



RESPECT



PASSION



EXCELLENCE



CONNECTION

**Thenue Housing Annual Review
2017-2018**

A MESSAGE FROM OUR CHIEF EXECUTIVE

Being formed 39 years ago would make us an “Xennial”. This term comes from a blending of a bridge between the disaffection of Generation X and the blithe optimism of Millennials.



Here at Thenue, we do have both a healthy portion of Gen X grunge cynicism, and a dash of the unbridled optimism of Millennials. The theory goes that the Xennials dated, and often formed ongoing relationships, pre-social media, and this is certainly true of us.

Our relationship with our partners, our customers, our people and our communities all started this way. We have however, strengthened all of these relationships by building on those strong foundations, and by also looking outward, embracing change and technology and allowing the skill and enthusiasm of our people to propel us forward into what will soon be our fortieth year in 2019.

Being 39 years old makes us feel mature. There is nothing wrong with ageing. The lessons we have learned over the years and the ability to appreciate each and every one of our customers is evidence of a great organisation. 39 is just fine and the important thing for us is that we do it not only gracefully, but with kindness and integrity, too. Our 39th year has been a fantastic year for us and this annual review attempts to give an overall summary and assessment. We very much hope that you enjoy reading it.

Charles Turner

Chief Executive

WHAT WE'VE BEEN DOING FOR YOU

New Housing in Bridgeton



This past year has been another one of consolidation and preparation. We have consolidated our stock base (the number of homes we have), with a slight increase of 28 homes in the overall number. We continued our programme of re-investing in older properties as we prepared ourselves for the completion of over one hundred new houses later in 2018. We re-aligned our business by bringing in efficiency savings secured by using technology. This helped us to continue to maximise our income as the full roll-out of Universal Credit will be with us by December 2018.

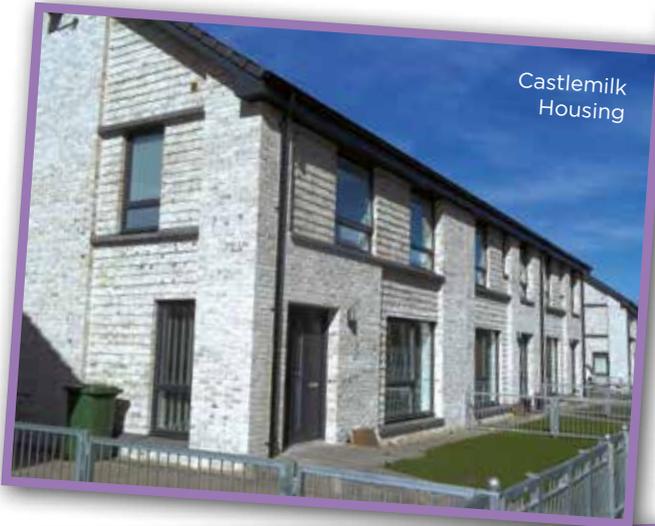
The new community centre in Castlemilk



Our aim is always to work together to create better homes and stronger communities... making people happy! That in effect means that we are committed to developing, managing and maintaining a range of affordable quality housing in sustainable communities. Working with our people we aim to improve all our services and grow deep community roots. After a year of consolidation and preparation, this past year has been a year of growth and preparation.

The year started literally on site both in Castlemilk (Holmbyre Terrace) and in Bridgeton,

(Franklin Street), laying the foundations for what was to be 67 new houses and a much anticipated community centre. As the year progressed, development work also commenced on site opposite the entrance of 'The Barras'. This development, of both the Monteith Hotel and the surrounding site will provide an additional 49 modern flats. At one point in the year, some 116 new houses therefore were under construction and grant funding from Glasgow City Council in the region of £6.1 million was received during the year to facilitate this work.



At the year-end in April 2018, 11 were complete. These 11, plus the acquisition of a further 20 properties, (also through grant assistance from Glasgow City Council), took the total housing stock base to 2,856. Right to Buy in Scotland ended in the summer of 2016. It took until this financial year for the final sale to be concluded.

By far the largest area of expenditure during the year was on properties that have been in our ownership for a long time. In total this amounted to over £5 million; some 40% of total rental income. The split of this was cyclical repairs, £0.82m; reactive and void repairs, £1.7m; major repairs, £2.6m.

Most of the major repairs expenditure was connected with external wall insulation and associated work to around 270 of our '1930's Wilson Block' tenements. Difficult and intricate work neared completion to one of our properties in the Gallowgate; a 'B' listed building that dates back to 1771, and stone work repair to flats in Abercromby Street completed most of the balance.

All of the reactive and void expenditure (money we spend on homes that are empty before being re-let) was focussed on completing over 9,500 reactive repairs and re-letting 200 houses that became vacant during the year. Approximately half way through the year we re-rendered our reactive repairs service. We were very happy to re-appoint Mears to carry out this work on our behalf. Their competitive pricing won the contract, and our tenants' overall



satisfaction with this service at 98% reinforces this decision.

Elsewhere, high levels of satisfaction have been maintained or have been exceeded throughout the year. 95% satisfaction relating to our resolution of anti-social behaviour complaints; 88% satisfaction with our neighbourhoods; 92% satisfaction with the standard of a new home; 92% satisfaction with being kept informed; 90% overall satisfaction.



All of these figures we have just mentioned please us, but we are not perfect. Our tenants were only 78% satisfied with the opportunities to participate in our work. With 3,062 gas certificates in place, unfortunately we missed just one! The average length of time property remained empty in between tenancies increased from 24 to 26 days. Our focus will be to improve our performance in these areas.

Collecting more than 100% of our rental income is always going to deliver good results. Collecting £31k more than we anticipated begins to help explain why our overall rent arrears have reduced both in monetary value, (to £460k), and in percentage terms, (to 3.6%). This is also why our void loss remains low at 0.5%, why our tenancy sustainment figure is the highest ever at 94% and why our tenancy refusal rate has halved to 12%.



Earlier on we mentioned the need to be prepared for Universal Credit. This has already manifested itself in our early intervention and support where necessary for tenants that for whatever reason fall behind in their rent payments.

We introduced a new newsletter called “Cashpoint” specifically aimed at tenants who may need financial advice or assistance. A newsletter dealing with this vitally important topic at a time of significant welfare reform is another way we are helping.

Our strong financial performance has been underpinned by the number of Notices of Proceedings, reduced by 39%; tenancy abandonments reduced by 32%; and evictions reduced by 60%. Overall gross arrears reduced by 14%.

Overall, we have generated an operating surplus of £4.2m, which is £0.85m more than we planned at the start of the year. After accounting for non-operating items, the overall surplus in the twelve months amounted to just over £2.56m.

We have loans with three lenders, (Royal Bank of Scotland, Nationwide Building Society and The Housing Finance Corporation). Combined outstanding loans at the end of the year totalled some £38 million. Consistently throughout the year the association has satisfied all relevant financial covenants.



Internal Audit is an important function here at Thenue. It gives the Board, the Regulator, our Funders and our Partners reassurance that we manage the organisation in an effective way.

“Thenue has a framework of controls in place that provides reasonable assurance regarding the organisation’s governance framework, effective and efficient achievement of objectives and the management of key risks”.

This statement above was made by our Internal Auditors, Scott Moncrieff. In order that they are able to provide this assurance statement supporting the Governance Statement, the Internal Auditor includes all of Thenue’s activities and systems within the scope of their internal audit reviews. Their strategic and annual internal audit plans are designed to provide the Association with assurance that our internal control system is effective in managing the key risks and best value is being achieved.

All of this is very welcome news, as it helps us prepare for 2019 and beyond, when we know what will be required to “retrofit” two smoke alarms linked to carbon monoxide detectors, which are all interlinked, in a number of our properties that currently only have one. This is a consequence of the Grenfell Tower fire disaster of June 2017, and this will become mandatory for all Registered Social Landlords to complete this work over a two-year period.

A HELPING HAND FOR OUR COMMUNITIES

Our aim is to build strong communities and this is not just about providing good housing but is also about delivering services that address wider needs; to help people with financial problems; to help people find training and employment or to help people get better access to services where they live. This is the work we call Community Regeneration.

As in everything we do our aim is to secure value for money for our tenants; for example by ensuring that this work is resourced by grants

from agencies like Big Lottery or the Scottish Government rather than from rental income. In 2017 / 18 we were successful again in securing grants that enabled us to sustain the projects that together make up our community regeneration activity and to support our tenants in a number of different ways.



Working With Others

Our community regeneration work is mainly resourced by funding from grants but we have also been successful at securing 'social value' from contractors who work for us. Mears Scotland is a major company that delivers our repairs contract and they have supported our work in a number of ways by involving their staff in different projects. The photograph shows one of the Mears apprentices assisting with a job seeking skills workshop at a Jobs Fair held in Calton Heritage and Learning Centre in February 2018.



Digital Inclusion

Our digital project known as Smart Communities has continued to support people to obtain access to computers and the internet and to help them take advantage of the many benefits this access brings. The team works with all ages, from toddlers to senior citizens, and tailor their support to the specific needs of each person or group. The team have now been trained to deliver advice on energy efficiency. The project will aim to do more to help tenants use internet access to consider how they use gas and electricity and to secure the best financial deal from their energy provider.



Volunteering

Our community gardening project known as Calton Green Volunteers has really made its mark with very positive feedback from tenants about the quality of their work in improving the local environment and in helping residents to take more control over their neighbourhood. Charlotte Levy, one of our Board Members thinks the team, under our Community Gardener, Jane Burdass, is doing a fantastic job and has had nothing but praise for their efforts. Charlotte is seen on the right of the picture, Jane is on the left.



Training and Employment

We have provided support to the long-term unemployed for a number of years through our Learning Works project which delivered its 22nd and final course at the end of March 2018. The project involved tutors from Glasgow Kelvin College delivering accredited training in a structured course that supported hundreds of people to develop the confidence, the motivation and the skills to make the transition from unemployment into work, training or further education. As the photograph shows, team skills were an integral part of all 22 courses.



Community Facilities

Our new centre in Castlemilk, Netherholm Community Hall was built during 2017 / 18 and opened to the public in August 2018. Netherholm is a community, because of its location, which is quite detached from many of the services available to other people in Castlemilk like shops, indoor space for youth

activities and a social space for people to meet.

The new centre, managed by our subsidiary company, Thenue Communities, aims to provide all of these services with the same level of success that has been achieved at our other community facility – the Calton Heritage and Learning Centre.



LOOKING TO THE FUTURE

Looking forward, then we can anticipate more than 100 new houses being occupied, our new Netherholm Community Hall being used by our Castlemilk community, completing all of our external wall insulation work, and starting a programme of renewing kitchen units in houses that were built 18 years ago.

We also look forward to being able to organise the first of many 'Choices for Change' programmes for our unemployed residents and I.T. and digital help for all our tenants known as Clic. This last one is especially important as we roll out further our new self-service housing "app" and work on making sure that our web site is a source of not just information, but also a way of being able to engage with us. This gives our tenants a different way of maintaining their relationship with us; at a time and place that suits them. From an efficiency perspective, it helps us to reduce costs, which in turn, reduce pressure



on future levels of rent increase. Using our App is 20 times cheaper than using the phone; 30 times cheaper than letters; 50 times cheaper than the time taken for a face to face discussion. This will free up staff time in order to help those tenants of ours that will be required to claim Universal Credit as their source of income and means of paying their rent. We are as prepared for that as we can be for Universal Credit being fully rolled out .

A year of really good, all round, great performance. A case of the calm before the storm? We'll soon know the answer to that question.



As our pictures show below the successful Learning Works course helped many jobless people and is being succeeded by a new initiative called Choices for Change. Lord Provost Councillor Eva Bolander called round to see us in Castlemilk and tried her hand at our "Buzzwire" and this young man gives the thumbs up to the "Coderdojo" computer coding club in Bridgeton.



OUR PEOPLE

On the people front, Robert Kelly stood down from our main Board of Management, but we were pleased that Robert retained his commitment to Thenue by becoming the Chair of our Audit & Risk Sub-Committee. There were no individuals who were newly elected at our Annual General Meeting in September, but Jeanette Goode accepted an invitation to participate as an observer for most of the year.

That meant that during the past year our Board of Management consisted of thirteen elected individuals who have given up their time freely, do not get paid and are utterly dedicated to the concept of the housing association movement and community controlled housing which Thenue is strongly committed to. Without them there would be no housing association so we think it is very important that we recognise just what inspiration and enthusiasm they give to our organisation.

Our staff numbers were at 74, but the year did see some comings and goings. With a combined service of 58 years, three long-standing members of staff Jan Miller, Isabel

Irwin and Jean MacMillan retired: Iona Taylor and Marie Clare Rafferty both joined Link Housing Association; Greta McPhail went to Barrhead Housing Association and Tracy Lennon, to North Lanarkshire Council. We were pleased therefore to welcome Carly McFadyen, Sophie Netherway, Karen Finlayson, Michael Philipsz and Jennifer Macdonald who brought new thinking and fresh ideas to our team. Two new post as Modern Apprentices were created early in the year and Craig Bryson and Shannon Meechan were both successful in securing these new positions, as they each lay their own foundation stones for a career in housing.



Our people are the vital ingredient that binds us together and makes us fairly unique. We have a tremendous network of residents who give up the time and enthusiasm, forming Area Associations or being the Association's 'critical friend' by participating on our Scrutiny Panel, which is a vital role that those individuals do to help improve all our services.



Shannon Meechan and Craig Bryson



Isabel Irwin



Jean MacMillan



Jan Millar

FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2018

INCOME & EXPENDITURE ACCOUNT (Statement of Comprehensive Income)	2018	2017	A non-accountant's guide to the accounts
	£000'	£000'	
Turnover	15,980.1	15,564.0	Income from rents, housing grants, factoring etc.
Operating costs	-11,762.2	-11,390.9	Costs of managing and maintaining our houses and other costs
Operating surplus	4,217.9	4,173.1	
(Loss)/gain on sale of housing stock	-4.7	121.4	Surplus made on houses sold under right to buy & shared ownership house sales
Release of negative goodwill	27.5	27.5	Amount of negative goodwill released to reserves
Interest receivable	8.2	17.3	Bank interest earned on surplus funds
Interest payable*	-1,680.7	-1,716.2	Interest paid on loans
Other finance charges	-6.5	-127.3	Changes in amount owed to pension company
Surplus for year	2,561.7	2,495.8	Amount left after deducting all expenses

BALANCE SHEET (Statement of Financial Position)	2018	2017	A non-accountant's guide to the accounts
	£000'	£000'	
Non current assets			
Housing properties - depreciated cost	144,377.0	137,495.5	Net cost of houses owned
Other non current assets	4,375.4	3,776.5	Cost of office, community centre, computers, office equipment, furniture etc.
	148,752.4	141,272.0	
Negative Goodwill	-706.8	-734.3	Represents excess value of houses acquired over the purchase price paid
Investment in subsidiaries	0.1	0.1	Cost of shares owned in subsidiary company
Current Assets			
Receivables	1,932.6	1,630.9	Money owed to the association
Cash at bank and in hand	2,751.0	3,392.7	Money in bank
Creditors due within one year	-4,069.2	-4,459.4	Money owed by the association to be paid within 12 months
Net current assets	614.4	564.2	
Total assets less current liabilities	148,660.1	141,102.0	
Creditors due after more than one year*	-38,866.5	-40,249.0	Amounts of outstanding loans and pension liability
Provisions for liabilities and charges	-381.4	-522.7	Other commitments for future expenditure
Deferred income	-87,789.0	-81,268.8	Grant income received towards the cost of houses owned not yet released to reserves
Net assets	21,623.2	19,061.5	
Equity			
Share capital	0.2	0.2	Number of current £1 shareholders
Revenue reserves*	21,623.0	19,061.3	Surpluses made over the years for reinvesting in current and future maintenance of the housing stock
Total equity	21,623.2	19,061.5	

* The 2017 figure has been restated following a reassessment of the treatment of certain loan costs. Members wishing a full copy of our financial statements can download these from our website



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