Introduction to Housing Association Finance in Scotland (Capital)

April 2020

Offices of the Hebridean Housing Partnership in Stornoway

Introduction

This briefing paper contains an introduction and overview of the capital aspects of housing association finance in Scotland. We have also published briefing papers on the revenue and technical aspects of Housing Association finance in Scotland that may be of interest to readers.

What is Capital Expenditure?

Accountants define capital expenditure as being on items that give a benefit and retain their value over several years. There is also an accountancy concept called 'materiality' that excludes items of small value from the definition. Capital expenditure in the private and public sectors is often financed by loan, firstly because resources are often not available 'up front' to finance it, and secondly so as to spread the cost of the capital expenditure across all the years during which the benefit is experienced.

Capital Expenditure in Social Housing

The definition of capital expenditure in Housing Associations follows the GAAP (Generally Agreed Accounting Practice) definition. Examples of capital expenditure include:

- Constructing or acquiring a new dwelling unit

- Upgrading the rent category of an existing dwelling through improvement
- Reducing future maintenance costs through major repairs or renewals
- Extending the economic life of a dwelling through major repairs and renewals

Housing Associations value their housing based on historic cost or 'Existing Use Value for Social Housing'. This recognises the fact that they hold their assets for a social purpose rather than a commercial one. 'Existing Use Value for Social Housing' is defined as the lower of replacement cost or the recoverable amount. Replacement cost is what it would cost to replace the dwelling. The recoverable amount is what it is thought another Housing Association would pay to buy the dwelling. It is usually calculated by taking the market value and reducing it by a proportion called the 'social discount'.

Dwellings owned by Housing Associations are treated as tangible assets rather than investment assets and so are usually depreciated over an assumed life of sixty years. However, the cost of land and the part of the scheme that is funded by grant is not depreciated.

Housing Associations sometimes reduce the value of their housing assets in the balance sheet because of 'impairment'. Impairment is where it is thought that the actual value of a dwelling is lower than the 'book' value that is calculated by depreciating the original cost. In these cases, the value is reduced as appropriate. Situations that may cause impairment include:
- Changes in the demand for housing
- Adverse statutory or regulatory changes
- Current or anticipated deficits on the income and expenditure account
- Changes in expectations making a building functionally obsolete (for example, sheltered schemes with shared facilities)

The Scottish Housing Quality Standard

On 4th February 2004, the then Minister for Communities announced a cross-tenure Scottish Housing Quality Standard.

In the social rented sector, the Minister made it clear that she expected Housing Associations to ensure that their stock met the standard by 2015. However, they were able to set their own milestones for progressing towards the 2015 target date, taking account of their local circumstances. They were also expected to prepare Standard Delivery Plans for submission to Scottish Ministers by April 2005 at the latest; these were assessed by Communities Scotland on behalf of Scottish Ministers.

The Standard is based on several broad quality criteria as initially proposed in "Modernising Scotland's Social Housing". To meet the Standard the home must be:
- Compliant with the tolerable standard
- Free from serious disrepair
- Energy efficient
- Provided with modern facilities and services
- Healthy, safe and secure

The Scottish Government considered that Social landlords may, following consultation with their tenants, wish to augment the Standard with additional local specifications. They had no difficulty with this providing there were clear plans for achieving the national Standard and the additional resources were available. In practice, most housing associations have adopted a local standard that is higher than the Scottish Housing Quality Standard. Having achieved that standard there is then a need to sustain it.

Housing Association Balance Sheets

Housing Associations prepare and publish balance sheets. The Statement of Financial Position (Balance Sheet) of the Eildon Group as at March 2019 is shown below as an example:

	£,000	£,000
Housing Properties	172,564	
Other Fixed Assets	3,191	
Fixed Asset Investments	275	
Total Fixed Assets		176,030
Current Assets:		
Cash	7,962	
Trade and other debtors	2,239	
Creditors falling due within a year	4,138 Cr	
Net Current Assets		6,063
Total Assets less Current Liabilities		182,093
Pension creditor	2,293 Cr	
Other creditors	49,918 Cr	
Creditors falling due after a year		52,211 Cr
Social Housing Grants	109,732 Cr	
Other Grants	94 Cr	
Deferred Income		109,826 Cr
Net Assets		20,056
Revenue Reserves		20,056 Cr
Total Reserves		20,056 Cr

The items on the Balance Sheet are described below:

Housing Properties

Housing Properties are valued as operational assets rather than as investment assets. They are also depreciated.

Other Fixed Assets and Fixed Asset Investments

Other Fixed Assets include land and buildings owned by the Housing Association other than dwellings. This could include offices, depots and land held for development purposes. The association also owns some assets that are held as investments.

Current Assets

Current Assets include cash at bank and debtors including arrears of rent.

Creditors falling due within a year

Creditors falling due within a year include trade creditors and any loans that fall due for renewal within a year.

Creditors falling due after a Year

Creditors falling due after a year include the Council under the development agreement.

Grants

Where new homes have been funded by Housing Association Grant this amount is included here. This is to reflect the fact that the housing is, in effect, part owned by the Scottish Government.

Revenue Reserve

Surpluses are paid into the Revenue Reserve and deficits are charged into the Revenue Reserve. In the case of this Housing Association the revenue reserve is negative as deficits have exceeded surpluses since it was founded. This is not unusual in the case of a stock transfer housing association, but there will be a business plan in place that will demonstrate that the Housing Association will be able to generate surpluses in future years that will enable it to move towards a positive balance in the Revenue Reserve.

Designated Reserves

Housing associations sometimes have designated reserves. These are reserves that have been set aside by the Board for some specific purpose.

Capital Receipts

In 1980 council tenants gained the 'right to buy' their council house. The purchase price was set based on the market value of the individual property less a discount. The discount has been dependent on several factors, especially the length of time that the purchaser has been a tenant. Where homes have been transferred to housing associations tenants have enjoyed a 'preserved' right to buy while housing association tenants have had a 'right to acquire'.

In September 2002 the Scottish secure tenancy came into force, replacing the previous separate tenancy arrangements for Council and Housing Association tenants. This brought about changes in 'right to buy'. A Scottish secure tenant may have had the legal right to buy their home at a discount if they have been a tenant for five years. However, their precise entitlement was determined by the circumstances of their tenancy including when it started and the rules of eligibility that applied then.

In 2010 the Housing (Scotland) Act was passed that ended the right to buy for new homes and new tenants and extended the powers of local authorities to suspend right to buy in areas of housing pressure.

The Right to Buy scheme was abolished under the Housing (Scotland) Act 2014.

Housing and Regeneration

Good quality, well-managed social housing makes a significant contribution to the regeneration of an area, while poor housing often has a negative effect on a community. The government wants to ensure that while housing services contribute towards regeneration, housing funds are not used to subsidise other services.

In December 2011 the Scottish government published its updated infrastructure plan based on a £60billion mix of public and private investment and borrowing.

In February 2013, Chartered Institute of Housing Scotland published the results of a survey that concluded that prospects for housing-based regeneration face the double whammy of lower grant rates and the general economic downturn. The survey of councils and housing associations indicated that whilst there was still a significant degree of ongoing regeneration work, there was real uncertainty about how much further work could be undertaken in the coming years.

David Bookbinder, head of policy and public affairs at Chartered Institute of Housing Scotland, said:

"Most respondents said that there were areas in their patch where concerted regeneration activity was needed but for which there were currently no plans. Overall the main barriers were a combination of housing-related issues - most notably shortage of funding and lowering of grant rates - and the general economic downturn.

"A key message was that even where housing improvements might be possible, regeneration could only ever be partial until the economy improved, jobs were created and wider provision such as schools and other community facilities made.

"Even where rented provision could be made, the slow-down in the private house sales market was having a serious impact on many regeneration initiatives predicated on a mixed tenure approach.

"There was some evidence of a changing emphasis, with survey responses suggesting that a greater proportion of physical regeneration was likely to be undertaken by councils than in the recent past, when associations have carried out the majority of the social house building programme.

"It will be really important for the sector and the Scottish Government to closely monitor levels of regeneration activity and the impact on communities affected by work being stalled."

Local Authorities and Housing Associations

Local authorities often arrange with Housing Associations to encourage new development for social rent, shared ownership or key worker accommodation. This can take several forms including consultation, use of planning powers and providing funding.

Local authorities also support development of new affordable housing by housing associations through the provision of local authority owned land (often at below market prices) and through planning powers.

Housing Associations can act as ‘managing agent’ for a local authority where they assume responsibility for management of the stock without taking ownership.

A historical agreement between East Dunbartonshire Council and Places for People to deliver a new future as well as new homes for the village of Twechar provides an example of a local authority and a housing association working together to deliver regeneration.

Places for People will work with the local community and the council to deliver new housing and economic development opportunities to ensure the long-term viability of the village. Castle Rock Edinvar, part of the Places for People Group, will also build affordable homes for rent assisted by funding from the Scottish Government as part of the agreement.

The terms of the agreement will see the Council transfer three sites - the Coal Board scheme, Davidson Crescent and Glen Shirva - to Places for People which will complete the demolition process started by the Council and arrange the construction of new homes, in partnership with the local community and the Council.

Provision of new houses is the latest part of a masterplan scheme to regenerate the village. The masterplan is being delivered by the Twechar Regeneration Group and over four years several milestones have been achieved.

These include development of business and industrial units; improvements to the canalside; production of a design guide and a landscape masterplan for the built environment; completion of the Healthy Living and Enterprise Centre, staffed by local people; and creation of a social enterprise organisation employing several residents on landscaping and garden maintenance. They also include help for residents to get into work, and development of footpaths and landscaping.

Councillor Michael O'Donnell, Convener of the Social Services Committee, said:

"The partnership we have with Places for People is centred on delivering results for the people of Twechar.

"When the Council set out its vision for the village, the aim was to radically transform it by providing good quality housing, a well as community leisure, training, education, health and employment facilities and opportunities. The signing of this agreement is huge step forward for those plans."

Places for People development director for Scotland, Colin Rae added:

"We are delighted to be working with the local community, East Dunbartonshire Council and the Twechar Regeneration Group to revitalise the village. Places for People and will remain committed to Twechar for many years after construction is completed, through our expertise in building and managing mixed tenure neighbourhoods."

Development

The Scottish Government wishes to increase the supply of new social housing. It has decided that housing associations should supply the bulk of the additional homes but at lower rates of Housing Association Grant.

Under the Affordable Housing Supply Programme for 2016/17 to 2020/21 the Scottish Government is accelerating the supply of affordable housing in Scotland to deliver 50,000 affordable homes, of which 70% will be for social rent, and that is backed up with investment of at least £3billion.

The Scottish Government considers that securing optimal outcomes from the programme requires long-term planning. To permit the necessary advanced planning, council areas have been advised of their minimum resource planning assumptions for the three years to March 2020. Scottish Government Housing Supply and Innovation Division area teams agree these programmes with the councils to ensure that the overall balance of the programme, the respective subsidy levels for council and registered social landlord projects, the mix of developers in each area, and other matters, are in line with the Scottish Government's national strategies for housing supply. This approach has provided a stronger strategic role for council areas.

Around ninety registered social landlords are developing new social housing with grant assistance from the Scottish Government and private borrowing secured on housing stock.

Susan Torrance, Policy Manager at the Scottish Federation of Housing Associations describes the 'development challenge' as follows:

"To keep rents at levels which enable those on the lowest wages to rent a home whilst lowering the benefits bill for the country, to build good quality sustainable and energy efficient homes and to augment public resources with private borrowing - these are objectives which are becoming increasingly difficult to achieve. For the sake of the communities in which (we) work, we need to be building social rented homes to meet Government targets, but we are very concerned that numbers are dropping as cuts to average grant levels bite home."

Sources of Capital Finance in Housing Associations

Housing Associations often have significant capital programmes covering both improvement of existing stock and acquisition or construction of new stock.

Housing Associations have access to several sources of capital finance as shown below:
- Housing Association Grant
- Private Loans
- Capital contributions
- Accumulated reserves
- Asset sales
- Revenue income

Housing Association balance sheets show that significant reserves have been accumulated and that Housing Associations are principally using loans and grant to fund increased investments in housing.

Housing Association Grant is distributed to Housing Associations through the Strategic Housing Investment Programme. The Strategic Housing Investment Programme is administered by the Scottish Government in most of Scotland and by the Edinburgh City Council and Glasgow City Council in those cities. The Strategic Housing Investment Programme is considered in detail below.

Housing Associations have sizeable amounts of readily realisable cash deposits. The Scottish Housing Regulator expects Housing Associations to use these resources to best effect and strike an appropriate balance between maintaining their liquidity and ensuring that they are receiving best return from their cash balances; and that decisions about the use of cash should be taken as part of a wider treasury management strategy.

The sector is forecasting continued growth in turnover and operating costs. In overall terms, Housing Associations present a healthy financial picture, although net surplus per unit is falling as the sector takes on additional private finance.

The Scottish Housing Regulator reported in 2018 that there has been a substantial increase in the amount spent by housing associations on the acquisition and construction of properties and investment in existing properties. In 2016/17 housing associations invested £807million, an increase of almost one quarter on the previous year. Capital grants received increased by around a third to £330million while loan advances received (excluding re-financing of existing loans) increased by 47% to more than £307million.

The Scottish Housing Regulator considers that It is noteworthy that the proportion of housing investment that was financed by loan advances, at 38%, is almost as significant as the proportion financed by capital grants received (41%). That this is happening at a time when government grant rates are much higher than they have been in preceding years, illustrates the growing importance of private capital for housing associations in helping to deliver the Scottish Government's target of 50,000 houses in the present parliament.

The proportion of development financed by housing association's own reserves fell to just under 15%. There was an increase of 23% in cash receipts from property sales. This was expected because of the end of the statutory Right to Buy in August 2016.

The aggregate sector Statement of Financial Position (formerly known as Balance Sheet) for 2017 showed that housing associations had outstanding borrowing of £3.950billion. the Scottish Housing Regulator's analysis of the Financial Forecasts showed that housing associations were planning to increase that to £5.365billion by March 2022, an increase of more than £1.4billion during the following five years. To put this in context, the increase in net borrowing over the previous five years was approximately £950million. And, in addition to new net borrowings, it was expected that housing associations would be looking to re-finance up to £285million of their existing debt over this period.

In 2019 the Scottish Housing Regulator reported that:

- Housing associations made more efficient use of their existing assets to support borrowing for further investment.
- The increase in the funds available to housing associations in 2018/19 was double that in any of the last ten years.
- The total amount of investment reached £6billion for the first time ever.
- Undrawn funds have increased by more than 60% to £1.2billion.
- 40% of all new finance was from capital markets.
- During 2018/19, housing associations drew down £1.294billion in new loans, repaid £1.057billion and ended the year with £4.149billion in debts.
- The main lenders are the Royal Bank of Scotland (34%), Lloyds / Bank of Scotland (13%) and Nationwide (11%).
- While most debt relates to traditional borrowing from banks and other organisations, the proportion being sourced from bonds and private placements has increased from nothing four years ago to nearly 15% of the total available.

The Scottish Housing Regulator believes that the sector has enough financial capacity to take on further debt or to use cash balances to contribute to the development of new supply in the long-term.

Private Loans

Private loans are a major source of finance. Usually loans are long-term at fixed rates of interest. Private Loans are considered in detail below.

Capital Contributions

Capital contributions are financial contributions to capital spending from a third party that have the same effect as a grant without technically being a grant.

Asset Sales

Asset sales can provide a source of capital funding and include commercial sales of housing developed for market sale, asset management sales of dwellings no longer required for social housing and right to buy sales.

Accumulated Reserves

Housing Associations retain their revenue surpluses in reserves, and these can be spent either on enhanced services or investment in new affordable housing. Effectively, Housing Associations set up 'sinking funds' including 'designated reserves' that are earmarked by the Board for specific purposes and 'restricted reserves' that have external restrictions (for example, because of the requirements of a funder).

Affordable Housing Supply Programme

Housing Association Grant is distributed to Housing Associations by the Scottish Government through the Strategic Housing Investment Programme. It used to be based on a formula that usually resulted in about 70% of development costs being met by grant. Councils and housing associations now receive £30,000 and £40,000 per new home respectively compared to the £70,000 or £80,000 that they received before 2007.

The Affordable Housing Investment Programme is delivered through an area network and through Edinburgh and Glasgow City Councils. Strategic priorities are to tackle housing shortages, regenerate older housing and neighbourhoods and meet particular housing needs.

The Affordable Housing Supply Programme funds a variety of schemes to help the supply of 'affordable housing', that is, housing for:

- Social rent provided by registered social landlords and councils
- Mid-market rent (housing with higher rents than social rented housing, but lower than the equivalent market rent)
- Low-cost home ownership

Over the five years (April 2016 to March 2021), the Scottish Government's affordable housing supply targets have increased - the target is the delivery of at least 50,000 units, of which 35,000 will be for social rent (an increase from the previous five-year period of 67% and 75% respectively).

The sector has broadly welcomed the increased target and the greater emphasis on new social rented houses. Some in the sector (for example, Shelter Scotland, the Scottish Federation of Housing Associations and the Chartered Institute of Housing Scotland) have argued that a target of around 60,000 units over the five years would have been more appropriate. However, it is recognised that there may be capacity issues in meeting this target. There also needs to be an adequate supply of land available and ready to build on.

Management of the Housing Supply Budget

The housing supply budget is managed by the Scottish Government through a network of area offices, supported by a central investment co-ordination unit. The Scottish Government controls centrally delivered programmes while most of the budget is distributed to councils to develop locally led programmes.

These Strategic Housing Investment Plans are submitted to the Scottish Government every two years and are used by the Scottish Government to draft Strategic Local Planning Agreements that are discussed with local delivery partners and finally agreed with councils. Once agreed, Strategic Local Planning Agreements form the basis of individual registered social landlord and local authority programme agreements. The Scottish Government has responsibility for monitoring and management of the Strategic Local Planning Agreements and for project appraisal, approval, payment of grant, programme monitoring and management and post completion processes.

Most of the housing delivered through locally led programmes is for social rent, mid-market rent or new supply shared equity. In certain circumstances, registered social landlords can use this funding for major adaptations.

Through the Transfer of Management of Development Funding arrangements, Glasgow City Council and Edinburgh City Council manage the housing supply budget for their areas. They are responsible for project appraisal, approval, payment of grant, programme monitoring and management and post completion processes in their relevant local authority area.

Subsidy Levels

In 2014/15, it cost registered social landlords around £120,000 to build a new house for social rent. On average, £62,000 of the cost (52%) was met through Scottish Government subsidy.

The Scottish Government recognises that if the subsidy levels are inadequate, social landlords may find it difficult to make new developments financially viable. For example, the cost of any extra private borrowing would have to be paid for by rental income and this could result in rent increases beyond what might be considered an affordable level for tenants. A concern about continued above inflation rent rises by registered social landlords, and the potential impact on tenant affordability, was recently raised by the Scottish Housing Regulator.

Scottish Government subsidy levels for registered social landlords' social rented properties have varied over the years.

Increases in subsidy benchmarks were made at the start of 2016 after the report of the 2015 Subsidy Working Group highlighted concerns about existing subsidy levels as follows:

- Projects experienced a funding shortfall of, on average, £10,000 – £15,000 per unit.
- There was a perceived lack of flexibility in the awarding of grant subsidy for higher cost projects, such as those with land decontamination issues.
- There was concern that existing grant subsidy benchmarks were making it difficult to develop care housing for older people or for people with needs.
- Some registered social landlords in parts of Scotland were struggling to develop financially viable schemes for mid-market rent. Mid-market rent grant subsidy levels were not increased in 2013 and did not always support schemes outside areas with higher market rents, such as Edinburgh, without additional contributions from other sources.
- A number of registered social landlords were making additional financial contributions to projects. However, this was not considered sustainable in the longer term.
- The 2015 Building Regulations (that took effect for building warrant applications from October 2015) introduce several changes to the existing regulations – many of which will have cost implications for the construction of new affordable housing.

Loan Finance

Loans are a major source of finance for housing associations. Usually loans are long-term at fixed rates of interest.

Loan covenants related to gearing are common in the loan agreements of housing associations. They are calculated in several different ways. All calculations measure the proportion of debt to equity in a provider's financial structure. A common definition is to measure loans as a proportion of the sum of grant and reserves. Most loan agreements that use this definition set a maximum gearing level of between 60% and 80%.

In planning and managing their loans Housing Associations and local authorities pursue a mix of objectives including:

- Cheapness – low interest rates

- Certainty – fixed interest rates
- Coherence – matching of cash flow with debt servicing
- Renewability – seeking options to extend loans
- Redeemability – seeking options to cancel loans
- Security – seeking a balanced portfolio in terms of loan types and terms

In negotiating loans Housing Associations consider their legal and managerial competence including powers to borrow, ability to service debt and the relationship of new loans to loans already outstanding. Lenders usually seek 'covenants' – that is, conditions regarding the financial performance of the Housing Association. Housing Associations also consider matters including collateral and cover ratios – the links between assets and income flows, the relationship between fixed and floating charges and the interest cover ratio.

An example of a Housing Association's debt portfolio is shown below:

Funder	Borrowing £million	Rate %	Fixed/ Variable	Maturity	Total Facility £million
Loan Facilities					
Royal Bank of Scotland	10.0	6.45	F	2035	10.0
Nationwide	5.0	6.15	V	2020	5.0
Nationwide	5.0	5.99	F	2022	5.0
Royal Bank of Scotland	5.0	5.96	F	2022	5.0
Royal Bank of Scotland	2.2	4.46	V	2030	20.0
Total	**27.2**	**6.06**			**45.0**

It will be seen that the portfolio of loans includes fixed and variable loans of different loan periods with staggered repayment dates. Furthermore, of a total loan facility of £45.0million, only £27.2million has been taken up.

An example of cover ratios is shown below:

	Minimum Cover %	Valuation Required £,000	Actual Valuation £,000	Margin %
Year One	105%	25,410	29,150	14.7%
Year Two	105%	27,510	30,490	10.8%
Year Three	105%	29,085	34,370	18.1%
Year Four	105%	33,285	37,800	13.5%

It will be seen that the funder requires the Housing Association to maintain a minimum cover such that assets are valued at 105% of loans. In practice the Housing Association has maintained a position whereby asset values exceed that required by margins of between 10.8% and 18.1%.

Funders often require that Housing Associations operate within certain covenants. An example of financial covenants is shown below:

- Gearing: Private Loans as a proportion of Housing Grant and Reserves
- Ratio of net operating surplus to net interest paid
- Total borrowings as a percentage of value of housing properties
- Total borrowings as a percentage of tangible net worth

Housing Associations also make a quarterly report to their funders including a range of financial and operational information. An example follows:

- Quarterly Summary
- Cashflow
- Financial Covenants
- Income and Expenditure Account
- Analysis of Expenditure
- Balance Sheet
- Housing Stock – Analysis
- Right to buy performance report
- Arrears and Void performance information
- Quarterly indicator summary sheet

Loans Since 2008

Bank lending is still fragile as a result of the financial crisis of 2008. However, nothing has fundamentally changed in the housing association sector. There is still government support, regulation and robust cash flows; and banks have not made losses in the sector. However, this has not stopped banks from leaving and re-entering the housing association market. Those banks that remain in the market though have increased their margins, reduced the terms over which they are prepared to lend and are looking to renegotiate loans.

Key lenders, including the Royal Bank of Scotland, have stayed in the market. However, whereas before 2008, most housing association loans were at rates of interest only 0.4% about the London Interbank Offer Rate, banks are now looking to charge interest at about 1.5% above this rate. This is still below the level of interest on most commercial loans. This affects the ability of housing associations to afford loans for developments and improvements.

Banks have moved from long-term loans to short-term loans. Banks will generally now only lend for a five- or ten-year term and insist on re-pricing options even when they are willing to lend for a longer term. Large housing associations with large debt portfolios can cope with shorter term loans. However, short-term financing can be problematic for stock transfer associations as they are looking for a large loan to fund a long-term project. Covenants can contain a provision that new loans cannot be entered into without approval and some banks are using this as an opportunity to increase rates of interest on existing loans when a housing association wishes to take out a new loan.

In assessing the credit worthiness of a housing association, a bank will pay attention to governance. The nature of the Board and Executive team play a big part in the bank's analysis of a housing association. This affects the credit rating and the price. The quality and robustness of the business plan and its assumptions and sensitivities are also factors as are the quality of financial information and the condition of the stock.

Banks are reluctant to lend for shared ownership mortgages as there is insufficient volume. It is considered that a large market is needed to justify a product.

Council Loans to Housing Associations

The Housing (Scotland) Act 2001 allows local authorities to make loans to housing associations to fund new homes subject to ministerial consent. Local authorities can borrow at cheap rates from the Public Works Loans Board. This can create opportunities for them to on-lend to housing associations at lower rates than the associations could find in the market.

Adrian Waite
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About 'AWICS'

'AWICS' is a management consultancy and training company. We specialise in providing support in finance and management to clients in local government and housing in England, Scotland and Wales. We are well known for our ability to analyse and explain complex financial and management issues clearly.

Our mission statement is 'Independence, Integrity, Value'. We therefore provide support to clients from an independent standpoint that is designed to help the client to achieve their objectives. We are passionate about working with the utmost integrity. We believe that we offer the best value for money that is available today!

For more information about our services and us please visit our website at www.awics.co.uk or contact Adrian Waite at Adrian.waite@awics.co.uk. Services that we offer include:

- Management Consultancy – http://www.awics.co.uk/ManagementConsultancy.asp
- Interim Management – http://www.awics.co.uk/interimmanagement.asp
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- Technical Books - http://www.awics.co.uk/publications.asp
- Information Service - http://www.awics.co.uk/aboutUs.asp

Introduction to Housing Association Finance in Scotland – Webinars

We are holding webinars entitled 'Introduction to Housing Association Finance in Scotland' in May 2020. These webinars give an introduction and overview of this important subject and are fully up to date with all developments.

There are three webinars:

- Introduction to Housing Association Finance in Scotland (revenue) - 13th May 2020 at 2pm
- Introduction to Housing Association Finance in Scotland (capital) - 14th May 2020 at 2pm
- Introduction to Housing Association Finance in Scotland (technical issues) - 18th May 2020 at 2pm

Each webinar will last about an hour and costs £30 plus value added tax (a total of £36).

These webinars are comprehensive and are designed for people who are not experts in housing finance, but who need to understand the basics and achieve an overview of what is going on. They are suitable for councillors, housing managers, tenant representatives, finance staff who have limited experience of housing association finance and others who realise that an understanding of housing finance can place them at an advantage!

- Introduction to Housing Association Finance in Scotland (revenue) refers to: Trends in Scottish Housing Association Finance; Statements of Comprehensive Income (formerly known as Income & Expenditure Accounts); FRS102 and Component Accounting; Cash Flow; Rent policies, plans, trends & affordability; Bad Debts & Arrears; Service Charges; Management & Maintenance costs; Remuneration & Pensions; Major Repairs; Capital Financing costs; Supporting People; Housing Benefit & Universal Credit; United Kingdom Government's Welfare 'Reforms'; Devolution of welfare to Scotland.
- Introduction to Housing Association Finance in Scotland (capital) refers to: Statements of Financial Position (formerly known as Balance Sheets); Capital Programmes; Scottish Housing Quality Standard; Development & New Build; Asset sales; the end of 'Right to Buy'; Affordable Housing Supply Programme; Housing Infrastructure Fund; Rural and Islands Housing Fund; Building Scotland Fund; National Housing Trust; Innovative financing models; Private Loans including availability and conditions; Gearing; Treasury Management; Borrowing Strategies; Regeneration; Stock Transfer.
- Introduction to Housing Association Finance in Scotland (technical issues) refers to: The Political, Economic, Social & Technological Context; Financial Structures & Governance; Housing (Scotland) Acts 2010 and 2014; Housing Beyond 2021; Role & expectations of the Scottish Government & Scottish Housing Regulator; the Economic Impact of Social Housing and links with health; Business & Financial Planning; Mergers; Value for Money; Performance Management; Risk Management, Sensitivity Analysis and Stress Testing; Asset Management; Performance Management; Roles of Board Members.

The presenter will be Adrian Waite, who is well known for his ability to explain complex financial matters clearly.

It is possible to ask questions during and after the webinar. Each webinar is also accompanied by a very useful briefing paper that will be emailed to participants after it has finished alongside a copy of the presentation used. A recording of the webinar is also available after it is completed.

For further information or to make a booking, please click here: https://awics.co.uk/introduction-to-housing-association-finance-in-scotland