Introduction to Housing Association Finance in Scotland (Revenue)

April 2020

Houses in the Scottish Borders owned by Eildon Housing Association

---

Introduction

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

Analysis of the Scottish housing market demonstrates that there are increasing problems with affordability caused mainly by a lack of supply of new housing. Consequently, there is an increasing need for social housing although the nature of social housing that is required is changing. An increased supply of new affordable housing is also required to achieve the Scottish Government's targets on reducing homelessness. Regulation and inspection are carried out by the Scottish Housing Regulator. Investment is the responsibility of the Scottish Government.

The Difference between Capital and Revenue Expenditure

If you buy a house, this is your capital expenditure. If you buy fish and chips, this is revenue expenditure. The justification for this simple classification is that the house you bought will hopefully have a long life and retain its value, whereas the fish and chips will be consumed immediately.

The same principle applies to social housing finance. If a landlord builds or modernises a house, it is capital. If it unblocks a drain, it is revenue.

There are two main reasons why social housing spending is classified as Capital or Revenue. Firstly, capital spending results in the acquisition of a new asset or adds value to an asset and therefore it is necessary to record what the asset is worth if the balance sheet is to be accurate. Secondly, the capital expenditure results in a long-term benefit over several years and so the cost is spread over those years.

Capital Income (or Capital Receipts) and Revenue Income

A person's wage or salary is their revenue income. They will use this to pay for their daily living expenses (revenue expenditure). If a person sells a house or a car, they will get a capital receipt. This is having turned a physical asset into cash rather than having received some income.

The same principle applies to social landlords. When a housing association sells a council house it gets a capital receipt. The rent that is collected is revenue income.

Borrowing and Capital Financing Charges

If a landlord borrows to pay for capital expenditure it will have to meet loan interest and make repayments. They will pay the interest out of revenue income. If capital expenditure is met from a capital receipt the landlord foregoes the opportunity to earn interest from investing that receipt.

Budget and Closedown

Accountants often refer to 'budgets' and 'closedown'.

A housing association sets a budget shortly before the beginning of the new financial year. Preparation of the budget and calculation of all the figures normally starts some months beforehand.

After the end of a financial year, the accounts are 'closed down'. This means that all the final figures are calculated, entered in the accounts and reported.

Any organisation needs to keep a record of expenditure and income. Housing associations also have a duty to be accountable.

Housing Associations

Housing Associations are not-for-profit organisations that provide social housing. They are registered with the Scottish Housing Regulator, and to do this must satisfy certain conditions, including embracing social objectives and using all their resources to promote these rather than making payments to shareholders. The Scottish Housing Regulator is the body established by the Scottish Government to regulate Housing Associations.

The Financial Structure of Housing Associations varies. Some are stand-alone Housing Associations. Other Housing Associations are part of a group structure. In the case of a group structure there is a 'parent' Housing Association that performs a role like that of a 'holding company'' and a number of member associations that are 'owned' by the 'parent'.

Member associations have their own boards and staff, although they commonly ‘buy’ support services from the ‘parent’ association and the ‘parent’ association may nominate one or more of their board members. Similarly, member associations often nominate members of the ‘parent’ board. Member associations can cover geographical areas, provide specialist services such as sheltered housing or provide support services such as accountancy and legal support.

Many Scottish Housing Associations were established in the 1970s and are relatively small and locally based with a majority owning fewer than 1,000 homes. Many were established as part of renewal programmes often associated with the redevelopment of tenements. Between 1999 and 2007 the Scottish Government encouraged local authorities to transfer their stock to housing associations resulting in the creation of some larger housing associations as well as some smaller tenant-orientated co-operatives and associations.

There are 246 Housing Associations of which 166 own stock. Collectively, they own 270,000 homes. More than 80% of Housing Associations own fewer than 2,000 houses, while the fourteen largest Housing Associations own nearly half the stock in the sector and the four largest own a third of the stock.

Housing Associations have existed for many years but have grown significantly since the 1980s. Since then they have been the major developers of new social housing. A significant number of properties have also been transferred to Housing Associations from local authorities under Large Scale Voluntary Transfer.

Housing Associations can be structured legally and financially in a number of different ways, but they are all social organisations dedicated to the provision of social housing.

Government has provided financial support for housing associations for some time. However, support for their revenue costs is now limited to the United Kingdom government providing housing benefit, while direct support is focused on support for new affordable housing. In Scotland support for new development is provided through Housing Association Grant.

Housing Associations are considered to have significant financial strength, having built up significant levels of assets and balances.

Housing Associations prepare accounts under the Companies Acts. The main item of income is usually rent from dwellings with the main items of expenditure being management, maintenance and capital financing. However, many Housing Associations also make a surplus on market sales of homes.

Cash Flow statements are considered important for Housing Associations in that they demonstrate that the Association can meet its liabilities as they fall due. Treasury Management is the activity of managing the Housing Association’s cash flows so that the Housing Association remains in funds and can afford to meet its liabilities as they fall due.

Housing Associations are liable for Corporation Tax (unless they are charities) and are also liable for Value Added Tax. The costs of providing for pensions are increasing.

As a result of government policy and the financial arrangements, the recent growth of Housing Associations has been significant.

The financial strength of Housing Associations and the degree of financial support that they enjoy from government has made the financial sector keen to lend to Housing Associations, although this has been less marked since the financial crisis of 2008.

Statement of Comprehensive Income (Income & Expenditure Account)

Housing Associations are obliged to comply with the Companies Acts and the Statement of Recommended Practice (SORP) issued by the Scottish National Housing Federation that covers:

- Sound contemporary accounting practices and procedures
- Development of accounting policies that are relevant to the movement and can be consistently applied to all social landlords
- The need for accounts to be clearly understood by other organisations that have an interest in, or financial relationship with, Housing Associations

Housing Associations prepare a statement of comprehensive income (formerly known as an income and expenditure account) to demonstrate whether they are trading at a surplus or a deficit; a balance sheet to demonstrate the value of the association and a cash flow statement to show whether the Housing Association can afford to meet its liabilities as they fall due. Many Housing Associations believe that the cash flow statement is the most important.

An example of an income and expenditure account for 2018/19 is provided by the Eildon Group as follows:

	£,000
Turnover	14,591 Cr
Operating costs	11,591
Operating Surplus	3,000 Cr
Loss on Disposal of Property, Plant & Equipment	181
Interest received	5 Cr
Interest and financing costs	1,587
Movement in fair value of financial instruments	61
Surplus before tax	1,176 Cr
Corporation tax	4
Surplus for the year	1,172 Cr
Remeasurement caused by actuarial valuation	785
Total Comprehensive Income for the year	387 Cr

Each of the items in the accounts is explained in more detail below.

Turnover

Turnover includes rents from social housing lettings and other activities. In 2018/19 income was as detailed below:

	£,000
Rent receivable	10,942 Cr
Service Charges	422 Cr
Less voids	124
Amortised Grant	1,888 Cr
Other non-rental income	54 Cr
Other activities	1,409 Cr
Total income	14,591

Rental income consists of rents that would be collected from the letting of social housing if all homes were occupied. The determination of rents is considered below. Service charges are made to cover the cost of services provided to residents such as cleaning communal areas and maintaining grounds.

A 'void' is a dwelling that does not have a tenant. As gross rent includes all dwellings an adjustment is needed in the accounts to reflect the fact that some homes are empty. The figure shown is the net rent income after taking account of 'voids'.

Amortised grants are grants that are received in one year abut are credited to the accounts over a period of years so that they match the expenditure that the grant is intended to fund.

Income from other activities includes support activities, care & repair and agency management services.

Expenditure

Expenditure can be analysed as follows:

	£,000
Management & Maintenance Administration	3,781
Service costs	523
Planned & cyclical maintenance including major repairs	580
Reactive maintenance costs	852
Other property costs	265
Bad debts written off	86
Depreciation of affordable let properties	3,073
Affordable letting activities	9,160
Support activities	1,426
Development & construction of property	508
Care & repair	266
Agency management services	116
Other	115
Other activities	2,431
Total Expenditure	11,591

Housing management costs includes rent collectors, costs of letting properties, most of the management of the Housing Association, computer costs and support costs such as accountancy and legal. Service costs include other management overheads that apply to only some of the tenants. They include cleaning communal areas of flats and maintenance of open spaces. The cost of managing the maintenance function is included.

Maintenance costs include planned and cyclical maintenance such as repainting, responsive repairs, planned maintenance and major repairs; and reactive maintenance that includes all responsive work. There are also other property related costs. Major Repairs include replacement bathrooms, electrical rewiring and re-roofing.

When debts are found to be uncollectable (bad debts) they are written off and shown as expenditure.

When housing properties depreciate their valuation on the balance sheet is reduced and the cost of this depreciation is charged into the income and expenditure account.

The association has also incurred costs in support activities, managing its development programme, care and repair, agency management and other costs.

Loss on Disposal of Property, Plant & Equipment

Housing Associations make sales of fixed assets including shared ownership homes, asset management sales and right to buy sales. There are costs associated with these sales. The balance is the surplus or loss on the sale of fixed assets.

Shared Ownership sales are the proceeds of the sale of shared ownership homes where the home is part owned by the shared owner and part owned by the housing association.

Asset management sales are the proceeds of the sale of assets at market value. This includes the sale of surplus operational assets, sale of homes that are no longer required for social renting and the sale of homes that have been built specifically for sale on the commercial market.

Right to Buy Sales are the proceeds of the sale of homes to sitting tenants under the right to buy legislation. Where a Housing Association is formed to receive the stock of a local authority the capital receipt that arises is usually shared between the Housing Association and the Council. The Housing Association's share is credited to the income and expenditure account. The Right to Buy is now abolished in Scotland.

Interest and Financial Instruments

Interest and financing costs are the interest on loans that the association has taken out mainly to fund long-term investment in acquiring, constructing, improving and carrying out major repairs to houses. Interest is also received on surplus funds that are invested. Financial instruments are investments held by the housing association that are revalued each year and the variation reported in the accounts.

Taxation

Housing associations pay corporation tax on surpluses made on commercial activities.

Actuarial Valuation

Housing associations participate in pension schemes for their employees. At present these are usually in deficit meaning that the housing association has a liability to top-up the scheme in the long-term. These amounts are shown in the accounts as a cost based on an actuarial valuation.

Analysis of the Finances of Registered Social Landlords

The Scottish Housing Regulator publishes an analysis of the finances of registered social landlords. The most recent edition was published in March 2018.

The Scottish Housing Regulator has noted that the operating environment for housing associations was becoming more complex and challenging. The 2016/17 aggregate financial statements and the latest financial forecasts provided further evidence of this more challenging environment. Housing associations have been gearing up to increase the number of new houses that they are planning to build while managing a range of issues such as rent affordability, pension provision and welfare reform.

The Scottish Housing Regulator's overall conclusion is that the sector's financial performance continues to be strong. This gave them confidence that the sector was well placed to respond to the increasingly complex and uncertain environment.

Across the sector there was evidence of a reduction in financial headroom. This meant that there was less scope to manage unexpected new or additional costs or lower than expected levels of income. This was demonstrated by several key metrics. For example, around a third of all housing associations had seen interest cover fall by 25% or more. In other words, interest on their loans has increased at a higher rate than the cash generated by their activities.

The regulator's analysis of financial projections indicated that this decline in headroom would continue over the next five years and beyond.

The Scottish Housing Regulator considers that this reflects a sector that is using its assets more intensively to invest in its housing stock for both existing and future tenants and does not represent a weakening in the financial strength of the sector.

International Financial Reporting Standards

International Financial Reporting Standards were applied to Scottish Housing Associations from 2011/12. The main effects were:
- Financial Statements – There is more flexibility in how statements are prepared with more opportunity to report the details of the accounts in the notes rather than the actual statements.
- Salaries and Pensions – There is a need to account for untaken holiday pay and other notional salary and pension costs as a cost in the accounts.
- Government Grants and Contributions – These are now recognised in the accounts as soon as they are due (unless there are conditions attached) rather than being deferred and matched to the relevant expenditure.
- Fixed Assets – Component accounting is to be introduced whereby assets need to be broken down into their individual components and each component depreciated separately.
- Leases – There is a changed definition of financing and operating leases.

Taxation

Corporation Tax is charged to Housing Associations on profits and other 'assessable gains' including the surplus on ordinary activities. However:
- Allowable expenses can be deducted including: Repairs, maintenance and replacement expenditure that *restores* a building and Bad debts.
- Charitable Associations are exempt
- The large company rate and small company rate are applied as appropriate

Housing Associations are registered for value added tax. However, rents are exempt from value added tax. This means that Housing Associations can neither charge value added tax to their tenants nor reclaim value added tax on their inputs. However, some services that are provided by Housing Associations are rated for value added tax. In these cases, they must charge value added tax to tenants or other customers and can reclaim the value added tax that they pay on their inputs. Examples of these services are:
- Management services, long-term hostels and personal services – standard rated for value added tax at 20%
- Heating and lighting – rated for value added tax at 5%

The amount of value added tax paid by Housing Associations on their inputs varies as shown below:

- Zero Rated
  - Alterations to listed buildings used as dwellings
- 5% Rated
  - Renovating previously empty dwellings
  - Converting properties to a different number of dwellings or a non-residential building into a dwelling
  - Installing energy saving materials
- 20% Rated
  - Repair and maintenance of, or extension to, existing buildings

Pensions

Most traditional housing associations are in the 'Scottish Housing Associations Pension Scheme' while most stock transfer associations are admitted members of Local Government pension schemes.

The Pensions Trust administers the Scottish Housing Associations' Pensions scheme. 150 employers participate in a common fund. The scheme is in deficit. Recently there have been increases in contributions and this trend expected to continue. There are two sections, one based on defined benefits and the other on defined contributions. High risk associations are moving into the defined contribution scheme.

Financial Reporting Standard 17 obliges Housing Associations to disclose surpluses or deficits on pension schemes.

Cash Flow

In housing associations there is a strong focus on cash flows and balance sheets. The cash flow statement demonstrates how the Housing Association can meet its liabilities as they fall due. It is therefore often seen as a more important statement than the income and expenditure account.

The focus is usually on actual transactions rather than book transactions such as depreciation. The cash flow statement includes both capital and revenue items. Treasury Management is the activity of managing an organisation's cash flows so that it remains in funds and can afford to meet its liabilities as they fall due.

The cash flow statement of the Eildon Group for 2018/19 follows by way of an example:

	£,000
Surplus for year	387
Depreciation	3,217
Amortisation of grants	1,902 -
Decrease in debtors	752 -
Increase in creditors	859
Taxation	4
Loss on disposal of property, plant & equipment	181
Interest paid	1,587
Interest received	5 –
Movement in fair value (financial instrument)	61
Actuarial Loss (pension scheme)	785
Net Cash Inflow from Operating Activities	4,422

	£,000
Acquisition & Construction of Properties	15,257 –
Purchase of other fixed assets	68 –
Social Housing Grant received	6,398
Sale of properties	692
Interest received on cash	5
Net cash outflow from capital expenditure	8,230 –
Loans received	8,000
Interest paid on loans	994 -
Loans repaid	235 –
Net cash outflow from financing	6,771 –
Increase in cash in the period	2,963

Each of the items in the cash flow statement is explained in more detail below.

Operating Cashflow

The operating Cashflow is the cash flow that arises from the Housing Association's routine operations of collecting rents and other income and spending money on management and repairs and maintenance. It includes the surplus for the year but is then adjusted to exclude items included in the income and expenditure account that do not affect cash balances such as depreciation and the increased pension provision; and to include transactions arising from operating activities that do not affect the income and expenditure account such as variations in debtors and creditors.

Depreciation

Depreciation is charged into the income and expenditure account but does not affect the cash flow position. It is therefore added back into the cash flow statement as a source of cash.

Interest receivable and payable

Interest receivable and payable are cash items and so are shown in the cash flow statement.

Acquisition and Construction of Dwellings and purchase of other fixed assets

The Housing Association's capital expenditure including acquisition and construction of dwellings, purchasing fixed assets, development, catch-up repairs and improvements is shown on the balance sheet and not on the income and expenditure account as they are capital investments. However, they are cash items and so are shown on the Cashflow statement.

Sales of Properties

Sales of Housing generate cash and so are shown on the cash flow statement.

Social Housing Grant received

The Housing Association drew down Social Housing Grant to fund part of its development programme. This is a capital grant, so it is not shown on the income and expenditure account. However, it is a source of cash, so it is shown on the cashflow statement.

Loans received and repaid

The Housing Association draws down loans that represent a source of cash. When loans are repaid this represents a use of cash.

Net Cashflow

The net Cashflow is the total of all these items and represents the net increase or decrease in the cash balances of the Housing Association.

The Cashflow statement therefore explains variations in the cash balances of the Housing Association and is used to forecast future loan requirements and to demonstrate that the Housing Association will be able to meet its liabilities as they fall due.

Rents and Service Charges

The Scottish Government has not established a formal policy on the setting of social rents. However, there are 'shared aspirations' between the Scottish Government, the Scottish Housing Regulator, the Convention of Scottish Local Authorities and the Scottish Federation of Housing Associations. These state that:

"We set rents that take account of affordability, the costs of managing and maintaining our houses, comparability with other social landlords in the area, and that enable us to service existing loans and fulfil contractual obligations. We have a fair system for apportioning rents between individual properties."

Housing associations set rents within these broad criteria.

Where a housing association has sold a flat under 'right to buy' or 'right to acquire' legislation the new owner becomes a leaseholder and is obliged to pay service charges for services that continue to be received from the landlord such as maintenance of lifts and cleaning of communal areas. Landlords can only recover costs that have been reasonably incurred and are in accordance with the lease and relevant legislation. Lessees have a right to be given information about variable service charges and may inspect the accounts on which the charges are based. They can challenge service charges if they believe these are unreasonable.

Welfare Reform

The United Kingdom Government is implementing a major programme of reform to the welfare system. Although welfare is a reserved matter, these measures impact on policy areas that are devolved to the Scottish Government such as housing. Changes to Housing Benefit include reductions to Housing Benefit in the private and social rented sectors and, through Universal Credit, the introduction of direct payments of housing costs to tenants in the social sector.

The Scottish Government says that it is doing what it can within the limits of its powers to protect vulnerable people in Scotland and support people and organisations affected by the reforms. This includes providing funding to councils to fully mitigate the under-occupation penalty (a measure that reduces housing benefit for people who are considered to be under-occupying their homes) through Discretionary Housing Payments.

The Scotland Act 2016 includes a power for the Scottish Parliament to vary the housing cost element of Universal Credit (including varying the under-occupancy charge). Scottish Ministers are committed to using these powers to abolish the under-occupation penalty as soon as possible.

Housing Benefit

Housing Benefit is designed to give financial support to people who would otherwise have difficulty in affording a home. Tenants of local authorities, housing associations and private landlords on low incomes are eligible to apply for Housing Benefit and can receive a payment that meets either all or part of their housing costs. In some circumstances service charges are also eligible for housing benefit.

The amount of Housing Benefit payable depends on the circumstances of the claimant, and their housing costs. The Housing Benefit rules and regulations are complex. To be eligible to receive Housing Benefit, a person's income must be below a certain level and they must pay a reasonable level of rent regarding the needs of their household and the area in which they live (if the rent is considered to be too high it is not eligible for benefit). The level of savings held by the claimant is also considered.

Housing Benefits that are available include:

- Rent Allowances (housing association tenants)
- Rent Rebates (local authority tenants)
- Non-HRA Rent Rebates (temporary accommodation)
- Local Housing Allowance (private sector tenants)

Rent Allowances and Rebates

Rent Allowances are available for housing association tenants while rent rebates are available for council tenants. Rent allowance claimants who are on income support, jobseeker's allowance (income based) and pension credit (guarantee or guarantee and savings credit) are eligible for full benefit. Partial benefit is paid to claimants whose income exceeds the threshold with the assumption made that 65% of 'excess income' is applied to pay the rent. There is also a capital threshold that means that people with savings of over £10,000 are not eligible for housing benefits. In the case of Rent allowances, rent must not be unreasonably high and there must not be over accommodation. However, this requirement did not apply to rent rebates until the introduction of the under-occupation penalty in April 2013 (see below). Service charges are also eligible for rent allowances or rebates as long as they are related to the accommodation and must be paid under the tenancy.

Under-Occupation Penalty

Under occupying social housing tenants of working age face a benefit deduction of up to 14% of their housing credit if they have one spare room and up to 25% for two spare rooms. This is known as the under-occupation penalty. The measure came into effect in April 2013. These criteria for under occupation mean that ill or disabled people, who use a spare bedroom for medical equipment, could be affected. In Scotland, it has saved £50million from an annual housing benefit bill of £1.7billion. Over 100,000 households across Scotland lost an average of around £600 a year as a result.

Total Benefits Cap

The total benefits cap is a cap on all benefits receivable by a household, originally set at £500 a week for couples and single parent households and £350 a week for single people, it has subsequently been increased. There are exclusions for some household types including war widows and those receiving working tax credits.

Universal Credit

Universal Credit combines several means-tested benefits, tax credits and housing benefit into one monthly payment paid directly to tenants. It is administered by a large information technology system using real time tax information to update calculations of claimants' entitlements. The United Kingdom government calculates that savings of £2billion a year across the United Kingdom will be made although the costs of implementation are estimated at £4billion. The United Kingdom government considers that this will simplify benefits and make it transparent that people would be better off in work rather than being on benefits. Claimants will be encouraged to take responsibility for their finances as they will receive a single direct payment.

Implications of Welfare Reform in Scotland

It is estimated that the existing welfare reforms have had the following impact in Scotland:
- 105,000 households are affected by the bedroom tax, of these, 83,000 are under-occupying by one bedroom and 22,000 are under-occupying by two or more rooms.
- With around 586,000 households in the social rented sector, it is estimated that 18% of all households in the sector are affected.
- Depending on the measure of inflation used, the average weekly loss is between £11 and £12. This gives an estimate total loss of Housing Benefit to the sector of between £60million and £65million a year.

The Scottish Government has responded by directing new money to agencies helping people facing benefit cuts. This includes:
- A cash injection of £300,000 for services such as those provided by Citizens Advice Scotland
- Setting up a new £1.7million fund providing direct support to advice services
- Further £3.4million to be spent over the next two years on helping organisations mitigate the impacts welfare reforms.

The Scottish Government also provided an extra £2.5million to social landlords to ensure there is advice on hand for people who would lose housing benefit due to the under-occupancy measures and other housing benefit changes.

The Scotland Act 2016 includes new fiscal and welfare powers for the Scottish Government that the Scottish Secretary David Mundell has described as 'a game-changer'. The Act enables the Scottish Government to top up existing benefits, introduce new ones and vary tax credits. The new powers came into force in April 2017.

However, the Act retains key vetoes for Westminster, and the new powers are also constrained by budget reductions.

The Scottish government therefore has the power to introduce new benefits, top-up existing benefits and vary tax credits; but it has a reduced budget compared with what the United Kingdom government has spent in the past.

Adrian Waite
April 2020

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
- Regional Seminars - https://awics.co.uk/seminars-2019
- In-House Training - http://www.awics.co.uk/inHouseCourses.asp
- Webinars - http://www.awics.co.uk/webinars.asp
- Independent Residents' Advice – http://www.awics.co.uk/IndependentTenantAdvice.asp
- 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