address the needs of the area’s poorer communities. This risks making Easterhouse a “two tier” place where communities such as Provanhall with poorer and older residents see little change in their circumstances and are increasingly left behind.

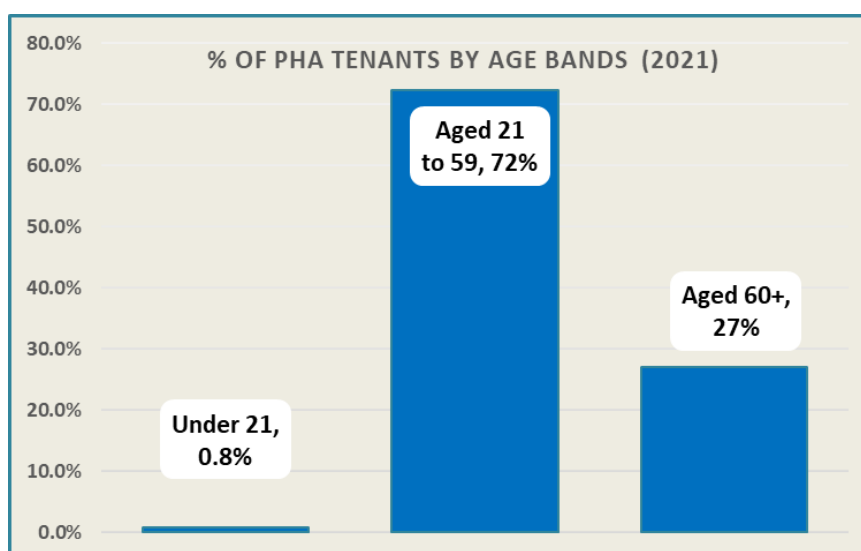
Demographic Profile of PHA Tenants

Tenancy records and our local knowledge give us good insight into the profile of PHA tenants.

Age Profile

Provanhall has a considerably higher population share for older people, compared with Easterhouse and the city of Glasgow.

- PHA tenants: 27% are aged 60 or over
- Greater Easterhouse: 14% of adults aged 65 or more ¹
- Glasgow: 13% of population aged 65 or over ²



This will have significant implications for the services that tenants need in future. The capacity and quality of health and social care services to support older residents must increase and greater use of telecare will be needed. From a housing perspective, we can expect to see more tenants with mobility issues, particularly if they are living in walk-up flats.

Household Types (PHA Tenants)

The table below shows the household composition pattern reported in our 2019 Tenant Satisfaction Survey. At the time, 44% of households were single adults, 11% were 2 parent families, 20% single parent families and 13% were two adult households with no children.

Which of the following best describes your household composition?

¹ GCC Population Estimates 2014

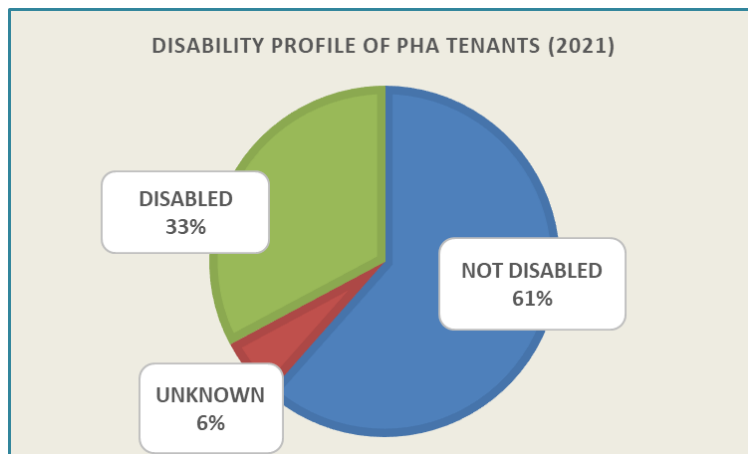
² GCC Mid-Year Estimates for 2019 (published 2021)

Base: All respondents, n=250	2015	2019
Single adult 65+	14.4%	17.6%
Single adult 16-64	26.0%	26.8%
2 parent family	8.0%	10.8%
1 parent family	14.0%	20.4%
2 adults 65+	2.8%	3.6%
2 adults at least one below 65	18.8%	9.2%
Other	16.0%	11.6%

We will refresh this data when carrying out our next Survey in 2022.

Disability

Our tenancy records show that one-third of PHA tenants have a disability. Mobility or physical disabilities are the most prevalent, followed by tenants with poor mental health and people who have long-term conditions.



Disability levels, based on self-reporting by tenants are higher. In our 2019 Tenant Satisfaction Survey, 42% of respondents said that either they or a member of their household had some form of long-term illness, health problem or disability which limits their daily activities or the work they can do.

Ethnic Diversity

Provanhall has become a more diverse community in recent years. See table below at October 2021 which provides statistics for all but four of PHA's 516 tenancies.

People from BME communities accounted for 2.4% of Easterhouse's population in 2011, compared with 15% for Glasgow as a whole. PHA now has almost 10% of tenants whose ethnicity is other than white Scottish, compared with 5% in 2016. No information is available for voids or lease flats.

Ethnic Origin	Number of Tenants	% of Tenants
Scottish	464	90.63%
Polish	25	4.88%
Irish White	1	0.20%
British White	6	1.17%
African	10	1.95%
Asian Background	5	0.98%
Portuguese	1	0.20%
Grand Total	512	100.00%

The Association continues to be a member of 'Happy to Translate' which provides a range of interpreting and translation services for staff and tenants. This helps to ensure inclusive service delivery to our service users whose first language is not English.

Poverty and Inequality in Provanhall

The 2020 Scottish Index of Multiple Deprivation (SIMD 2020) provides profiling results for a geographical area that is a very close match for PHA's area of operation. This is based on two SIMD 2020 datazones which can be broadly described as "Conisborough Road/North Provanhall" and "Conisborough Road/South Provanhall". The combined population of the two datazones is 1,400 people, of whom 910 are of working age.

SIMD 2020 produces data for nearly 7,000 small areas in Scotland, with a ranking of 1 representing the most deprived in Scotland and a ranking of 6,976 being the least deprived.

Both datazones in Provanhall have an overall ranking in the **5% most deprived of all datazones in Scotland**.

Data zone & location	S01010114 Conisborough Rd to Auchinlea Rd	Compared with all Scotland	S01010113 Conisborough Rd to Balcurvie Rd	Compared with all Scotland
Overall SIMD rank (all factors)	16	Bottom 5%	230	Bottom 5%
Income rank	31	Bottom 5%	254	Bottom 5%
Employment rank	41	Bottom 5%	229	Bottom 5%
Education rank	38	Bottom 5%	372	Bottom 10%
Health rank	13	Bottom 5%	190	Bottom 5%
Crime rank	335	Bottom 5%	1164	Bottom 20%
Housing rank	546	Bottom 10%	635	Bottom 10%

The table below shows specific indicators of deprivation covered by SIMD 2020. It compares the results for Provanhall with those for Glasgow and with Mount Vernon and Sandyhills which is an example of an affluent community that is relatively close to Provanhall. In the comparison:

Pink shading represents the worst result

Green shading represents the best result

SIMD Indicator	Conisborough to Balcurvie Rd	Conisborough to Auchinlea Rd	Glasgow City	Mt Vernon & Sandyhills
Percentage of people who are income deprived	33%	44%	19%	3%
Percentage of people who are employment deprived	26%	33%	13%	3%
Standardised mortality ratio*	150	172	116	79
Comparative Illness Factor: standardised ratio*	250	290	155	75
Emergency stays in hospital: standardised ratio*	178	222	119	82
Proportion of population being prescribed drugs for anxiety, depression, or psychosis	23%	33%	21%	15%
Hospital stays related to alcohol use: standardised ratio*	233	327	148	31
Hospital stays related to drug use: standardised ratio*	268	182	111	20
Proportion of live singleton births of low birth weight	2%	8%	5.6%	0.0%
Attainment rate of school leavers	4.7	4.8	5.8	6.0
School pupil attendance	73%	62%	77%	91%
Working age people with no qualifications: standardised ratio*	247	271	153	70
Proportion of 17-21 year olds entering university	6.1%	1.4%	7.0%	11.6%
Proportion of people aged 16-19 not participating in education, employment, or training	9%	7%	4%	1%
Crime rate: recorded crimes of violence, sexual offences, domestic housebreaking, vandalism, drugs offences, and common assault per 10,000 people	462	830	327	59

*** Note: Standard ratios**

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

ratio of below 100 is better than the national average while a ratio of more than 100 is worse. The higher the number, the worse the outcome is for the indicator being reported on.

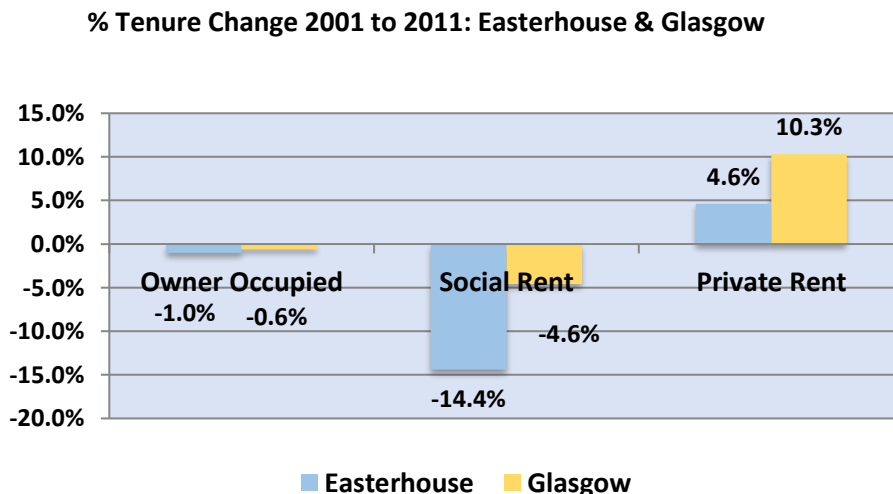
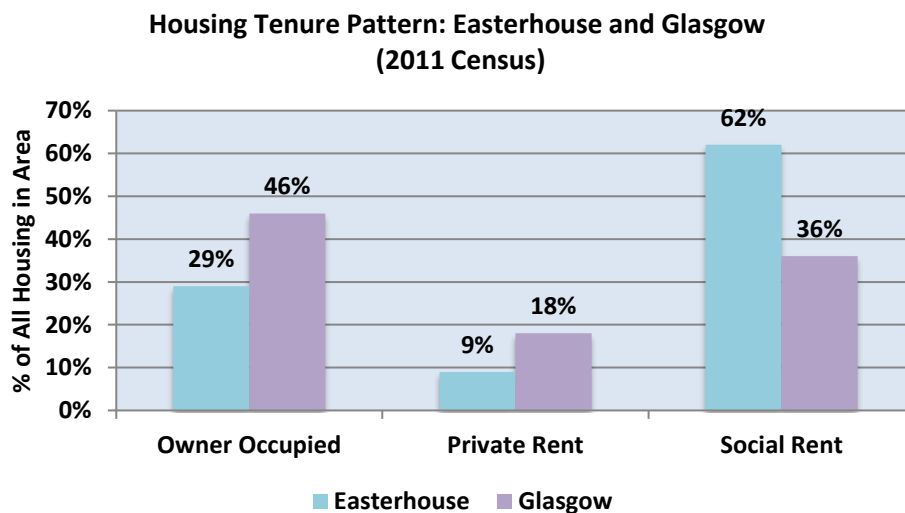
The results for Provanhall are poorer than the average for Glasgow in every single case, a fact made worse because Glasgow is the most deprived council area in Scotland.

The gap between Provanhall and the more affluent community of Mount Vernon and Sandyhills is even wider for all the indicators shown. This is truly “a tale of two cities”, showing a shocking level of inequality that all political parties acknowledge but none have been able to solve.

The gap in income and employment deprivation is particularly significant since these are the most common causes of poverty which in turn causes substantial health inequalities and poorer educational outcomes.

Local Housing Market

Easterhouse had 3,850 dwellings at the time of the 2011 Census and has seen a number of changes in the local housing market.



Easterhouse: Key Housing Market Changes/Factors 2001 to the Present

- | | |
|---|--|
| <ul style="list-style-type: none"> ○ 552 less houses in Easterhouse in 2011 than in 2001. ○ Reductions greatest in the social rented sector (less popular housing demolished). ○ Vacant and derelict land remains a major issue. ○ Fall in owner occupation in Easterhouse – GCC development priority has prioritised housing for owner occupation, at a time of sustained poor performance of the housing and lending markets following the 2008 financial crisis. | <ul style="list-style-type: none"> ○ Substantial growth in private renting in Easterhouse, albeit well below citywide levels. ○ By 2011, nearly 1 in 10 Easterhouse households rented their home from a private landlord. ○ GCC development policies are not promoting successful place making (2016 report by Stallan-Brand Architecture and Design for EHRA). ○ New build in the area with 106 units on site in the Provanhall area. |
|---|--|

Poor property condition and management standards in private housing are significant issues for the private residents in PHA’s boundary area, at Balcurvie Road and Gardyne Street. The housing in these streets was sold off by GCC many years ago as part of an Improvement For Sale initiative (IFS). It now consists of a mixture of poorly maintained owner-occupied and private rented housing, with significant management issues.

House Prices and Rents

At October 2021, the Rightmove website reported an average sales price of £65,797 for properties sold in Easterhouse during the last 12 months.

Higher value housing is available in several areas close to Easterhouse. These include Stepps (average sales price £213k in previous 12 months), Baillieston (average £190k) and Garthamlock (reported average £139k, but also includes recent higher value new build homes for sale).

The volume of housing for sale in PHA’s area of operation is very low and consists mainly of properties sold under the right to buy and the private housing already described at Balcurvie Road and Gardyne Street. Sales prices are generally well below the £69k Easterhouse average. Balcurvie Rd prices in the last two years have been in the range £44k to £51k for four properties sold and there has been one sale in Gardyne St (£39k).

Easterhouse has a small market for private rented homes. Only two properties were listed by Rightmove in October 2021, with a 2-bedroom flat priced at £600 per calendar month and a 2 bedroom terraced house priced at £650 pcm. These rent levels are substantially in excess of housing properties in the area which are shown in the following table (source: Scottish Housing Regulator, 2021).

EHRA Average Weekly Rents 2020/21

HA	1 Bedroom	2 bedroom	3 bedroom	4 bedroom	Average Weekly Rent per HA
Provanhall HA	£ 64.84	£ 70.74	£ 85.39	£ 96.54	£ 79.38
Calvay HA	£ 69.13	£ 75.19	£ 82.03	£ 97.32	£ 80.92
Easthall Park Co-op	£ 67.88	£ 71.50	£ 86.86	£ 94.78	£ 80.26
Blairtummock HA	£ 64.81	£ 72.61	£ 82.00	£ 89.24	£ 77.17
Gardeen HA	£ 64.49	£ 74.11	£ 79.81	£ 94.58	£ 78.25
Wellhouse HA	£ 69.47	£ 76.66	£ 85.56	£ 94.64	£ 81.58
Lochfield Park HA	£ 70.92	£ 77.05	£ 88.03	£ 95.57	£ 82.89
Ruchazie HA	£ 69.51	£ 75.85	£ 78.54	£ 87.43	£ 77.83
EHRA Average	£ 67.63	£ 74.21	£ 83.53	£ 93.76	£ 79.78

399 PHA properties (77.47% of our stock) with 1 or 2 bedrooms have lower average weekly rents than EHRA average weekly rents.

Environmental Analysis: SWOT and PESTLE

The following table summarises the results of the **SWOT Analysis (strengths, weaknesses, opportunities, and threats)** carried out by the MC and senior staff as part of the business planning process.

Strengths	Opportunities
<ul style="list-style-type: none"> Community based HA means entire focus is on Provanhall area High levels of tenant satisfaction Strong performance by PHA and contractors in core services, e.g. repairs and estate management Financial inclusion services Access to local Training & employment services Good area with well-maintained stock Strong community spirit Good reputation of organisation Staff commitment and experience, also new staff bring other perspectives Management Committee experience Staff/Committee relationship 	<ul style="list-style-type: none"> Diversification/expanded community support role to support Covid recovery The Connie: widen activities and increase usage Joint Working: EHRA Balcurvie Rd: improvement of housing and environmental standards New build opportunities – vacant land in the area Possible factoring role in Balcurvie Road / Gardyne Street Get the most out of EHRA and SFHA membership Green Spaces: Auchinlea Park and proximity to Seven Lochs Wetland Park Platform@The Bridge Further rollout of Scottish welfare powers can help reduce poverty and inequality in the community

Strengths	Opportunities
<ul style="list-style-type: none"> • Staff and committee learning & development opportunities and staff job satisfaction • Low levels of debt and financially strong • Membership of EHRA and SFHA • Scottish National Standards advice accreditation • PHA rent levels are among the most affordable in Glasgow • Wider Role work and strong response to Covid-19 emergency • Environment is well maintained and pleasant 	<ul style="list-style-type: none"> • Services provision to, and from, other organisations • Succession planning • Scottish Government Local Democracy and Community Empowerment Reviews: opportunities for community anchor organisations to become a focal point for providing or enabling more local services • Community Empowerment (Scotland) Act 2015: taking over land or buildings currently in public ownership
Weaknesses	Threats
<ul style="list-style-type: none"> • Organisation size • Competition from other HA's/Mergers • Lack of visible community policing and closure of local police station after office hours • Public bodies have limited commitment to working in partnership with community organisations to tackle poverty and other social issues. This reduces the impact that can be made. 	<ul style="list-style-type: none"> • Austerity measures: impact on tenants (e.g. welfare reform and reductions in local services). • Economic outlook: especially in wake of Brexit. • Pensions: future costs and predictability of costs. • Balcurvie Rd: potential for poor conditions to undermine the wider neighbourhood. • Regulatory requirements and associated demands on resources – requirements are the same for all sizes of organisations. • Reduction in Council Service – GCC will try to pass on costs to community organisations.

PESTLE ANALYSIS 2021

The planning process also involved a PESTLE analysis (Political, Economic, Social, Technological, Legal and Environmental factors), the results of which are set out over the following pages.

STRENGTHS/OPPORTUNITIES	THREATS/PRESSURE POINTS
SOCIAL FACTORS	
Covid-19	
<ul style="list-style-type: none"> • PHA has achieved business continuity, safe delivery of services, and support for the community. • Vaccinations have allowed easing of Covid restrictions since mid-2021. • PHA and local partners have made a substantial contribution to supporting households and communities. 	<ul style="list-style-type: none"> • Covid infections have increased since easing of restrictions • Delta variant is highly transmissible and there are other “variants of concern” being assessed • Vaccine top-up programme taking place • NHS under pressure, possible winter lockdown • Easterhouse needs a place-based approach to tackling Covid harms. Unlikely to be supported by Scottish Government or GCC.
Deprivation	
<ul style="list-style-type: none"> • PHA is committed to addressing (but with very limited resources, relative to the scale of the challenges). • Potential to do much more but needs big thinking/action by government and GCC. • Real community empowerment would improve outcomes. • Introduction of new Scottish benefits is positive (e.g. Scottish Child Payment and from 2022 a new Adult Disability Payment to replace PIP). 	<ul style="list-style-type: none"> • Deprivation levels in Provanhall and Easterhouse are severe and of long standing. • Government proposals for community empowerment and local democracy are lacking in ambition. • No Government commitment to increased resources under the Empowering Communities Fund. • Local organisations can only do so much without government support (policy and financial).
Population Change	
<ul style="list-style-type: none"> • Slow but steady increase in population and households forecast for Glasgow 2018 to 2028. • GCC estimates above average population growth in North East multi member ward 2014 to 2034. • PHA has small supply of 2 apartments. Current PHA allocations flexibilities address this. 	<ul style="list-style-type: none"> • GCC growth estimates are based mainly on assumed increases in owner occupation. • PHA 3 apartment flexibility depends on continuation of Discretionary Housing Payments. • PHA has a high proportion of older tenants whose housing and support needs could change over time
Homelessness	
<ul style="list-style-type: none"> • New GCC policies on rapid rehousing and Housing First, to prevent/resolve homelessness 	<ul style="list-style-type: none"> • Support for new tenants essential to sustain tenancies/minimise negative impacts on neighbours.

STRENGTHS/OPPORTUNITIES	THREATS/PRESSURE POINTS
<ul style="list-style-type: none"> PHA is rehousing increased numbers of section 5 referrals and has good relationships with the HSCP. 	<ul style="list-style-type: none"> GCC is seeking 60% of new re-lets from housing associations in 2021/22. This is an unrealistic target. Fewer rehousing opportunities for people on the housing list.
POLITICAL/LEGAL/REGULATORY FACTORS	
<ul style="list-style-type: none"> PHA has good operational relationships with GCC and DWP. PHA has had low SHR engagement, since SHR was set up in 2012. Key points of contact are submission of Annual Assurance Statement and other regulatory returns. 	<ul style="list-style-type: none"> 6 months' Notice Period for NPRPs (for rent arrears) to remain in place until 31st March 2022, with possible extension by a further six months. PHA will only consider use of NPRPs for arrears in the most exceptional of circumstances but has the power to evict when Glasgow is not in Covid Tier 3 or 4. No new bills proposed in relation to housing and homelessness in 2021/22. Scottish Government policy priorities for housing are increasing new housing supply, reducing homelessness, and reducing carbon emissions. Scottish Government plans for a "rented housing strategy", to include rent controls and increased tenant rights. Not clear why social rented housing falls within the scope of the strategy. Decarbonising housing in Scotland, see Environmental factors. Political uncertainty may create inaction by government, or adverse outcomes for social landlords. Contributing factors could include: <ul style="list-style-type: none"> The continuing consequences of Brexit; Possible Indyref 2 in 2023; and UK policy on public spending and taxation. Ongoing need to address SHR Regulatory Framework and consequential issues (e.g. equality monitoring and forthcoming guidance on asset management) Continued GCC funding cuts to local services (e.g. financial responsibility for bulk uplift services passed to PHA during 2020/21 and 2021/22).

STRENGTHS/OPPORTUNITIES	THREATS/PRESSURE POINTS
ECONOMIC FACTORS	
Wages, Benefits, and the Cost of Living	
<ul style="list-style-type: none"> • Support for tenants through PHA income maximisation service • Improved Universal Credit (UC) payment scheduling agreed with DWP • High proportion of PHA tenants have their HB or UC housing costs paid direct to the Association (72% at 31.3.21, well above sector averages) • Scottish Government £10 million grant fund, to help tenants struggling to pay their rent as a result of the pandemic. 	<ul style="list-style-type: none"> • Tax allowances and thresholds frozen in UK Budget, March 2021. More low earners will pay income tax. • 1% increase in employee National Insurance Contributions (announced September 2021) • Covid has led to many more people who are unemployed or in low income and/or low hours jobs. • The freezing of working age benefits is a possibility (this was the case between 2016 and 2020). • £20 per week pandemic increase in UC removed in October 2021. Will increase poverty and affect PHA's ability to collect rent. • Other aspects of UC have the same effects: 7-day waiting period to apply; 5-week timescale for first payment; unsustainable repayment rules for UC advances; UC sanctions regime. • Increased cost of living for tenants: inflation likely to reach 4% to 5% in first half of 2022. • Ofgem Price Cap for home energy bills increased by 13% in October 2021. Forecasts are for sustained high increases in the price of fossil fuel gas.
Economic Outlook	
<ul style="list-style-type: none"> • The Scottish economy is now recovering from Covid shocks, but output is still below pre-pandemic levels and is variable between sectors. • Interest rates are at historically low levels (Bank of England lending rate 0.1% at October 2021). • Inflation is currently increasing but Bank of England expects it to fall back to its 2% target level in 2023. • Switch of PHA pensions offer: reduces contributions and accrual of future liabilities. 	<ul style="list-style-type: none"> • UK economy severely weakened by Covid-19 pandemic (e.g. cost of pandemic relief measures business failures and job losses in particular sectors). • UK Government 2021 Budget has no provision for future income/business support costs if there is future Covid-related disruption to the economy • UK Government plans public expenditure cuts 2023/24 onwards: Barnett formula impact in Scotland. • All social landlords are seeing significant increases in repairs and maintenance costs. Causes include high demand for services; shortages of labour/materials and disruption to supply chains due to Brexit; UK's high reliance on imported building

STRENGTHS/OPPORTUNITIES	THREATS/PRESSURE POINTS
	<p>materials; higher shipping costs; weakness of sterling and post-Brexit import tariffs.</p> <ul style="list-style-type: none"> Office for National Statistics has forecast a 7% rise in materials prices during 2021, while increases for certain materials (e.g. timber) will be much higher. Scale/duration of future increases is hard to forecast, creating uncertainty for the Business Plan. Loss of local control over future rent income/increases (either through SHR or Scottish Government suggestion of rent controls)
TECHNOLOGICAL FACTORS	
<ul style="list-style-type: none"> PHA app, to provide greater choice in how tenants can access services 	<ul style="list-style-type: none"> Currently, low demand from tenants for digital service options but this may change over time. Digital exclusion among tenants Risk of cyber attacks
ENVIRONMENTAL FACTORS	
<ul style="list-style-type: none"> Major repairs programme has positive impact on energy efficiency and reduction of fuel poverty PHA compliance with the Energy Efficiency Standards for Scottish Social Housing (ESSH) PHA on target to install Scottish Government fire and heat detection measures by February 2022 2021 Programme for Government says that the Scottish Government will: <ul style="list-style-type: none"> Invest £1.8 billion to decarbonise one million homes by 2030 Establish a (modest) £30 million fund for heat and energy efficiency projects by social landlords. Potential get-outs from meeting standards, if not “technically feasible and cost-effective” to do so. 	<ul style="list-style-type: none"> Continued mandatory raising of standards, to meet government Climate Change targets. SFHA initial estimate that ESSH2 costs could be around £7,000 to £10,000 per home, excluding replacement heating. SG funding pledge is a fraction of total investment needed. “Heat in Buildings” Strategy says property owners and landlords will have to pay for works – but no assessment yet of how this can be afforded or where new borrowing would come from at this stage. HA borrowing would have to be met from rental income – risk of creating rent poverty. Scottish Government to bring forward review of ESSH2 to 2023, to “strengthen and realign” the Standard with net zero requirements. Consultation planned in 2021 on revised EPC system. Scottish Government is proposing a new national Energy Agency and national work on supply chains. Possibility that works will be planned and executed at national or regional levels? What control for HA’s?

STRENGTHS/OPPORTUNITIES	THREATS/PRESSURE POINTS
	<ul style="list-style-type: none"> • New technologies need to come to market – e.g. blue hydrogen heating at scale may be at least a decade away. The market is not yet fully engaged in offering solutions at affordable cost, so no incentive to carry out works now. • Replacement of existing fossil gas boilers will be prohibited in future. • Overall – net zero aspirations of Scottish Government and GCC are clear, but the building blocks for practical delivery are largely missing (e.g. policy, funding, technology, procurement, and public attitudes to change).

Conclusions

There are many external and local factors that will potentially affect PHA’s future strategy and operations. Many of these factors – such as the future path of Covid-19 and the performance of the economy – are outwith PHA’s control. In such cases, the priority will be to monitor and assess potential impact and apply appropriate risk mitigations where this is necessary and feasible.

In other areas, it is possible to be more specific about future actions by PHA. A sample of these is shown in the following table, with more information provided in the relevant business plan chapters.

A sample of key areas for action by PHA

<p>Response to the Covid-19 Pandemic</p>
<ul style="list-style-type: none"> • Open up our services in a secure and safe way. • Manage return to the office and decide future policy on flexible working in consultation with staff and tenants. • Be ready to adapt to any future changes in Covid public health restrictions to ensure business continuity. • Consider what changes we wish to make to our services, based on experience of the pandemic. • Continue to work with local partners to develop relevant and effective community support services. • Work with EHRA and other partners to advocate for a meaningful Covid recovery plan for Easterhouse.
<p>Response to Economic Factors Impacting Tenants and PHA</p>
<ul style="list-style-type: none"> • Incorporate the best estimates and data available in our financial planning, and stress test the Business Plan.

- Maintain proactive arrears management, income maximisation for tenants, and close working with DWP.
- Apply mitigations to substantive risks (notably threats to rental income and increased maintenance costs).
- Incorporate estimated allowances for continued increases in repairs and maintenance costs in business plan stress testing.
- Consider the balance of future capital investment, between ensuring that existing stock meets required standards and any future new build opportunities.

Political and Legislative Factors Affecting PHA

- Homelessness (Scottish Government policy and GCC requirements)**
- Continue to work positively with the Glasgow Health and Social Care Partnership to address long-standing bottlenecks in its homelessness system.
- Climate Change Obligations (Scottish Government and GCC requirements)**
- Continue to develop our understanding of technological solutions for climate change works, the resulting costs, the prospects of Scottish Government funding, and models for procurement and delivery. All these areas are evolving at present, so we will be working towards a PHA strategy and plan as they are clarified.
- Planning and Delivery of Community Services**
- With EHRA members and other local partners, lobby GCC and other community planning partners to develop better partnership working with community organisations, seeking a step change in action to tackle poverty and inequality in Greater Easterhouse.

Local Factors Specific to Provanhall

- Continue to invest in our housing to keep standards high and sustain future demand.
- Be alert to the possibility of GCC walking away from neighbourhood services it has historically provided and develop options that could be considered if PHA is put in the position of having to take on responsibility (financial or otherwise) for particular services.
- Continue dialogue with GCC about its strategy for addressing poor quality private housing in Balcurvie Road which adjoins PHA’s area of operation and detracts from neighbourhood standards.

Many of the factors described will change over time, sometimes rapidly. We will ensure careful monitoring and evaluation of change takes place on an ongoing basis.

Achievement of our strategic objectives demands a continued focus on sound and stable governance and strong financial management. These have been high priorities in the past and must remain so. Ongoing monitoring and evaluation of risks and change factors change will also be essential.

CHAPTER 7 Stakeholder Relationships and Priorities

In implementing our strategy, PHA will work closely with our tenants, residents, service users and a range of public sector and community partners.

PHA's main stakeholders are shown below.

Stakeholders specific to PHA	Strategic and Regulatory Stakeholders
<ul style="list-style-type: none">• PHA tenants• Local residents and owners• Housing applicants• Our staff team• The local community• Connect Community Trust• Local organisations with whom we work to benefit our tenants and the local area• EHRA• Our lenders, auditors, and insurers	<ul style="list-style-type: none">• Glasgow City Council• Glasgow Health & Social Care Partnership• The Scottish and UK Governments• The Department of Work and Pensions (DWP)• The Scottish Housing Regulator (SHR)• The Office of the Scottish Charity Regulator• The Financial Conduct Authority• SFHA

PHA has positive and productive relationships with its stakeholders, with many of these relationships have matured over a long period of time.

PHA's Tenants

This is PHA's most important stakeholder group. Our size and on the ground presence give us very strong insight into who we house and the local community. This is augmented by more formal profiling information, as shown in Chapter 6, Strategic Analysis.

PHA encourages tenants and residents to be involved in our decision making, and their views influence our actions and how we deliver services. We have a tenant participation strategy in place, with an annually updated plan covering engagement topics and methods.

Our three-yearly Customer Satisfaction Survey provides tenants and owners with further opportunities to influence our service delivery. Our most recent survey was carried out in 2018 and shows exceptionally high levels of satisfaction with the Association and our services. Planning has begun for the next survey, due to be carried out in April 2022.

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

The wider community

The Association's purpose is to support our community as well as to provide an excellent housing and property management service. PHA has a close interest in what goes on in the wider community and a track record in delivering services and support to the community, by acting in our own right and by working in partnership with other community and support providers.

We have a particularly close working relationship with Connect Community Trust, which provides our income maximisation service funded by PHA. We support Connect to provide a range of activities and support for residents at The Connie, the local community centre that is leased by PHA.

Other community and voluntary sector service providers we work with include Re Connect, FARE, RE-Tune, Platform, the Dogs Trust and EHRA. We also work with a number of public services providers for the benefit of the community, including a number of GCC service departments, local schools, John Wheatley College, GHA and Community Police officers. All of these relationships will continue to be important.

The importance of strong local relationships and responding to the community's wider needs has been underlined during the Covid-19 pandemic. PHA was a member of a new third sector partnership, the **East End Coronavirus Voluntary Action Group**, that was formed and mobilised within a week of the first Covid lockdown being announced in March 2020.

FARE Scotland and Connect Community Trust acted as lead partners, reflecting their expertise and capacity to deliver community support services such as food distribution quickly and at scale. The local knowledge and relationships of PHA and other on the ground partners was used to identify and refer people in need in accordance with the criteria for the various types of support provided. This partnership approach proved to be highly effective.

PHA also carried out a number of pandemic support services in its own right as described in Chapter 10, Wider Role Activities. Our work in this area complemented the activities that took place under the partnership arrangements.

External Partners: Glasgow City Council and Others

PHA's main public agency partners are Glasgow City Council (GCC) and its service departments, the Glasgow Health and Social Care Partnership, Police Scotland, Scottish Fire and Rescue and Glasgow Life. Glasgow City Council (GCC) is the strategic housing authority, and also plays the lead role in the city on social housing investment and homelessness.

The following aspects of GCC's strategic role and services are of particular importance to PHA:

- **Deciding and funding priority projects for new housebuilding in the city.**

PHA was successful in adding 26 newly built homes to our stock in 2020/21, under a partnership agreement with GCC and GHA to build 26 new build homes for PHA. While we have no immediate plans for further developments, we will keep channels of communication with GC open since there continues to be a significant amount of vacant and derelict land in PHA's area.

- **Housing Benefit**

GCC's role in managing Housing Benefit is important since a significant part of PHA's rental income is funded in this way. The Council's role will reduce and then come to an end over the next three years, as Universal Credit is rolled out fully across the UK.

- **Homeless referral arrangements.**

In the current year, GCC/the Glasgow Health and Social Care Partnership (GHSCP) are requesting that the city's housing associations make 60% of their net lets available for homeless households. While this is an unrealistic target in PHA's context, we will maintain our good record of working constructively with GCC in its efforts to source accommodation.

It is also anticipated that GC/GHSCP will seek to accelerate the Housing First programme. This is intended to place homeless people with more complex needs into mainstream housing with individualised support packages to assist with tenancy sustainment.

- **The Council's strategy and local arrangements for delivering public services**

GCC delivers several neighbourhood services in our area e.g. refuse collection and community safety. Having experienced reductions in its budget during the years of austerity, local neighbourhood services have regrettably become a "go to" place for GCC when it is seeking cuts. The most recent change is GCC withdrawing its free bulk uplift service, which has led to housing associations throughout Glasgow now having to fund the cost of these services.

There is concern that the Council will continue to make cuts and that in doing so it will look to housing providers to fund other services which GCC decides it will no longer fund. There is growing public pushback about how cuts are being targeted, as people throughout the city express growing concerns about deteriorating environmental standards and resulting public health concerns.

Housing Benefit/Department of Work and Pensions (DWP)

PHA's financial wellbeing and cash flow are highly dependent on housing benefit (HB) and Universal Credit (UC) payments. We therefore maintain close relationships with both the City Council and DWP, to ensure timely payments are received.

Locality Planning

In common with neighbouring associations, we have had no meaningful involvement in the Easterhouse Thriving Places initiative whose role, on paper, is to produce and then oversee the

implementation of a locality plan in consultation with residents and stakeholders. The initiative is badly in need of a re-boot, particularly in the context of the urgent need to tackle poverty and the harms caused by Covid-19.

Easterhouse is very much a place where “top down” solutions do not work. If they did, we would not have the unacceptable levels of poverty and inequality that citizens have had to endure for decade after decade since the late 1970s onwards.

If it fulfilled its purpose, Thriving Places could be an ideal vehicle for addressing post-Covid recovery programmes in Greater Easterhouse. It could allow new partnerships to be forged between GCC, the Health and Social Care Partnership and the area’s citizens and its network of community organisations who have a strong record in delivering services in the community.

Along with our EHRA colleagues, we will make the case that Thriving Places should be an inclusive and results-focused force for renewal and recovery in Greater Easterhouse. To achieve that, locality planning must be more open to letting the community in and to harnessing the skills and knowledge of the network of community service providers.

Scottish and UK Parliaments and Governments

PHA is always mindful of events and pipeline changes from both legislative bodies and governments.

The Scottish Government is responsible for legislation and policy on housing and a number of other devolved matters. It is also responsible for managing the country’s response to the Covid-19 pandemic.

As noted in Chapter 6, emerging Scottish Government policy on homelessness and climate change will have a major impact on our business. We also need to be alert to the Scottish Government’s development of a rented housing strategy. Very little detail is available beyond the initial policy announcement. The statement that the strategy will include proposals on rent controls would be a matter of real concern to social landlords if the proposals were to apply to housing associations as well as to the private rented sector.

Matters reserved to Westminster also affect us significantly, particularly in relation to Welfare Reform, health and safety, macro-economic policy, and Brexit. This is described in Chapter 6 of the Business Plan.

Funders and Regulators

PHA’s external funders are Royal Bank of Scotland (RBS) and Nationwide Building Society (NBS). We maintain close relationships with both institutions and in the case of RBS carry out robust checks to ensure compliance with PHA’s loan covenants.

The Association's main regulators are the Scottish Housing Regulator (SHR) and the Office of the Scottish Charity Regulator. SHR has had "low engagement" with PHA since the introduction of the current regulatory framework in 2019. This means that SHR considers PHA presents a low risk to its regulatory purpose. We provide SHR with detailed annual reports on our performance and finances and advise SHR of any Notifiable Events as they occur.

PHA's strategy and working practices take account of specific SHR priorities. These include a strong focus on business planning, effective governance, financial performance and risk management, self-assurance, cost control, asset management, rental sustainability, and value for money.

Other than by submitting annual returns, we do not have many direct dealings with OSCR or the Financial Conduct Authority. We are aware of the importance of their roles, and the effect that they could have on us should we breach their regulations. We are aware that the Scottish Government's 2021 Programme for Government states that it will be looking to strengthen OSCR's regulatory regime, to improve public trust in the charities sector. We will track future developments in this area and will take advice from our solicitors on any formal requirements that affect PHA.

Insurers

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

PHA's Staff

Last but not least, we aim to create a positive, supportive working environment for our staff team. We want all of PHA's staff members to be clear about what is expected of them, committed to giving of their best in their respective roles, and to feel valued for the work they do on behalf of the Association and our tenants. The need for strong communications and engagement is particularly high at the present time in light of the impact that Covid-19 has had and the uncertainties that we all still need to manage.

CHAPTER 8 Asset Management

PHA'S aim is to protect and seek to get the best value from our assets. We do this by providing high quality, affordable homes that our tenants want to live in, while maintaining the Association as a viable business.

The Association's main asset management activities are:

- Providing a comprehensive property management service, covering reactive repairs, cyclical maintenance works, and major component replacement works.
- Ensuring that HA meets all of its legal obligations for tenant and stock safety.
- Improving the energy efficiency of tenants' homes, to reduce fuel bills and fuel poverty.
- Ensuring that PHA improves the quality of our homes by meeting national quality standards.
- Providing factoring services to home owners.
- Maintaining the external environment and improving standards of neighbourhood management.

Building new homes also forms part of asset management but at the present time PHA does not envisage building new homes in the three years covered by the Business Plan. Instead, the focus during this time will be on the management of our existing assets.

Contribution to PHA's Strategic Objectives and Outcomes

Asset management contributes directly to the following PHA strategic objectives:

- 1. Deliver high quality services that meet tenants' needs, maximise tenant satisfaction and demonstrate value for money**
- 2. Provide affordable, high-quality homes that meet local needs and help make Provanhall a safe, sustainable, and successful community**

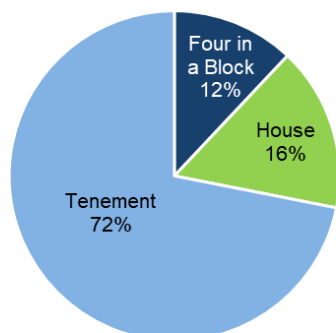
The outcomes we seek to achieve over the 3 years of the Business Plan are set out in Appendix 2.

The priority actions for asset management in year 1 of the Plan are summarised at the end of this chapter, and then shown in greater detail in a "SMART" ¹ Resource Plan schedules which is also set out in Appendix 2.

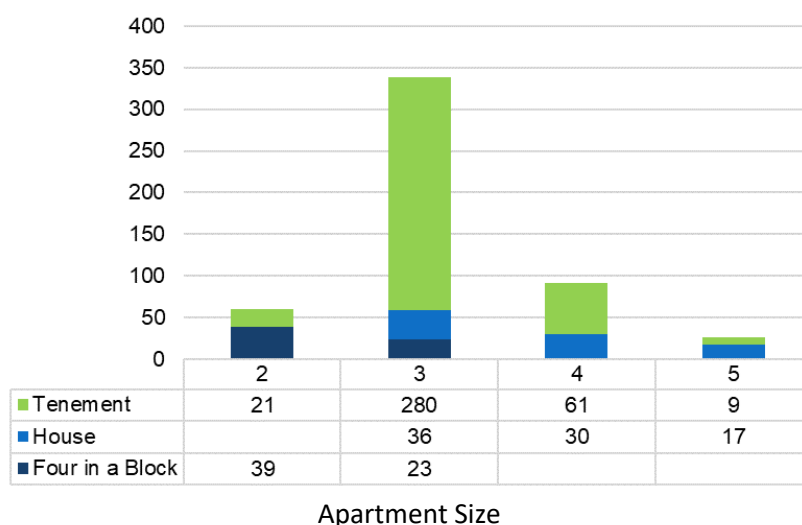
¹ "SMART" stands for Specific, Measurable, Achievable, Relevant and Timebound. A SMART action plan ensures that the goals are specific and that progress towards outcomes can be tracked and measured in a transparent way.

Housing Stock Profile

The composition of PHA's rented housing stock is shown in the following charts:



Build Type	Units
Four in a Block	62
House	83
Tenement	371
Total	516



In summary:

- Almost three-quarters (72%) of the PHA rented housing stock is post-war tenement flats, acquired from GCC and then modernised by PHA, followed by a further stock transfer from GHA to PHA in 2009. All 370 tenement flats were built between 1945 and 1964.
- The remaining 28% of the housing stock is new build cottage flats and houses. They include 6 houses or ground floor flats built to wheelchair standards.
- Two-thirds of the housing stock (66%) has 2 bedrooms.
- Just over one fifth (22%) of the rented stock has 3 or more bedrooms, which limits opportunities to house larger households, including the rehousing of PHA tenants whose households have grown in size.

Performance Results (Charter Indicators)

The following table compares **PHA's performance results with the averages for our EHRA peer group¹ and the Scottish average in 2019/20**, the year immediately before the Covid-19 pandemic.

We then show the same results for 2020/21, when the pandemic was at its worst and social landlords and their tenants had to contend with lengthy restrictions on property-related activities, particularly those that involved entering tenants, homes.

The results for 2019/20 show high standards of performance by PHA. Our performance was better than the Scottish average for all eight Charter indicators shown, and better than the EHRA average for six out of eight indicators and only slightly lower for the remaining two.

¹ The EHRA peer group is made up of the eight community-controlled housing providers in Greater Easterhouse. The Scottish Average is the average result for all housing associations and local authority housing services.

Performance Comparison for 2019/20

Charter Indicator	Provanhall HA 2019/20	EHRA Avg 2019/2020	Scottish Average
6 - Percentage properties meeting SHQS year end	99.0	99.4	94.5
C10 - Percentage of properties meeting the EESSH	97.8	97.4	89.6
7 - Percentage tenants satisfied with quality of home	88.8	91.6	87.2
8 - Average hours to complete emergency repairs	1.5	2.5	3.6
10 - Percentage reactive repairs completed right first time	98.6	96.8	93.1
9 - Average working days to complete non-emergency repairs	3.3	3.4	6.4
11.1 Number of times gas safety check not met	0	0.3	5.4
12 - Percentage tenants satisfied with repairs service	94.8	94.6	91.3

	<i>PHA result is better than the compared average</i>
	<i>PHA result – while superior to the national average -- is less than the peer group</i>

Performance Comparison for 2020/21

Charter Indicator	Provanhall HA 2020/21	EHRA Avg 2020/21	Scottish Average
6 - Percentage properties meeting SHQS year end	99.0	99.4	91.1
C10 - Percentage of properties meeting the EESSH	98.4	97.5	90.9
7 - Percentage tenants satisfied with quality of home	88.8	91.7	87.0
8 - Average hours to complete emergency repairs	2.2	2.3	4.2
10 - Percentage reactive repairs completed right first time	93.5	94.3	91.1
9 - Average working days to complete non-emergency repairs	6.8	4.5	6.7
11.1 Number of times gas safety check not met, as % of all stock	14.5	3.2	1.8
12 - Percentage tenants satisfied with repairs service	94.4	94.0	90.1

	<i>PHA result is better than the compared average</i>
	<i>PHA result is below the compared average</i>

While our 2020/21 results were better than the Scottish average for 6 of the 8 indicators shown, our performance levels dipped significantly in two areas as a result of the Covid-19 pandemic:

- Gas safety inspections:** PHA's performance in this area is normally of the highest standard. In 2020/21 the Association paused forced entry procedures during the COVID-19 pandemic. We encountered significant no access or refusals where tenants shielding of concerned about potential COVID-19 health implications

- **Time taken to complete non-emergency repairs:** Our average time to complete non-emergency repairs was much higher than normal. Non-emergency repairs were restricted by COVID-19 legislation for significant periods of 2020/21. The Regulator advised tenant repair request dates should be the starting point for this indicator despite the Association not being able to attend. This meant that from March – July (lockdown 1) that attendance days were lost and increased the overall reporting figure.

Void management results also dipped in 2020/21 and this is addressed in Chapter 9, Housing Services.

Further analysis of PHA's performance is provided in the Strategic Options Review that accompanies the Business Plan. The results reported there are based on average results over the last three years, including 2020/21. This gives a longer-term and more balanced picture of performance.

Stock and Tenant Safety

PHA attaches the highest importance to meeting our legal obligations to protect tenants' health and safety. These obligations include:

- Carrying out annual safety inspections of all gas boilers and appliances that we have fitted in our properties.
- Conducting a rolling five-year programme of electrical inspections of all our properties.
- Upgrading smoke detectors and heat detectors in all our properties.
- Managing asbestos in our properties, to protect residents and our contractors' operatives.

We have detailed policies and procedures in respect of these requirements. In addition, further assurance is provided by a PHA contract to quality assure a proportion of gas safety checks and the internal audit programme.

Fire Safety

We have no stock that is designated as high risk in relation to fire safety. Our programme of upgrading of smoke and heat detectors is nearing completion, with works carried out to 94% of the stock and works to around 30 properties still to be completed. The remaining installations will be completed by the Scottish Government deadline of February 2021, making PHA fully compliant.

Gas safety inspections

In 5 out of the 6 years to 31 March 2020, PHA achieved 100% compliance in carrying out annual gas safety inspection by the due date. The exception was 2016/17 (compliance rate 99.8%).

Delayed inspections increased substantially in 2020/21 and this was due entirely to the pandemic. We took the decision to pause forced entry procedures. We were unable to verify the health

status of households to determine if it was safe for contractor and PHA staff to enter. We also encountered cases when tenants refused or did not wish to provide access because household members were shielding, were self-isolating or had other concerns about potential COVID-19 health implications. These difficulties were particularly prevalent in the early stages of the pandemic when there was uncertainty about what was or was not safe and what preventative measures would bring assurance about Covid-safe ways of carrying out works in tenants' homes.

As more became known about the COVID-19 pandemic and Lockdown 1 restrictions eased the number of gas safety checks improved. The Association concluded the reporting year with 7 gas safety checks overdue, this has since reduced to 3 persistent no access properties. The reintroduction of forced entry procedures will ensure these properties are checked in 2021.

Asbestos

77% of the Associations stock (397 units) was built at a time where Asbestos Containing Materials (ACMs) may have been used in property construction or subsequent tenant decoration. Between 1994 and 2002 44% of the properties constructed in 1958 underwent extensive refurbishment which brought the properties up to the building standards at that time, this amounted to 175 units. Blue (crocidolite) and brown (amosite) asbestos was prohibited for use in 1985 and it is therefore not thought to be widely present in our homes. White chrysotile asbestos was not prohibited until 1999 therefore this ACM cannot be ruled out.

To meet obligations under the Control of Asbestos Regulations 2012, PHA has a clear Asbestos Management Policy and associated procedures, which includes:

- **Asbestos Register:** a database of asbestos management information, which has been collated following asbestos management surveys. This information is made available to contractors.
- **Repairs:** Contractors are notified if the property is known to contain asbestos when a responsive repair is instructed. Association staff are alerted by a warning at the point of raising a works order against the property record.
- **Planned Maintenance:** Contractors are provided with a copy of the Association's asbestos register at the survey stage or earlier. Discussions will held as to the quality and extent of the existing asbestos information and to whether cloning and representative samples are appropriate and sufficient.
- **Action:** Where ACMs are identified, the appropriate management techniques or removal works are instructed. Removal or encapsulation works will be undertaken by a competent contractor.

Legionella

None of the Association's residential stock utilise water storage tanks and the water supply for all uses in our properties involves direct supply from the mains.

The Association identified a water hygiene risk through its electric shower which is present for staff members' work or personal use. The shower is subject to weekly temperature checks by technical staff with the shower head cleaned quarterly by the Associations office cleaning arrangements.

Standards for Housing Quality

Scottish Housing Quality Standard (SHQS)

We have assessed 510 of PHA's 515 properties (99%) as meeting the SHQS at the end of March 2021.

Of the 5 properties not meeting SHQS, 2 are exempt and 3 fail SQS on one criterion. We intend to carry out works to the 3 failing properties in 2021/22, however this will require the co-operation of the tenants concerned who so far have not allowed us to carry out the necessary works. If we succeed in carrying out the works, our compliance rate would increase to 99.6%.

Our next Stock Condition Survey is currently nearing completion, with the report and data available in late 2021. This will allow us to reassess the compliance rate based on updated information.

Energy Efficiency Standard for Social Housing (EESH)

PHA's EESH compliance rate was 98% at 31 March 2021. The remaining works will be carried out during 2021/22. This will ensure that all PHA properties have an Energy Performance Certificate rating of "C" or better.

EESH2

Chapter 6, Strategic Analysis, describes the purpose of the EESH2 Standard, its stage of development by the Scottish Government, and some of the challenges and uncertainties that are involved in planning for and then addressing the Standard.

In summary EESH2 requires social landlords to upgrade the energy efficiency of their housing to an EPC rating of "B" by 2032. The Standard states:

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.

PHA has carried out an initial analysis of the status of our properties in relation to EESH2. Our assessment is that only 54 of our 515 properties (just over one in ten) have an EPC rating of B which is the required level for EESH2, and that 458 properties have an EPC rating of C, the required level for the original EESH1 standard, with limited exceptions.

Our figures include cloned EPC data and information for properties that have an expired EPC. However, based on our knowledge of the stock it is clear that the vast majority of PHA properties would need substantial investment to improve their EPC rating to a “B” rating.

In order to plan ahead in detail for EESSH2, we need greater clarity on a number of issues. Since the timescale for compliance is relatively short, given the scale and complexity of the task, it is essential that the following matters should be resolved:

Possible changes to the Standard and its milestone dates: The Scottish Government has announced that the planned review of EESSH2 will be brought forward by two years to 2023 in order to align the Standard with wider policy on net zero standards.

Bringing forward retrofit in social housing: A recent report to the Glasgow City Region Cabinet (October 2021) has identified that in the absence of Scottish Government incentives and regulation for private housing, investment in retrofit in social housing should be brought forward and the duration of funding programmes extended. However, both central and local government are still talking in broad aspirational terms that fall short of specific frameworks that would allow planning for programmes and delivery on the ground.

All-Tenure Zero Emissions Heat Standard: This upcoming legislation is to be tabled for consultation in 2022 and will further confirm The Scottish Government’s commitment to phasing out new or replacement fossil fuel boilers in on-gas areas from 2030. The October 2021 Heat in Buildings Strategy notes this goal is subject to technological developments and decisions by the UK Government in reserved areas.

Technology for retrofit is still evolving: Current air source heat pump technology is not immediately compatible with the Association’s tenement stock which accounts for 72% of our portfolio. External plant associated with this technology needs to be placed close to the supply property and available for maintenance whilst avoiding noise complaints. District heating in theory would suit the Association’s condensed layout but any communal heating scheme is likely to be dependent on significant area-based support by Glasgow City Council and other stakeholders. Hydrogen gas to replace fossil fuel gas is unlikely to come to market on a large scale until the early 2030s. It is generally expected that the cost of new technologies will reduce substantially from current levels, as the market responds to demand. This creates a substantial disincentive to early investment by property owners unless works are to be externally funded.

External funding for retrofit programmes has still to be determined: The Scottish Government’s position is that that social landlords will find most of the funding needed from their own resources, however this is not based on any assessment of need or financial capacity. Estimates of costs for different solutions will evolve over time but the SFHA has estimated that EESSH2 compliance costs could be in the region of £7,000 to £10,000 per home, excluding replacement heating. Social landlords would find it extremely difficult to self-fund investment of this magnitude unless substantial borrowing and rent increases were to take place. This would be incompatible with the Scottish Government’s stated position on the avoidance of rent poverty.

We expect that the current position on all of these matters will evolve rapidly and will track them carefully in 2021/22 and 2022/23. We will also carry out work to develop PHA's planning, as described at the end of this chapter. While it is too early to incorporate firm EESSH2 costs in the Business Plan financial base case, we have made initial estimates in the stress testing described in Chapter 14, Financial Plans and Projections.

Asset Management

The Management Committee has recently approved an Asset Management Strategy which, along with the completed Stock Condition Survey and Life Cycle Costings will chart the course for PHA's investment programme and long-term financial planning.

The key issues addressed in the Asset Management Strategy are as follows:

- Through 2024-2027 the Association has significant planned investment with an average of £1.5 million per year. Expenditure is focussed on 150 units which are approaching the 30 year anniversary of its 1994-1997 development or refurbishment.
- An EESSH2 Strategy should be developed which will set out the Association's initial approach to further energy efficiency works and improvements to existing planned works schemes (e.g. increase specification to achieve higher energy standards). The likely technical challenges and cost impact will be forecast where possible.
- Analyse the forthcoming Void Relet Report and 2022 Tenant Satisfaction survey to establish if tenants deem our properties to meet their expectations on quality standards.

On an ongoing basis, we follow good asset management disciplines to:

- Maintain good levels of demand for our housing. Turnover has increased over the last 2 years although this was an anticipated impact of the Association's new build development where 26 internal transfers occurred with subsequent domino lets.
- Re-let empty houses quickly. The Association endeavours to relet empty homes quickly whilst improving failed components identified for renewal through planned works or early failure. The Association has an SST enhancement procedure where stock transferred to the Association in 2009 is brought up to a PHA housing quality standard.

Stock Condition and Future Maintenance Costs

PHA appointed Chartered Surveyors Brown & Wallace to undertake a Stock Condition Survey in 2016 which covered 15% of the Association's stock. The survey assessed the properties' general condition, SHQS compliance, repairs history and provided a 30 year investment plan.

Since the 2016 the Association has updated the 30 year investment plan on an annual basis.

Revisions include:

- Inclusion of planned works contracts and component renewals.
- Property development and acquisition data.
- Amended rates to reflect pertinent changes in material, labour and contract costs.

Scenario planning is undertaken to consider rent increases and large scale changes to future maintenance costs (e.g. funding EESSH2)

In 2021 Brown & Wallace undertook a new stock condition survey which assessed another 15% of the Associations stock. PHA await the detailed results of the survey but initial reports are comparable with the 2016 SCS assessment. Both the 2016 and 2021 surveys have found;

“The stock is generally well maintained with previous programmes of major replacements having been undertaken to the properties”

Investment programme

Total costs over 30 years are stated in the Business Plan cashflows as **£18.4 million** excluding fees and VAT and **£23.4 million** including fees and VAT. The major areas of expenditure over the 30-year period will be:

- Heating systems
- Kitchen fitments/appliances
- Window sashes and frames
- Bathroom fitments.

These elements account for **around 33%** of estimated total costs over the following 30 years.

In the five years from 2016/17 to 2020/21, PHA’s expenditure on planned maintenance has been as follows:

Planned Repairs	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Kitchens & Boilers		£227,000				£227,000
Boilers	£82,380	£209,587	£9,561			£301,528
Bathroom				£86,300	£2,200	£88,500
Close Doors	£54,379	£64,994				£119,373
Door Entry Systems				£6,940		£6,940
SHQS Fire Detection			£14,390	£166,850	£17,991	£199,231
Misc. (one off renewals)	£17,773	£7,116	£382			£25,271
Total	£154,532	£508,697	£24,333	£260,090	£20,191	£967,843
Not including VAT & Fees						

COVID-19 impacted the Association’s 2020-21 planned maintenance programme. The second Lockdown ran from December 2020 – April 2021 which meant the anticipated bathroom and door

entry renewal programmes were postponed until the next financial year. Some essential works, such as fire detection upgrades, did continue considering the Health & Safety nature of these installations as did planned improvement works in void properties.

The anticipated investment programme outputs for the five years from 2021/22 to 2024/25 are shown in the following table and are subject to the caveat that we will carry out a further detailed review on completion of the SCS and life cycle costings.

Planned Repairs	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Fascia				£28,925	£27,300	£56,225
Windows				£418,900	£294,650	£713,550
Entrance Doors	£530			£57,770	£21,200	£79,500
Kitchens	£29,790		£310,976	£129,344	£352,598	£822,708
Bathrooms	£208,350	£45,000	£0	£0	£52,200	£305,550
Boilers	£63,200		£58,800	£70,000	£106,400	£298,400
Electric Rewire				£187,200	£134,400	£321,600
Door security system	£33,388	£18,167				£51,555
Paving	£47,011	£6,466			£5,068	£58,545
Radiator Replacement				£98,000	£82,000	£180,000
Misc. (one off renewals)	£15,300	£3,480		£41,579	£30,927	£91,286
Total	£397,569	£73,113	£369,776	£1,031,718	£1,106,743	£2,978,919
Not including VAT & Fees						

The Association is conscious the All-Tenure Zero Emissions Heat Standard will detail the Scottish Government's commitment to phasing out new or replacement fossil fuel boilers in on-gas areas from 2030. This legislation in addition to EESSH2 2032 means the Association should be giving consideration to the suitability of future planned works and their environmental impact, in particular fossil fuel reliant heating renewals. In accordance with the Association's life cycle renewal programme the Association is scheduled to undertake:

Heating Renewals	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Boilers (Cost)	£63,200	£0	£58,800	£70,000	£106,400	£298,400
Boilers (Units)	21	0	20	23	35	100
Radiators (Cost)	£0	£0	£0	£98,000	£82,000	£180,000
Radiators (Units)	21	0	20	82	68	150

The Scottish Government's October 2021 Heat In Buildings Strategy notes, at the current time, heat pumps cannot reduce a household's running costs when it replaces a modern efficient gas boiler. The Government is conscious households should not be pushed into fuel poverty and, at present, will continue to support the installation of replacement gas boilers under the Warmer Homes Scotland scheme. As there is no heating technology at present which can compete with a

modern efficient gas boiler in the Association's stock it is thought prudent to continue with the planned heating renewals over the next 3-5 years. The Asset Management Strategy is scheduled for review in line with the Scottish Government's EESSH2 2032 milestone and will again consider PHA's approach to fossil fuel heating systems.

PHA has access to the Energy Savings Trust's Home Analytics and PEAT modelling systems that allow potential energy efficiency projects to be tested on the Association's stock. This allows insight into the likely benefits and costs of compatible works. PHA's EESSH2 Strategy, planned for 2022/23, will analyse new energy efficient projects along with the upgrade of future planned works to higher energy standards (e.g. installing triple glazed windows in place of double glazed).

Procurement

PHA's main contractors for repairs and maintenance works are published in the Guide to Information on our website. In 2021/22, the Reactive Maintenance Framework Contract was tendered to increase the number of suppliers, two multi-trade contractors were successful and were added to the framework.

We procure planned maintenance works either as standalone contracts or as term contracts that involve appointing a contractor to provide services over a period of years. Example of planned works are bathroom renewals, cyclical painting painter work and annual gutter cleaning.

We follow the required guidance for regulated contracts and place advertisements on the Public Contracts Scotland website. Procurement activities undertaken in 2020/21 include:

- Two multi-trade contractors appointed to Reactive Maintenance Framework.
- Bathroom renewal and cyclical painting contracts extended into year 3.
- Annual gutter cleaning tender undertaken via PCS Quick Quote. Contractor appointed to annual term contract (option of 5 single year extensions up to a maximum of 5 years).

The 2022/23 and 2023/24 financial years for planned works are served by existing procurement awards (should single year extensions be taken up). When the Association reaches 2024/25 there is significant investment planned as windows, doors, kitchens and electrical rewires all reach their 30 year renewal anniversary following the Association's significant 1994-1997 refurbishment.

Joint procurement and existing frameworks suppliers will be considered to achieve value for money and bulk purchase efficiencies where possible. As the expenditure in the years 2024-2027 is significant community benefits will apply and the Association will consider what Wider Role opportunities can be considered.

Business Plan Priorities for 2021/22

Covid-19 Pandemic

1. Non-essential repairs to restart May 2021 and complete catch-up of routine works.

2. Resume planned works, to include 2021 works and catch-up of works suspended during the pandemic.

Reactive Repairs

3. Appoint multi-trade contractor, establish performance management arrangements, and monitor performance.
4. Mitigate the continued impact of COVID-19 on performance. Non-essential repairs were paused from December 2020 until late April 2021 and this has brought 4 months of repairs into the 2021/22 reporting year with excessive timescales as Covid restrictions prevented works being carried out at the time when they were reported.

Stock and Tenant Safety

5. Final completion of statutory smoke and heat detection works by February 2022.
6. Complete preventative work to update PHA's asbestos management records.

Environmental Works

7. Auchinlea Action Area (Back Courts) Design proposals to be presented to Committee and Tenant engagement event held. Tender to be undertaken.

Asset Management

8. Complete PHA Asset Management Strategy.
9. Completion of 2021 Stock Condition Survey. Analyse results and prepare updated costs for inclusion in 2022 Business Plan Update.
10. Commission stock revaluation.

Procurement

11. Multi-trade contractor(s) appointed to Reactive Maintenance Framework. No further significant procurement planned for 2021/22.

Energy Efficiency Works

12. Final Completion of EESSH1 works.
13. Monitor closely how the overall EESSH2 framework for RSLs evolves on the key matters of retrofit technology, funding, and procurement/delivery. We will do this through our membership of EHRA and SFHA and by taking part in GCC's engagement with housing providers.
14. Develop an EESSH 2032 Strategy and Action Plan (for completion 2022/23). The requirements of EESSH2 are largely known but the required technology and funding support have not yet

been clarified. An EESSH 2032 Strategy and Action Plan would provide a foundation for financial scenario and project design planning.

15. Consider opportunities to develop specific project proposals if funding opportunities become available. This could be considered in our own right, or by partnering with other landlords on the specification and commissioning of suitable solutions.

Policy Reviews

16. Conduct Review of PHA Repairs and Maintenance Policy.

CHAPTER 9 PHA's Housing Services

Services Provided by PHA

PHA's tenancy, property and neighbourhood management services include:

- Resident communications and relationships
- Housing applications and lettings
- Rent collection
- Estate management inspections and follow-up actions
- Visits to new tenants to help them settle in to their homes
- Visits to existing tenants to carry out a property inspection plus raise awareness of issues like house contents insurance and highlight the range of services provided locally
- Tenancy management and sustainment, including dealing with tenancy permission requests, breaches of tenancy conditions, antisocial behaviour and pursuing rent arrears
- Welfare Rights, financial inclusion, money advice and information
- Promoting tenant participation and involvement
- Working with other service providers to maintain and the quality of the local environment
- Liaising with service providers working with tenants who have care or support needs
- Property factoring
- Customer complaints and follow-up actions

We provide each of these services in house, with the exception of income maximisation services which is funded by PHA under a contract with Connect Community Trust.

Service Status (at October 2021)

In common with all social landlords, PHA has had to make substantial adaptations to the way we provide services, throughout the Covid-19 pandemic and the resulting public health restrictions. Glasgow was the final Scottish council area to move from Level 3, since when restrictions were eased progressively until reaching Level 0 in August 2021.

At October 2021, our staff are continuing to work from home, in line with advisory guidance from the Scottish Government.

The status of our main housing management services is as follows.

Service Area	Status at October 2021
Lettings	<ul style="list-style-type: none"> • Housing applications assessment and management operating normally • Housing allocations operating normally - but without home visits • Virtual viewings by applicants and electronic signing of tenancy agreements in place • New tenant visits via zoom or telephone
Section 5 referrals	<ul style="list-style-type: none"> • Referrals from HSCP being received and actioned normally
Rent collection and arrears management	<ul style="list-style-type: none"> • Continues to be operate normally – but with Coronavirus (Scotland) Act 2020 restrictions and extensions outlined below
Notices of Proceedings and evictions	<ul style="list-style-type: none"> • 6 months’ notice period introduced April 2020. Current extension of this notice period in place until 31st March 2022. MC approved ban on serving notices while legislation remains in place – although provision that notices can be served with approval of HSM. The Association has not served any notices since April 2020. • Evictions can take place so long as Glasgow is not in Tier 3 or 4 restrictions. The Association has not instructed any new court action cases or carried out any evictions since April 2020.
Reports of antisocial behaviour	<ul style="list-style-type: none"> • Reports, investigation and action by staff operating normally
Estate Management	<ul style="list-style-type: none"> • Weekly estate and close inspections operating normally
Tenant interviews	<ul style="list-style-type: none"> • Office remains closed to the public, so all other forms of tenant communication utilised - including home visits only if required.

Office re-opening will continue to be based on current Scottish Government advice together with guidance from SFHA regards Covid 19 Managing (was Re-starting) Services in addition to our own risk assessments.

Management Committee at its meeting in August 2021 approved a pilot return to work flexible working scheme for staff.

Tenant Profile

Tenancy records and in particular our local knowledge and personal contact with tenants give us strong insight into who we house and what their needs are. The main features of our tenant population are described below. Alongside this information, it is important to consider the

extensive evidence about poverty and inequality in Chapter 6, Strategic Analysis. This shows that Provanhall falls within the 5% most deprived SIMD datazones in Scotland and that outcomes relating to incomes, employment and health continue to be very poor for local people.

Age Profile

Almost three quarters of PHA tenants (72%) are aged between 21 and 65. Our area has a much higher proportion of older people, compared with Easterhouse and the city of Glasgow.

- PHA tenants: 27% of tenants are aged 60 or over
- Greater Easterhouse: 14% of adults are aged 65 or more ¹
- Glasgow: 13% of the population are aged 65 or over. ²

This will have significant implications for the services that PHA tenants need in future. The reach and quality of health and social care services will need to support older residents in remaining in their homes and more use of telecare will be needed. From a housing perspective, we can expect to see more tenants with mobility issues, and this will be very challenging to manage since a high proportion of our stock consists of walk-up tenement flats. While future demand for accessible house types is likely to be particularly high in Provanhall, Easterhouse as a whole will have similar issues since more than 60% of homes in the area are tenement flats.

Household Types

The table below shows the household composition pattern reported in our 2015 and 2019 Tenant Satisfaction Surveys. Among the respondents to the 2019 Survey, 44% of households were single adults, 11% were two parent families, 20% one parent families and 13% were two adult households with no children.

Question asked: Which of the following best describes your household composition?		
Base: All respondents, n=250	2015	2019
Single adult 65+	14.4%	17.6%
Single adult 16-64	26.0%	26.8%
2 parent family	8.0%	10.8%
1 parent family	14.0%	20.4%
2 adults 65+	2.8%	3.6%
2 adults at least one below 65	18.8%	9.2%
Other	16.0%	11.6%

¹ GCC Population Estimates 2014

² GCC Mid-Year Population Estimates for 2019 (published 2021)

Disability

Our tenancy records show that one-third of PHA tenants have a disability. Mobility or physical disabilities are the most prevalent conditions, followed by tenants with poor mental health and people who have long-term conditions.

Disability levels based on self-reporting by tenants are higher. In our 2019 Tenant Satisfaction Survey, 42% of respondents said that either they or a member of their household had some form of long-term illness, health problem or disability which limits their daily activities or the work they can do.

Ethnicity of PHA Tenants

Provanhall has become a more diverse community in recent years. The table below is based on tenancy records for all 516 PHA properties at October 2021.

People from BME communities accounted for 2.4% of Easterhouse's population in 2011, compared with 15% for Glasgow as a whole. PHA now has almost 10% of tenants whose ethnicity is other than white Scottish, compared with 5% in 2016. No information is available for voids or lease flats.

Ethnic Origin	Number of Tenants	% of Tenants
Scottish	464	90.6%
Polish	25	4.9%
Irish White	1	0.2%
British White	6	1.2%
African	10	2.0%
Asian Background	5	1.0%
Portuguese	1	0.2%
Not known	4	0.8%
Grand Total	516	100%

The Association continues to be a member of 'Happy to Translate' which provides a range of interpreting and translation services for staff and tenants. This ensures inclusive service delivery to our service users whose first language is not English.

PHA's Performance: Charter Indicators Results 2020/21

PHA's 2020/21 results, compared with 2019/20

The following table summarises PHA's performance in 2020/21 on a range of Charter Indicators relating to housing management, compared with the previous year 2019/20 which immediately pre-dated the Covid-19 pandemic.

- Indicators highlighted in green represent a better result in 2020/21 than in 2019/20
- Those highlighted in pink represent a poorer result in 2020/21 than in 2019/20

Charter Indicator	PHA Result 2020/21	Change since 2019/20
30.1 Properties re-let	54	5.0
18 - Percentage of rent due lost through empty properties	0.8	-0.7
30 - Average calendar days to re-let properties	26.7	-22.0
14 - Percentage tenancy offers refused	0.0	-1.8
23 - Percentage of offers result in let	48.4	-8.1
23.1 Individual homeless household referrals received under section 5	40	5.0
23 - Percentage of Section 5 and other referrals for homeless households by LA result in offer	77.5	11.8
26 - Percentage collected of rent due	102.9	1.2
27 - Percentage gross rent arrears of rent due	2.1	-0.4
16 - Percentage new tenancies sustained more than a year - all	96.5	10.8
16 - Percentage new tenancies sustained more than a year - applicants assessed as statutory homeless by LA	92.3	3.4
15 - Percentage Anti-social behaviour cases resolved	100.0	0.0
3&4 – Percentage Stage 1 complaints responded to in full	100.0	0.0
3&4 – Percentage Stage 2 complaints responded to in full	100.0	0.0
22.1 Number of court actions initiated	0.0	-1.0

The results show that PHA's performance was resilient in the face of the pandemic, particularly strong in relation to rent collection, arrears management, increased levels of tenancy sustainment and offers of housing to section 5 referrals.

The area where the pandemic had the greatest negative impact was void management. While we re-let more properties over the course of the year than in 2019/20, void rent loss was higher and re-letting of properties took longer.

A number of exceptional factors caused the dip in void performance results.

Internal Transfer tenants rehoused over the last 2 years into both Phase 13 new build stock plus subsequent domino voids, increased our turnover rates significantly. This impacted negatively on Charter Indicator 17: 'Percentage of lettable houses that became vacant in the last year'.

During 2020/21, Section 5 referral applicants refused a total of 11 offers of permanent rehousing for various reasons. In addition, a total of 15 Section 5 referrals we received and accepted, including 5 referrals to whom we made offers of permanent housing, were subsequently withdrawn by the Casework Team for various reasons. Combined, these 16 offers of permanent rehousing to Section 5 applicants that did not result in a let, impacted negatively on Charter Indicator 23: Section 5 'Percentage of offers that result in a let' for reasons that were entirely outside PHA's control.

Challenges also resulted from the impact of Covid-19 restrictions particularly during the first 2020 lockdown and the need to follow Covid-secure procedures for applicants and PHA's staff and contractors.

PHA's 2020/21 results, compared with the EHRA peer group and the national average

The table below compares PHA's Charter Indicator results for 2020/21 with those of our peer group, the 8 Greater Easterhouse landlords that are members of EHRA and the Scottish national average.

- For indicators highlighted in green PHA's 2020/21 performance was better than each compared average, i.e. EHRA and national average)
- For indicators highlighted in pink PHA's 2020/21 performance was poorer than the compared averages.

Charter Indicator	PHA Result 2020/21	EHRA Average 2010/21	National Average 2020/21
18 - Percentage of rent due lost through empty properties	0.8	0.3	1.1
30 - Average calendar days to re-let properties	26.7	22.1	39.9
14 - Percentage tenancy offers refused	0	14.3	34.1
23 - Percentage of offers result in let	48.4	74.0	79.6
23 - Percentage of Section 5 and other referrals for homeless households by LA result in offer	77.5	62.7	53.3

Charter Indicator	PHA Result 2020/21	EHRA Average 2010/21	National Average 2020/21
26 - Percentage collected of rent due	102.9	99.1	99.2
27 - Percentage gross rent arrears of rent due	2.1	3.7	5.9
16 - Percentage new tenancies sustained more than a year - all	96.5	97.2	89.6
16 - Percentage new tenancies sustained more than a year - applicants assessed as statutory homeless by LA	92.3	96.0	90.2
15 - Percentage Anti-social behaviour cases resolved	100.0	99.0	94.4
3&4 – Percentage Stage 1 complaints responded to in full	100.0	98.3	96.9
3&4 – Percentage Stage 1 complaints responded to in full	100.0	100.0	92.6

Further analysis of PHA’s performance is provided in Chapter 11, which reports on benchmarking indicators over a three-year time period.

Tenant Satisfaction

PHA’s most recent large-scale Tenant Satisfaction Survey was carried out in 2019. The headline results, based on the Charter Indicators, are shown in the infographic on the next page.

While we saw small reductions in satisfaction levels for most measures compared with the previous survey in 2015, positive satisfaction levels remained very high for most indicators, with satisfaction rates between 94% to 98% for 5 of the 7 Charter indicators.

Tenant Satisfaction Survey 2019

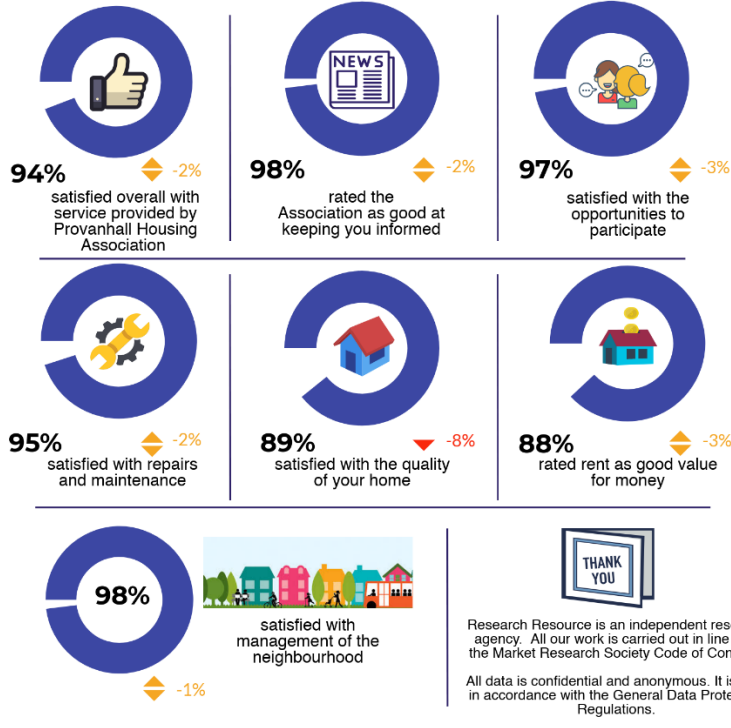
What did we do?

250

INTERVIEWS

We spoke to 250 Provanhall Housing Association tenants to find out how satisfied they were with the Association and the services they provide. This is done to report back to the Scottish Housing Regulator and allows the Association to improve their services for customers.

What did you tell us?



The areas where satisfaction levels were lower were:

- Satisfaction with **the quality of the home** reduced from 97% in 2015 to 89% in 2019.
- **Value for money** of the rent charge reduced marginally from 91% in 2015 to 88% in 2019.

On neighbourhood management issues, unattended dogs and dog fouling were considered to be a problem by 35% of tenants. This was followed by litter and mess around the area (10%) and a lack of play facilities for young kids (8%). Most of these issues are the responsibility of GCC.

Following the survey, we followed up with tenants a number of issues raised and made improvements to our procedures and working practices.

The action we are taking on the quality of tenants’ homes is described in Chapter 8, Asset Management.

On value for money in return for rent, PHA offers low rents, which we strive to keep as affordable as possible. Our rents pass affordability testing comfortably, and they are in general significantly lower than sector averages. In addition, the Management Committee decided to freeze rent

levels for 2021/22 in recognition of the challenges tenants were facing as a result of the pandemic. Rents and affordability are addressed in detail in Chapter 11, Value for Money.

The next full-scale satisfaction survey is due to take place in 2022. PHA will liaise with our survey contractor from the end of 2021 onwards to put all necessary arrangements in place.

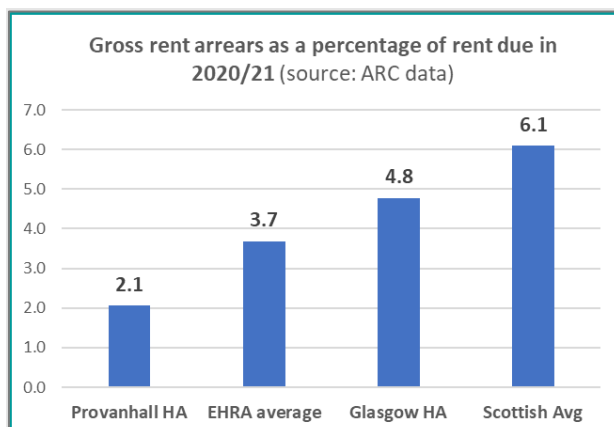
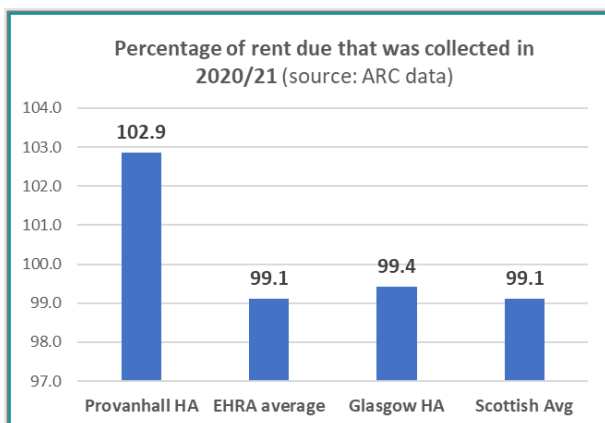
Rent Collection and Managing Rent Arrears

Rent collection accounts for almost all of PHA's income, so good performance in collecting rent and in managing rent arrears is critical if we are to continue providing tenants with quality services and to have the resources needed to invest in their homes.

As described in Chapter 6, Strategic Analysis, the benefits system and the wider economy present social landlords with continuing income management challenges. We can take assurance from PHA's consistently strong performance which was maintained in 2020/21 despite the global pandemic.

The following charts show that PHA's income management results in 2020/21 were substantially better than:

- The average for our EHRA member peer group
- Glasgow Housing Association, which owns housing in Easterhouse, and
- The national average for all social landlords in Scotland.



Our gross rent arrears levels were steady throughout all four quarters of the year. No Notices of Proceedings were issued during the year for rent arrears and no court actions were instigated or evictions carried out.

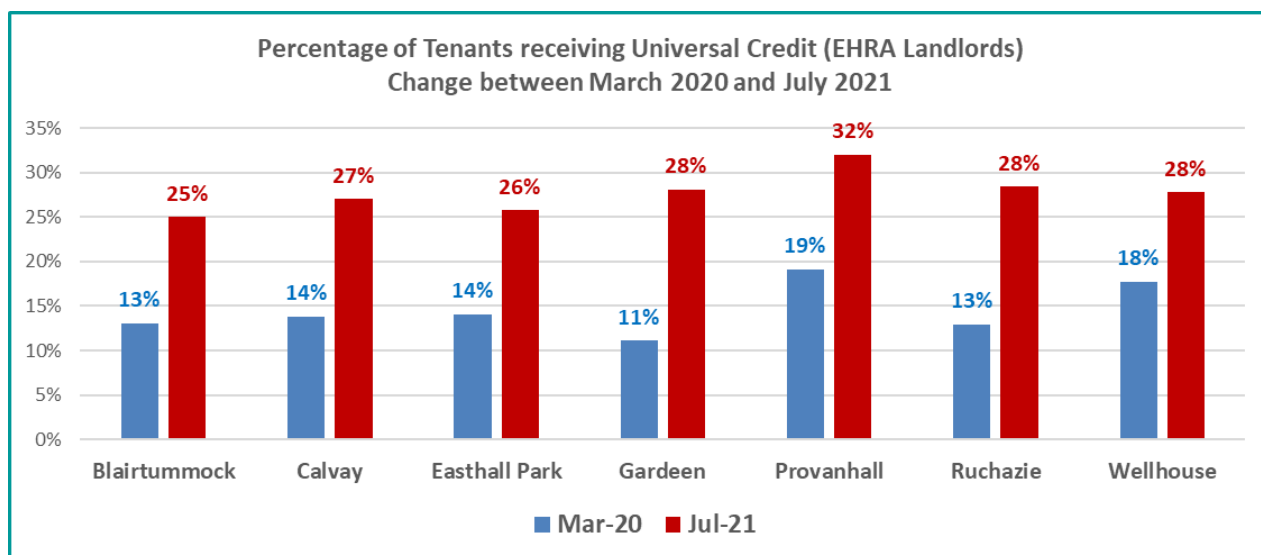
The main change we have had to adapt to during Covid has been managing contact with tenants largely by phone, email and text messaging, to comply with public health restrictions. This has been accomplished successfully, as the arrears performance results show.

Where appropriate, PHA encourages tenants to have their Housing Benefit or Universal Credit (UC) housing element paid direct to the Association. In the case of UC, we can also apply to DWP for Managed Payment arrangements to be put in place when arrears have reached a certain level.

Currently, PHA has a relatively high proportion of its rental income paid direct to us in this way. In 2020/21, PHA received direct payments of rent from GCC (Housing Benefit) or DWP (Universal Credit) for 72% of our tenants (EHRA peer group average 69%). In addition, we collected 59% of our total rental income through direct payments.

It will likely be harder to sustain these numbers in future, as the shift from Housing Benefit to UC gathers additional pace and is due to be completed by end of 2023 for claimants who are of working age. This is because tenants receiving UC have to actively opt in to direct payments of their housing element to their landlord, unless they have significant arrears in which case landlords can apply to DWP for Managed Payments to be put in place. UC tenants who do not have significant arrears are allowed to opt into direct payments of their housing element to their landlord following choices introduced by the Scottish Government during 2017/18. Staff continue to do all they can to encourage tenants and ensure voluntary direct payments of their UC housing element to their landlord.

The majority of PHA tenants who receive help with their housing costs still receive Housing Benefit rather than UC. However, the numbers on UC are now increasing rapidly. The number of PHA tenants receiving UC increased from 95 (19% of all tenants) at the end of March 2020 to 165 (32% of all tenants) at the end of July 2021. Throughout this period, PHA has had the highest proportion of tenants receiving UC in Greater Easterhouse as shown in the following chart.



PHA's experience is that tenants on UC account for a disproportionate level of our total rent arrears. The percentage of total rent arrears attributable to tenants receiving UC increased from 38% in 2019/20 to 51% at the end of 2020/21.

UC has a number of features that make it harder for tenants to pay rent when it is due and this in turn makes rent collection harder for the landlord. These features include the waiting time before a claim for UC can be made and the lengthy 5-week wait for a first payment to be made during which time the claimant may have no other income. Some tenants are forced into borrowing from family members. Others accept UC advances from DWP, which often creates debt that cannot realistically be repaid since tenants receiving UC will of course be on very low incomes.

These issues have been compounded by the UK Government's insistence on cutting the £20 a week increase to UC standard allowance that was introduced during the pandemic. This is a harsh and highly regressive move. It will drive more tenants into poverty, particularly as it comes at a time when inflation is approaching 4%, the Ofgem energy price cap has risen by 13% (equivalent to £3 a week extra spent on heating costs), and income tax and National Insurance contributions are increasing for the lowest-paid workers.

More positively, DWP since February 2021, is now paying UC housing element direct payments and Managed Payments (high rent arrears cases) to Provanhall on the same day as the tenant receives their UC payment. This provides greater certainty about when payments will reach us and removes the inefficiencies associated with the removes uncertainty about payment dates and has reduced the time our housing team previously had to spend in chasing up DWP for information.

We know that during the pandemic many PHA tenants who were in work were either furloughed or had their working hours cut. The Coronavirus Job Retention Scheme (furlough) came to an end in October 2021, and we are concerned that this will trigger redundancies leading to still more tenants having to claim Universal Credit. We will monitor the position carefully and assist tenants, especially those claiming UC for the first time, through our tenancy management and income maximisation services.

PHA ensures that tenants have access to local welfare benefits and financial inclusion services. PHA, along with Blairtummock HA and Gardeen HA, directly funds an Income Advisor employed by Connect Community Trust. The Income Advisor is based two days per week in PHA's office providing money and benefits advice services.

Tenant Participation

PHA is proud to be a community-controlled housing association. As such, we are highly visible and accessible to our tenants and the community. We regularly ask how tenants wish to engage with the Association, and we respect their preferences in what we do.

In our 2019 tenant satisfaction survey:

- 97% of survey respondents expressed satisfaction with the participation opportunities that PHA provides.
- 96% said that PHA was very or fairly good at taking account of tenants' views.

The Management Committee approved our 2021/22 Tenant Participation Plan in April 2021. We are now delivering the Plan in accordance with the activities and timescales shown below. These are spread across the year, providing multiple opportunities for tenants to get more involved.

Area	Month	Lead Officer
Quarterly Newsletter	April	Director
Kitchen replacements designs	June	Technical Services Manager
Quarterly Newsletter Repairs and Maintenance Policy review	July	Director Technical Services Manager
Animals Garden Areas: Exclusive & Shared	August	Housing Services Manager
Quarterly Newsletter AGM Annual report	September	Director
Auchinlea Action Area proposals (2 stages)	October	Technical Services Manager
PHA's future priorities (Business Plan)	November	Director
Allocations Internal transfers Rent Increase Consultation	November	Housing Services Manager
Quarterly Newsletter	December	Director
Start of Tenancy New Tenant Survey	February	Housing Services Manager
Quarterly Newsletter (May be April – depending on dates of Easter)	March	Director

Estate Management

Estate Management is a key service for PHA and for tenants. It is also important in maintaining a high-quality neighbourhood which prospective tenants regard as a desirable place to live.

Estate management inspections and works have now resumed following the earlier lockdown periods of the Covid-19 pandemic. Others will follow when public health restrictions and our own assessment of risks permit.

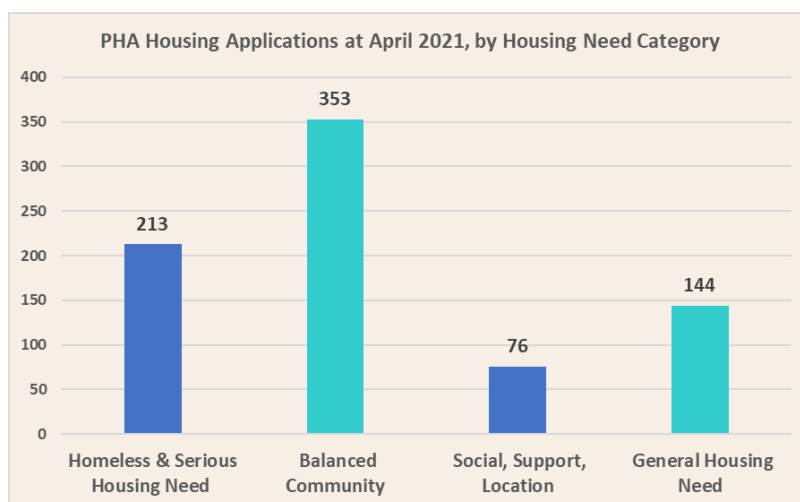
Neighbourhood quality also depends on the effective delivery of services provided by GCC. As in other parts of Easterhouse, GCC has either run down or began charging for its environmental maintenance services in Provanhall in order to make savings. This has resulted in housing associations having to provide or fund replacement services e.g. provision and frequency of cleansing and bulk removal services and most recently bulk removal services for main door properties.

Neighbourhood services are proving to be an easy target for GCC cuts, and we are concerned that service levels will continue to be under threat. Additional challenges are presented by vacant derelict land in the area which has been awaiting development for many years.

Homelessness and Lettings

Demand: Housing Applications

At April 2021, PHA's housing list had a total of 786 applications, placed in the following housing needs categories:



The 213 Homeless & Serious Need applications included Section 5 referrals we had accepted and waiting to rehouse.

Lettings Plan for 2021/22

The priorities approved by the Management Committee are:

- To help maintain a balanced, stable, and sustainable community, while making the best use of available stock of housing.
- To recognise the different needs and aspirations of all groups of applicants, giving reasonable preference to those in greatest housing need and minimise the turnover of housing.

Applicant Source

	Provanhall Residents (Internal Transfers & Waiting List)	Section 5 Referrals List	Waiting List (External)	Total
Target	55%	35%	10%	100%

Applicant Group

	Homeless & Serious Housing Need	Balanced Community	Social, Support & Location	General Housing Need	Total
Target	55%	20%	15%	10%	100%

Targets for Homeless and Serious Housing Needs was 40% each year between 2016/17 to 2019/20, rising to 45% in 2020/21 and 55% in 2021/22.

We will review our Allocations Policy during 2021/22. This will bring the Policy up to date but is unlikely to involve any fundamental changes to the existing Policy.

Homelessness

PHA has a positive attitude to its role in rehousing homeless households and a constructive working partnership with the Health and Social Care Partnership.

We made 38% of lets to section 5 referrals (net of transfers) in 2020/21. This rises to 47% if we include Temporary Furnished Flats leased to GCC which were used to house homeless people during the Covid-19 emergency.

The following table shows PHA’s performance on a number of Charter Indicators compared with our peers in Greater Easterhouse in recent years.

	EHRA avg 2019/2020	PHA 2019/20	EHRA avg 2020/21	PHA 2020/21
Number of s5 referrals received	14	35	18	40
Number of s5 referrals resulting in permanent home offer	8	23	12	31 (15 accepted)
% of s5 referrals resulting in offer	57	66	63	78
% of offers to s5 referrals resulting in a let	65	57	74	48

Our performance is strong overall, with the exception of acceptance of offers made to homeless households referred to us by the HSCP. PHA’s control over this final part of the process is limited, as it depends on the HSCP matching referrals correctly to places where applicants want to live if they are made an offer. In addition, this figure includes 5 Section % referrals to whom we made offers of permanent housing, but were subsequently withdrawn by the Casework Team for various reasons. We will continue to address the issues of demand and refusal of offers with HSCP.

As part of its plan for Rapid Rehousing, the HSCP has asked all housing associations to provide it with 60% of their lets (net of transfers) in 2021-2022. PHA remains keen to do all we can to assist HSCP by maximising our offers to Section 5 applicants. For example, our policy of allowing single people and couples to be considered for 3 apartment properties is important in this regard. However, we have advised the HSCP that PHA has maintained its target of 35% of all lets for section 5 applicants, in line with the initial Rapid Rehousing Transition Plan for Glasgow. We have also emphasised the importance of successfully sustaining section 5 tenancies in partnership with HSCP and other agencies as required, and that the resources available to HSCP/partner agencies to do this is of concern to us.

HSCP is preparing to rollout the Housing First policy for rehousing and supporting people with more complex support needs. PHA has helped lay the ground for this in Easterhouse by working with HSCP and Turning Point to deliver Housing First training for both Easterhouse Housing & Regeneration Alliance (EHRA) Housing Managers and front-line Housing Officers for all 8 EHRA local Housing Associations.

Scottish National Standards Accreditation for Information and Advice Providers

PHA first secured Scottish National Standards accreditation for information and advice providers in 2010. We successfully re-accredited in 2018. PHA is a Type I Agency which provides: Active Information, Signposting and Explanation. Accreditation ensures that our staff meet nationally set competencies and that our tenants and service users receive the best possible information and advice, across many of our housing and welfare advice service areas.

Business Plan Priorities 2021/22

Covid-19 Pandemic

1. Implement PHA's plan for restoring and re-starting all housing management services, as and when it is safe to do so. Comply at all times with mandatory public health guidance and take account of sector guidance on re-starting and managing services and PHA's own assessment of risks.
2. Informal tenant feedback on the use of electronic signatures, video or zoom calls and even TikTok video for viewings has been very positive. Such measures, introduced quickly as necessitated due to the pandemic, will be formally reviewed and included in satisfaction surveys with a view to be being kept and utilised for permanent service improvements.

Housing Allocations and Homelessness

3. Conduct a review PHA's Allocations Policy.
4. Implement PHA's Lettings Plan for 2021/22.
5. Provide any assistance needed to the HSCP to improve outcomes on referrals that result in an accepted offer of rehousing.
6. Work with the HSCP and support providers to improve the sustainment of tenancies by homeless households.
7. Ensure that PHA is well-prepared for the rollout of Housing First to Easterhouse.

Rent Collection and Arrears Management

8. Monitor the impact of the continued rollout of Universal Credit and other benefit changes on PHA's rent arrears and take action to minimise impacts.

9. Continue to offer a local income maximisation service to Provanhall residents.

Domestic Abuse

10. Update PHA's policy and procedures in accordance with the Domestic Abuse (Protection) (Scotland) Act 2021, including new powers for social landlords to end or transfer the tenancy of a perpetrator of domestic abuse to the victim.

CHAPTER 10 Wider Role Activities

Introduction

“Wider role” refers to PHA activities that go beyond housing provision and management and seek to improve the social and economic circumstances of the Provanhall community.

PHA’s wider role remit is to support, promote and instigate regeneration and community development activity, working for the benefit of the entire community.

In fulfilling this remit, PHA seeks to work in partnership with other service providers and to complement rather than replace the role of statutory service providers. This works well in our partnerships with other community service providers. It is often more problematic with the major public service providers, where we often see a lack of commitment to taking action at neighbourhood level and also a lack of visibility in neighbourhoods as was the case during the Covid-19 pandemic.

Inequality and Lack of Opportunity in Provanhall

Provanhall is a relatively stable neighbourhood, with a good sense of community. However, poverty, welfare reform impacts, addictions, poor health, and social inequalities affect many people living in the area.

This is very clear from the data from the 2020 Scottish Index of Multiple Deprivation (SIMD), as set out in Chapter 6, Strategic Analysis. To re-cap briefly:

- The Provanhall area accounts for two SIMD datazones, both with an overall ranking in the **5% most deprived of all datazones in Scotland**.
- Provanhall is also ranked in the 5% most deprived datazones for income, employment and health deprivation. These issues are a driving force for the levels of poverty and inequality that exist in our community.

The harms cause by poverty and inequality were plain to see during the Covid-19 pandemic, with many residents affected by food insecurity, difficulty heating their homes, social isolation, loss of employment or reduced working hours, and many other issues.

PHA played a leading part in supporting our community through the pandemic. Even though we have a constant presence in the area and are close to our tenants, we quickly saw that the extent of poverty among some residents was far worse than we knew about.

PHA’s Wider Role Work in the Community

As a community anchor organisation for Provanhall, PHA is well-placed within the area to act as a catalyst for attracting investment and for supporting the development of services that meet the needs of the community.

We support or enable a large number of community activities in Provanhall.

Many of these activities take place at the local community centre, The Connie, on Conisborough Road. The building is leased by PHA and critical to its success is our partnership with Connect Community Trust, a specialist community support and development organisation.

PHA provides Connect with funding to provide a full programme of services and activities in The Connie. Our investment is matched by financial resources provided by Connect whose successful fundraising activities produce funding from the Scottish Government, GCC, the Lottery and others that is then invested in providing much-needed services throughout Easterhouse and the wider east end of Glasgow.

The Connie consists of:

- Community Cafe
- Learning Centre/Computer Suite part of the [John Wheatley Learning Network](#) supported by Glasgow Kelvin College
- Multi-purpose area/Conference room
- Outdoor sports pitch
- Office Spaces

The services and activities on offer are extremely varied and they are provided by both Connect staff and local volunteers. Activities have a strong emphasis on providing something for all age groups, and include:

- Youth Clubs	- Fully Supported Drop in Job clubs
- Lunch Clubs , Breakfast Clubs	- Digital Inclusion Workshops & Sessions
- Community Cafe	- Fitness Classes
- Volunteering Opportunities	- Sports Activities
- Base for the YOMO and the HAPPY Club	- Annual Family Fun Day
- Bingo Sessions	- Xmas, Easter and Halloween Events
- Birthday Parties	- School Holiday Programmes
- Function Room Hire	

We discuss our spending on Wider Role annually with tenants. For a relatively small investment, PHA and Connect work together to create opportunities and a better quality of life for PHA residents.

PHA also provides Provanhall residents with a **local income maximisation service**. The service is provided by a worker employed by Connect, with funding and direction from the three contributing housing associations (Provanhall, Gardeen and Blairtummock).

This is a lifeline service for residents and repays the investment PHA makes many times over.

Supporting the community during the Covid-19 pandemic

In 2020/21, PHA stepped up our support for the community during the Covid-19 pandemic.

We became members of the East End Coronavirus Voluntary Action Group which was formed and mobilised rapidly when the first Covid lockdown was announced in March 2020. The Action Group quickly became established as highly effective model of community support.

Two **lead partners (Connect Community Trust and FARE Scotland)** led on fundraising and delivering essential services at scale. This included a major operation to provide food and other essentials to residents who were in need, and a range of wellbeing activities and services, often based on physical activity and getting people out of their homes to socialise with others at times when it was safe to do this.

The **8 community-controlled housing providers** in Greater Easterhouse used their welfare rights services to maximise residents' incomes. They also provided short-term direct help to tenants in crisis, and used their unique local knowledge to identify people in need and to then connect them with the right services by making referrals.

PHA provided direct assistance to 350 Provanhall residents in 2020/21 and we secured additional help for those in need by making referrals to other service providers.

Direct assistance by PHA included:

- Securing financial gains of £130k for 156 Provanhall residents, through our income maximisation service, compared with only £14k to provide the service.
- Help for 108 households with emergency assistance on food and other essentials.
- Cash payments made by BACS for 45 households who were struggling and needed immediate financial support to resolve their circumstances.
- Toy vouchers provided for more than 40 local children.

We provided Connect Community Trust with a constant flow of referrals of tenants in need. This gave our tenants access to a wide range of supports including food parcels and vouchers, energy grants, digital tablet devices, white goods, care packages, and kids activity packs.

As a mature organisation with professional staff and organisational resources, relationships with partner organisations and a strong management committee of local people, PHA is well placed to continue delivering wider role activities to help improve services for local residents. We also

need to take account of the fact that our primary responsibilities are for delivering housing and related services to our tenants.

Accordingly, our current and future approach balances direct investment by PHA in the wellbeing of our community, while also enabling the work of partner organisations in our community which introduces expertise, increases impact and ensures that PHA's risk exposure is kept within reasonable limits.

The effectiveness of this approach, and its value for the future, was illustrated very clearly during the pandemic.

As the community anchor organisation for Provanhall, PHA's knowledge of the community and our direct relationships with residents are unique. This means we can:

- Identify what services and supports are needed in Provanhall
- Offer organisational and capacity building support to groups based in the area
- Refer the right people to the right services provided by other support organisations.

Experience of the pandemic has also demonstrated that our wider role activities are likely to be most effective when they involve a range of delivery methods:

- Some direct delivery of services by PHA
- Contracting with third sector partners to deliver services in Provanhall on PHA's behalf
- Seeking partnerships with community support organisations that have the expertise and fundraising skills to develop and deliver services that would benefit our community.

Business Plan Priorities 2021/22

1. Continue to perform and develop the role of community anchor organisation in Provanhall.
2. Provide funding, as set out in PHA's budgets and financial projections, to support a continuing programme of wider role activities in Provanhall by the Association and our partners.

The financial projections assume a wider role budget of £51,500 from 2022/23 onwards, which is equivalent to less than £100 per tenancy.

3. Direct PHA's spending to the priority areas agreed by the Management Committee. Currently, these include:
 - Addressing child poverty
 - Addressing social isolation
 - Providing activities for all age groups, including young people and older people
 - Supporting a local service on income maximisation and financial capability advice
 - Give local people access to opportunities through job clubs and bursaries, improving

digital inclusion and promoting volunteering.

4. Maintain our successful partnership with Connect Community Trust and a number of other community organisations as described in Chapter 7, Stakeholder Relationships.
5. Seek to forge closer relationships with public sector partner agencies, to bring their services closer to local people in Provanhall and to promote partnership working at neighbourhood level for the benefit of residents.

Along with our colleagues in EHRA, we will make the case for an inclusive and suitably resourced Covid recovery programme in Easterhouse, and greater partnership working between GCC, the Glasgow Health and Social Care Partnership and community organisations to deliver the changes that are needed .

There is currently a lack of connection between the large public organisations in the planning and delivery of services that will tackle Easterhouse's many challenges at the neighbourhood level. PHA and other local organisations will continue to support our communities regardless of whether the public bodies choose to engage and act. However, large-scale and lasting change on poverty and inequality in Greater Easterhouse can only happen if the major public bodies provide leadership and resources and fully involve the community in providing sustainable solutions.

CHAPTER 11 Value for Money

Introduction

This chapter provides an analysis of PHA's performance in demonstrating Value for Money (VFM) across the main areas of our work.

Some of the VFM data assembled has been used as part of the Strategic Options Review that accompanies the Business Plan. Where this is the case, reference is made to the information on Options Review.

Value for Money Statement

PHA recognises the need to achieve Value for Money (VFM) in all areas of our work. Our approach to achieving VFM involves:

- Seeking to continually improve the quality of our services.
- Being responsive to tenants' expectations and future aspirations.
- Maintaining tenants' rents at affordable and competitive levels.
- Making sure that PHA continues to be a financially strong and sustainable social business, with the resources needed to invest in tenants' services, homes, and neighbourhoods.
- Making the best use of our resources to benefit tenants and the community.
- Being efficient and effective in how we work - for example, using available resources differently to better meet our priorities, or reducing costs/resources needed, without detriment to tenants.

In a challenging operating environment, VFM will become increasingly important over the period of this Business Plan. The economic climate is likely to put multiple cost pressures on our business while tenants' incomes will be under pressure because of the jobs market, rising costs of living and regressive changes in welfare policy by the UK Government. At the same time, we are being asked to meet mandatory increases in housing standards set by the Scottish Government in response to climate change.

In these circumstances, we must have a considered and effective approach to VFM, to meet the competing demands and pressures on our business.

Current Performance: Costs and Resources

The Strategic Options Review shows that PHA operates very efficiently in comparison with our EHRA peer group average for 8 Greater Easterhouse social landlords. In 2019/20, this was the case for:

- The proportion of turnover spent on staffing costs
- Our capacity to generate surpluses that can be reinvested in tenants' homes
- The ratio of staff: stock
- Management and maintenance administration costs per unit (see table below):

EHRA Member	Total Management and maintenance administration	Total management and maintenance
Provanhall	£1,218	£2,244
Calvay	£1,251	£2,233
Easthall Park HC	£1,326	£2,325
Wellhouse	£1,333	£2,054
Blairtummock	£1,335	£2,295
Lochfield Park	£1,336	£2,265
EHRA Avg	£1,446	£2,356
Gardeen	£1,712	£2,620
Ruchazie	£2,058	£2,812

Source: Scottish Housing Regulator, Report on Audited Financial Statements Returns for 2019/20

Tenant Satisfaction Results

The 2021 ARC reports the most recent tenant satisfaction results for all social landlords. The following table the following results for our EHRA peer group, GHA (also a landlord in Easterhouse) and the national average for all social landlords. The best result on each measure is shaded in green and the poorest in pink:

	PHA	EHRA Avg	GHA	National Avg
Overall service	94.4%	93.8%	87.6%	88.9%
Quality of home	88.8	91.7	87.1	87.1
Repairs service	94.4	94.0	87.5	90.1
Management of neighbourhood	99.2	94.1	82.0	86.1
Keeping tenants informed	98.4	96.7	88.2	91.7
Opportunities to participate	96.8	94.3	80.1	86.6
Rent is VFM	88.4	88.2	79.4	82.8
Factoring service	80.0	74.8	60.2	65.1

As can be seen, PHA's performance in this area is of a very high standard.

Value for Money Scorecard: Providing Services

VFM requires a combination of excellent service delivery as well as the strong financial efficiency results reported in the previous section. This section sets out a **Value for Money Scorecard** for PHA's performance in providing and managing services.

The results shown cover the period 2018/19, 2019/20 and 2020/21. Accordingly, the Scorecard provides a longer-term view of VFM than simply looking at ARC results for a single year.

The Scorecard shows:

Column 1: The performance indicators used to assess VFM. The indicators have been selected because of their potential to make judgements specifically in relation to VFM

Column 2: PHA’s average performance results over the 3-year period from 2018 to 2021

Column 3: What aspect/s of VFM each performance indicator addresses, as follows:

VALUE – Evidence of direct value or benefit to tenants/service users, for example as expressed in satisfaction levels or having repairs carried out promptly.

EFFICIENCY – How well services are managed, with a corresponding benefit to tenants or PHA. For example, the time taken to provide a service or the quality of the end result

FINANCIAL – Evidence of a positive financial impact, resulting in a measurable monetary gain.

Columns 4 and 5: How PHA’s 3-year average results for each measure compare with our EHRA peer group and the national average for all social landlords.

As in earlier parts of the business plan, we use **green shading** to signify whether PHA’s results are better than the compared average (i.e. the EHRA average or the national average) and **pink shading** to show that PHA’s are inferior to the compared average.

VFM Scorecard Results 2018/19 to 2020/21

VFM PERFORMANCE MEASURE	3 YEAR AVERAGE PHA	VFM CATEGORY	EHRA 3 YEAR AVERAGE ALL	SCOTTISH 3-YEAR AVERAGE
1 - % of tenants satisfied with the overall service provided landlord	94.4	Value	93.4	89.4
6 - % properties meeting SHQS year end	99.3	Value Financial	99.4	93.2
C10 - % of properties meeting the EESSH	98.5	Value Financial	97.0	86.9
7 - % tenants satisfied with quality of home	89.0	Value	91.9	87.4
8 - Average hours to complete emergency repairs	1.6	Efficiency Value	2.2	3.8
9 - Average working days to complete non-emergency repairs	4.4	Efficiency Value	3.7	6.6

VFM PERFORMANCE MEASURE	3 YEAR AVERAGE PHA	VFM CATEGORY	EHRA 3 YEAR AVERAGE ALL	SCOTTISH 3-YEAR AVERAGE
12 - % tenants satisfied with repairs service	94.7	Value	95.2	91.0
14 - % tenancy offers refused	0.6	Efficiency Financial	16.3	34.1
16 - % new tenancies sustained more than a year - all	92.9	Value Financial	96.1	89.6
26 - % collected of rent due	102.9	Efficiency Financial	99.5	99.2
27 - % gross rent arrears of rent due	2.2	Efficiency Financial	3.3	5.9
18 - % of rent due lost through empty properties	0.3	Efficiency Financial	0.2	1.1
30 - Average calendar days to re-let properties	11.6	Efficiency Financial	12.9	39.9
25 - % tenants who feel rent for property represents good value for money	88.3	Efficiency	87.2	83.2
C1.3.3 % days lost through staff sickness absence	2.1	Efficiency People	3.3	3.9

In summary, the Scorecard shows that:

- PHA’s results are better than all of the national average results shown, often by a considerable margin.
- In comparison with the EHRA peer group, PHA’s results are better for 10 of the 15 VFM indicators shown.

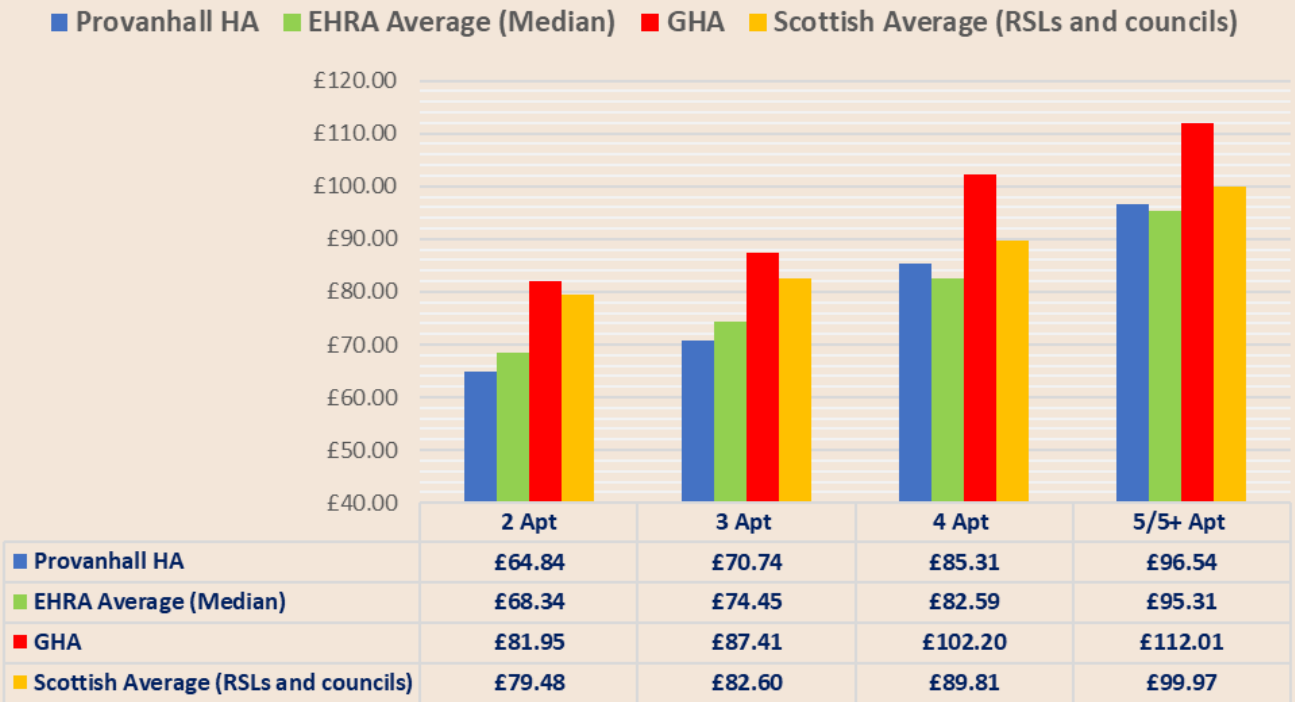
In the areas where our results are below the EHRA average, the differences are generally relatively small.

Rents and Affordability

Current Rents and Rental Comparisons

In common with other EHRA members, PHA sets its rents at competitive and affordable levels. The very competitive nature of PHA’s rents is shown in the following comparison with EHRA average rents and the rents charged by GHA (also a landlord in Provanhall) and the national averages reported in the 2020/21 ARC.

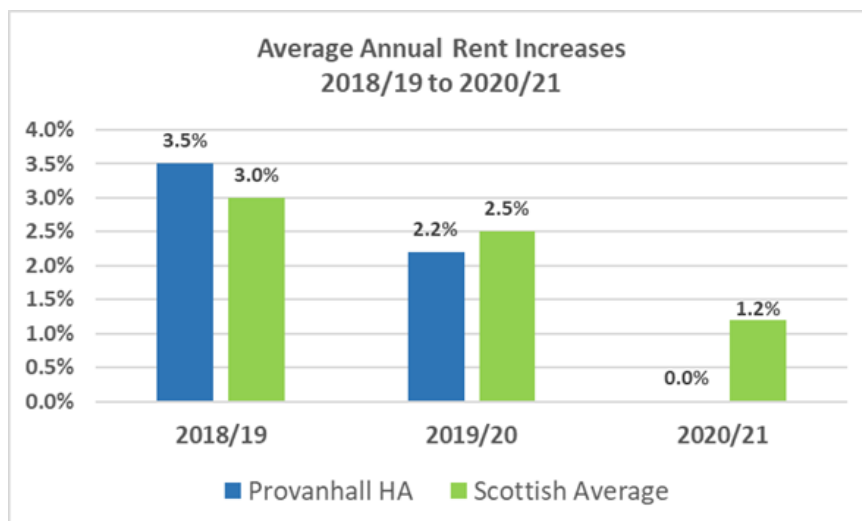
Average Weekly Rents Comparison 2020/21 (source: SHR)



The chart shows that PHA’s average rents are lower than the national average and GHA average rents in all cases.

In comparison with the EHRA peer group, PHA average rents are the lowest for 3 apartments and second lowest for 2 apartments. 2 and 3 apartments make up 78% of our housing stock, meaning that the benefits of lower rents are felt widely across our tenants. Our average 4 apartment rent is £2.72 per week more than the EHRA average, while the average PHA rent for a 5 apartment is £.23 per week more than the EHRA average.

The following chart shows that PHA’s annual rent increases have been below the national average in 2 of the last 3 years. This included a rent freeze in 2020/21 in recognition of the financial hardship that the pandemic has caused many of our tenants.



In the period ahead, we need to balance the ongoing financial challenges that tenants face, while also raising sufficient rental income to provide the high-quality services and investment that tenants rightly expect. The biggest threat to affordability may come from the climate change obligations set by the Scottish Government which are presently being promoted on a prospectus of no or limited government funding which would leave rents having to take the strain.

Affordability Assessment

The Association uses the Scottish Federation of Housing Associations' *'Affordability Tool'* which is based on comparing rents with income levels for every local authority in Scotland.

Based on the moderate income of different household types in each area, this tool assesses the % of income different households spend on rents in each area. Based on Glasgow City measures, we are pleased to report 100% of our rents for all different household types and sizes meet the most affordable measure; less than 25% of income being spent on rent.

To further test affordability, the Association modelled its proposed rents for 2021/22 for 10 common household types, including 6 working household types and 4 pensioner household types. The results are shown in the table below.

This analysis suggests that affordability ratios based on 2021/22 rent levels are within reasonable limits (below 25%) for all of the household/income scenarios shown, except for the two single person household types.

Under current Housing Benefit rules, it is becoming increasingly difficult for single people to afford any type of tenancy unless they are working more than part-time and for more than the minimum wage. Unlike many landlords, PHA's affordability testing demonstrates that our rents are affordable within the same set of tests that apply to other household types, although rent to income ratios are still higher for households of this type.

Further challenges for households who are not in work, due to UK Government measures introduced in 2019, made real terms cuts to some types of benefits and cap help with housing costs for single people aged under 35 with no dependents to the LHA rate for a single room in shared accommodation.

Affordability Test Results for PHA Rents 2021/22

Using a traffic light report system to report on the SFHA Tool results:

<p>green (less than 25% of income is spent on rent) amber (between 25% and 30% of income is spent on rent) red (more than 30% of income is spent on rent)</p>
--

Based on Glasgow City earnings levels reported in the ASHE, 100% of our rents for all different household types and house sizes are assessed as:

green (less than 25% of income is spent on rent).

Our individual assessments are even more affordable; the % of income different households spend on our rents range from just 10.5% to a maximum of 23.1%:

Bedroom Size	Household Type	% of Income spent on rent
1 bedroom	Single Person	21.1%
1 bedroom	Couple 1 x PT, 1 x FT	14.1%
1 bedroom	Couple 2 x FT	10.6%
1 Bedroom	Single Pensioner	19.2%
1 Bedroom	Pensioner Couple	14.1%
2 Bedroom	Single Person	23.1%
2 Bedroom	Couple 1 x PT, 1 x FT	15.4%
2 Bedroom	Couple 2 x FT	11.5%
2 Bedroom	Single Pensioner	21.0%
2 Bedroom	Pensioner Couple	15.4%
2 Bedroom	Single Parent & 1 Child	17.7%
2 Bedroom	Single Parent & 2 Children	14.4%
2 Bedroom	Small Family (2 children)	11.0%
3 Bedroom	Single Parent & 2 Children	17.4%
3 Bedroom	Small Family (2 children)	13.3%
3 Bedroom	Large Family (3 children)	11.6%
4 Bedroom	Single Parent & 2 Children	19.7%
4 Bedroom	Small Family (2 children)	15.0%
4 Bedroom	Large Family (3 children)	13.1%

Tests based on: each bedroom size 'Average Weekly Rents' 2020 21 - rent freeze and Moderate Incomes (ASHE 30th)

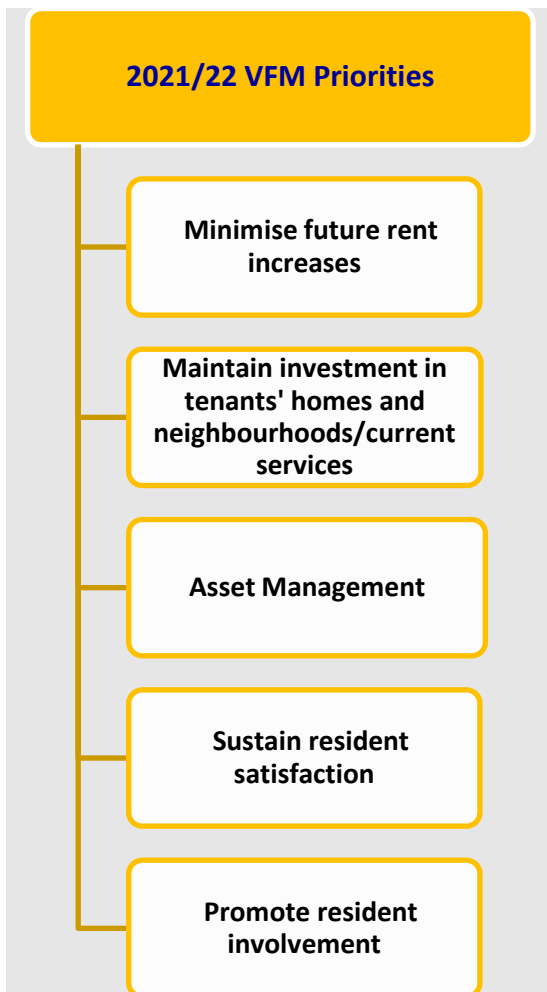
Moderate incomes are calculated based on the 30th percentile for each local authority, which is above housing benefit eligibility. The justification for using these moderate incomes is that incomes converge around this point once housing benefit and tax credits are included in lower incomes. Following the Joseph Rowntree Foundation's Living rent methodology, the household incomes are weighted to account for additional income for adults and child benefit entitlements.

Conclusions from VFM Assessment

Overall, PHA is achieving a high level of performance in comparison with our peers and with all Scottish social landlords. When set alongside the financial data about our service delivery costs, our low rents and our most recent Tenant Satisfaction Survey results, PHA's value for money profile is one of **high-quality performance, low costs, and high value for tenants.**

Future Value for Money Priorities

PHA's priority areas during 2021/22 for reviewing and where possible improving value for money are as follows.



- Conduct tenant consultation on 2022/23 rent increase
- Benchmark PHA rents locally and nationally
- Assess the impact that rent review proposals will have on different household types/employment/earnings circumstances
- Track wider economic factors, for example if rents, food, and energy costs rise more quickly than income levels
- Prepare for 2022 Tenant Satisfaction Survey
- Keep our staff costs/ratios down by maximising the work we do in house, restricting use of consultancy work etc to where absolutely necessary

CHAPTER 12 Organisational Resources and Development

Location & Premises

The Association's office is based in Conisborough Road, in the heart of our area of operation. This makes us highly accessible to tenants who prefer to conduct business with us face to face, albeit telephone contact has by necessity been the default communication method during the Covid-19 pandemic. Our local base also means that we are an established, stabilising presence in a community which faces challenges because of poverty and its effects on residents' lives.

PHA's local ethos and presence mean that our staff have a high level of knowledge about what is happening in our housing stock and the local community. This is always valuable and was particularly so during the Covid-19 pandemic when PHA and our partners were able to direct help rapidly to where it was most needed.

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

Human Resources and Succession Planning

The Association is a full member of EVH, operating in accordance with EVH Terms and Conditions.

We employ 9 members of staff (8 full-time equivalent).

The Director is responsible for ensuring consistent HR management standards throughout the organisation, in relation to recruitment, absence management, training assessment and provision, health and safety management, staff performance management, discipline and grievance. The Housing Services Manager and Technical Services Manager assist with the implementation of these tasks.

The Director also advises and supports the Management Committee, in its role as employer.

PHA has well-established procedures for staff and committee succession planning, with an annual plan produced for both. Our internal auditors examined procedures and practice in both areas in 2019 and concluded that our approach was strong.

On the staff side, the annual reviews address all of the posts in our structure. This is particularly important because there are few instances in PHA where more than one person carries out the same job. This issue of "key person risk" is therefore important if someone leaves the Association or if a long- absence were to occur. We have a number of options in place to deal with any such situations, tailored to the impact that could occur in the various job roles in our structure.

Succession planning is particularly important for senior posts. While such plans have no formal status and cannot be activated in detail until a staff member gives formal notice of their intention to leave, we have ensured that the Management Committee has discussed such scenarios and has taken steps to prepare for them to the extent that this can reasonably be done in advance.

We have a positive approach to flexible working, pre-dating the pandemic. The Covid-19 pandemic has raised new questions about how staff might carry out their roles in future, as noted in the Priorities section at the end of this chapter.

Learning and Development

The Association uses a Staff Appraisal process to review, support and develop staff performance. The Association has a longstanding commitment to learning and development.

Staff Remuneration

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

The Association has closed the Scottish Housing Association Pension Scheme (SHAPS) final salary scheme to new entrants. The final salary scheme has a small number of current members, while most members of staff have joined the SHAPS Defined Contribution (DC) scheme which is also our option for auto-enrolment. As a result, contributions have reduced significantly for most of our employees and for PHA. The Association's pension contributions have also reduced because some members of staff have made their own personal choices on saving for retirement, outside an employer pension scheme.

We continue to have a potential debt on withdrawal under the final salary scheme in the region of £950k. It is highly unlikely that the repayment of the debt would be triggered for as long as PHA has employees in the DC Scheme. This position is monitored internally and by PHA's auditors who report in detail on pension liabilities in the annual financial statements. We are also obliged to make payments in respect of past service deficits. The current PSD arrangements will end by March 2023 at the latest.

Employer's pension costs, reflecting all of these factors, are incorporated in PHA's budgets and financial projections.

ICT Systems

Hardware

The Association updated its IT hardware in 2016. The main server is replaced as needed to deal with the demands of our systems. Senior Staff have access to iPad for remote and on site working. The Association uses SDM and HomeMaster housing software and internet banking. A contract for software support and IT back up is in place.

Disaster Recovery

As part of its business continuity plan, the Association has appropriate disaster recovery options in place. These include agreements to use the offices and ICT equipment of neighbouring housing associations, in the event that our office or systems cannot be used for any reason. We have been able to maintain service and business continuity throughout the lengthy period of the Covid-19 pandemic.

Procurement

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

Legal compliance is important for our property-related expenditure, less so for corporate purchase which is much smaller in scale. However, we are aware of our obligations under the Procurement (Scotland) Regulations 2016 and the Public Contracts (Scotland) Regulations 2015. The Association will ensure that it complies with these obligations and will take steps to ensure that our procedures and practice minimise the risks of challenge by potential contractors or suppliers.

Business Plan Priorities

The Association's main priorities during 2021/22 will include:

Office Opening and Access

1. Keep office opening and access for staff, tenants, committee members and visitors under review for the duration of the Covid-19 pandemic, giving the highest priority to the health and safety of all concerned and complying with public health guidance.
2. Conduct appropriate risk assessments when we are considering changes to office arrangements and implement measures to manage and reduce risk, as appropriate.

Staffing

3. Provide PHA staff with suitable equipment and guidance to support them in working from home.
4. Implement suitable measures to support staff wellbeing throughout the various stages of the pandemic.
5. Work with the Management Committee and our tenants to identify preferred options for future service delivery. This will inform how we build on the PHA pilot scheme for flexible working, in particular by holding discussions with staff about longer-term arrangements for blended working that take account of business needs and individual job roles, preferences and circumstances.

PHA continues to follow Scottish Government guidance that staff should continue to work from home where possible. Accordingly, changes in this position will be a further trigger for detailed consideration and decisions regarding future post-Covid options.

Business Continuity

6. Working closely with our IT partner M2, keep the functionality and security of our IT systems under review to minimise any disruption to service and business continuity.

CHAPTER 13 Strategic Risk Assessment

Introduction

This chapter highlights the **strategic risks** we have assessed as being “high” or “significant” in their potential impact on PHA’s ability to achieve our purpose and objectives. There are nine such risks and for each of these this chapter highlights:

- How each risk has been scored, from highest score to lowest based on the residual risk score
- Factors we must be aware of, as potential triggers for risks crystallising or our risk exposure increasing.

A copy of the Strategic Risk Register itself is provided at Appendix 5. This sets out:

- The mitigations we have in place for all of our identified strategic risks.
- Further actions we intend to take, to develop or improve the management of each risk.

The weighting of risks and our response to them will change over time, so the Risk Register is best viewed as a snapshot of risks at a given point in time.

For example, the Covid-19 pandemic has a direct bearing on many of the risks we have identified but the impact will depend on factors such as the future path of the virus and the public health response to significant changes. In 2021, Covid infection cases have followed a repeated cycle of surging then reducing and this has meant that the risks we need to manage do not stand still. This emphasises the importance of the Register being regularly reviewed and updated, along with making continual changes in real time to our operational responses, where required.

Risk Scoring Method and Heat Map

PHA uses the following heat map graphic when assessing and reporting on strategic risks:

IMPACT	Extreme/catastrophic 5	5	10	15	20	25
	Major 4	4	8	12	16	20
	Moderate 3	3	6	9	12	15
	Minor 2	2	4	6	8	10
	Insignificant 1	1	2	3	4	5
			1	2	3	4
		Remote	Unlikely	Possible	Probable	Highly Probable
		LIKELIHOOD				

- The **likelihood and impact of each identified risk** are scored using the descriptions on each axis of the heat map, from 1 to 5. The two scores are then multiplied, to give an overall risk score.
- Separate scores are prepared for **inherent risk** (the level of risk if no action is taken) and **residual risk** (the level of risk after measures to control it are taken into consideration). Residual risk is the primary scoring and reporting method.
- For each of the heat map/colours shown, the following colour coding is used:

RED: the risk score is **high (score 15 or greater)**

YELLOW: the risk score is **significant (score 8 to 12)**

GREEN – the risk score is **moderate (score 4 to 6)**

A risk score of 3 or less (no shading) means that the risk is judged to be low.

Strategic Risks Classed as “High” or “Significant” Risk Scores and Potential Triggers

In the following table, “I Score” refers to the inherent risk score, while “R Score” refers to the residual risk.

Risk	I Score	R Score
1) Loss of rental income due to Universal Credit (UC) and other benefit changes <i>e.g. leading to higher arrears; increased rent collection costs and/or slower rent collection; reduced affordability; increased void losses or tenancy failure; reduced services</i>	20 (HIGH)	16 (HIGH)
2) Impact of forecast or unforeseen increases in inflation or other cost increases on PHA operations and Business Plan	20 (HIGH)	16 (HIGH)
3) Costs of future climate change works cannot be met within the Business Plan <i>(scoring is provisional - uncertainties attached to EESSH2 delivery)</i>	20 (HIGH)	16 (HIGH)
4) Failure to meet tenant expectations	20 (HIGH)	12 (SIGNIFICANT)
5) Increasing proportion of existing and prospective tenants find rent levels are unaffordable	16 (HIGH)	12 (MEDIUM)
6) Downward pressure on PHA rents as a result of external pressures (e.g. Housing Benefit caps, SHR, Scottish Government plans to introduce rent controls)	25 (HIGH)	9 (MEDIUM)
7) Failure to meet legal obligations for the safety of PHA tenants and/or homes	25 (HIGH)	9 (MEDIUM)

Risk	I Score	R Score
8) Impact of major health and safety or housing stock disaster incident (e.g. Covid, fire, flood, storm)	15 (HIGH)	9 (MEDIUM)
9) Planned and Cyclical maintenance costs increase significantly above levels allowed for in Business Plan <i>(e.g. due to market-driven increases in costs, post Brexit risks and wider economic factors)</i>	16 (HIGH)	9 (MEDIUM)

Managing and Monitoring Risks

Scoring risks is a useful discipline and a standard element of risk management good practice. However, it is not an exact science and does not remove the need for careful monitoring and thinking about the causes and tools for managing risks.

The drivers for the various risk factors in the Register vary. Some matters over which PHA has direct control, others are the product of political or macroeconomic factors over which PHA has no control, while others are a combination of all these things. This question of control and influence has a direct impact on PHA's risk management but in all cases we will monitor identified risks carefully and take steps to mitigate them where this is possible.

Risk Appetite

The Management Committee's main focus in this Business Plan is consolidating and improving the performance of our core business, to achieve excellence and sound management in all parts of the business.

The Management Committee has a **moderate and prudent appetite for risk**, but it is not risk-averse. We are unlikely to develop new homes in the next three years, and the main area of change in our business will be to further develop our role as a community anchor organisation for Provanhall.

This may involve some external fundraising and direct delivery of services by PHA, to address the poverty and social inequality that exists in the community, which have been exacerbated by the Covid pandemic. Our financial and people resources for undertaking such work are finite, so we will continue to strengthen existing partnerships with Connect Community Trust and others and pursue new partnerships where this would help to address community needs. Partnership working is also valuable because it helps to keep any risks within acceptable levels and maximise the impact that can be achieved.

Internal Audit and Self Assurance

The Strategic Risk Register is supported by a regular programme of internal audit and by the self-

assurance work we do in preparation for submitting the Annual Assurance Statement to SHR.

Our internal auditors are Wylie and Bissett, whose appointment is in its third and final year in 2021/22. Recent internal audit reports have included GDPR compliance, gas safety, welfare reform, financial management and succession planning, all of which have been rated by W&B as strong assurance.

Business Plan Priorities for 2021/22

The Association's priorities during 2021/22 will be as follows:

- 1) The Management Team will review the strategic and operational risk registers quarterly, with Management Committee reviewing the Strategic Risk Register every six months.
- 2) We will follow up all matters raised in internal audit reports.
- 3) We will re-tender the internal audit service, in a partnership initiative with other EHRA members.
- 4) In carrying out this year's programme of self-assurance, the Association will seek to identify any areas where we are not compliant or at risk of non-compliance, drawing on reports and other evidence that have been received or developed over the course of the previous 12 months.

CHAPTER 14 Financial Position, Plans and Projections

This chapter provides an overview of both the Association's recent financial position and future projections. It is based on the financial documentation in Appendix 6 of the Business Plan. The projections have been prepared by PHA and the financial model used has been reviewed by Azets (Corporate Finance), to provide additional assurance to the Management Committee regarding the assumptions used and results presented.

The past 18 months have presented some of the most challenging economic times. By reviewing the financial statements of Provanhall HA, it is clear the Association continued to perform well financially during those times.

Provanhall Housing Association Highlights from the Financial Statements for the year ended 31 st March 2021	
Turnover	£2.3m for the year ended 31st March 2021 (2020: £2.2m)
Operating surplus	£618,003 (2020: £420,159)
Total Comprehensive Income	£406,877, after loss of £193,000 on actuarial valuation of pension scheme (2020: £747,087 after gain on actuarial valuation of pension scheme of £354,000)
Net Assets	£8m (2020:7.5m)
Cash at Bank	£3.5m (2020: £2.9m)
Gross Historical Cost of housing assets	£24.9m (2020: £24.8m, £2.5m included in this were properties under construction)
Arrears	Gross arrears reduced from 2.4% (31 March 2020) to 2.1% (31 March 2021). Actual arrears, representing current tenant debt, less technical arrears increased only slightly from £22,513 (1.23%) in 2020 to £24,240 (1.26%) as at 31 March 2021.
Reactive maintenance costs	Reactive maintenance averaged £458 per unit in 2020 and £489 in 2021. Within this figure for 2021 there are void reworks, which were required as a result of the new build development, which saw a chain of 36 internal tenancy changes.
Loans	£1.4m total with RBS and NBS. Loans are secured by 299 housing units in total. This leaves 218 unencumbered units. Since the loans are LIBOR and this product will be discontinued after December 2021 the loans are currently under review. It is likely that the Association will continue to transition to the new SONIA product and there will be no significant financial impact. This will be monitored closely. RBS covenants are met under the 30-year projections document (Appendix 6).
Rent Increases	There was no rent increase for this year 2021/22, compared to 2.2% (RPI inflation) in 2021 and 3.7% (RPI inflation + 1%) in 2020. The Association now uses the CPI inflation rate.

Financial Outlook

While Provanhall continues to perform well financially, we are very aware that the financial challenges arising from the pandemic are likely to be felt across the sector more prominently in the months and potentially years to come. With the recent decrease in universal credit payments and the government's job retention scheme ending in September, there is a real risk that tenants will face difficulties paying rents, adversely impacting rent arrears and bad debts. This is something which historically Provanhall have managed very well, with Chapter 11 (Value for Money) showing that our performance in both rent collection and arrears management has been substantially better than the Easterhouse and Scottish averages over the last three years. This will continue to be a key focus area.

Brexit and supply chain issues, as well as high demand over the last 18 months have caused the price of construction materials to rocket. While it is hoped that the costs will decrease over the next year, there is uncertainty that this will happen or how long it will take. This has been factored into the Business Plan and actual trends in costs will be closely monitored.

The predicted rise in CPI inflation is another economic challenge that we face. This will impact our tenants' cost of living, rents and the Association's costs. We must also carefully consider the financial impacts of the climate change legislation (ESSH2), as described in Chapters 6 and 8 of the Business Plan. A lot of the detailed context and requirements are unknown or subject to likely change, with the Scottish Government announcing that it intends to review the ESSH2 Standard in 2023 so that the Standard is aligned with its wider net zero policy ambitions. While the Scottish Government is currently downplaying the prospects of making grant funding available to housing providers, it is hard to see how it can avoid this if retrofitting of the nation's housing stock is to be accomplished without creating greater fuel or rent poverty for tenants.

It is going to be a continuing challenge to manage costs, keep rents affordable and maintain units to a high standard. Close monitoring of 30- and 5-year plans will be given the highest priority in order to address any potential issues early.

Plans and Projections

The **main assumptions** used in preparing the 30-year financial projections are shown below. The assumptions:

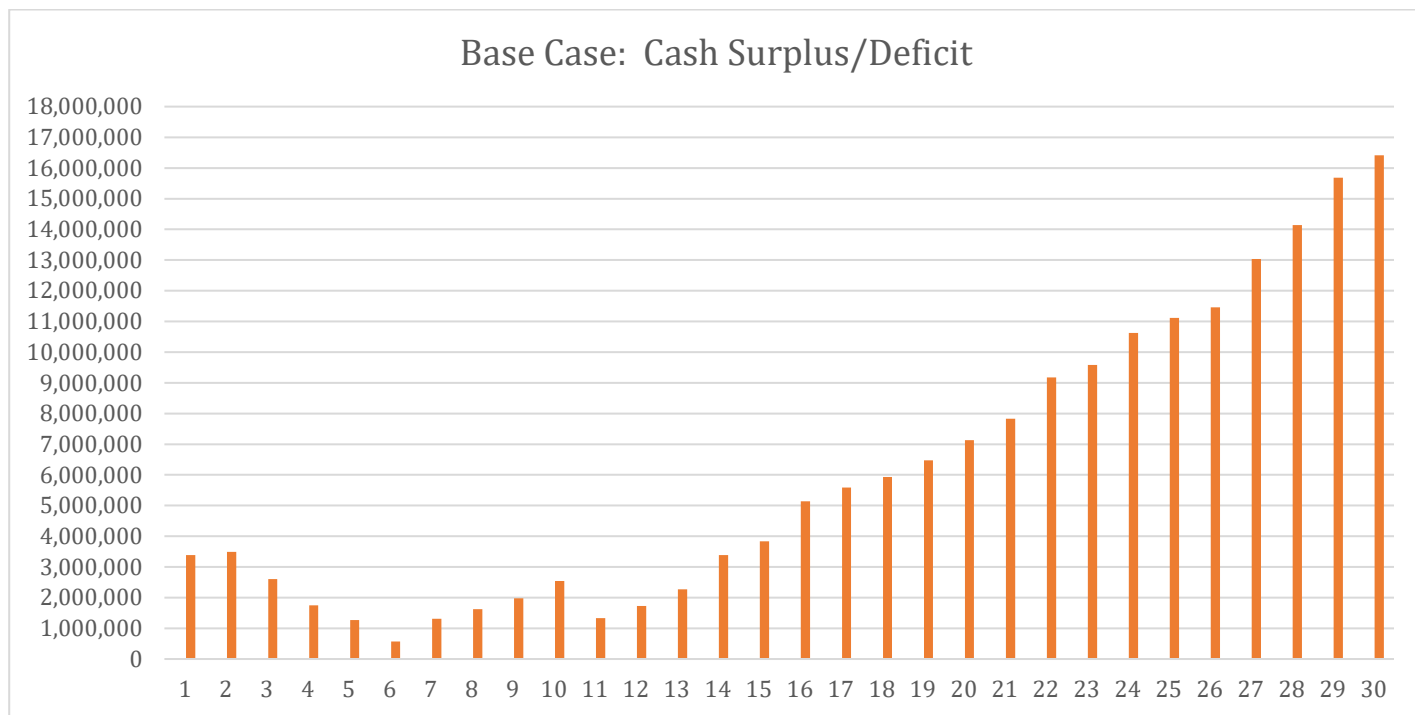
- Allow for operating in a harsher and less certain financial environment.
- Allow the Association to continue to generate surpluses and to meet the covenant ratios set by Royal Bank of Scotland.
- Provide headroom to manage future risks and adverse financial impacts.

Provanhall Housing Association

Business Plan 2021: Base Case Assumptions

Inflation	<p>2.3% in Year 1, 3% in Year 2, 2.1% in Year 3 and 2% from Year 4 to 30.</p> <p>Assumptions are based on Bank of England forecasts for years 1 to 3 (August 2021) and its target inflation rate of 2% thereafter</p>
Rents	<p>Year 1 there was no increase from the prior year. Increases of CPI only in Year 2, 0.5% + CPI in Year 3 and 1% + CPI from year 4 to 30.</p>
Rent Collection and impacts of Welfare Reform	<p>Void losses: 0.8% of rental income in year 1, 0.5% in Year 2, 0.2% from year 3 to 20 and then to 1% from year 21 onwards.</p> <p>Bad debts: 0.5% from 1 to year 30.</p> <p>Rent arrears: Business Plan assumes arrears will increase (in the range of 3.5% to 8% per annum) until year 4, reduce gradually from Year 5 to 9, and remain at 5% from Year 11 to 30.</p> <p>While the Association currently has a low level of rent arrears, we have made allowance for arrears to increase. This recognises the multiple pressures tenants are likely to experience due to the longer-term impacts of Covid-19, volatility in the cost of living, and Government policy on welfare benefits.</p>
Maintenance and Major Repairs	<p>Reactive repairs profiled to include real increases of 2% from year 2 – 30. Allowance for real terms increases reflects annual increases in prices beyond today's or recent levels. The scenario testing later in this Chapter increases today's prices across all years before the real increase is applied, to test the Plan's resilience. This approach has also been taken for cyclical maintenance and major repairs.</p> <p>The timing of cyclical maintenance and major repairs costs have been profiled in accordance with the Association's Life Cycle Costings document which is based on the 2016 Stock Condition Survey. A recent review of costs has taken place and the Life Cycle Costings document used for the projections has been updated to reflect today's prices. A stock condition survey is currently underway, and any material changes will be updated in the projections and reported as required and in a timely manner.</p> <p>Costs for cyclical maintenance and major repairs have been reviewed and increased to current rates where applicable</p> <p>Real increases of 2% included for all maintenance costs for the full 30 years.</p>
Interest Rates and Treasury Management	<p>Loans are currently transitioning from LIBOR to SONIA. The rate used in Year 1 is 0.05% increasing to 1.25% in Year 2 and 1.5% from Year 3 for the rest of the plan.</p>
Management Costs	<p>Salaries increased by 0.5% for the full 30 years of the Business Plan</p> <p>Pension costs include SHAPS final salary and auto enrolment defined contribution costs (note that payments for Past Service Deficit (PSD) are shown as a reduction of the pension liability and no longer included in Management Costs)</p>

The overall trend in the cumulative surplus over the next 30 years is as follows:



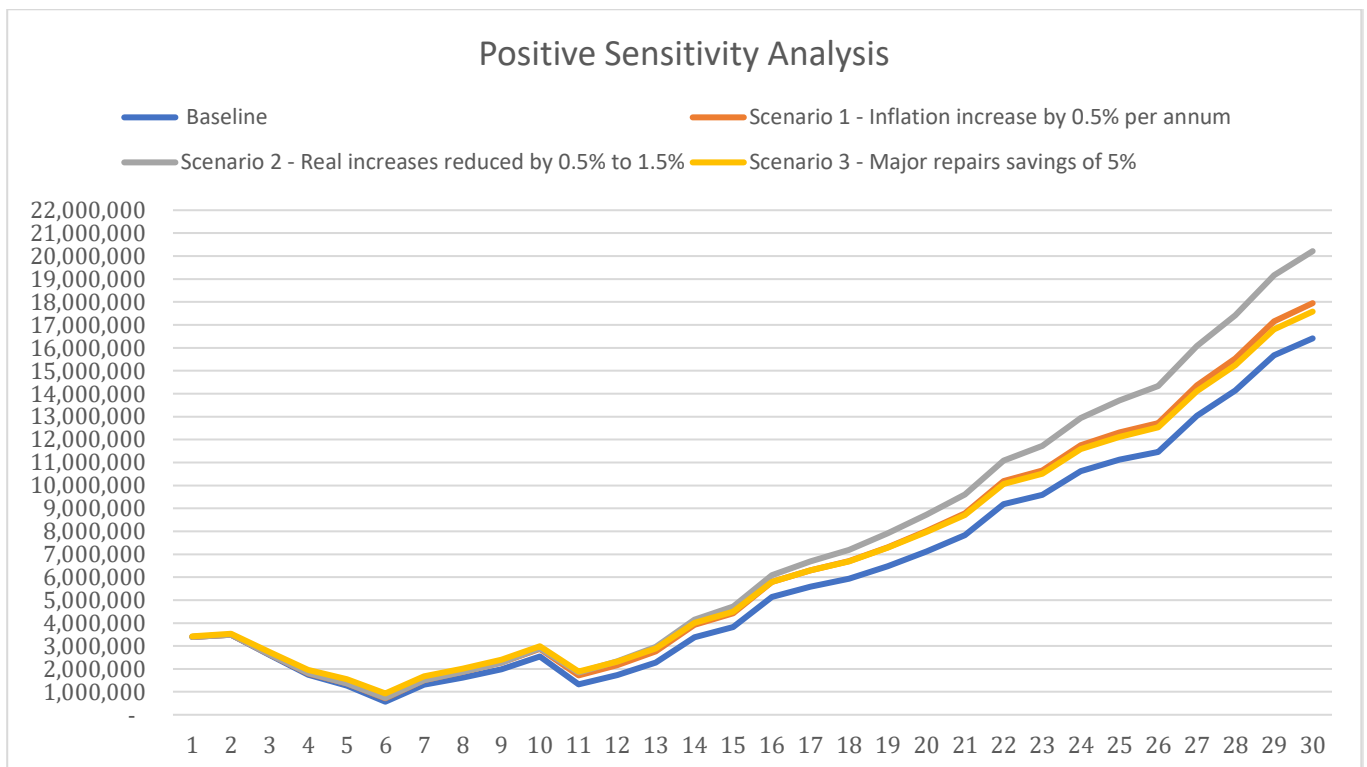
- The Association is projecting that cash surpluses will be made for 25 out of the 30 years.
- Cumulative cash balances are positive throughout the 30-year period, remaining above £1m for 29 out of the 30 years. There is scope for further increases (e.g. if inflation increases, or if the Association chose to increase rents above the levels assumed in the base case).
- Cash balances dip to £570,000 in Year 6. This is due to a substantial programme of major repair spend of £6.2m during years 3 – 6. The programme of works included the projections do mirror those in the LCC document. There is scope for some of the planned works to be moved forward, postponed or spread over several years should it be required.
- Each of these options is available at other times when peak major repairs spending reduces cash balances, although on current projections year 6 is the only year where cash reduces below £1m.

Testing the Business Plan

To assess the risks to the Business Plan and its resilience to withstand these, the Association has carried out a detailed assessment of risks and possible future scenarios. The factors tested are shown below, followed by graphs showing the impact on the Association’s future cash flows. Detailed figures are provided in Appendix 6 to the Business Plan.

TEST	FACTORS WITH POSITIVE IMPACT ON BUSINESS PLAN
1	CPI inflation increases of 0.5% per annum
2	Real increases for all costs (except staff costs) reduce by 0.5% to 1.5%
3	Major repairs savings of 5%
FACTORS WITH ADVERSE IMPACT ON BUSINESS PLAN	
4	Increase reactive & cyclical maintenance costs by 10%
5	Management costs including staff costs - real increase up by 0.5% per annum
6	Increase major repairs costs by 5%
7	Increase in variable interest rates by 1%
8	Increase voids and bad debts by 1% Yr1 - 5
9	Inflation reduction by 0.5% per annum
10	Estimated EESSH2 costs of £1.6mm (<i>see commentary on EESS2 later in this chapter</i>).
11	Estimated EESSH2 costs of £2.2mm
SENSITIVITY ANALYSIS: COMBINED SCENARIOS, BASED ON THE FACTORS ABOVE	
13	Scenarios 6, 7 & 8
14	Scenarios 4, 5, 6, 7, 8

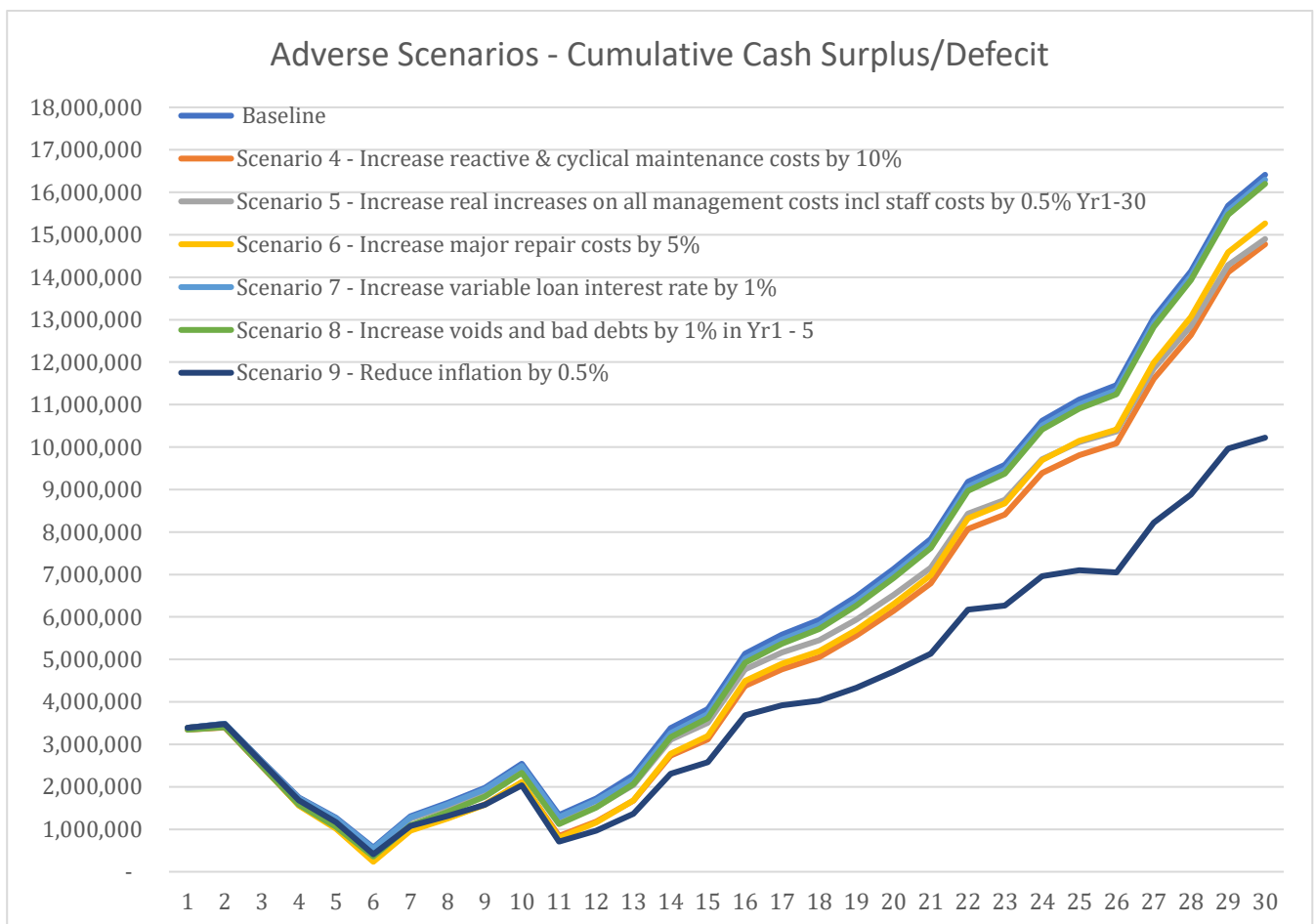
Positive Scenarios



The graph demonstrates the increase in cash reserves under each of the positive scenarios 1 – 3 detailed above.

- Savings of 5% on major repairs has the largest impact during times of increased expenditure, giving an additional £550,000 in cash at Year 11.
- As of Year 12, scenario 2 demonstrates the largest cash saving. This illustrates a steady saving due to real increases on all costs (except staff costs) being reduced by 0.5% to 1.5%. This scenario has the largest impact over time with an additional £3.8mm in cash reserves at the end of the 30 years.
- In scenario 1 inflation increases cash reserves by £105,000 at Year 5 and £340,000 in Year 10. This has the least impact of all 3 scenarios.

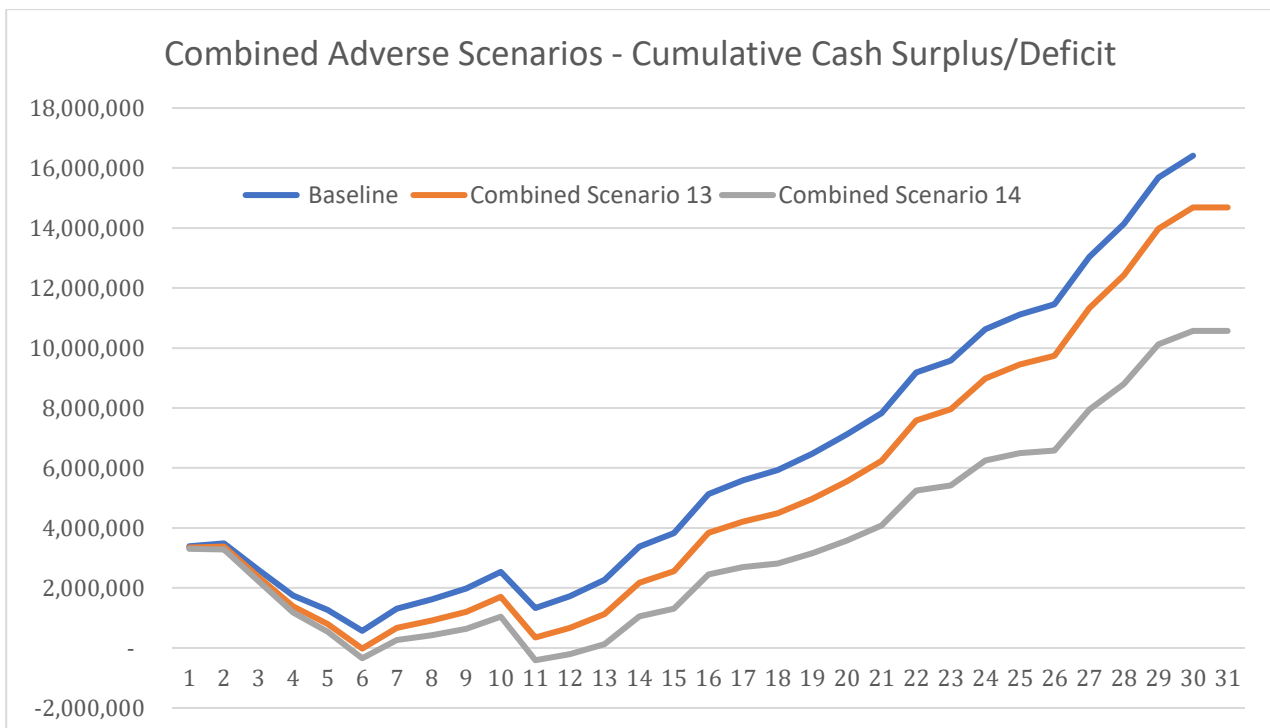
Adverse Scenarios



The sensitivity analysis above demonstrates the impact of increased costs in various scenarios as well as reduced inflation, thus reduced rental income. The Association continues to perform well financially under all the adverse scenarios above.

- A constant reduction of inflation of 0.5% throughout the plan shows the largest negative impact with cash reserves reduced by £6mm at the end of the 30 years.

- An increase of 5% in major repairs costs brings cash to £412,000 in year 6. This compares with £550,000 in the base case. There is scope to move planned works around in order to manage this risk. For example, the new bathrooms planned for Year 6 could be moved to Year 7, increasing cash at Year 6 to just under £600,000. The Association would also have the option of seeking efficiencies as part of its budget-setting. We already do this as part of the annual budget-setting process, but the level of savings would be substantial and would most likely be considered as part of a package of measures, the most significant being the reprofiling of expenditure already described.
- RBS Loan covenants continue to be met comfortably in the adverse scenarios outlined above.



The graph above shows that when we combine several adverse scenarios the impact can drive cash into a deficit position. This is to be expected, when stress tests involving multiple adverse scenarios are carried out for the combined effects of the chosen scenarios. In Provanhall's case, the multiple scenarios approach shows us that the greatest vulnerability occurs particularly in Years 6 and 11 where there is a high level of major repairs expenditure planned.

Combined scenario 13

- In combined scenario 13 we see the impact of:
 - Increase of major repair costs of 5%
 - Increase of 1% on variable loan interest rates
 - Increase of 1% on voids and bad debts

In Year 6 the graph shows cash deficits of £22,000 and in Year 11 there is a cumulative cash surplus of £345,000. Cash surpluses of between £500,000 and £1m are shown for 4 of the years, and all other years have cumulative cash surpluses of over £1m.

Combined scenario 14

- In combined scenario 14 we see the impact of all the above scenarios, plus
 - Increase of 10% in cyclical and reactive maintenance costs
 - Real increases on all management costs including staff costs up by 0.5% per annum

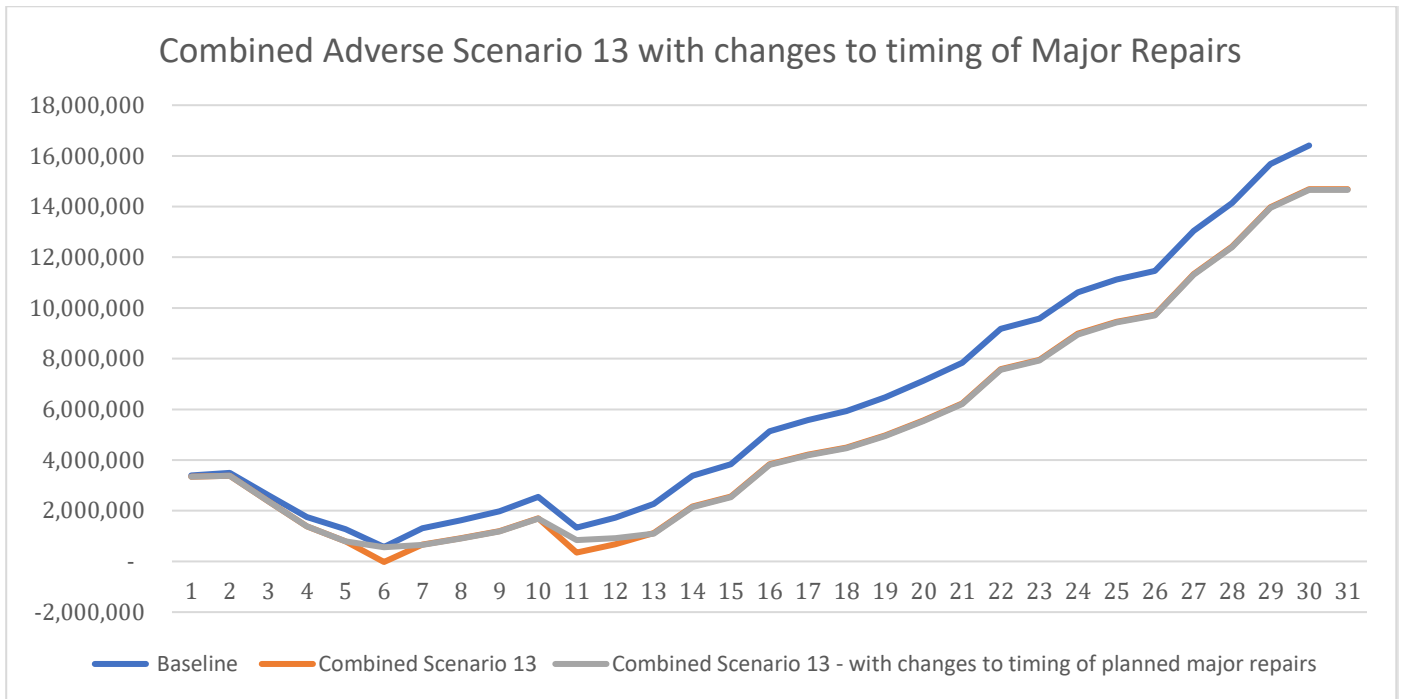
In year 6 this scenario presents a cash deficit of over £300,000, and again in Years 11 and 12 where the deficits are £409,000 and £210,000 respectively. In Years 7, 8 and 13 cash surpluses are under £500,000.

While combined scenario 14 has a significant negative impact, it is important to place the results in the context of **the Association's underlying financial strength**:

- As the base assumptions leave headroom for additional rents and the change of timings for major repairs the Association would be able to make decisions early in order to avoid unexpected cash deficits.
- We understand that close monitoring of the plan against actuals is imperative to maintain a healthy cash position. Since the Association has low debt levels and good relationships with existing lenders, there would also be the option to draw down finance on existing loan facilities if required. The committee may decide that this is an option, depending on the cost of borrowing, to save costs on reactive maintenance which could rise if planned works are delayed.

In the event of severe financial pressure, the Association would not adopt a passive approach. Instead, we would **make appropriate interventions** to mitigate identified risks:

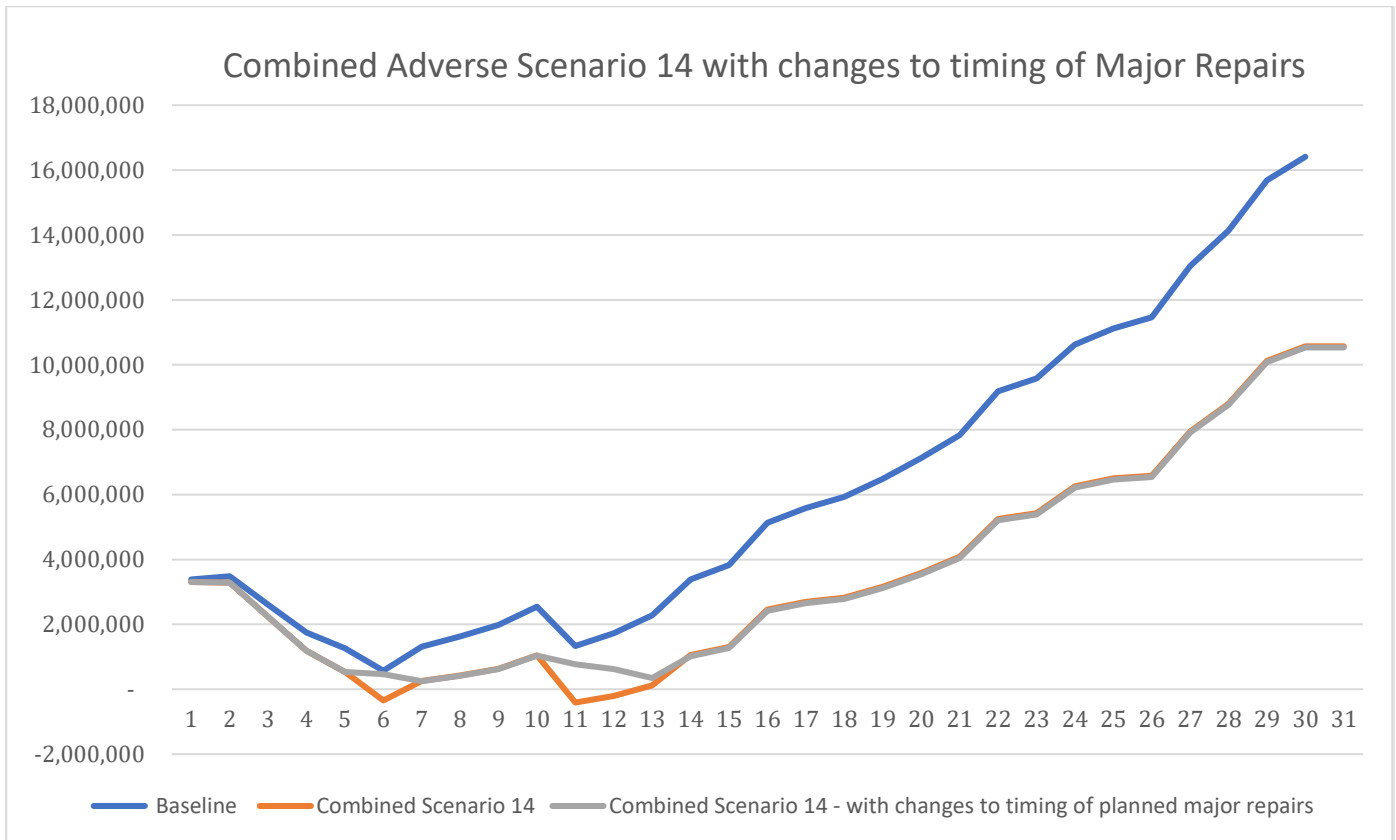
- A review of planned major repairs has been undertaken with a view to reducing the risk of cash deficits where the adverse scenarios have been combined. While this deviates from the LCC document there are no safety issues presented by these scenarios.
- The graph below shows the combined adverse scenarios with major repairs being re-distributed during times of cash deficits. This is for illustration only and does not consider the option of additional finance or increased rents, which in fact could be considered as well as some redistributed costs shown below.



This shows that if the Association re-aligned some planned major repairs work then the impact on cumulative cash can be reduced for scenario 13. Where cash was a cumulative deficit of £22,00 in Year 6 the graph above shows cash surpluses of £560,000. In Year 11 cash surpluses had fallen to £344,000, however in graph above with changes in place this increases to £846,000. Works were realigned as follows to achieve these outcomes:

- Year 6
 - Kitchen and rewire costs spread over 2 years
 - Bathrooms moved back 1 year

- Year 11
 - Start of rewire work postponed one year and work spread over Years 12 & 13, the association may choose to align kitchens with rewires which would give another cash saving of over £120,000 in Year 11.



The above graph shows that with changes to the timing of major repairs a cumulative cash surplus of £459,000 could be achieved in Year 6 in contrast to the deficit of £345,000 in the adverse combined scenario shown by the orange line. This is almost in line with the base case, represented by the blue line. Similarly in Year 11 where the combined scenario shows a deficit of £409,000, with the changes this becomes a cumulative surplus of £765,000. In Years 7 and 8 cash surpluses are low, and it is likely that further savings, borrowing or rent increases above that in the base case would be required to keep cash flowing at an acceptable level. In order to achieve the outcomes shown above the following changes have been made to the timings of major repairs:

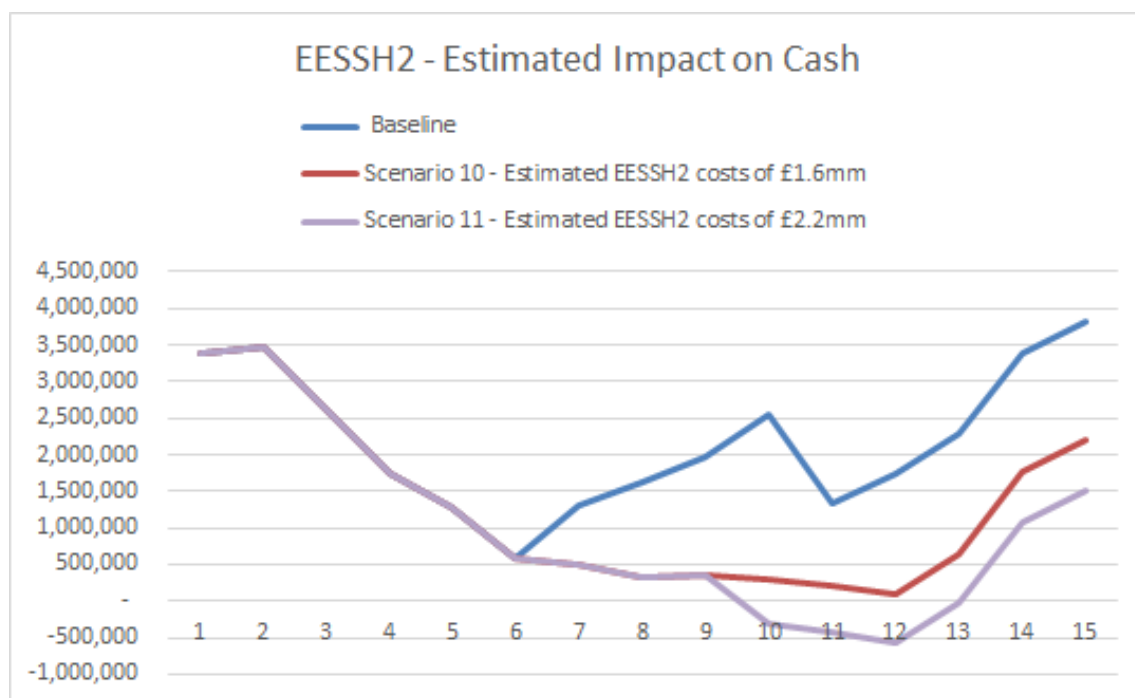
- Year 6
 - Kitchens, rewires and bathrooms moved back 1 year to Year 7
- Year 11
 - Rewires postponed by 1 year to year 12. It is likely that kitchens would be moved in line with this saving a further £120,000 or so in Year 11.
 - Window replacements postponed by 1 year and costs spread over 2 years in years 12 and 13.
- Year 12
 - Bathrooms postponed 1 year, and costs spreads over 2 years in years 13 and 14.

EESSH2 Scenario plans

The EESSH2 standards must be met by the end of 2032. The graph below shows 2 scenarios in relation to the estimated costs of meeting these standards. As works don't start until year 7 in the planned scenario cash remains the same as the base case until year 6.

Thereafter, there is strong downward pressure on the cashflows for a number of years while EESSH2 investment is made, before the cash position then recovers. Unless significant grant funding is made available, the Association would have to use its existing borrowing capacity to fund works and this would most likely result in rent increases. This would place the Scottish Government in the invidious position of making some of the poorest people in the society pay for climate change works through the rent that they pay.

The cost figures shown in the graph represent the Association's initial estimate of EESSH2 compliance costs (see Chapter 8, Asset Management) and assume no external grant funding provided. These figures will be subject to review as it becomes clearer what actual costs are likely to be (for example, costs of retrofit measures are forecast to reduce significantly as demand increases). They also illustrate the importance of external funding being made available, a requirement that is likely to be in evidence across the housing sector as a whole.



Overall, the testing that has been undertaken across a wide range of scenarios indicates that:

- The Association can comfortably maintain adequate cash flows and levels of cash balances throughout the period of the Business Plan. (Assuming Base Model assumptions).
- Increased costs for major repairs and maintenance and increased voids and bad debts have the greatest adverse impact on the Business Plan in the short term.

- Provanhall has sufficient headroom (assuming Base Model assumptions) to move towards inflation only rent increases after year 5. Whether this is achievable will depend very much on the wider economic environment we are working in as well as the impact of meeting external standards, particularly EESSH2, and the question of funding already described.
- Provanhall's rents continue to be competitive in comparison with our peers and sector averages. This potentially allows some headroom to review rent levels upwards, if that became necessary because of increased pressure on costs. The Management Committee views this as a possible contingency measure, rather than something that is needed at the present time.

Covenant Compliance

The financial projections show that the Association is in a position to meet comfortably the financial covenants agreed with Royal Bank of Scotland throughout the thirty years of the Business Plan. These covenants are as follows:

- Adjusted Operating Surplus to Net Interest Payable (> 1.1:1)
- Debt to Historic Cost (<30%)

Treasury Management

The Association has a Treasury Management policy which is based on the Code of Practice on Treasury in the Public Services, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). Considering the large sums of money moving in and out of the Association the importance of having stringent Treasury Management processes and procedures in place and of them being adhering to is fully recognised by the committee and staff. The main overriding aim of the policy is to ensure the Association will not be exposed to undue risk. The underlying principles of the policy include the following:

Making appropriate use of surplus funds whilst meeting the overriding need to protect the capital sum

The Senior Finance Officer and Director seek investment opportunities in the form of term deposits and notice accounts. Financial institutions will only be used if they are on the Association's approved list and meet the top rating of 2 out of the 3 recognised credit agencies, Moody's, Fitch and Standard & Poor. The Association currently has £500,000 invested a 32 day notice account with Bank of Scotland and is in the process of identifying a suitable term deposit and second notice account. Careful preparation and review of budgets and projections, and the use of sensible judgement is used to ensure cash surpluses are invested for a suitable time, allowing the association to continue to meet financial obligations as they fall due and reducing liquidity risk.

Keeping borrowing costs to a minimum whilst ensuring the stability of the longer-term financial position

The Association currently has loans with NBS and RBS totalling £1.3m. The base case assumes that we will not require additional borrowing to meet the stock investment costs we have set out, and the projections indicate that the Association will be able to meet all loan repayments as they fall due. Existing loan facilities allow for additional borrowing should it be required during times of insufficient cash flow. The existing loans are LIBOR products, which will move to the SONIA compounded rate before 31st December 2021. It is not expected that the transition from LIBOR to SONIA will have a significant impact on the Association's cash flows. The Association may consider early repayment or refinancing of existing debts at more preferential rates in future.

Risk management and responsibilities

Liquidity, funding, interest rate exposure, legal and regulatory, failure of internal controls and default by an institution on deposits are all considered by the Association's policy and related procedures. The Association's detailed approach to preparation and review of budgets, 'erring on the side of caution' as well as both committee and staff being sufficiently trained and aware of their responsibilities and committed to adherence to policies and procedures, reduce the risk in all of these areas.

Summary and Conclusions

The Base Case 30-year projections demonstrate financial viability over the 30-year period of the financial projections. They also confirm that the Association will be able to meet its obligations to tenants and to funders over this period.

The projections and the sensitivity analysis undertaken allow for operating in a more challenging and uncertain financial environment. The projections show that the Association will need to monitor cash balances closely during years 3 through to 6. The Association will continue to exercise strong financial discipline and will also track changes in the external risks and uncertainties we face so that these are identified at an early stage and incorporated in future budgets and financial projections.

CHAPTER 15 Implementing and Reviewing the Plan

Roles and Responsibilities

The Director is accountable to the Management Committee (MC) for managing PHA's overall performance, including the achievement of the objectives and priorities set out in the Business Plan.

MC scrutiny will include:

- Reviewing overall performance in relation to the Business Plan twice a year, at the mid-year point and when approving the following year's Plan.
- Reviewing financial and services performance, including targets or key performance indicators, as part of the ongoing cycle of MC meetings.

Oversight of Risks

The Director will maintain oversight of risks, and report to the Board any emerging risks to the Association's strategic objectives, financial position, or reputation. As directed by the MC, PHA may undertake additional risk analysis and reporting for business areas that involve higher levels of risk.

Internal Communications

All members of staff will be briefed about the Business Plan, including the associated action plans by service/business area. The purpose is to give all staff members a strong connection with PHA's objectives and priorities and their role in meeting these.

Annual Business Plan Updates

The 2021/22 Business Plan is a comprehensive document that sets out PHA's strategy for the next three years. In years 2 and 3 (2022/23 and 2023/24), we will prepare a shorter **Business Plan Update**, rather than producing a new Plan from scratch every year. The main purpose of the annual Updates will be to:

1. Confirm that the strategic objectives set in year one continue to be appropriate.
2. Update the strategic analysis, to identify changes that could affect our strategy or risk exposure.
3. Review achievement against the Action Plans for the previous year and prepare new Action Plans and targets/key performance indicators for the year ahead.
4. Update the strategic risk register.
5. Update the financial projections for the next 5 and 30 years, with appropriate stress testing carried out.

The completed Business Plan Update document will be presented to the MC for approval no later than the end of September each year.

Appendix 1 Management Committee and Senior Management Team

Management Committee (September 2021)

Liz McEwan - Chairperson

Christine Morris - Secretary

Babs McCluskey - Committee Member

Cathie Reid - Committee Member

Tracy Coutts - Committee Member

Clarice Spaine - Committee Member

Margaret Stewart – Committee Member

Rodger Harley – Committee Member

William Blunn – Committee Member

Linda Cameron – Committee Member

Senior Management Team

Patricia Gallagher – Director

Patricia graduated from Caledonia University in 1989, with a BA in Public Administration. She then received a Master degree in Housing Studies from the University of Glasgow in 1995. Patricia has worked in various Housing Associations and Co-operatives across Glasgow since 1989. She is a fellow of the CIH. She undertook a secondment with the Scottish Housing Regulator and has been a statutory appointee for the regulator on several occasions. She is on the Board of several charities and has been employed as Director of Provanhall Housing Association since 2005.

Sean Douglas – Housing Services Manager

Sean has worked in housing for over 25 years. In his early career working for Glasgow City Council, Sean worked in various roles across all housing management functions throughout the city.

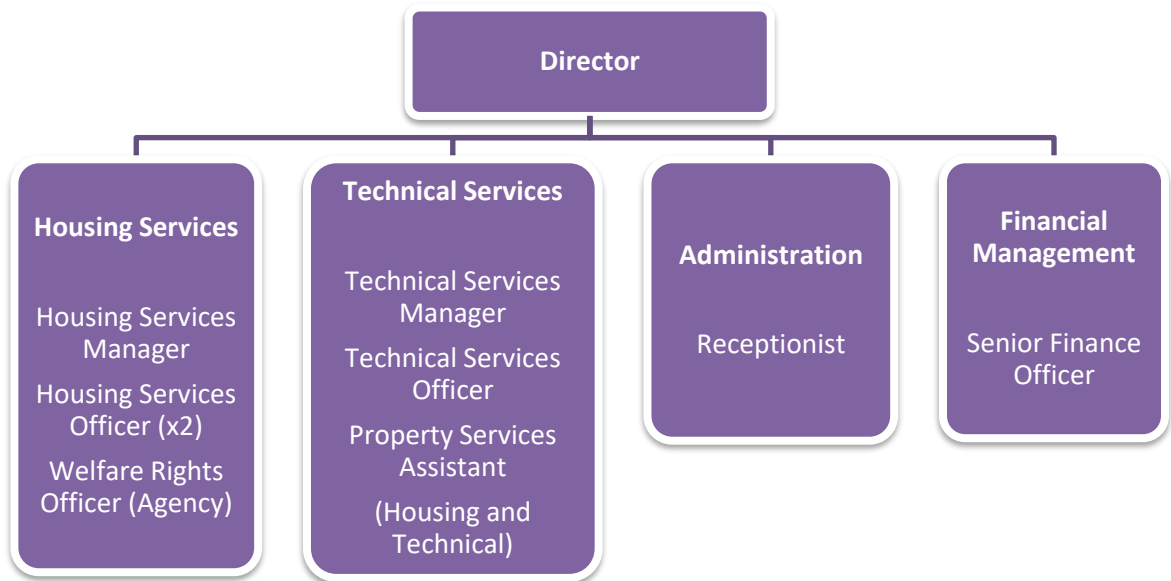
After completing his Diploma in Housing Studies at the University of Glasgow, Sean moved into the voluntary housing sector and again worked in a number Housing Associations in Glasgow.

Sean has been employed at Provanhall HA since 2004.

Mark Quigley - Technical Services Manager.

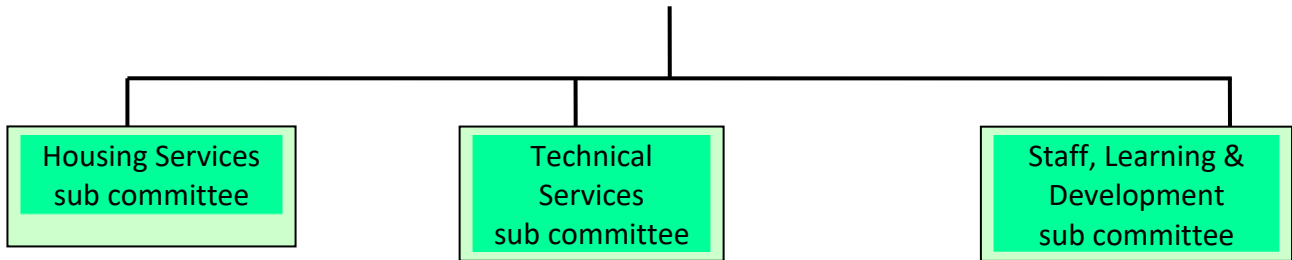
Mark has worked in housing for 8 years and joined Provanhall Housing Association as Technical Services Manager in March 2020. After completing a Degree in Building Surveying from Glasgow Caledonian University he worked in Building Consultancy for five years and is a member of the Royal Institution of Chartered Surveyors. Mark has experience in asset, facilities and project management along with residential repairs, refurbishment and cyclical maintenance.

Staffing and Service Delivery Structure



Management Committee

Including:
Health and Safety Sub Committee and
Finance Sub Committee



Appendix 2 Business Plan Outcomes (2021-2024) and Year 1 Resource Plans (2021/22)

1) INTENDED OUTCOMES 2021/22 TO 2023/24

Objective

Intended Outcomes 2021/22 to 2023/24

1) Deliver high quality services that meet tenants' needs, maximise tenant satisfaction and demonstrate value for money

- We are responsive to tenants' priorities and feedback.
- We can evidence high levels of tenant satisfaction across all aspects of our housing and maintenance services.
- Our service delivery is efficient and effective. We continually review our service delivery and make improvements where needed.
- We meet all of our legal obligations as a landlord.
- We achieve high-quality performance on the Scottish Social Housing Charter and are a "top performer" in comparison with our peers and national averages .
- We can demonstrate value for money, based on our rents, operating costs, and performance levels.

Objective

Intended Outcomes 2021/22 to 2023/24

2) Provide affordable, high-quality homes that meet local needs and help make Provanhall a safe, sustainable, and successful community

- PHA's rents continue to be highly competitive and pass recognised affordability tests.
- Tenant health and safety and other legal obligations met in full.
- Good levels of demand sustained for PHA's homes.
- Maintain high levels of compliance with recognised housing quality standards (the Scottish Housing Quality Standard and the Energy Efficiency Standard for Social Housing).
- PHA has developed a clear strategy for achieving the EESSH2 standard for decarbonising our housing stock by 2032.
- Continued investment in tenants' homes, informed by asset management strategy, new data on stock condition and estimated costs of component replacements).
- Continued cost-effectiveness of maintenance services, with external risk of increasing costs mitigated where possible (e.g. through suitable opportunities for procurement partnerships).
- Reductions in tenants' energy bills, as a result of investment in their homes.
- PHA's housing is set within attractive, safe environments (backcourts and open spaces for which PHA is responsible).
- Potential contribution to better housing and environmental conditions in Balcurvie Road and Gardyne Street (if strategic/financial package agreed with GCC and owners).

Objective

Intended Outcomes 2021/22 to 2023/24

3) Develop our role as community anchor in Provanhall, enabling services and activities that benefit individuals and the community as a whole

Existing services and partnerships maintained/developed

- Scottish National Standards for Information and Advice Provider accreditation ensures residents continue to have the best possible active information, signposting and explanation in relation to housing, welfare benefits, debt advice and wider financial inclusion and capability services.
- Develop partnerships and services that will provide community support on recovery from the Covid-19 pandemic.
- Continued partnership with Connect Community Trust to deliver relevant initiatives and services e.g. Job Club.
- Joint working with local groups and charities who can help achieve better outcomes for Provanhall residents.

PHA “community anchor” role examined and redefined

- Discussion stimulated with the community about local services and activities.
- PHA wider role priorities reviewed and inform working with the community, Connect Community Trust and The Connie.
- Contribute to EHRA’s efforts to secure a greater practical focus on the needs of neighbourhoods and communities by GCC and Health and Social Care Partnership. Encourage the large public providers to work in partnership with community organisations for the benefit of residents.

Objective

Intended Outcomes 2021/22 to 2023/24

4) Mitigate the impact of welfare cuts and other external factors that impact on tenants and PHA's business resilience

- Influence exerted through PHA participation in appropriate networks, meetings, consultations etc.
- Impact of welfare measures on PHA business plan reviewed regularly.
- PHA tenants receive comprehensive information on how changes may affect them.
- Residents have access to an excellent local income maximisation service
- Partnerships established to provide additional support to residents experiencing fuel poverty
- Staff trained to deliver their service department objectives, including provision of relevant Scottish National Standards Advice Type I Agency competences regarding Active Information, Signposting and Explanation.
- PHA service provision is flexible to adapt to changes that may arise as a result of welfare reforms and other financial stresses.
- Staffing levels monitored closely, to deal with additional demands placed on PHA resources.
- Close monitoring of income stream provides early warning of threats to existing service levels, reduced rental income and changes in PHA tenant/applicant profile.

Objective

Intended Outcomes 2021/22 to 2023/24

5) Make sure that PHA is an efficient and effective organisation, with the financial and organisational capacity to achieve our goals.

- High standards of governance maintained.
- Support for Committee and staff, through continued learning and development based on PHA aims/strategy.
- Decisions based on sound financial evidence and understanding of risks.
- Commitment to equal opportunities reflected in service delivery and organisational management.
- PHA continues to communicate effectively with tenants and residents.
- Strong performance on value for money indicators maintained.
- Staffing resources reviewed through succession planning.
- Selling of agency services, where PHA has the capacity to do this.
- Succession planning conducted for any future changes in the Committee or senior management.

2) YEAR 1 RESOURCE PLANS (2021/22)

This document is provided as a separate PDF file.

