

Govanhill Housing Association Business Plan: The Vision for Your Association



The Business Plan is the main way that the Association makes plans for the future. It sets out our aims, what we will do to achieve these, and how we will pay for our plans. The Business Plan affects all of our tenants, so we hope you find this summary interesting.

The Association's vision and future direction

The Management Committee's vision for the future is that:

Everyone living in Govanhill and Merrylee should:

- **Enjoy good quality, warm, safe and affordable housing that contributes to their health and wellbeing and to community pride**
- **Live in a neighbourhood that is clean and well cared for, with excellent neighbourhood services and opportunities for all.**

To help achieve this vision, the Business Plan sets the following priorities:

- Service improvement and investment, for our existing homes and tenants
- Meeting housing need in our communities
- Managing our assets and resources well, for the benefit of our tenants
- Improving opportunities and the quality of life for local people
- Working closely with Glasgow City Council and other bodies that have the lead responsibility for many key services in our communities.

The Association wants to see continued positive change in Govanhill and Merrylee, and we are starting from a strong position. For example, we have:

- A strong and experienced Management Committee and staff team.
- Positive partnerships with tenants, community groups, Glasgow City Council and other public bodies.
- Good, and improving, results for service delivery and for tenant satisfaction with our services.
- A strong track record in investing in tenants' homes, and in maximising tenants' incomes. We have delivered **£40 million** of major repairs work since 1999, and have helped more than 1,000 clients to obtain more than £3 million in unclaimed welfare support.

Links between the Business Plan and tenants' priorities

In our 2017 Customer Satisfaction Survey, three issues stood out as being the most important to tenants:

- Having a good quality repair service (93% of the 1,050 tenants who took part in the survey)
- Improving tenants' homes (91%)
- Charging affordable rents (90%)

Having a good quality repair service

Performance results for the repairs service have improved steadily over the last three years. Tenant satisfaction has also improved, particularly on the time taken to complete repairs and being able to book an appointment to have repairs carried out. We will make further improvements to our repairs and housing services in the coming year – please see the **Business Plan Action List** for more information.

BUSINESS PLAN ACTION LIST

Repairs and Housing Services

In 2018/19, the Association will:

- Aim to achieve the following targets for the repairs service

	Target for this year
Average hours to complete emergency repairs	2 hours
Average working days to complete non-emergency repairs	5 days
Percentage of reactive repairs completed right first time	95%
Percentage of properties with gas safety record renewed by the anniversary date	100%
Percentage reactive repairs appointments kept	100%

- Spend 21% of our total income from rents and service charges on repairs and maintenance.

- Put out to tender most of our repairs and maintenance services, including our biggest contract covering day-to-day repairs and work to empty houses.
- Invite contractors to tell us how they could improve current service standards if they are appointed.
- Aim to re-let empty homes more quickly.
- Carry out a first phase of backcourt repairs and upgrades over six tenement blocks, including demolishing old binstores and introducing newer-style wheelie bins.
- Continue our efforts to control build-ups of bulk items in backcourts.
- Speed up how we pass repairs on to contractors.
- Hold a Tenants Conference, to discuss the results of the Customer Satisfaction Survey for all aspects of our service delivery and get tenants' views on improvements needed.

Housing Investment

In 2018/19, the Association will:

- Invest around £3 million in major repairs, with a similar level of spending in each of the next 5 years
- Replace 30+ years old windows with new, high performance, double glazed timber windows (155 properties in 2018/19)
- Complete kitchen and bathroom renewals (250 properties in 2018/19)
- Complete boiler/central heating replacements (150 properties in 2018/19)
- Carry out major upgrades of empty properties (20 properties in 2018/19)
- Continue our programme to meet the Energy Efficiency Standard for Social Housing by 2020. These works will make tenants' homes more energy efficient and as a result will help reduce energy bills.
- Carry out works to meet the enhanced standards of protection from smoke and fire that have recently been introduced by the Scottish Government.

Rents and affordability

In 2018/19, the Association will:

- Continue to seek ways of keeping future rent increases as low as possible.
- Rent increases have been “inflation only” for the last two years, below the Business Plan assumption of inflation plus 1%. When next year’s Business Plan is prepared, the Management Committee will come to a balanced view, based on information about affordability and the cost of living, and how much income is needed to provide services, invest in our housing, and make loan repayments.
- Increase resources for the welfare rights service, to provide expert support as more tenants move onto Universal Credit later in 2018.
- Review our rent-setting policy, including how we should set rents for different sizes and types of house. We will make sure tenants are fully involved in the process.
- Use the Consumer Price Index (CPI) to calculate inflation when next year’s rents are being set. CPI is generally lower than the inflation calculation we used in previous years.

Investment in new homes

In 2018/19, the Association will:

- Invest in new build housing developments at 195-201 Victoria Road, 134 Inglefield Street (both due to complete this year) and 159 Butterbiggins Road (due to go on site in 2019).
- These three projects will provide a total of 89 new homes, including homes for people whose needs cannot be met in the traditional tenements, such as larger families, older people and wheelchair users.

Tackling poor housing conditions in South West Govanhill (18 tenement blocks)

This programme is supported by **£34 million funding from Glasgow City Council and the Scottish Government**. The Association will purchase properties in South West Govanhill and carry out an appropriate level of works, which may be internal works; more comprehensive major repair, common works and internal works; or common repair schemes.

In 2018/19 the Association will:

- Seek to purchase around 60 flats
- Seek to complete internal improvements and repairs to around 90 of the flats purchased
- Establish the Association as factor in around 10 additional tenements.

Paying for the Association’s priorities

The Business Plan shows that the Association has the financial resources needed to deliver its strategy. The Plan also shows that the Association will be financially viable over the next 30 years, and will be able to meet the financial conditions set by our lenders.

Our ambitious programmes for major repairs, South West Govanhill and new housing mean that we will be spending more than

we receive from rents and other income until 2022/23. We have obtained **£8.2 million** in new loans to bridge this gap while the investment programmes are at their peak, and we will keep firm control of our costs during this period. In the longer-term, the Association’s cashflows become mainly positive for the rest of the 30-year period of the Business Plan.

Improving tenants' homes

The age and type of the Association's housing means that there is a continuing need to carry out major repairs. The Business Plan proposes a further **£15 million of investment over the next 5 years**, an average of £3 million per year. The main areas of work planned are:

- Replacement of kitchens and bathrooms
- Installation of energy efficient boilers
- Replacement of windows
- Other works to reduce tenants' fuel bills
- External fabric works, for example roofing and stonework repairs.

See the **Business Plan Action List** for more information about what we plan to do in the coming year.

Charging Affordable Rents

We know this is a source of concern for tenants, because the cost of living has been increasing faster than wages and benefits.

The Association has carried out affordability tests, to find out whether any household types are likely to spend more than 25% of their income on rent. Most household types passed this test. Those most likely to struggle were single person households, while affordability was likely to be less of a strain for households with children that qualify for tax credits and child benefit.

We included a question about rent affordability in the 2017 Customer Satisfaction Survey:

How easy do you find it to afford your rent payments for this property?	
Very easy or fairly easy to afford	58%
Just about affordable	38%
Very difficult or fairly difficult to afford	4%

While most tenants said their rent was affordable, 42% said their rents were just about affordable or not affordable. We also know that the Association's rents are on the high side in comparison with our neighbouring housing associations. The main reasons for this are the age and condition of the housing stock in Govanhill and the need for substantial injections of cash each year for major repairs.

The Business Plan assumes that rents from April 2019 will be increased by inflation

plus 1% each year. If we changed this to "inflation only" rent increases each year for the next 30 years, this would mean:

- Spending on major repairs would need to be cut by half and the timescales for work being carried out would be twice as long.
- Our cashflows ("money in, money out") would go into the red every year from year 5 onwards and there would be a financial shortfall of £47 million by the end of the Business Plan period (30 years).
- If the Association were to borrow more funds to cover these shortfalls, we would break the conditions of our existing loan agreements, probably resulting in significant financial penalties.

For more information about our work on rents and affordability in the coming year, please see the **Business Plan Action List**.