



ANNUAL REPORT

2021-2022

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REPORT FROM THE CHAIR – KELLY FERNS

Welcome to our 54th Annual Report, for 2021 – 2022. Despite not being the Chairperson during that year, having taken over the position in June 2022, it falls to me to summarise our events over the last year following a review with our outgoing Chair, Brian Corrigan.

Brian steps down from the Board at the AGM this year, following a period just under 5 years which saw him assume the role of the Chair in his last couple of years. He has made a valuable contribution to Cloch and our Board, and we will miss him.

Before we look back it is important to reflect on where we currently sit in 2022. With double digit inflation, exceptional hikes in utility costs and the overall cost of living increases, we are in the middle of some really difficult challenges. This affects us all – households and businesses. At Cloch, we will be reviewing our business plan and exploring ways to keep our costs down and therefore absorb some of these increases, while also finding ways to help our communities tackle this financial crisis.

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Looking back to last year.....

A NEW BEGINNING

The financial year started in April 2021 with Cloch entering their new status as a wholly independent Registered Social Landlord, following several years as a subsidiary to our neighbours at Oak Tree HA. This was a monumental moment for Cloch, following significant preparatory work including options appraisal, tenant consultation and latterly a ballot where over 95% of respondents voted in favour of separation and independence.

April also saw Cloch launch their new Business Plan which covers the period from 2021 – 2026. This was produced with the Board and Staff Team setting ambitious priorities for the years ahead. At the same time, we launched an independent Governance Review to ensure that our approach to governance was fully compliant with regulatory standards and good practice. The outcomes of this were reported in July to the Board with a very positive report and assurance given, along with an associated action plan. At the end of April, the lockdown rules were further eased which allowed Cloch to restart non-essential works to properties which had been put on hold during the height of the pandemic.

In July, we were allowed to provide face-to-face appointments for our customers. While technology has been wonderful to us all and allowed us to continue working and getting through life, there are situations where it is better to meet in person to go through a certain issue or transaction. On 11th August, Cloch opened their doors with no appointment required which really did feel like we were returning to a pre-pandemic situation. We were the first Association in Inverclyde to open our doors again to our customers – we were keen to send a message out that we were here for people and while

precautions were still required, there was and is no reason why we could not openly engage with customers.

During the Summer and into the Autumn our development at Kings Glen came off site and we were able to allocate 57 new homes to applicants with a wide range of needs and aspirations. The new build development was our first since the completion of our Maukinhill development in 2012 and was another milestone in our history. The development cost just under £9m and the developer was CCG. Tenants have settled in well and are enjoying the new estate.

Our community activities included funding, supporting and accessing a range of initiatives during 2021 including Starter Packs, Financial Fitness, Tenancy Support Service, Energy Activators. We applied for various funds specifically related to the pandemic – the Social Housing Fuel Support Fund and the Supporting Communities Fund. Our staff reacted to the needs of the communities and highlighted access to the various initiatives and funds on offer.

Recognising all aspects of poverty is crucial for a charitable organisation like Cloch, and this year we introduced our Cloch + Project which is based on the principle of Ending Furniture Poverty. We are now building up a portfolio of furnished tenancies alongside our White Goods Replacement Scheme.

OPERATIONAL ACTIVITY

Although lockdown continued to restrict some of our maintenance activity, a great deal was still completed during the last financial year. Cloch, like many housing associations, have not had their troubles to seek with regards to reactive maintenance contractors – and our main contractor McDougall advised that their contract would novate, or be transferred, to another contractor, McGill in November 2021. It should be noted that midway through 2022, we have now novated to Saltire – we are hopeful that this relationship and service is more sustainable than the recent ones.

We continued with the Wellpark Project which has involved significant work in the Wellpark area renewing components. As well as this there has been huge investment carrying out other replacements and improvements across our housing stock which are highlighted in the Property Services section of the Annual Report.

Although most of our repairs performance suffered due to contractor difficulties, and labour and materials shortages, our rent arrears remained low at 1.4% with a Gross Arrears total of 2.2%. The performance is in the upper quartile in Scotland.

SUPPORTING COMMUNITIES

Cloch continued to work closely with the other local housing associations on a range of projects, particularly Oak Tree and Larkfield. Last year, Cloch again contributed to Starter Packs to provide household packs for new tenants. In total, 68 Cloch tenants received this service.

The Work Pays project with Financial Fitness was continued which allows our tenants to receive a dedicated advice service with ring-fenced appointments. In the last year alone, they have engaged on a one-to-one basis with 144 Cloch customers securing benefits or financial gains of £138,324.

Our Tenancy Support Service continued being delivered by Simon Community Scotland and funding of this was helped with the Homelessness Prevention Fund supporting 50% of the overall funding. This service supports tenants who are struggling to sustain their tenancy and needing support or interventions to help them.

In Autumn 2020 Cloch led on an application to the Energy Redress Scheme to deliver a project delivering fuel poverty advice and help to reduce household energy consumption. In partnership with Oak Tree and Larkfield, and the Wise Group, an award of £162,613 was

made to appoint 2 staff to deliver the project. Delivery outcomes achieved to date

- **854** households have been engaged with in relation to home energy – the majority of engagement has been by telephone
- **163** wellbeing surveys have been completed to determine impact of project on housing association customers
- **26** advice events have been held / attended
- **£53,751** – actual annual energy bill savings from advice provided
- **£218,200** – assumed annual energy bill savings from advice
- **£37,863** actual gains from income maximisation / debt write off

The Wise Group are also managing the Social Housing Fuel Support Fund – as of the end of March 2022, 490 households had been supported.

In the last year and in accordance with our charitable status, Cloch donated £1500 to the following charities:

- Parklea Branching Out
- Inverclyde Foodbank
- Children in Poverty Inverclyde

GOVERNANCE

Our third compliant Assurance Statement was delivered supported by self-assessment against the regulatory standards of governance and financial management, and the annual review of our Board Members, conducted by Consultants, Arneil Johnston. In addition, a comprehensive Governance Review was also carried out by Arneil Johnston which gave the Board independent assurance that our approach to regulation, governance and self-assessment was fully compliant.

Following our AGM in September, Brian Corrigan remained as Chairperson, and with Julianne Scarlett, our Vice Chair leaving, I assumed the Vice Chair role. In addition,

Heather Thomson was nominated and agreed to remain the Secretary. With Brian standing down from his office bearer responsibilities in June (due to his new employment), I was nominated to the role of Chair, Heather to the Vice Chair role, and Eileen Tamburrini was nominated to the role of Secretary.

In another busy year, the Board have excelled in offering their own time to commit their skills, experience, and knowledge to ensure that the governance of Cloch is robust and that there is a clear strategic direction for the organisation. This was important in our first official year as a wholly independent Association, and they played an important role in ensuring this was a success.

LOOKING AHEAD....

Writing this 5 months into the financial year, gives me the benefit of hindsight, and the first half of the financial year involved some key staffing changes at a Senior level in the Association. Firstly, our Finance Director (employed by Oak Tree) left to take on a new role, our Head of Housing was successful in applying for a CEO role at a Renfrewshire RSL and our Director also intimated his resignation having secured a CEO role closer to home. The good news is that the final pieces of the jigsaw are in place, and over the next couple of months we will be joined by Valerie Wilson as our Finance Director and Alana Durnin will return to Cloch as our new CEO. Louise Carlin earned promotion to the Head of Housing role from her position in Customer Connections. Next year, we will be reporting on another "new beginning".

And looking ahead, we will also need to factor in those matters referred to at the start of this report – economic forecasts and the cost of living. Cloch will need to work hard on ensuring that our tenants are helped in as many ways as we can, and our business remains protected from these external factors.

I hope you will enjoy reading about all our activities in this Annual Report and I would like to close by thanking Board Members, past and present, and the Cloch Staff team for all their efforts throughout this year, and of course, to you our customers for being part of the Cloch team. It is hugely appreciated.

Kelly Ferns
Chair

HOUSING SERVICES

The Association re-let 244 properties during the year 2021/2022 compared to 89 in 2020/2021. The void rent loss, as a percentage of rent, increased from 0.85% in 2020/2021 to 1.27%. This was mainly due to delays in re-letting homes caused by a combination of factors including: delays with our void contractor, catching up on post Covid voids and our Wellpark Improvement Project.

We re-let our vacant properties with an average turnaround time of 30.8 days. This was a reduction from last year's figure of 61.01 days during 2020/2021. This was to be expected given that the Covid 19 pandemic had impacted on our ability to let properties the year before.

The Scottish Government introduced restrictions on landlords ability to commence legal action against tenants because of the Coronavirus pandemic, these included longer notice periods before court action can be started and other restrictions.

Over the past 12 months our Housing Services section has continued to provide our tenants and other customers with a management service which covers rent account management, voids and allocations administration, estate management and anti-social behaviour.

We worked with our Property Services team on the Wellpark Improvement Project and Wellpark Lettings Initiative. This initiative was intended to encourage more people to the area and meant that anyone applying for a home had to meet further criteria before being accepted for a property.

OUR STOCK

On 31 March 2022, the Association owned 1435 self-contained properties, 23 non-self-contained bed spaces, 4 garages and held an interest in 15 shared ownership properties. Our self-contained stock profile on 31 March 2022 is detailed below:

	House	High Rise	Tenement	4 in a block	Other flat / maisonette	Total	Average Weekly Rent
1APT	0	0	6	0	0	6	£82.15
2APT	0	0	318	4	59	381	£88.61
3APT	413	0	301	32	13	759	£96.01
4APT	230	0	23	0	15	268	£107.07
5APT+	21	0	0	0	0	21	£118.42
TOTAL SC	664	0	648	36	87	1435	£96.38

LETS & EMPTY HOMES

20 homeless applicants were rehoused; 19 of those housed were following direct homeless referrals from Inverclyde Council, 1 was a homeless applicant who had applied through ICHR. Cloch also allocates properties to be used as temporary furnished accommodation for homeless people.

HOUSING THOSE IN NEED

In 2021/2022 we could meet the housing needs of 244 households;

Existing tenants that were transferred to more suitable housing	20
Applicants who were assessed as statutory homeless by the local authority	20
Applicants from our housing list (ICHR)	129
Mutual exchanges	2
Nominations from the local authority or Inverclyde HSCP	25
Lets from other sources	48
Total	244

HOUSING LIST - INVERCLYDE COMMON HOUSING REGISTER (ICHR)

The Association continues to be an active partner in Inverclyde Common Housing register (ICHR). The ICHR Allocations Policy is based on Choice Based Lettings principles so that available properties are advertised, and applicants note interest in the properties they would like to be considered for.

At the end of March 2022, there were over 6000 applicants on the joint list seeking

rehousing. Cloch and our Inverclyde Common Housing Register partners carried out a full review of the Allocations Policy during 2021/22. This included a period of consultation with applicants and tenants and ultimately led to the creation of a new policy. Alongside the new policy the ICHR moved to a new digital lettings platform called These Homes.

RENTS & RENT ARREARS

The Association's rent arrears position at the end of 2021/2022 for current (non - technical) arrears was 1.44% against a target of 1.20% for the year. This has increased when compared to the previous financial year's position of 1.29%.

	Actual Arrears (Non-Technical) 2020/2021		Actual Arrears (Non-Technical) 2021/2022	
	£	%	£	%
Current Tenant	89,555	1.29	96,570	1.28
Former Tenant	28,275	0.41	30,741	0.41
Total Arrears	117,830	1.69	127,312	1.68

LEGAL ACTION

The Association initiated 11 new court actions for recovery of possession during 2021/2022. No decrees for eviction were enforced during 2021/2022. We see eviction as the last resort and will work very hard to help tenants in difficulty to sustain their tenancies.

ESTATE & TENANCY MANAGEMENT

Our teams carry out quarterly close and estate inspections to ensure the areas that we operate in are clean and safe for our residents. This means making sure our estates are kept clean and the environment in and around them is well maintained. Our Teams have worked hard to catch up on estate management visits that had reduced during the Covid 19 pandemic. Ad hoc inspections to deal with problems are carried out more frequently as required. Our housing team continue to work with tenants and other service providers, such as Inverclyde Council, to reduce dog fouling in our areas and to ensure that important estate matters are dealt with effectively.

ANTI-SOCIAL BEHAVIOUR

Antisocial behaviour cases can be extremely complex and require a lot of staff time. Our performance during 2021/2022 was good in that over 96% of cases were resolved within the target time.

Our team dealt with 152 new anti-social behaviour complaints in the last year. The Association takes the problem of antisocial behaviour (ASB) very seriously and we value the partnerships we have set up with Inverclyde HSCP and Police Scotland to tackle these issues.

Cloch, along with other local RSLs, has signed up to the local partnership hub with Police Scotland. This will be a service where the Association, Police, local groups, and the local authority can work together to reduce instances of anti-social behaviour in our communities.



PROPERTY SERVICES

REACTIVE & VOID REPAIRS

The Association spent £1,333,761 this year carrying out reactive repairs to our homes and repairing our void properties to bring them to a lettable standard.

Average Time to complete			
	2021/22	Target	2020/21
Emergency Repairs	2.81 hrs	2.5 hrs	2.46hrs
Non-emergency Repairs	8.83 days	4 days	6.2 days

83.2% of non-emergency repairs were completed Right First Time against the target of 94%. This compares to 85.8% in 2020/2021

REACTIVE REPAIR AND VOID CONTRACTOR

In last year's report we confirmed that the McDougall Group had been appointed in August 2021 to



carry out both our day to day reactive and void repairs. Subsequently in November 2021 both contracts were novated (signed over) to an alternative contractor McGill. Following a recent company re-structure during August 2022 this contract has been successfully novated to Saltire Facilities Management. These contracts are in place until August 2025.

INVESTING AND MAINTAINING OUR HOMES

During 2021/22 Cloch spent over £2.4M carrying out renewals and cyclical maintenance to our properties and external areas. This included our major investment project to the Wellpark area.

Works complete	Cost
Replaced new "A" rated energy efficient condensing boilers and / or upgraded new heating system to 97 properties	£ 270,182
Renewal of 64 kitchens	£ 181,039
Renewal of 75 Bathrooms	£ 228,108
Renewal of new double glazing to 92 homes	£ 415,194
Upgraded smoke detectors to 513 of our homes to ensure compliance with new Fire Regulations.	£ 82,108
Cyclical Painterwork to 9 communal closes and 2 homes	£ 24,420
Gutter Cleaning & Roof Anchor Testing	£67,500
Gas Servicing & Repairs (1427 of our 1431 gas appliances (99.7%) were checked in the year and on time). Note: All late safety checks were carried out as soon as possible after anniversary date	£152,000
Electrical Safety Checks to 381 homes	£35,016
Rewiring of 57 homes	£178,985
Ground Maintenance & Garden Tidy Scheme	£92,000
53 Medical Adaptations (wet floor showers / handrails etc)	£46,800

PROCURING WORKS

We successfully procured over £4.8M on the following contracts / works:

Contract	Successful contractor	Value of Contract
Gas Safety Inspection & Maintenance	GasSure / James Frew	£624,000
Kitchen / Bathroom / Heating	L&D Services	£3.4M
Landscape Maintenance	Nurture	£90,000
Re-Wire	GD Calmers	£588,000

POST PANDEMIC / EFFECTS OF BREXIT

Whilst we successfully awarded the large value Kitchen / Bathroom / Heating contract to L&D Services, they unfortunately entered administration in March 2022. They failed to complete the programme for 2021. Cloch immediately undertook a new procurement exercise and hope to re-start the programme during 2022 to include the outstanding works planned for 2021.

Our other contractors have also all reported periodic difficulties during the year, mainly with either sourcing goods and materials, as well as either a problem in recruiting labour, or with tradespersons having to self-isolate after testing positive with Covid. This has been a testing time for all involved, including the delivery of services to our customers, and we look forward to a period of stability and improvement.

YOUR FEEDBACK: (TEXT RESULTS)

We obtain feedback from our customers on their overall satisfaction when a reactive repair has been completed by sending a text asking them to respond either "yes" or "no"



When we receive feedback where our customers are dissatisfied with any of the services we deliver we discuss these with our customers in order to resolve them through our complaints handling process. We then review these to consider where we can improve on our delivery, including the service provided by our contractors.

A total of 498 customers responded with 415 advising they were satisfied with the repair – 83%. Overall, there was a positive high return rate of 33%.

TENANT SATISFACTION SURVEY 2021

We also carried out an independent tenant satisfaction survey where a wider range of tenants were asked "What percentage of tenants who have had repairs or maintenance carried out in the last 12 months were satisfied with repairs and maintenance service". The result was 81.8%.

EESSH UPDATE

The Scottish Government previously set a target for homes to meet the Energy Efficiency Standard for Social Housing (EESSH) by December 2020 in line with Scottish Government's requirements. At the 31st March 2022 and included in the Annual Report to the Charter (ARC), 94.82% (1352 out of 1435 homes currently meet the standard). The remaining 83 properties

require an exemption due to either Social or Excessive costs. We engaged with "Changeworks" who are a leading energy efficiency consultant, to advise Cloch on which energy efficient measures could be considered to assist Cloch in meeting future EESSH 2 (due 2032), and Net Zero (due 2045) targets. This project will confirm a potential programme and costs to achieve this.

FACTORING

Cloch Housing Association provided factoring services to over 300 owners. The common works carried out in 2020/21 included Communal Area Cleaning, Ground Maintenance, Close Electrical Testing, Gutter Cleaning & Roof Anchor Testing and also reactive repairs.

As part of The Revised Factoring Code of Conduct which was approved in accordance with the Property Factors (Scotland) Act 2011 in August 2021 we provided each owner with a new comprehensive Written Statement of Services, which set out the terms and service delivery standards of the arrangements in place between Cloch Housing Association and factored homeowners.



LANDLORD REPORT

Every year, we submit an Annual Return on the Charter to the Scottish Housing Regulator. This Report highlights the key indicators of our performance and compares them to Scottish Average and the results of local housing associations in Inverclyde, namely, Riverclyde Homes, Oak Tree and Larkfield. Full details can be found on the Scottish Housing Regulator's website.



Areas of Operation:

Inverkip,
Greenock,
Port Glasgow

Annual Return on Charter Results



At 31 March 2022,
Cloch owned

**1,435
homes**



The total rent due
for the year was

£7,091,759



Cloch increased
its weekly rent
on average
by **2.5%** from the
previous year

Average Weekly Rents

Size of home	Number of homes owned	Cloch Average	Scottish Average	Local Average
1 apartment	6	£82.15	£75.95	£72.98
2 apartment	381	£88.61	£81.32	£78
3 apartment	759	£96.01	£84.18	£90.69
4 apartment	268	£107.07	£91.48	£100.78
5 apartment	21	£118.42	£100.74	£112.09

TENANT SATISFACTION

Of the tenants who responded to this Cloch's most recent satisfaction survey:

Overall service

86.6% said they were satisfied with the overall service it provided, compared to the Scottish average of **87.7%** and the local average of **86.6%**

Keeping tenants informed

93.9% felt that this Cloch was good at keeping them informed about its services and outcomes compared to the Scottish average of **91.2%** and the local average of **91.2%**

Opportunities to participate

92.8% of tenants were satisfied with the opportunities to participate in Cloch's decision making, compared to the Scottish average of **86.8%**.

QUALITY AND MAINTENANCE OF HOMES

Scottish Housing Quality Standard

100% of Cloch's homes met the Scottish Housing Quality Standard compared to the Scottish average of 70.5%.

Emergency repairs

2.8 hrs The average time Cloch took to complete emergency repairs was 2.8 hours, compared to the Scottish average of 4.2 hours.

Reactive repairs 'right first time'

83.2% Cloch completed 83.2% of reactive repairs 'right first time' compared to the Scottish average of 88.3%.

Non-emergency repairs

8.8 days The average time Cloch took to complete emergency repairs was 8.8 days, compared to the Scottish average of 8.9 days

Repair or maintenance satisfaction

81.8% of tenants who had repairs or maintenance carried out were satisfied with the service they received, compared to the Scottish average of 88.0%.

NEIGHBOURHOODS

Percentage of anti-social behaviour cases resolved

96.7% of anti-social behaviour cases relating to Cloch were resolved, compared to the national average of 94.7%.

VALUE FOR MONEY

Total rent collected

97.8% The amount of money Cloch collected for current and past rent was equal to **97.8%** of the total rent it was due in the year, compared to the Scottish average of **99.3%**.

Rent not collected: empty homes

1.3% Cloch did not collect **1.3%** of rent due because homes were empty, compared to the Scottish average of **1.4%**.

Re-let homes

47.1 days Cloch took an average of **47.1 days** to re-let homes, compared to the Scottish average of **51.6 days**.

COMPLAINTS REPORT 2020/2021

Whether it is a small grumble about a late contractor or a major complaint about a service, Cloch takes complaints very seriously. This is reflected in the number of complaints we record. We treat all dissatisfaction as a complaint to ensure that we are addressing all service failures.

HEADLINE FIGURES 2020/2021

Total No of Complaints Raised **611**

Total Upheld **241**

HEADLINE FIGURES 2019/2020

Total No of Complaints Raised **358**

Total Upheld **176**

There was a marked increase in the number of complaints recorded compared to the previous year. This is because we reopened services and the office after lockdown and this, by its very nature, increases customer contact with Cloch.

SPSO 1 Complaints (front line complaints)

	% closed on time	Average days to close
2021/2022	98.5%	2
2020/2021	98.5%	2

SPSO 2 Complaints (serious complaints)

	% closed on time	Average days to close
2021/2022	99%	16
2020/2021	100%	14

Complaints escalated to the Scottish Public Services Ombudsman (SPSO)

These are complaints where the complainer feels Cloch has not resolved the complaint correctly and have escalated it to the SPSO.

	No Reported	No upheld
2021/2022	2	0
2020/2021	2	0

Equalities complaints

These are complaints where the complainer feels they have a protected characteristic which has been discriminated against.

	No Reported	No upheld
2021/2022	8	4
2020/2021	1	0

We introduced the use of a method of handling complaints called "Resolved". This means that staff can come to an agreement with a customer as the best way to handle a complaint. It is used for complaints where there is no investigation required, just an understanding of what is needed. This works well for us and for the customer because it is a quick and satisfying way to close a complaint.

COMPLIMENTS

As well as recording complaints, we record compliments from our customers, it's always good to hear what we are doing well.

Thank you to the gas engineer who was very friendly and helpful. Brilliant Service, thank you

Tenant very happy with her new bathroom.

Tenant grateful for the help of Cloch staff.

Thanks to staff for all the help during allocations process

CORPORATE SERVICES ANNUAL REVIEW

The Corporate Services Team look after the health and safety and wellbeing of staff and Board. Our role includes Human Resources, Governance, Office Management and corporate publications.

This was a year of change, again, with it being Cloch's first year of independence after the separation from Oak Tree Housing Association and staff returning to our office after the easing of the pandemic rules in June 2021.

In 2020, staff struggled with working from home, but after a year and a half at home, in 2021 some staff struggled at the thought of returning to the office and learning to work with Covid.

We worked with staff on their mental health and wellbeing. We introduced hybrid working allowing full-time staff to work up to 2 days at home and put in strict Covid guidelines, which were only relaxed in line with Government Guidelines. All this work meant we could restart our services quicker than we might have anticipated and most staff returned to work very quickly.

With the introduction of a Staff Sharepoint Portal towards the end of the year, this also gave us another point of contact for homeworkers.

RECRUITMENT

Due to staff leaving, staff promotion or the need for new posts, we went out to recruitment ten times last year. Cloch has a very progressive growth mindset approach to recruitment, and we successfully recruited staff from both the housing and private sector. One post remained unfilled, the Head of Finance, due to a lack of suitable candidates. This is a problem across the financial sector in the UK and it is hoped that the second half of 2022 will bring us more opportunity to go out to recruitment. In the interim, we have taken on a consultant to oversee the strategic accountancy work.





GOVERNANCE

We had 11 Board places filled this year and they continued to work hard to fulfil the Business Plan which came in to affect this year. We introduced a Board Sharepoint portal this year and this has allowed Board much greater access to a wide range of documents, induction and training tools. The Board meetings remain online with most Board preferring this. This is now working well, and we are pleased that the Board are embracing technology.

HEALTH & SAFETY

Four staff became registered First Aiders and we reregistered our Defibrillator. The health of staff both working at home and returning to the office was a priority. Risk assessments were carried out for both home working, lone working and Covid Security.

STAFF ENGAGEMENT SURVEY

Every two years, Cloch is committed to a staff engagement survey, and the survey carried out in February 2022, produced incredibly positive results. The results were well above any benchmarked public company and it gives us a strong platform to continue to support and develop our staff and our culture. The Board and Leadership Team were delighted to see such a positive response given the difficult couple of years just past.

DATA PROTECTION AND FREEDOM OF INFORMATION

We received 6 Subject Access Requests. All were responded to on time, except one that was caught in an issue with an insurance company. Two data breaches were reported, both were minor and did not require reporting to the Scottish Information Commissioner. Only two Freedom of Information Requests were received. Both were part of research projects by professionals.

FINANCIAL PERFORMANCE

Cloch Housing Association continues to manage its finances with a long term, strategic focus. Much of 2021-22 was spent dealing with the pandemic and trying to return to some sort of normal service. In the summer/autumn we completed and allocated 57 new homes at our Kings Glen development site. The refurbishment project at Wellpark continued with considerable work renewing components. Despite the impact of the pandemic, in the main, we have continued to deliver our day to day operating activities, e.g. providing housing services and carrying out our reactive and cyclical maintenance programme. Our community activities included Starter Packs, Financial Fitness, Tenancy Support Service, Energy Activators and the specific pandemic related Social Housing Fuel Support Fund and Supporting Communities Fund.

Cloch made an annual surplus of £1.14M, which is down from £1.71M in the previous year. The decrease relates to increased expenditure on reactive maintenance as restrictions eased and work delayed by the pandemic was progressed. There was again higher void loss from empty properties compared to last year, this was planned and budgeted as part of the Wellpark refurbishment project. The £1.14M surplus achieved from our day to day activities was increased further due to the annual valuation of the pension scheme, which reduced the pension liability and resulted in an overall adjustment of £0.63M, (non-cash transaction), effectively increasing the comprehensive income for the year to £1.77M. Cash balances remain healthy at £3.89M. All surpluses are reinvested in our services or used to fund the long term planned maintenance programme.

The following table highlights the main sources of annual income and expenditure for Cloch Housing Association:

Statement of Comprehensive Income - 2021/22	2022	2021	A Non-Accountants Guide to the Accounts
REVENUE	8,978,720	8,555,395	Rental income, grant income & income from other activities
Less operating costs	(7,371,833)	(6,424,355)	Cost of management and maintenance of properties
OPERATING SURPLUS	1,606,887	2,131,040	
Gain on sale of housing stock	3,300	17,271	Relates to an overall gain on the sale of 1 property, (2021 was also for 1 property)
Interest receivable and other income	2,760	25,250	Interest earned from money invested in bank accounts – lower rates received in 2021/22
Interest payable and similar charges	(439,545)	(438,728)	Interest paid on loans, (mortgage payments)
Other finance charges	(31,383)	(19,891)	
SURPLUS FOR THE YEAR	1,142,019	1,714,942	Leaving this amount to fund future planned maintenance

The table below shows our long term financial position, taking account of assets and liabilities:

Statement of Financial Position – As at 31-3-2022	2022	2021	A Non-Accountants Guide to the Accounts
Housing properties, less depreciation	75,035,727	75,473,237	This is the cost to build our houses and replace items such as kitchens and bathrooms
Other fixed assets	469,683	486,765	This is the value of our office accommodation, IT and office equipment
Non-Current Assets	75,505,410	75,960,002	
Assets and Liabilities			
Receivables	298,680	292,942	Money owed to us
Cash held	3,893,116	5,096,239	Money in the bank
Creditors due in 1 year	(2,945,370)	(3,346,187)	Money we owe to others, e.g. maintenance contracts, etc.
Creditors due after 1 year	(13,476,079)	(14,182,136)	Money owed on loans, (secured by specific charges against our properties)
Pension Scheme	nil	(799,000)	Pension liability
Deferred Income			
Social Housing Grant	(44,958,128)	(46,457,178)	Grant provided by the Government to help fund building new homes
Other Grant	(500,722)	(517,791)	
Net Assets	17,816,907	16,046,891	Higher by March 2022 due to annual surplus
Capital and Reserves			
Share Capital	53	56	Represents shares at £1 each
Reserves	17,816,854	16,046,835	Sums built up in previous years and this year's surplus

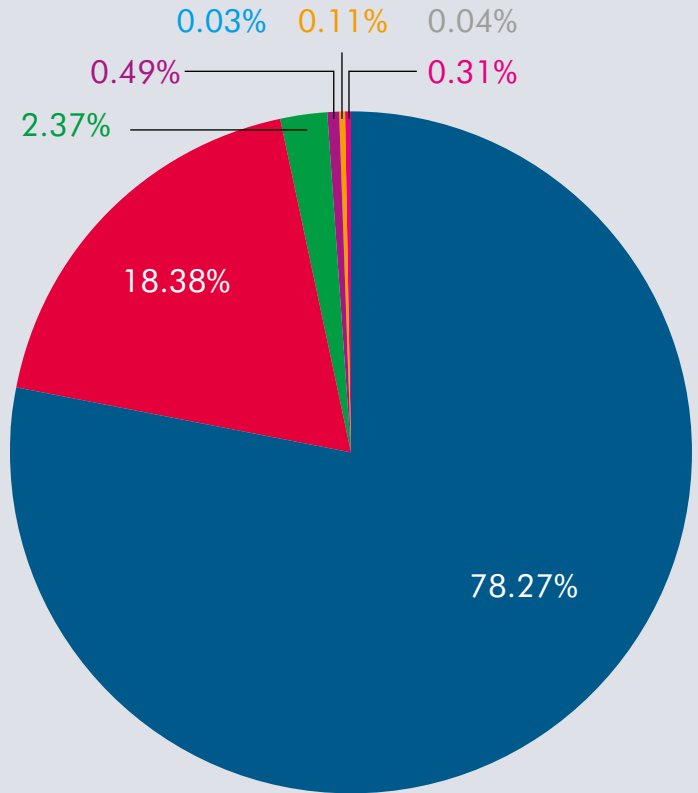
FINANCIAL PERFORMANCE

The charts below show the Income and Expenditure broken down into categories:

INCOME

The Association's total income increased by 5% from the previous year, increasing to £8,978,720 from £8,555,395. Most of our income comes from rent and service charges (£7,032,104); however, grant released from deferred income and Government grants was 19% of total income and this was £1,695,610 in the year.

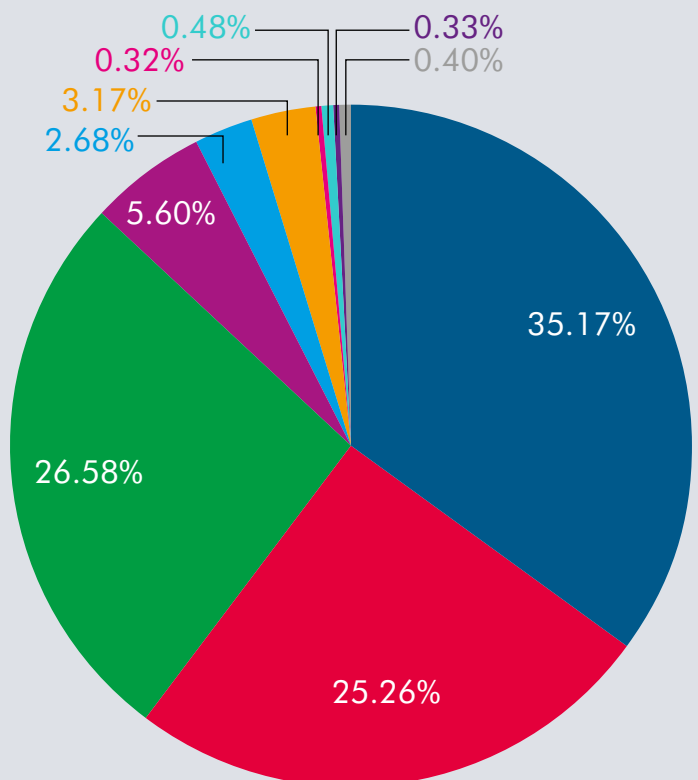
- Rent And Service Charges
- Interest Received
- Deferred Grant Released
- Common Housing Register
- Wider Action
- Factoring
- Medical Adaptations
- Gain on Sale



EXPENDITURE

The Association's operating expenditure in 2021/22 was £7,371,833 and up from £6,424,355 in the previous year. The main expenses are running costs named as management and administration costs (£1,980,712), reactive maintenance (£1,344,756), planned and cyclical maintenance, (££739,481) and housing depreciation (£2,758,670). Housing depreciation is the reduction in value of our houses due to the increase in age and wear and tear.

- Depreciation
- Management
- Maintenance
- Interest Paid
- Service Costs
- Wider Action
- Bad Debts
- Common Housing Register
- Factoring
- Other Finance Costs

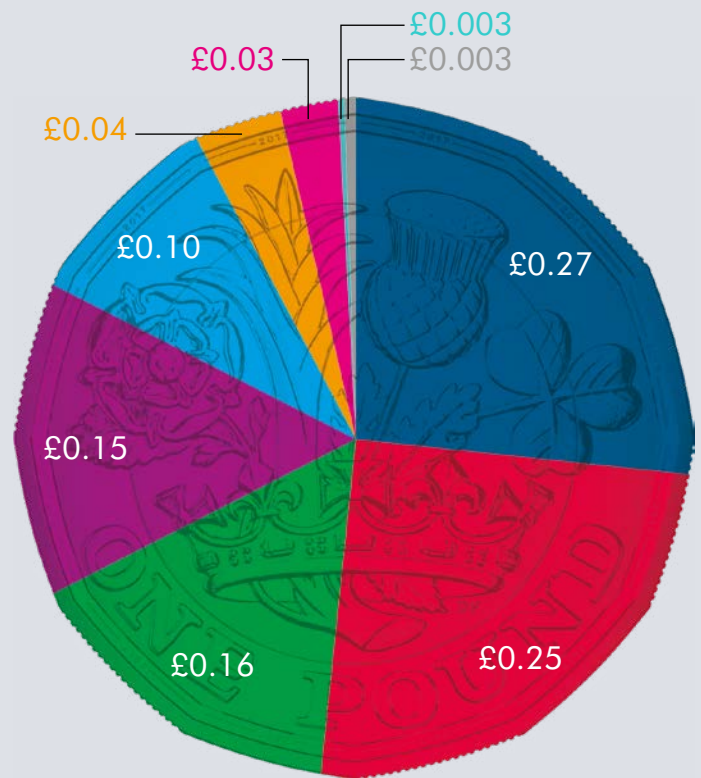


FINANCIAL PERFORMANCE

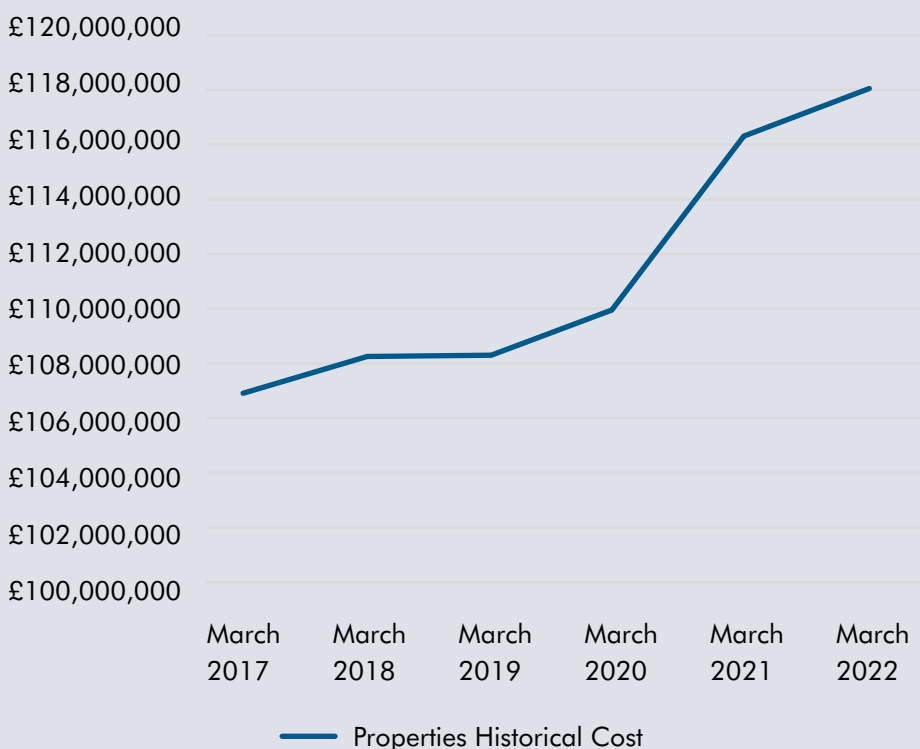
The chart below shows where we spent our cash for every £1.00 of cash received in 2021/22. This excludes non-cash items such as depreciation and deferred grant income:

For every £1.00 of cash utilised in the year, we spent the money on:

- **£0.27** went on planned and cyclical maintenance, e.g. new bathrooms, kitchens, boilers, replacing smoke detectors, painting, landscaping and gutter cleaning, etc.
- **£0.25** on delivering the services, e.g. staff costs, office accommodation, IT, general overheads & maintenance overheads
- **£0.16** went on day to day repairs
- **£0.15** paying for our £14.6M loans, (interest and repayments)
- **£0.10** went on the new development at Kings Glen and the purchase of 7 properties, with this offset by grant income received from the Scottish Government and loan funding
- **£0.04** on other activity costs, e.g. wider action, the common housing register and factoring, with the majority of costs covered by income
- **£0.03** went on service costs, e.g. common electricity, close cleaning and lift maintenance
- **£0.003** went on bad debts
- **£0.003** went on buying new computer equipment



The graph below shows the historical cost value of our properties over the past few years, with the value increasing from £116M in March 2021 to £118M by March 2022.



The Association has invested £118,098,312 in properties held as at 31 March 2022.

Depreciation to date against this value for wear and tear amounts to £43,062,585.

Additions in the year included £1,518,535 of capitalised major repairs, e.g. kitchen, boilers and bathrooms, £316,540 for house purchases and £506,482 towards costs to build the new homes at the Kings Glen development site.

At the year-end the Association's housing properties have a net book value of £75,035,727.

IT

During 2021 there was a focus on providing IT systems capable of supporting the transition to a hybrid working environment for staff (in office and home working). We also began migrating some systems to a cloud-hosted environment which will provide greater efficiencies and a more streamlined experience for staff. Over the course of the year the following important projects / developments were delivered, which enhanced the Association's IT systems and services.

During the year some important projects / developments were delivered which further improved the Association's IT systems and services.



CYBER SECURITY ACCREDITATION

The Association gained the National Cyber Security Centre – Cyber Security Essentials accreditation. This accreditation provides recognition and reassurance to staff, customers and partners that the security systems and services protecting the Association's IT systems are robust and of an industry approved standard.

UPGRADED COMMUNICATION LINES (OFFICE & ELLIOT COURT)

To facilitate the Association's increased reliance on IT systems and internet accessibility two new high-speed communication lines were procured for the office. These replaced the existing single high-speed line. By installing two separate lines this increases business continuity by ensuring there is no internet connectivity disruption to the office.

Elliot Court internet services were also upgraded from an old legacy broadband connection which provided increased speed and reliability.

SQL SERVER UPGRADE

The Association's housing management system runs on a specific server platform (Microsoft SQL). As the housing management system is key to the delivery of social housing services it is essential the server platform is kept up-to date, which ensures the system runs efficiently and securely. A large-scale project was completed in early 2022 to upgrade the Microsoft SQL server platform to the latest version.

CLOUD HOSTED BOARD PORTAL

A new in-house Board Portal has been developed using Microsoft 365 SharePoint. This represents a significant step for the Association as it is the first phase of a long-term strategy to migrate other key services to Microsoft's cloud platform. The Board Portal provides governing body members a central repository for accessing information, collaborating with colleagues and access to online training material.

DIRECTOR'S CLOSING COMMENTS

The last year has witnessed a return to some form of normality following the Covid crisis, only to be placed with another crisis affecting the cost of living. That along with continuing problems with the construction industry has made this another challenging year at Cloch.

However, I am delighted we have managed to still achieve so much in terms of service delivery and providing new homes and improved components to so many households. The role of the Association will continue to be pivotal in the months and years ahead with individuals and communities requiring help and support just to get by.

As I write this at the start of September, I have entered my last week in the role of Director of Cloch and will start with my new employer next Monday. Since joining Cloch in 2013, I have worked with some great people both as colleagues and Board Members and I have loved getting to know many of the tenants and communities. Some key highlights were our 50th Anniversary in 2018 and heading to the Scottish Parliament to celebrate, the separation from Oak Tree which returned the management of the assets back to Cloch and its communities, and of course the Gala Days which were great fun. In amongst that have been some excellent projects in the MacGiilivray estate, the Aberfoyle Modernisations and more recently, the Wellpark initiative, not to mention our recent new build development project at Kings Glen.

Although sad to be leaving, I am happy with what we have all achieved during my tenure and know that I leave behind a really experienced and knowledgeable staff team and Board who will guide the organisation forward for many years to come.

I would like to thank all staff and Board for their support and contributions in my time here, and also thanks to you, our tenants and members for choosing Cloch and supporting us in so many ways.

Thank You

Paul McVey

Paul McVey
Director





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