



Strategic Plan 2023/24

Supporting a vibrant community by offering affordable, good quality homes and services with people at the heart of everything we do

Foreword

Welcome to Cernach Housing Association's strategic plan for April 2023 to March 2024.

This plan details our strategy and provides a framework for the implementation and achievement of our strategic objectives during the period of the plan. This is complemented by a delivery plan and a resourcing plan, both of which will provide the 'how' of our strategic plan.

When we changed our business planning format in 2022, we decided we would review this in just one year's time both to see how the new format was working, and to take account of significant external uncertainty. Due to the current economic climate, we have opted to once again have a one year business plan, however we will plan to move to a longer cycle when economic and social conditions return to relative stability.

This document should also be considered in conjunction with our asset management plan and long-term financial projections as all documents inter-relate to each other. Whilst this document is strategic in nature, it is supplemented by a comprehensive delivery plan and resourcing plan.

Our focus over the length of this business plan is on maintaining and improving our stock and ensuring we continue to sustain a vibrant community within Drumchapel where people want to call home.

This document has been prepared on the basis of discussions held by the Management Committee at Committee meetings and strategy review events attended by staff and Committee over several years, but most recently in February 2023. We confirmed these discussions and decisions, including the KPI targets at the March 2023 meeting of the Management Committee.

Our collaborative approach to involving staff and Committee in agreeing our priorities and concentrating on the things that matter to Cernach, based on a thorough appraisal of our own situation, ensures a good understanding and ownership of our objectives.

The Association has a comprehensive system of operational workplans to supplement these, and ensure that each member of the staff team and all Management Committee Members can be clear on all roles and responsibilities to ensure the overall success of the business.

Summary

During the next 12 months we will:

- Focus on tenant health and safety, ensuring compliance across gas and electrical checks, as well as progressing our work in relation to a proactive strategy to tackle damp, condensation and mould
- Progress work in relation to tenancy sustainment and cost of living activities, including sourcing funding for residents wherever possible
- Continue to monitor the key risks facing the organisation
- Continue our work with resident engagement, including holding and supporting community events
- Keep up to date with changes to EESSH2 and decarbonisation and make plans for the future
- Carry out a stock condition survey and take account of new assumptions for future planned maintenance
- Continue with our long-term planned and cyclical maintenance plans; stay on course to catch-up on work delayed by the pandemic by Year 4
- Carry out assessment of the Community Connector programme, including assessment of future funding
- Strive to keep rents as affordable as possible
- Use the results of the resident satisfaction survey, complaints received and other feedback to drive service delivery improvements
- Continue to protect the Association's main income stream via a fair and effective approach to rent arrears management
- Consolidate recent changes in the staff team and management team; focus on succession planning following assessment from Skills Development Scotland
- Focus on void management, including a desktop analysis of void spend in line with the void pilot programme, as well as working to decrease void re-let times

Additional contextual information can be found in the remainder of this document and detailed information is included in the accompanying delivery plan and resourcing plan.

Background

The Association celebrated its 30-year anniversary in 2021 and looks forward to continuing to provide an outstanding housing experience for the Drumchapel community.

Since being registered as a housing association in 1991, we have completed fifteen phases of improvement and new build development, including acquiring homes through various transfers from Glasgow City Council in our early years and a second-stage transfer from Glasgow Housing Association in 2010. Our most recent development phase was completed in 2021. We currently own 877 properties, all within a defined local area. We do not anticipate building any more new build housing or acquiring additional stock in the short to medium term. We also carry out factoring services for 140 owners in the local area.

As a Registered Social Landlord (RSL) in Scotland we are regulated by the Scottish Housing Regulator and, as a Registered Charity, we are regulated through the Office of the Scottish Charity Regulator (OSCR). We are governed by a Management Committee of fifteen local residents, all of whom participate on a voluntary basis, and are ultimately accountable to our members, tenants and other stakeholders.

The Committee is supported by a staff team of 19 individuals filling 17.5 full-time equivalent posts, led by the Director who provides a key link between the Committee and staff. Our staff team is based in a purpose-built office located in the centre of our community.

Looking forward

As we continue to emerge from the Covid-19 pandemic, we are considering how best to take the Association forward. Our core responsibilities will always be to provide the best service possible to all of our customers whilst safeguarding the considerable assets over which we have stewardship on the community's behalf. In achieving this, we will have decisions to make on *big ticket* strategic priorities as well as more routine day-to-day matters. Discussions at our most recent planning events, for example, focussed on broadening our services rather than building more homes to increase our asset base.

We hope that this document conveys the Committee's vision for the next year, while setting the tone for the next five or so years and, together with the accompanying delivery plan and resourcing plan, outlines how we are going to achieve this. Because of the uncertainties around Brexit, the cost-of-living crisis and the impact these have on planning, we have focused mainly on what we will achieve over the next 12 months. However, we cannot look at the coming year in a vacuum and the business plan will therefore make periodic reference to the medium and longer terms.

Mission statement & strategic themes

The Association's mission statement sums up our purpose which is enshrined into our strategic themes; our core values then determine how we function. At our planning events held in 2021 we reviewed our corporate aim and strategic objectives.

Flowing from this, operational objectives and key performance indicator (KPI) targets are agreed every year to support the strategic objectives, and broader plans for implementation of these are found in the delivery and resourcing plans.

We discussed our revised mission statement at the December 2021 planning event, there was then staff input during February 2022 prior to the Committee agreeing the final wording at the March 2022 Committee meeting. These are outlined below.

Mission statement

Our mission statement encapsulates all that we believe in a simple and straightforward way. Everything that we do can be linked back to the mission statement.

Supporting a vibrant community by offering affordable, good quality homes and services, with people at the heart of everything we do.

Strategic goals

We will achieve our mission statement by implementing our strategic goals.

The delivery plan and resourcing plan provide more detail on how each of these will be achieved, together with details of timescales, lead officers and, where appropriate, how each will be resourced. The goals are also cross-referenced to our risk matrices and this provides an additional layer of assurance, acting as an early warning system if any barriers to achieving the goals emerge.

The nine strategic goals are based around the three themes of:

- *Improving lives*
- *Investing in assets*
- *Engaging the community*

Improving lives

- 1) To provide quality housing management and advice services, rent account management, estate management, and maintenance services for the local community;
- 2) To help alleviate homelessness and provide high quality rented housing at affordable rents through appropriate long-term investment and future-proofing;
- 3) To invest in and develop our people to ensure that the Association is an employer of choice.

Investing in assets

- 4) To undertake a comprehensive planned maintenance programme to achieve secure, safe and sustainable homes which work towards carbon neutrality;
- 5) To meet and, where possible, exceed the Standards of Governance and Financial Management and the Scottish Social Housing Charter; alongside striving for full assurance in our Annual Assurance Statements;
- 6) To ensure the work of the Association is supported by effective governance and financial controls, and that staff and Committee are accountable to tenants, owners and others accessing our services.

Engaging the Community

- 7) To maximise community involvement and community spirit through continued involvement in the management of homes, provision of services and across wider role initiatives;
- 8) Foster positive connections and good practice sharing across a range of partners and stakeholders, including as a Community Anchor organisation;
- 9) Ensure equality, diversity and strong governance is reflected across all areas of our activity.

Operating environment

As part of the business planning process, the Association has conducted two environmental analyses – a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis and a STEP (Social & cultural, Technological, Economic and Political and/or legal factors) analysis.

These were developed at the strategy away days in December 2021 and finalised following staff input. They were then further revised by the management team when updating the plan for 2023/24.

SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> ➤ Rent levels compare well with other RSLs ➤ Strong performer across KPIs in comparison with other RSLs ➤ Sound financial management and financial strength ➤ Well maintained and managed housing stock that is in high demand ➤ Effective and supportive Management Committee; well qualified and experienced staff team 	<ul style="list-style-type: none"> ➤ Unknown requirements to bring stock up to EESSH2/carbon neutral ➤ Increased tenant H&S reporting requirements putting pressure on small maintenance team ➤ Post-war housing stock infrastructure ageing – eg paving slabs, fencing ➤ Increasing void re-let times owing to changes in practice ➤ Mixed tenure blocks complicating repairs
Opportunities	Threats
<ul style="list-style-type: none"> ➤ Wider access to funding as a result of charitable status and community anchor ➤ Partnering arrangements with DRUMCOG ➤ Access to funding via green agenda for stock improvement ➤ Ability to secure financial gains to tenants through in-house Welfare Rights Service ➤ Improved website offering more opportunities to engage with stakeholders 	<ul style="list-style-type: none"> ➤ Economic impact of Covid-19 pandemic ➤ Brexit <i>fallout</i> – high costs, insufficient supply ➤ Steeply rising costs – energy, basic food items and National Insurance ➤ Welfare reform/Universal Credit ➤ Reduction in services from Glasgow City Council

STEP analysis

Social and cultural factors	Technological factors
<ul style="list-style-type: none"> ➤ Ageing population ➤ Poor health and well-being; including mental ill health, greater prevalence of chronic illness (physical and mental), difficulties around addiction, increasing long-term sick population ➤ Communication and engagement challenges – need to pinpoint demand for translation and alternative formats ➤ Incidence of violence, domestic abuse, anti-social behaviour and neighbour disputes ➤ Homelessness 	<ul style="list-style-type: none"> ➤ Increased use of ICT, email and internet by customers, staff and partner agencies ➤ Digital exclusion ➤ Data protection/security ➤ Internet – online benefit claims and receipt of other services ➤ Benefits and drawbacks of social media
Economic factors	Political and/or legal factors
<ul style="list-style-type: none"> ➤ Volatile inflation levels ➤ Reliance on benefits – benefit levels reducing through welfare reforms and real decreases ➤ Personal debt rising, including high-interest pay-day loans ➤ Poverty and deprivation indices high in our area of operation ➤ Increasing numbers of people unable to afford food, utilities and other basic items 	<ul style="list-style-type: none"> ➤ Brexit impact ➤ Political instability ➤ Scottish Government intervention in rent setting ➤ SHQS/Energy Efficiency Standard for Social Housing v2 (EESH2) ➤ Sustained cuts in benefit levels; more people facing benefit sanctions ➤ Cuts to local authority block grant and spending gap of almost £140m in 2023/24 → more pressure on RSL to pay for services

The above analyses were agreed following group work by staff and Committee. They represent what we consider to be the five main strengths, weaknesses, etc, facing the Association at the time of writing. During the group discussions, other factors were highlighted but we have limited the number under each heading to five as this allows us to have an appropriate focus on the areas that require most consideration.

Going through these exercises provided a mechanism for systematically thinking through the extent to which the Association can cope with its operating environment and

the many factors it has to manage, and this allowed us to then consider and balance the opportunities against the skills present within the Association.

We have retained details of all strengths, weaknesses, etc that were discussed at the planning event and we will regularly review the above tables to ensure that they remain accurate and relevant. Together with any new factors that emerge, any events that could change the above will be noted as part of the six-monthly review of risks. This is particularly important where the impact is negative.

SWOT and STEP are useful and popular tools and, indeed, are endorsed by the SHR as good practice. However, it should be borne in mind that they are also subjective. By approaching this via group exercises involving Committee and staff, we would hope to minimise subjectivity.

Risk management

Risk management is embedded into the culture of Cernach Housing Association. The Association's strategy for managing risk is contained within the risk management policy (methodology) and matrices (practice). During 2023/24, we will review the risk management methodology policy and develop our approach to noting risks and tracking mitigating actions we take to address and minimise risk.

This framework links the identification of risk throughout the business planning process. The key external and operational risks arising from our business plan objectives and our operating environment are identified and an assessment made of the likelihood of those risks occurring. This, together with our action to mitigate this risk and the potential impact they would have on our business if they did occur, is scored on our risk register.

Flowing from this, risk matrices are prepared and an action plan drawn up to improve the risk score (where practicable). This includes the identification of specific actions aimed at mitigating, managing or transferring the risk. The risk register is reviewed every six months by the Management Committee, quarterly by the Assurance sub-Committee (ASC) and on an ongoing basis by senior staff.

Finally, we have incorporated risk management into the Committee training plan – with risk being identified as a popular choice for further training in the Committee training plan following the appraisal process in 2021.

The most recent review of the risk matrices was completed at the December 2022 Management Committee meeting. The key risks identified are noted below:

Economic aspects of Brexit, such as increases in cost of living, energy prices, unemployment/reductions in hours, potential volatility of Sterling, increases in the Association's operating costs.

Supply aspects of Brexit, such as shortages of labour and materials. This could cause costs to rise significantly and/or impact our ability to progress works.

Increases in costs for goods, services, works, including high maintenance costs due to labour and supply cost increases putting pressure on short to medium term finances

Welfare reform leading to real reductions in benefits, prevalence of low/zero hours contracts and increased unemployment. All of these impact tenants' ability to pay rent, heat their homes and buy essential goods, meaning not only an increase in rent arrears but a negative impact on health and well-being.

Post-pandemic shortages of goods and/or increases in costs. This could affect our customers on an individual basis as well as the Association as a business.

Loss of income Due to rent arrears increases related to the current cost-of-living crisis – in addition to reductions in benefit levels, Brexit and the pandemic, the conflict in Ukraine is also impacting (in relating to global pricing and rises in energy costs).

The likelihood of any/all of the above events occurring is outwith the Association's control. Our mitigation is therefore concerned with (i) preventive action in relation to impact and (ii) ongoing monitoring of any movement on these events.

To support the Assurance sub-Committee and the Management Committee, the whole staff team has a day-to-day contribution to make to ensure that we manage the risks effectively as possible; frontline staff devise and deliver the preventive actions and the management team monitors overall movement.

Audit

Internal Audit

The Association operates a robust internal audit programme. Programmes are agreed in advance by the Management Committee and the senior management team and the service is delivered by a suitably qualified independent company. The Scottish Federation of Housing Associations' (SFHA) guidance underpins our internal audit activity.

Internal audits to be conducted are generally of a mix of operational housing management and maintenance functions, governance, finance, risk, equality and diversity and major contract management. They are done on a rolling basis, ensuring an interface with the risk matrices. Also included in each internal audit programme is an audit of any allocations to connected persons that have occurred since the previous audit. Internal audit procurement was conducted in 2022/23 in line with good practice.

The internal auditor attends the Management Committee annually to present findings and discuss recommendations; once presented and agreed, all recommendations are input into one of our operational trackers and progress reported to the Assurance sub-Committee on a quarterly basis. The internal auditor also attends ASC meetings.

External Audit

The external audit is conducted annually following the financial year end, with the on-site part of the audit normally taking place in June each year. External auditors are re-appointed by share members at the AGM. Procurement for external audit was last conducted in 2022/23 in line with good practice. Findings from the external audit are reported annually to share members at our Annual General Meeting, normally held in August each year.

Mini Audit

In addition to audits conducted by external organisations, the management team conducts in-house mini audits at regular intervals on operational functions. Feedback from these are made to all staff operationally involved to ensure any issues are picked up quickly and internally. We find mini audits to be a useful tool and are looking at ways to broaden the scope of these.

Assurance

We are an RSL with a £4.49 million turnover and responsibility of safeguarding a significant asset base – not only in terms of the £34 million worth of housing assets, but we are mindful that these are people’s homes. Failure to undertake our responsibilities in a prudent, transparent and accountable manner could therefore have a detrimental impact on people’s lives and the overall stability of the community.

It is therefore important that we are able to provide assurance to our tenants, other customers and stakeholders that we are acting appropriately. We have an established track record at Cernach of self-assessment in relation to the Standards of Governance and Financial Management and the Scottish Social Housing Charter and we have always taken assurance seriously. We carried out independent assessments of these standards in 2022, and since October 2019, we have issued an Annual Assurance Statement – this was introduced by the Scottish Housing Regulator and is a useful way of the Management Committee (as the governing body) making an explicit public statement on assurance each year.

To date, we have published four Annual Assurance Statements, each time being able to state that there are no areas of material non-compliance with any part of the assurance framework.

In 2021, we overhauled our approach to developing the AAS and continued this approach in 2022. Staff and Committee members participated in a series of meetings which considered our performance across all of our operational and governance activities. We considered a significant evidence bank and used the SFHA’s toolkit to help come to a view on each separate element. At the end of the 2021 process, we invited an external specialist to conduct a wrap-up session and carried out an internal audit on the process. These exercises confirmed good practice which the Association had in place, as well as providing suggestions for improvement moving forward.

In November 2021, the Association created the one-year fixed-term post of Assurance and Improvement Co-ordinator, and in 2022 amended this post to that of a Grade 9 Corporate Services and Assurance Manager following a job evaluation conducted by EVH. This postholder works closely with the Director, Depute Director and corporate services staff in making the process even more effective and more robust, with the two seniors and the remaining frontline staff contributing to the assessment phase. We will also enhance our approach to engaging tenants in this year’s AAS process.

Operational infrastructure

Management Committee

The Management Committee has overall responsibility for the work of the Association, leading and directing the organisation to achieve its stated objectives in accordance with the Standards of Governance and Financial Management and the Scottish Social Housing Charter. It benefits from having a good mix of people with the skills and knowledge it needs to be effective.

The Management Committee operates a devolved structure with an Operations sub-Committee and an Assurance sub-Committee. The Management Committee and the Operations sub-Committee meet nine times each year (and the Management Committee has an additional meeting immediately following the AGM) with the Assurance sub-Committee meeting quarterly. Additionally, we had a special meeting in November 2022 to consider the 2023/24 rent review to which all staff members and our finance agents were invited. This worked well and we will repeat this process in November 2023.

We reviewed the Committee standing orders and remits in 2022; at this point we do not envisage any change to the two-tier structure. This review delegated more powers to the sub-Committees, thus allowing more specialist discussion on a range of (mainly operational) activities whilst freeing up time at the full Management Committee to focus more on matters relating to strategy, governance, financial management and financial strength. We will review how this has operated in practice during 2023/24.

Committee Succession Planning

A training needs analysis for the Management Committee is carried out biennially and a training programme delivered in line with requirements identified. This is done with the other local RSLs and we generally have eight sessions annually. The DRUMCOG programme is supplemented with specific training for our Management Committee.

An annual review of Management Committee member performance and individual Committee members' effectiveness review has been undertaken and was last completed in 2022 internally. 360° peer appraisal of the Chair is also carried out every one or two years.

To help meet regulatory requirements, a review meeting with long standing members (nine years' continuous service) who are standing for election at the AGM is held as required to confirm that objectivity, independent challenge and continued effectiveness can be demonstrated. To date, three Committee members have completed nine years' service and have participated in a review interview. All other members have less than nine years' service.

To help meet the long-term requirements of an effective chair, as well as adherence to the 'five-year-rule', we also seek to further develop office bearers and sub-Committee chairs so that there is a range of candidates where vacancies and gaps may arise. In particular, the staff team have assisted in the development of the Vice-Chair in the lead up to a Chairperson reaching the last 12-18 months of their five-year term. As the current chair reaches the five-year milestone in 2023, we will enhance and continue this work to ensure a smooth transition to a new chairperson.

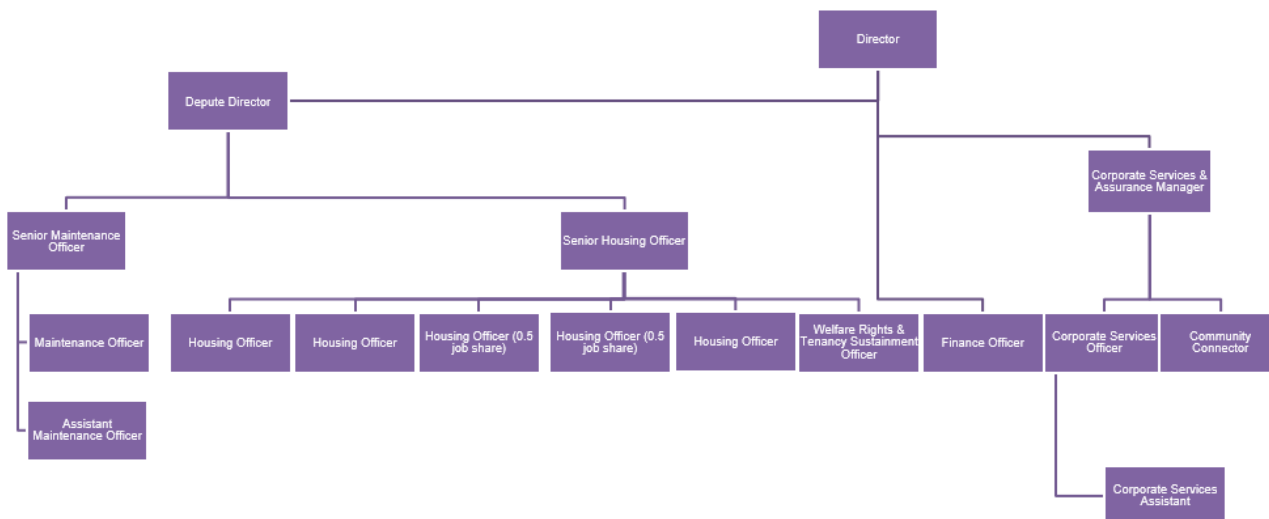
The above training and more specific work with office bearers and sub-Committee chairs help ensure that we have a Committee (i) whose members understand the roles and responsibilities of being chair and (ii) whose members are equipped with the skills and knowledge to fulfil positions of responsibility in an effective manner.

We have good level of turnover on the Management Committee with a healthy mix of newer and more experienced members. Work done by frontline staff has been very effective in identifying local residents who are interested in being Committee members, to the extent that we had a competitive election at the 2021 AGM.

Succession planning in practice has been very good, and we reviewed our Succession Planning Policy in 2022/23 which takes account of both staff and Committee succession. The policy follows current good practice the Association has in place, while enhancing the level of training and development plans which are in place.

Staff

Our staff team comprises nineteen individuals with a staff structure as detailed below. The staff team has authority delegated from the Management Committee to carry out the operational management of the Association's overall strategic direction, and is led by the Association's Director.



Staff Succession planning

We value our staff team and take a proactive approach to training and development to facilitate personal growth, as well as assuring that our team is adequately resourced in the event of staff turnover.

We have several strategies in place to support development of the staff team, including:

- Quarterly one-to-ones with a focus on training and development
- Budgetary resources to support staff on external training
- Regular internal training sessions on key areas
- A two-year training and development plan to be developed for all staff
- A 'Health & Wellbeing' working group with staff across different functions
- Support for further education in key disciplines

As a small organisation, we work to identify natural successors for posts, should any internal opportunities or vacancies arise. For example, as the Association's Director moved to work part-time hours (0.6 FTE) in November 2022, we have reviewed our options should the post become vacant, but seek to carry out a fuller assessment of the Association's options over the next one to two years. However, as the senior officer of the organisation, the post is of strategic and regulatory importance and should the post become unexpectedly vacant in the short or medium term, our Depute Director would step up on an interim basis and we would seek to recruit a replacement full-time Director.

We recognise that for talent to grow within Cernach, and the wider housing association sector, there may be a desire to take forward 'apprentice' level posts where a need arises. Cernach will therefore seek to investigate funding opportunities where these arise and meet business need.

During the next year we will focus on solidifying the recently reviewed staffing structure, recruiting and training across vacant posts within the organisation, as well as for new staff members already in post.

Information and communication technology

The Association has invested considerably in the use of information and communication technology (ICT) and this has become an integral part of the Association's day-to-day operations. Day-to-day management of our ICT services is carried out by our ICT support company. This contract was procured jointly with Drumchapel Housing Co-operative in 2018/19 and on-boarding began in summer 2019.

During the initial stages of the pandemic, we invested in additional hardware and software to facilitate home working. This coincided with the end stages of the on-boarding and brought additional challenges for both the staff team and ICT support company.

We have also updated our telecommunications system to a cloud-based one in the past two years; this was in process just as the first lockdown came into force and presented another early pandemic-related communications challenge.

2022/23 presented significant challenges in relation to ICT provision, and we have specific plans in relation to progressing ICT security. In 2023/24, we will progress work in relation to attaining Cyber Essentials accreditation and moving the organisation forward in relation to digital and ICT strategy.

During the next year, we will continue to invest in ICT, trialling new approaches in order to streamline working practices. We will focus on ensuring our ICT provision is working for all members of the staff team and Management Committee, and seek to invest in updated systems where feasible and beneficial.

Finance

We are living in uncertain economic times: as individuals; as businesses; as a society. Not only are we going to be dealing with the financial aftermath of the pandemic, but we are also faced with increasing costs and reduced supply because of Brexit. There is a significant cost-of-living crisis affecting the United Kingdom at present, particularly in relation to fuel costs.

As rent is the Association's main source of income, the decision to increase rents for 2023/24 was an incredibly difficult process for the Association. The Association held a special meeting of the Management Committee in conjunction with our financial consultants, FMD, which was also open to all staff. We also carried out a more detailed rent consultation, with more information and opportunities to contribute than in previous years.

The decision to increase rents by 5% represented the lowest amount that the Association could increase rents while still maintaining the ability to carry out the planned maintenance programme and remain financially viable in the long term and, as inflation at September CPI was 10.1%, was 5.1% below what our CPI only increases in our usual business planning practices would dictate. As part of the rent consultations this year we sent a comprehensive pack and held evening sessions in the office to give tenants ample opportunities to engage with us. We received a record number of responses for this consultation. This approach received an 85% favourable response from tenants completing the survey.

The resourcing plan and the long-term financial projections provide detailed information on how the Association will fund its activities in the short and long terms. In this document, we provide some headline information on the two key strands of (i) financial health and (ii) financial management.

Financial health

The Association is strong financially:

- Our long-term financial projections show clear financial viability, even when tested against combined adverse scenarios
- We have very low loan debt; indeed, we funded the non-grant elements of the two recent new build developments from reserves
- Our management costs compare well with others in the sector

- Our 30-year forecasts are based on (CPI) inflation-only rent increases; our rents are low compared to sectoral averages
- More than half of our stock is unencumbered and excess security is estimated at £6.2 million at the end of March 2022. We could therefore raise additional finance if required; there are no indications whatsoever that this would be required
- In the next five years, we forecast surpluses of more than £4 million with cash balances averaging £3.6 million

Financial management

The Association is well-managed financially:

- We continually receive a very positive annual external audit
- We have a full suite of policies and procedures that are kept under review and which reflect industry best practice
- We identify and manage all financial risks
- We have a robust and established reporting structure
- We undertake significant amounts of Committee training in finance and our staff have appropriate qualifications and experience

Rents and Affordability

Rents

Affordability of rents (and any related services) is critical if we are to remain an attractive landlord of choice and help our tenants in an increasingly difficult economic climate. The Association's average rents remain low across all apartment sizes when compared nationally, as well as against others in the local area. We consult with our tenants annually on any rent increase decisions and their feedback informs the decision taken by the Management Committee.

As noted above, we carried out a significantly more detailed rent consultation in 2022/23 due to high levels of inflation. With inflation at September 2022 sitting at 10.1% and rising, the Association could not reasonably increase rents by this level. Prior to commencing consultation, the Scottish Government also passed unprecedented emergency legislation limiting all rent increases. While the relevant dates of this legislation did not affect the Association's rent increase timescales, it did set the tone for the approach that all RSLs should take.

The 2023/24 rent increase was therefore limited to 5%. The long-term projections are usually modelled on an inflation-only rise year-on-year, and will ordinarily be based upon the September CPI rate, and have therefore been reworked to take account of the below-inflation increase in this financial year. The Association is also conscious that the high levels of inflation and cost-of-living crisis is likely to still be in place when it comes to the 2024/25 rent increase, therefore an additional meeting of the Management Committee has been scheduled for November 2023 to allow similar levels of scrutiny in relation to affordability and financial viability to take place.

Assessing affordability

The Association will principally be guided by tenant views and comparative information when considering affordability, but the affordability tool developed by the SFHA is also relevant. We will assess our rent increases against this figure annually when making recommendations for increases to ensure that rent levels remain affordable.

We also assess our rent increases against figures collated and circulated by the Glasgow and West of Scotland Forum of Housing Associations (GWSF) to ensure that ours continue to compare well with others. This will be assessed annually when making a recommendation for increase.

More detailed rent affordability information is contained in our resourcing plan.

Asset management

Our approach to asset management is contained within the Asset Management Plan (AMP) in more detail; the AMP links directly to this plan. We keep the plan under regular review, and the recently completed comprehensive stock condition survey was reflected in the 2022/23 review of this plan. It is notable that over the next three years, the Association anticipates investment spend of over £5.3million. The SHR has also recently produced recommended practice guidance in relation to asset management in February 2023, so this plan will be reviewed to ensure it meets key elements of this guidance and any adjustments made where necessary.

Housing stock

Prior to the stock transfer in 2010, the Association's housing stock was predominantly new build stemming from the early 1990s onwards. This stock is diverse in terms of size, type and design with a balanced mix of two, three, four and five apartment bungalows, terraced, semi-detached, detached houses, cottage flats and traditional flats.

The stock which transferred to the Association from Glasgow Housing Association on 29 March 2010 on the other hand is predominantly post war tenemental stock with the overwhelming majority being three-apartment properties. This resulted in the Association have a more diverse range of stock both in terms of age and type.

During 2019 - 2021 we completed our most recent new build phases and added an additional 84 new build units to our stock to include medically adapted properties and larger family homes to help address the needs within our community.

A breakdown of the housing stock type and mix is contained in the [asset management plan](#).

The Association currently holds its stock condition and life cycle cost data on Excel spreadsheets by development. Each spreadsheet identifies the development, construction date and number of units. The information contained within the spreadsheet identifies individual building elements and the life span of each element. It also identifies when and what level of investment is required.

During 2023/24 we will carry out an updated stock condition survey and incorporate findings into our planned improvements work, and this will be reflected in our Asset

Management Plan, as well as in our long-term financial projections. All works will be considered in line with our thirty-year financial projections to ensure the Association remains financially viable in the short to medium term, as well as the longer term.

Registered office

The Association's registered office is located at Marion McDonald House, 79 Airgold Drive, Drumchapel, Glasgow, G15 7AJ. This office is an asset as the Association provided the building using its own resources and private finance. The office was extended in 2020/21 to respond to our growing asset base and, therefore, staff team.

Systems for measuring and monitoring performance

Key performance indicators (KPIs)

The Association sets out its own key performance indicators for the main areas of operation, as well as key targets and tasks which are contained in our internal workplans. Progress against these indicators is reported to the Management Committee and/or, where relevant, one of our sub-Committees. An annual review, and re-setting of targets for the year ahead, takes place at an annual planning event attended by Committee and staff.

All operational and strategic targets are discussed and agreed by all staff and the Management Committee and everyone therefore "buys in" to their individual and team targets. There is a high level of awareness of how individual contributions fit with the Association's overall aims and staff take great pride in working towards and achieving targets.

More information on how these will be achieved is included in the delivery plan. However, for ease of reference, we have appended a list of KPIs for 2023/24 to this document.

Resident satisfaction

The Association aims to continually improve the service provided to our tenants. We do this via a range of mechanisms including post-repair telephone surveys, surveys following planned improvement works and post-inspections of repairs, a comprehensive and independent tenant and owner satisfaction survey is commissioned every three

years, and we gather continual feedback from individuals using our services. The most recent large-scale satisfaction survey took place in early 2022 and we incorporate feedback from this into our organisational workplans and business planning decisions.

Over the life of this business plan, we also plan to increase our engagement with residents in our community and are exploring different methods of doing so, particularly in relation to any ongoing Covid-19 restrictions. This engagement was a particular focus in 2022/23, which included consultation on policy reviews, the Annual Assurance Statement and annual report and will continue to be enhanced this year.

Monitoring and review

An agenda work plan for Management Committee meetings for the year ahead and the policy review programme is agreed at the beginning of each year to ensure that all required reports are taken. Arrangements for monitoring performance on the service delivery KPIs is specified in the work plan.

We are now in our fifth year of completing the Annual Assurance Statement (AAS) and have incorporated findings from this into an operational tracker which is reported to the Assurance sub-Committee.

Benchmarking

The Association participates in the Quality and Efficiency Forum (QEF) where our performance is benchmarked with other forum members and good practice is shared. A benchmarking report issued by the QEF is presented to Committee annually, normally in June or July.

The Association assesses its level of compliance annually against the Scottish Housing Regulator's Standards of Governance and Financial Management and the Scottish Government's Scottish Social Housing Charter standards and outcomes. Baseline assessments were carried out independently in 2013/14, 2018/19 and most recently in 2022/23 and we conduct interim reviews internally on an annual basis. This will therefore take place in the first quarter of 2023/24 so the results of this can be used to inform our 2023/24 Assurance Statement.

We analyse data obtained from these sources in order to inform our delivery plans against strategic objectives on an annual basis, which in turn will form our resourcing plan to ease organisational pressures and ensure continuous improvement.

Conclusion

Our business plan, including the strategic, delivery and resourcing plan elements, is supported by our Asset Management Plan and long-term financial projections, all of which are integrated into the Association's mainstream reporting systems. Our business plan links and complements all the Association's other strategies and plans. It is central to all strategic and operational decisions throughout the year.

All actions contained within the business plan will be integrated into the staff activity plans with progress in achieving the various aspects of the plan monitored and reported as described in the delivery and resourcing supplements.

The Association is confident that our sound business planning process will ensure good governance, effective management and financial viability. Our "whole organisation" approach ensures understanding and ownership right across the organisation.

This format represents a change from previous business plans and is now in its second version. We believe this change has been effective, and we will continue to monitor the effectiveness of this format in consultation with staff, Committee Members and other stakeholders.

Supporting documents

The following supporting documents, which are separate from this plan, may be of assistance:

- Business delivery plan
- Business resourcing plan
- Financial projections
- Asset management plan
- Operational workplans
- Management Committee workplan
- Operations sub-Committee workplan
- Management Committee and staff structure

Key Performance Targets – 2023/24

Item		ARC Ind.	2023/24 Target
1	Percentage of 1st and 2nd stage complaints, including those related to equalities issues, responded to in full in the last year, that were resolved by the landlord.	3 & 4	100%
2	Percentage of total rental income lost through voids (general needs)	18	1%
3	Average time to re-let void properties (general needs)	30	24 days
4	Percentage of total rental income lost due to non-technical and technical arrears	27	3.8%
5	Percentage of factoring arrears	-	10%
6	Percentage of former tenant arrears	-	0.75%
7	Percentage of Anti-social behaviour complaints resolved fully by landlord	15	90%
8	Percentage of emergency repairs completed within target	-	100%
9	Average number of hours to complete emergency repairs	8	2 hours
10	Percentage of repairs completed within target for Right to Repair	-	100%
11	Average number of days to complete non-emergency repairs	9	3 working days
12	Average time taken (working days) to complete applications for adaptations once approved	21	50 days
13	Percentage of repairs completed 'right first time'	10	96%
14	Times in the year where we failed to complete a gas safety check within timescale	11	0
15	Percentage of properties with a passing EPC (Band A-D), not including statutory exemptions	-	100%