

Performance Report against the Housing Charter

**2018/2019**

# Contents

Chairperson's Introduction	Page 3
Director's Review of the Year	Page 4
Main Activities	Page 5
Strategic and Operational Objectives	Page 6
Operational Review	Page 9
Rental income representing value for money	Page 11
Contextual Information	Page 12
Accounts	Page 13
Committee of Management	Page 14
Committee Structure 2018/19 as at 31 March 2019	Page 15



# Chairperson's Introduction

Firstly, I would like to begin by thanking Committee and staff for all their work over the last year. It has been an exceptionally busy year and both Committee and staff have worked on a number of issues.

The Committee have continued to embrace further changes in legislation, embraced the Scottish Housing Regulator's new framework and prepared to submit their first Assurance Statement by October 2019.

The Assurance Statement will provide the Scottish Housing Regulator with confirmation that we as a Committee work to ensure we meet all of the Regulatory and Financial Standards that they set down for RSLs. This has been a big piece of work and I would like to thank everyone for the time and effort and training that has gone into the preparation process.

The development of Holmlea Primary School has been probably the most significant event for us this year as we have waited a long time to see progress on that site. In March 2020, CDHA will have 10 new 2 bedroom flats within the site. Our partner organisation Home Scotland will retain the school building which will provide 38 flats for social housing. In addition, the Janitor's house will provide a 3 bedroom house.

We still continue to battle against the adverse effects of Universal Credit and the Housing Benefit system being transferred to DWP and the withdrawal of local teams. Housing Officers report a slight upturn in arrears but there is still work to be done.

Our planned maintenance programme has continued to thrive and we are delivering new boilers and kitchens and bathrooms. We will shortly be putting together our planned maintenance for next year and will seek prices through Public Contracts Scotland.

Our rent increase this year was 3.5%. This figure was arrived at giving due consideration to the investment work required and all our overheads. Once again we were able to set an affordable

increase. This has been a great achievement and Committee spent a long time examining figures and cash projections before agreeing the figure. We gave great consideration this year to the affordability aspect of our rents and used the SFHA tool to ascertain that our rents stand up to this test.

The biggest change in the office this year has been our new IT system. We have worked with Designer Software as the first organisation to implement their brand new web hosted housing system. The system is working well and by the end of this year the Committee should be able to use the tailor-made reports in real time to assist in our strategic overview of the organisation.

We are delighted again with the year's progress and our finances are in very good shape.

I hope you enjoy reading about Cathcart and District Housing Association in this year's annual report.

*Marion McMillan*

CHAIRPERSON



# Director's Review of the Year



Sustaining our services and performance during challenging times with new experiences has been achieved in a very positive way for the year ended 31st March 2019. We remain driven

to achieve our objectives, develop our services and we are committed to moving forward into future years. Later in this report we illustrate how we perform locally and nationally as a landlord. We believe we deliver value for money by benchmarking our performance against other RSLs in our peer group and by benchmarking against the national average. By using these comparisons, the Committee, along with more detailed self-assessment against the Regulatory Standards has gained assurance that we are operating efficiently and are compliant with the Regulatory and Financial Standards.

Throughout this report, you can read and learn about our performance, achievements, and our range of services. Value for money for our tenants is entrenched in all our practices and we will aim for continuous improvement in all our work.

Moving forward, I am pleased to report that the Association has made great progress in development with Holmlea Primary School now on site. At the end of this project in March 2020 we will have an additional 10 flats for let.

We are currently considering two sites in the Cathcart Area:

- 6-32 Greenholme Street where it would be possible to build up to 56 new flats
- 10-12 Delvin Road which is a small site and would accommodate 12-16 new flats.

The closing date for bids is mid-September 2019 and the total investment in new affordable homes for rent is estimated to be £9m. We believe that if this is successful, it would likely be the final development contract for CDHA. As a small to medium sized Housing Association we consider our risk management very carefully and to carry on with further development would likely create a risk level that we would not be comfortable with.

Another main part of our work this year has been starting preparation for the submission of an Assurance Statement to SHR in October 2019. We are proud of our progress in this respect as we have self-assessed against all the regulatory standards since June 2017. We intend to use our ongoing self-assessment to prepare us for the future changes.

Other significant changes that have happened this year is the change to Home Master Designer Software. As the first HA to sign up to Home Master we are very excited about the future and our ability to use any platform to access our housing system, correspond in more ways with our tenants and get information to them quicker than ever before. The System will be fully installed during 2019/20.

I would like to thank the Committee and staff team for their hard work and efforts in 2018/19, ensuring that our key objectives and services to tenants were met and delivered effectively. I can assure you that 2019/20 and beyond will continue with the same diligence and attention to detail.

*Christine Leitch*

Director

# Main Activities

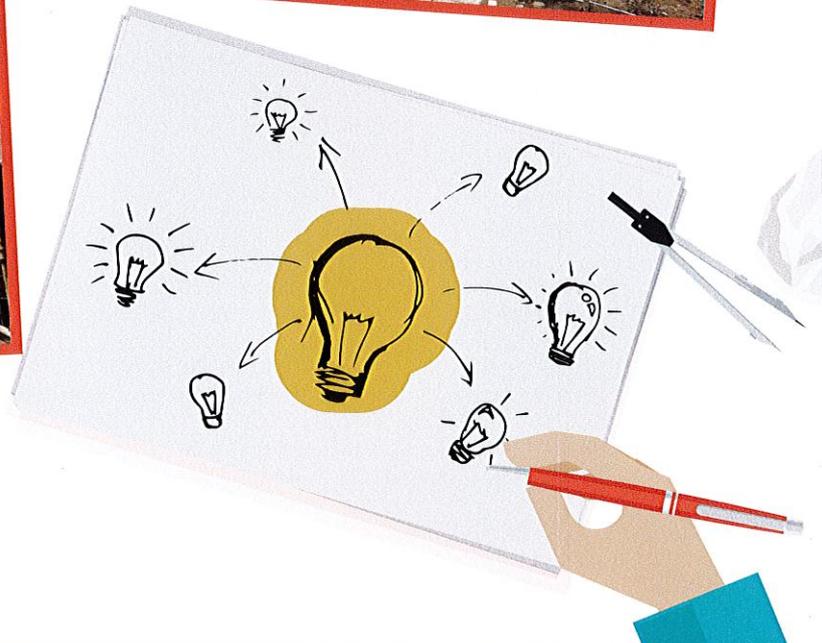
The main activity of CDHA is the management and maintenance of our properties and providing much needed quality housing for those in housing need. We aim to take advantage of any development opportunity that does not impose too significant a risk to the Association to increase our stock whenever we can.

Property Numbers	2018-19	2017-2018
Tenanted Properties	581	580
Newly Acquired Properties	7	7
New Properties Under Development	10	0

There was 1 property sold under Right to Buy in the year, thereby completing the right to buy process.

CDHA Ltd is registered with the Financial Conduct Authority, the Office of the Scottish Charities Regulator (OSCR) as a charity and the Scottish Housing Regulator as a Registered Social Landlord.

The Association has one Subsidiary - CDHA Management & Development Ltd. During 2018-2019 a process commenced to close down the Subsidiary which delivers close cleaning services. This process will be completed during 2019-20 and services will be taken in house and performed by the parent company CDHA Ltd.



# Strategic and Operational Objectives

**Mission Statement: CDHA accepts the challenge to deliver comprehensive housing services which meet or exceed the needs and aspirations of our clients**

Objective 1: Deliver Excellent Housing & Related Services

What we will do	How	How will we know we have achieved our goal
Continually strive for better performance in all areas	<ul style="list-style-type: none"> <li>Set challenging KPIs</li> <li>Benchmark ourselves against our peers</li> </ul>	We will be a high performing RSL with high levels of tenant & customer satisfaction in all areas of our service delivery
Develop & support excellent & sustainable services for our tenants & others	<ul style="list-style-type: none"> <li>Ensure our service delivery plans meet with the requirements of the intended outcomes</li> <li>Review rent affordability annually</li> <li>Take advantage of any initiative to assist with fuel poverty</li> <li>Be ready to work with other providers to achieve better outcomes for our tenants in relation to digital inclusion or fuel poverty</li> <li>Continue to provide Welfare Advice services. Review the current service on a regular basis</li> <li>Work with Housing Officers and Glasgow City Council in relation to better Estate Management</li> <li>Investing in our community</li> <li>Ensure services are value for money</li> </ul>	
Develop the knowledge of our stock	<ul style="list-style-type: none"> <li>Interrogate Stock Condition Survey</li> <li>Feed survey results into our Asset Management Strategy and new component system within Home Master</li> <li>Implement Asset Management Strategy</li> <li>SHQS demonstrate current &amp; future compliance</li> <li>EESSE demonstrate compliance by 2020 &amp; beyond</li> </ul>	
Develop our use of IT	<ul style="list-style-type: none"> <li>Continue to develop our new system to use to its full potential. Produce Committee reports and ARC indicator reports direct from the system</li> </ul>	

## Objective 2: Strengthen our Communication & Engagement with our tenants and other customers

What we will do	How	How will we know we have achieved our goal
Improve Communication with our tenants, customers & others	<ul style="list-style-type: none"> <li>Review our communications strategy in relation to how we currently communicate and how we can improve practices using our new IT system</li> <li>Promote existing social and economic inclusion projects</li> <li>Develop an online portal through our website</li> <li>Review and refresh website in time for FOI</li> </ul>	We will have increased engagement with focused services that meet the needs of and are shaped by our tenants and other service users
Improve consultation with our tenants, customers & others	<ul style="list-style-type: none"> <li>Consult with other groups of stakeholders</li> <li>Consult on &amp; review Customer Care Policy</li> </ul>	
Increase our Membership	<ul style="list-style-type: none"> <li>Continually review Membership Policy and ways to increase Membership</li> </ul>	
Seek our Tenants views	<ul style="list-style-type: none"> <li>Carry out a full Tenant Satisfaction Survey</li> <li>Review Landlord Report results against others</li> <li>Develop our rent consultation processes</li> <li>Review internal processes relating to SPSO</li> </ul>	

## Objective 3: Continue to Strengthen our Governance

What we will do	How	How will we know we have achieved our goal
Develop & support our Management Committee	<ul style="list-style-type: none"> <li>Carry out an annual Skill Assessment &amp; Training Needs Assessment for Management Committee</li> <li>Implement rolling training programme</li> <li>Identify skill gaps and recruit to fill same on a needs based basis</li> <li>Consider revision of Model Rules based on 2019 changes issued by SFHA &amp; SHR once guidance is available</li> </ul>	We will have a strong, committed Management Committee and staff team living our vision, mission and values and attaining full compliance with the Regulatory Standards
Continue to improve our governance & meet the SHR's Regulatory Standards	<ul style="list-style-type: none"> <li>Develop Assurance Statement &amp; obtain Management Committee approval</li> <li>Implement any areas of improvement as identified through self-assessment</li> <li>Develop &amp; implement other improvement plans e.g. arising from Internal Audit</li> </ul>	



## Objective 4: Continue to Ensure Strong Financial and Risk Management

What we will do	How	How will we know we have achieved our goal
Maintain our solid financial base	<ul style="list-style-type: none"> <li>• Revise our 30 year financial projections annually</li> <li>• Assess the cost impact of the Scottish Governments fire safety measures</li> <li>• Define &amp; assess rent affordability</li> <li>• Report regularly against our projections and budgets</li> </ul>	Continue to be a strong independent organisation financially sound and effectively managing changing risks
Develop a Value for Money Framework	Review our KPIs <ul style="list-style-type: none"> <li>• Review our management costs</li> <li>• Know our cost drivers</li> <li>• Make efficiencies through new IT system</li> </ul>	
Embed Risk Management	<ul style="list-style-type: none"> <li>• Ensure approach to risk management is embedded in organisation</li> <li>• Ensure risk awareness is embedded in the away day with Management Committee &amp; staff</li> <li>• Carry out robust risk assessments for any new projects</li> </ul>	
Increase our housing stock	<ul style="list-style-type: none"> <li>• Investigate development opportunities</li> <li>• Assess funding availability for acquisitions</li> <li>• Review local SHIP for opportunities</li> </ul>	



# Operational Review

## Risks and Uncertainties

The business has a robust planning framework in place which includes how we manage risks and uncertainties. In our Business Management Plan we set out risks that we foresee and explain how we view them, mitigate for their occurrence and manage them.

This area is regularly under review. A separate risk assessment is performed for every Development Project prior to undertaking commitment.

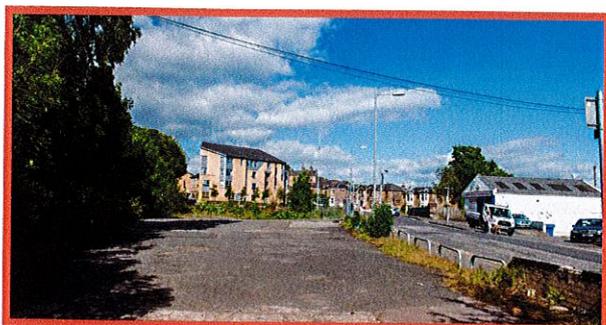
Over the last few years Welfare Reform has been our main challenge operationally. We mitigate as much as possible by having a robust welfare advice service available for all our tenants. In addition, we offer money advice to help them manage their tenancies once in place.

Interest on loans is regularly reviewed and all loans are revisited every 5 years to ensure that best value is obtained.

## Future Opportunities

There are two development sites in the immediate area which may present development opportunities for CDHA Ltd. A full feasibility study is being completed to establish whether the opportunity is something CDHA can consider. We have support from Glasgow City Council in taking these two sites forward to bidding.

Once the feasibility study is complete the Committee will consider their options for these sites and will continue to work with our Development



Consultant and Glasgow City Council, along with the Scottish Housing Regulator.

In addition, we are currently considering the opportunity to carry out detailed common repairs contracts to two sub-standard tenements in the Cathcart area. These were identified prior to the end of CTI schemes but were never improved. As a result both buildings are now in need of major common repairs. We are again working closely with Glasgow City Council.

## Corporate Governance

Our governing body is our Full Committee of Management who are responsible for steering the organisation in the correct strategic direction and are responsible to our wider membership. The Committee serve in a voluntary capacity and we recognise the risk that failure to recruit suitable members on an ongoing basis may pose to the business. We regularly carry out recruitments drives to ensure membership of our Committee remains stable.

The Committee of Management is elected by the members of the Association through the constitutional process at the AGM. Additional members can be co-opted during the year if spaces become available. Their remit is to lead the direction of the Association through strategic policy.

As part of our commitment to continuous improvement we carry out skills assessments of our Committee members and set challenging targets along with encouraging all members to attend networking and conference events to ensure they are up to date in the wider arena.

## Going Concern

The Full Committee of Management has reviewed the end of year accounts, liaised with the external auditor and looked at financial projections going forward and was able to give the undertaking that the Association is a going concern for the foreseeable future when adopting the financial statements.

## Performance Management

The Full Committee installed a new system of performance management in 2017. This has ensured that they receive robust and meaningful reports against targets in all areas of the business. The new IT system will give the Committee a further opportunity to review the performance management and see reports in real time. This new process will be in place from November 2019.



## Rent Arrears

Our rent arrears fell this year from 6.16% to 5.78%. We continue to strive to bring this level down further and new processes achieved through our new software should assist in this area.

The Association continues to be optimistic of continuing improvement against a backdrop of challenging times and a demanding policy climate. There is uncertainty surrounding Brexit and the political climate and the Committee will continue to focus on the economy and what changes are likely to impact on our business.

We will continue to support tenants in their tenancies through our Welfare Rights and robust Housing Management services. The advice team have made significant progress in assisting tenants with Universal Credit applications and debt management. These processes will directly impact on our rent arrears and our staff will continue to devote time to these issues.

All RSLs are challenged to meet the Scottish Housing Quality Standard and the Energy Efficiency targets set by the Scottish Government by 2020. Work is underway to carry out an energy audit and renew EPCs as properties become void as many are reaching a 10 year anniversary.

## Planned Maintenance

Our Planned Maintenance programme this year achieved:

- 25 new kitchen and 20 new bathrooms
- 22 new boilers
- 79 properties will be converted from white meter heating to gas including new connections and heating systems
- 25 properties with new windows

Our Reactive Maintenance service is delivered by a multi trade contractor after a robust procurement exercise and has been successful for the third year in succession.

Tenant satisfaction levels are consistently high (detailed further in this report) and our tenants continue to be the main measure of this indicator.

During the year we completed 1831 repairs.

The table below summarises both emergency and non-emergency repairs

*Void properties – This year 47 flats became void during the year which represents 8.26% of our lettable stock. Our average relet time for these properties was 21.02 days which is an improvement from 24 days the year before.*

Category	Target	Number	Average Time to Complete	% completed Right First Time
Emergency	6 Hours	411	4.29	
Non-Emergency	10 days	1420	3.67	97.18

# Rental income representing value for money

Our overarching aim is to provide good quality homes at affordable rents. Each year our Committee of Management review our rents taking into account budget plans, the current inflationary position and the general level of rents in our peer group. We then

consult with our tenants before agreeing the final level of increase. To date we have been successful in keeping our rent increases low in comparison to some other landlords and have still been able to deliver improvements to our properties.

## 2018-19 Rent Increase

Rent increase approved by CDHA and some of our peer group based on geographical location.

CDHA	Scottish Average	Govanhill	Thistle	GHA	Linthouse
3.5%	3.00%	2.4%	3.3%	3.3%	3.8%

## Average Weekly Rents

Size of Home	CDHA	Scottish Average	Govanhill	Thistle	GHA	Linthouse
2 apartment	62.89	76.91	82.53	59.85	76.91	63.01
3 apartment	77.29	81.94	88.15	82.67	81.84	74.52
4 apartment	87.98	95.60	101.79	91.42	95.68	81.60
5 apartment	90.32	105.45	122.01	114.18	104.80	100.12

## Total Rent Collected as percentage of Rent due

RSL	CDHA	Scottish Average	Govanhill	Thistle	GHA	Linthouse
Percentage of rent collected	98.2%	99.1%	99.5%	99.5%	99.0%	99.9%

## Void Loss

RSL	CDHA	Scottish Average	Govanhill	Thistle	GHA	Linthouse
Percentage of Rent loss due to void	0.5%	0.4%	1.5%	0.1%	0.4%	0.9%

## Customer Satisfaction Survey Results

% Tenants satisfied with the overall service provided by their landlord	97.88%
% tenants who feel their landlord is good at keeping them informed about services and decisions	96.21%
% tenants satisfied with opportunities to participate in landlord's decision-making processes	85.48%
% tenants satisfied with the standard of their home when moving in	97.30%
% existing tenants satisfied with the quality of their home	94.51%
% tenants who have had repairs/maintenance done in last 12 months satisfied with service	93.55%
% tenants satisfied with the management of the neighbourhood they live in	93.60%
% tenants who feel that the rent for their property represents good value for money	93.80%
% of factored owners satisfied with the factoring service they receive	98.00%

# Contextual Information

Cathcart & District Housing Association is a community controlled social landlord on the south side of Glasgow, led by a Committee of Management of up to 15 voluntary tenants and other local residents. The Committee is elected each year at the AGM from the membership.

Some notable figures about the Association at the year-end 31 March 2019.



The total income from rents for the year 2018-19 was  
**£2,020,833**



# Accounts

## Abridged Statement Of Comprehensive Income For The Year Ended 31st March 2019

	2019 £	2018 £
Turnover	2,209,719	2,130,019
Operating costs	1,864,927	1,748,812
Operating surplus	344,792	381,207
(Loss)/Gain on disposal of fixed assets	(6,546)	(223,149)
Interest receivable and other income	4,445	1,316
Interest payable and similar charges	(141,756)	(126,106)
Other finance charges	(7,000)	(3,000)
Surplus before tax	193,935	30,268
Other comprehensive income	-	-
Initial recognition of multi-employer defined benefit scheme	9,000	-
Actuarial gain/(loss) recognised in the pension liability	(165,000)	-
<b>Total comprehensive income for the year</b>	<b>37,935</b>	<b>30,268</b>

## Summary Statement Of Financial Position As At 31st March 2019

	2019 £	2018 £
<b>Non-current assets</b>		
Tangible assets - social housing	9,787,601	9,836,663
Other tangible assets - plant and equipment	179,205	183,933
	9,966,806	10,020,596
<b>Current assets</b>		
Trade and other debtors	319,203	304,102
Cash at bank and in hand	2,035,258	1,992,778
	2,354,461	2,296,880
<b>Creditors: amounts falling due within one year</b>	<b>(432,221)</b>	<b>(467,379)</b>
Net current assets	1,922,240	1,829,501
Total assets less current liabilities	11,889,046	11,850,097
<b>Creditors: amounts falling due after more than one year</b>	<b>(3,812,581)</b>	<b>(4,185,761)</b>
Deferred income		
Deferred capital grants - Social Housing Grants	(732,704)	(717,510)
Pension Scheme liability	359,000	-
Net assets	6,984,761	6,946,826
<b>Equity</b>		
Share capital	64	64
Revenue reserves	6,984,697	6,946,762
	<b>6,984,761</b>	<b>6,946,826</b>

Full accounts available at [www.cathcartha.co.uk](http://www.cathcartha.co.uk)

# Accounts

Our current operating environment is subject to change and challenge, but also opportunity. We work within these challenges and realise it is important to identify savings, provide effective management information, control budgets, achieve our financial targets and progress new initiatives.

As in previous years, income maximisation, cost control and robust treasury management continue to stand out as key influencing factors on whether our organisation can achieve its potential and deliver on aims and objectives.

Our Committee places a great deal of emphasis on financial planning and sensitivity analysis. From the analysis work carried out, it is clear that the Association have the resources,

reserves, and controls in place to meet our committed spending requirements. Effective treasury management will continue to be a key priority for us in working to ensure the long term viability of our organisation.

There will be a specific focus on controlling current and future costs with a view to ensuring any annual rent increases remain affordable to our tenants.

We will continue to pursue two development opportunities in the area in the coming year. If successful we will then carry out a full risk assessment and financial appraisal of both sites before committing the Association to increased expenditure.

## Committee of Management

Meeting Attendance Period September 2018 to August 2019

Full Committee of Management Meetings	10
Sub Committee Meetings	4
Total	14
Average Attendance achieved at all meetings	83.5%

### Attendance at Meetings (September 2018 – August 2019)

Meeting	Target 2018-2019	Actual	+/-
Full Committee of Management	80%	79%	-1%
Finance & Audit Sub Committee	80%	88%	+8%



# Committee Structure 2018/19

## as at 31 March 2019

Following a very well attended AGM again this year the new Committee was elected.

### The 2018-19 Committee:

Marion McMillan	Chairperson
Alastair Penney	Vice Chairperson
Christine Leitch	Secretary
John Forrest	Committee Member
Valerie Kyle	Committee Member
Bruce Strathearn	Committee Member
Elizabeth Carter	Committee Member
Susan Harper	Committee Member
Bobby Pollock	Committee Member
Michael Doherty	Committee Member
Chris Carr	Committee Member

### Staff

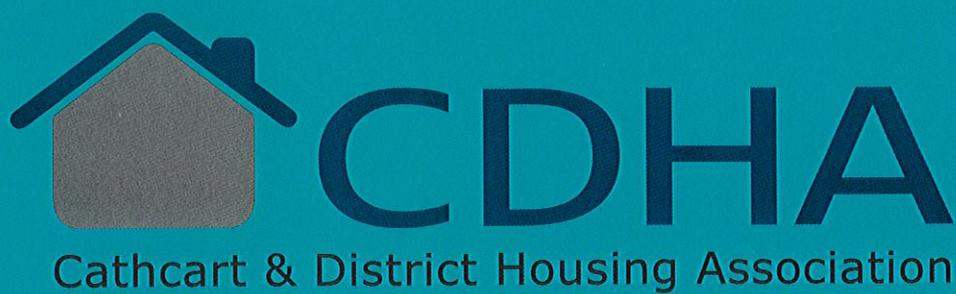
Christine Leitch	Director
Lorraine Glasgow	Finance Officer
Morna Smillie	Senior Housing Officer

Craig Smith	Senior Maintenance Officer
Allan MacDonald	Housing Officer
Lynsay Gallagher	Housing Officer
Nicole McMaster	Housing Assistant
James O'Hanlon	Maintenance Officer
Sandra Fleming	Maintenance Assistant
Gillian McCann	Maintenance/Factoring Assistant
Emma Connelly	PA to Director/Admin Assistant
Fred McBain	Estate Assistant
John Kennedy	Estate Assistant
Robert Knox	Estate Assistant
Maggie Wright	Office Cleaner

Clark Davidson	Accountancy Services
Suzanne Lavelle	Welfare Rights Officer
Kevin Morrison	Welfare Rights Officer
Geraldine McLaughlin	Money Advice Officer

Auditors *Armstrong's*





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