Molendinar
PARK HOUSING ASSOCIATION

# Business Plan

## Our Corporate Plan 2024-2027





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# EXECUTIVE SUMMARY

**This Business Plan sets out objectives and priorities of Molendinar Park Housing Association (MPHA) for the period 2024 to 2027, and how we will bring our plans to fruition.**

## The Association and What We Do

MPHA is a registered social landlord, a Scottish charity and registered property factor. We are led by a voluntary Management Committee that currently has eleven members: ten members who live locally, of which five are MPHA tenants. MPHA owns 496 properties and provides factoring services to 250 owner-occupiers. We also manage 78 shared ownership properties.

Since our formation in 1993 MPHA has built 268 new flats and renovated a tenement building in the Bellgrove area. The Association has won several awards for its developments in Bellgrove. In 1999 we purchased a Sheltered Housing Complex in Castlemilk and a small development around Finnart Square in Bridgeton from Scottish Homes. A year later we purchased 350 houses from Scottish Homes in Dalmarnock.

Our communities have high levels of deprivation and inequality. Glasgow's east end is also home to high levels of housing-led regeneration, and there has been a sustained increase in population which is continuing due to current new build development by social landlords and private developers.

Since 2020, MPHA and its tenants, like all other social landlords, have been confronted with a series of unexpected and significant challenges. Our response to the pandemic was swift and effective: we maintained services to our tenants throughout, whilst complying with all legislative requirements and good practice advice. We achieved compliance with new fire safety and energy efficiency standards as required and did not build up a significant backlog of routine or planned maintenance work. Our arrears were managed successfully and did not increase. No staff were furloughed; our staff supported tenants effectively whilst also working flexibly and constructively from home. We maintained good working relationships with our contractors, most of whom are local, and their co-operation was critical to our successful maintenance of responsive and planned maintenance services and sustained good performance. The unexpected and prolonged absence of our Director in 2021-22 was managed effectively using internal staff resources, with no adverse impact on tenant services or organisational performance.

Since 2022, the cost of living and wider economic crisis continues to be challenging for both MPHA and its tenants, but our prudent management enabled us to limit rent increases within the agreed parameters for the sector in 2022/23 and our financial projections remain strong. Our ability to adapt and respond successfully to these unexpected challenges is rooted in the solid foundations that underpin this Business Plan:

- Strong governance
- An experienced and committed staff team
- Excellent performance results for service delivery
- Very high levels of tenant satisfaction with our services
- A positive attitude to making changes and improving how we work
- Low levels of debt and a healthy cash position, which will enable us to invest in tenants' homes, maintain affordable rents and stay resilient in the face of economic uncertainty.

## Business Plan: Strategy for the Next Three Years

The Business Plan is based on the following **vision and mission** for the future, as set by the Management Committee:

Molendinar Park Housing Association aims to sustain and create thriving communities across all of our stock areas. We will do this by:

- Pursuing excellence in service delivery for our customers
- Investing effectively in our tenants' homes and neighbourhoods
- Being open and accountable to our tenants
- Investing in our people

This Business Plan sets out the detailed activities that MPHA will carry out to deliver our Mission and Vision, particularly in Year 1 (2024-25). Over the next three years, we will be satisfied that our Mission and Vision are being achieved with these results:

### Pursuing excellence in service delivery for our customers

Our tenants and customers are satisfied with their homes, neighbourhoods and our services. We respond quickly to repairs and complaints which we aim to resolve 'right first time'. Our performance is in the top quartile for the sector.

### Investing effectively in our tenants' homes and neighbourhoods

Our planned and cyclical maintenance services are delivered to meet all national standards and ensure tenants' homes are affordable and as efficient, warm and secure as possible.

### Being open and accountable to our tenants

We talk to our tenants and agree standards for our services that reflect what is important to them. We report our performance regularly to our tenants and consult about how we deliver services to keep pace with changing needs and expectations.

### Investing in our people

We empower our staff to deliver excellent services to our tenants and customers through continuous support, learning and professional development. Our Management Committee has an appropriate range of relevant skills, knowledge and experience and all members take part in ongoing learning and development.

Recognising the significant challenges which emerged during 2020-23, the Management Committee has determined that the overall strategy for the forthcoming period should be **consolidating our core business** for the benefit of MPHA's tenants and communities. We want to build on our existing high standards of service delivery and customer satisfaction by developing the way we deliver services and engaging more actively with our tenants. We will involve tenants and develop their role in monitoring performance, demonstrating value for money and shaping the future. To support our tenants, delivering our strategy will also include **developing our wider role activities to increase opportunities and improve quality of life for local people**. As well as providing high quality housing, we want to ensure that our neighbourhoods are popular and sustain thriving communities. We will seek access to grants and other funding to support tenants and their families to maximise their own potential and the potential of the places where they live.

The Management Committee has set six strategic objectives which are:

**1. SERVE**
our tenants by by providing quality, affordable homes, managed and maintained to the highest standards.

**2. INVEST EFFECTIVELY**
in our tenant's homes.

**3. ENGAGE**
openly and constructively with tenants and residents.

**4. CREATE & SUPPORT**
communites that are desirable and sustainable across all of our stock areas.

**5. DELIVER**
our promises and priorities, by making sure MPHA is well governed and financially sustainable.

**6. INVEST IN OUR PEOPLE**
to ensure high quality service delivery and effective governance.

# EXECUTIVE SUMMARY

Successfully achieving these strategic objectives will be evidenced as follows:

1. **Serve our Tenants** – we provide affordable, well-managed homes which comply with all relevant safety and quality standards. We are responsive to our tenants and seek to understand and meet their expectations in what we do and how we operate.

2. **Invest Effectively** – we plan our maintenance programmes to ensure that our tenants' homes continue to be high quality, desirable and safe places to live. We support local contractors by working with them to deliver our services and sustain the local economies. We learn from innovation and use our experience and knowledge to ensure that we deliver value for money for our tenants and customers.

3. **Engage Openly** – we communicate effectively and constructively with our tenants and residents. We consult with our tenants about the ways we communicate. We ask for feedback about what we do and how we perform, and we use this to improve and develop our services.

4. **Create and support desirable and sustainable communities** – we aim to be more than a landlord by working in partnership with other agencies to ensure our tenants and residents have access to information, advice and support. We will support neighbourhood initiatives that are focussed on improving community facilities and well-being. We will consult with our tenants about how they would like us to do this, recognising that individual communities have different priorities.

5. **Deliver our promises** – we protect our tenants' interests by setting and achieving high standards that are among the best in the sector. We are focussed on being financially sustainable whilst maintaining rents at levels that are affordable to our tenants and generate sufficient income to meet agreed standards and our long-term responsibilities. We ensure that governance is strong by adopting a prudent approach to risk, being accountable to our tenants, funders and regulators, complying with their requirements, ensuring that our management committee and staff are well equipped to meet our objectives through continuous learning and development.

6. **Invest in our People** – we provide training, support and a collaborative working environment to attract and retain highly competent and strongly motivated staff who are focussed on providing excellent services to tenants. We recruit committee members who are committed to MPHA's aims and objectives and those of the social rented sector and who have relevant skills, knowledge and experience and who participate in ongoing training to ensure that MPHA's governance and management are robust, compliant and reflect good practice.

## Business Plan Priorities

The remainder of the Executive Summary gives an overview of the priorities the Management Committee has set, to help meet our six strategic objectives. The priorities focus mainly on our activities during 2024/25, with a full review to be carried out in subsequent years to update and refresh the priorities in accordance with the strategic objectives.

### Key Actions by MPHA

**Affordable Rents**

- Annually assess our rents and proposed increases to ensure they remain affordable and competitive whilst ensuring we have sufficient funds to maintain and invest in our properties.
- Progress the implementation of the rent restructuring exercise to make rents for similar house types and sizes fairer and more consistent.
- Maintain the delivery of our successful dedicated welfare benefits advice service and explore further opportunities to enhance income maximisation for our tenants.

**Housing and repairs services**

- Sustain and further improve good performance results in service delivery
- Maintain our commitment to housing homeless households referred by Glasgow City Council Homeless Team, albeit the Council's management of referrals and future targets for referrals are significant concerns.
- Track tenant satisfaction with the repairs and estate management services, identifying and acting upon any improvements needed.
- Implement a programme of estate management visits and inspections, with additional frequency and attention to areas that require more attention.

**Tenant Engagement**

- Develop and implement, using sectoral expertise and good practice, the Tenant Engagement Strategy to expand and improve our engagement activities.
- Involve tenants in setting standards, considering value for money, monitoring service quality and influencing service delivery.
- Review our communications with tenants and owners to ensure that information about our services and activities is available in formats that meet their needs.
- Increase digital communications choices for tenants.
- Promote digital inclusion amongst our tenants to support them to access services and information.

**Universal Credit**

- Sustain our rental income by intensive and supportive arrears management.
- Encourage tenants to have the housing costs part of Universal Credit paid direct to MPHA.
- Maintain close operational relationships with DWP and Social Security Scotland.
- Ensure that our tenants receive regular information on benefits issues and promote access to our welfare rights advice service.

# EXECUTIVE SUMMARY

## Key Actions by MPHA (continued)

**Asset Management**

- Prepare for the implementation of new energy efficiency and carbon-neutral standards by ensuring comprehensive knowledge of stock, developing potential pilot schemes to ensure ability to respond to opportunities to test emerging solutions; monitoring sector research, funding and product development to inform MPHA's delivery strategy.
- Maintain and evidence our commitment to high levels of tenant and resident safety.
- Invest around £1.5 million in our tenants' homes over the next five years.
- Reduce voids-led major repairs as the investment programme progresses, and work across teams in monitoring all aspects of stock performance and agreeing actions required.
- Progress our commitment to lowering energy use and meeting the climate emergency commitment of zero carbon by 2045.
- Work towards holding all stock information on the Homemaster software system, including completion of work underway to incorporate data from our most recent stock condition survey.
- Exercise continued good governance to ensure we meet all legal obligations relating to tenant and resident safety.
- Review future options for cyclical painting to achieve optimum value for money.
- Continue to monitor demand, repairs/voids costs and lost rent – particularly in Dalmarnock.
- Continually monitor and implement improvements as required, to improve first time fix rates for responsive repairs.
- Seek best value for money when we are re-procuring contracts, including options for partnership working with other housing associations.

## Key Actions by MPHA (continued)

**Wider Role**

- Improve community awareness/visibility of MPHA.
- Continue to foster and strengthen MPHA's relationships with local community groups, service providers and other social landlords.
- Use our leverage and community presence to encourage local partners to deliver activities or services that will benefit the community.
- Identify and pursue funding sources (such as grants and charitable funding) to support our tenants, local communities and neighbourhood.
- Provide active support to other Housing Associations both neighbouring and sector wide to strengthen and support the community based housing movement.

**Organisation Management and Development**

- Continue to monitor and review MPHA's exposure to pension debt risks and past service debt contributions; the transition to defined contribution pension offerings is now complete with 4 legacy (final salary) staff members on the pre-2020 scheme.
- Maintain our hybrid working model to ensure accessible and effective services for tenants and maximise operational efficiency and effectiveness.
- Review our organisational structure to ensure adequate resources are available to continue to meet the needs of our tenants and customers.
- Promote our Staff Charter.

**Invest in our People**

- Maintain working practices and patterns to meet the needs of MPHA and its tenants and achieve a good work: life balance for staff that delivers maximum effectiveness and efficiency.
- Support our staff to achieve their full potential by providing learning, support and development opportunities.
- Promote our Staff Charter to embed MPHA's positive organisational culture in what we do and how we do it.

**Value for Money (VFM)**

- Develop a new value for money strategy that focusses on maximising and balancing operational efficiency and tenant satisfaction.
- Conduct evidence-based value for money appraisals when assessing performance and reviewing business or service areas that have a high impact on tenants or a high financial value.
- Apply VFM techniques to specific services and business areas, to aid decision-making.
- Continue to benchmark MPHA's service results, rents and costs with comparable social landlords.
- Deliver value for tenants through the Asset Management Strategy and investment programme (e.g. lower running costs and energy bills for tenants).
- Seek to establish an ongoing dialogue with tenants about value for money and how this can be improved.

## Key Actions by MPHA (continued)

**Governance**

- Review the effectiveness of our governance arrangements and contributions of our Management Committee members to maintain strong and effective governance.
- Maintain effective succession planning to ensure that the Management Committee retains the range of skills, knowledge and experience required to lead MPHA effectively.
- Support new and existing committee members to fulfil their role by providing effective training and development opportunities.
- Develop our tenant and community engagement strategies to ensure that the management committee has access to information about what is important to our customers, which can be used to inform decision-making.
- Develop our engagement activities to involve tenants in setting and monitoring service standards and delivery.
- Maintain assurance and compliance through effective monitoring, scrutiny and control.

**Sound Finances and Risk Management**

- Use the best information available when we are developing and reviewing assumptions for our budgets and longer-term financial projections (e.g. Bank of England for inflation and cost of borrowing).
- "Stress test" our future cashflows and the underlying assumptions & keep these under regular review in response to the uncertain economic situation.
- Maintain rents at levels that are affordable whilst continuing to generate sufficient income to meet our medium and long-term responsibilities.
- Carefully monitor our covenant compliance.
- Maintain a strong focus on effective risk management, by senior staff and the Management Committee.

# Introduction

This document is Molendinar Park Housing Association's Business Plan for the three-year period from 2024 to 2027.

The Business Plan sets out:

- The Association's strategic objectives and priorities.
- The strategic challenges and opportunities that will influence our work.
- Analysis of our core activities - housing services and asset management – and our plans for these areas.
- How we will ensure effective governance and organisational management and deliver good value for money.
- Our detailed financial plans and projections.
- The risks we might face and how we will manage them.

In implementing the Business Plan, we will:

- Provide the MC with evidence-based assurance about the achievement of the strategy, objectives and priorities it has set.
- Communicate the Plan to our staff team and make sure that our ways of working support the delivery of the Business Plan.
- Make sure that the Association continues to be sustainable and financially viable in the short, medium and long term.

The main audiences for the Business Plan are:

- The Association's Management Committee (MC) and staff team.
- Our tenants, who will receive a summary of the main contents of the Business Plan.
- Our partners and stakeholders.
- Our funders and regulators.

In preparing the Business Plan, we have referred to the Scottish Housing Regulator's Recommended Practice publications on business planning, and other relevant regulatory guidance.

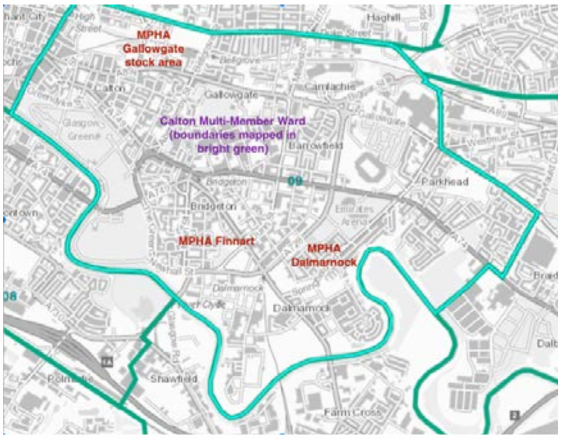
The Business Plan will be reviewed and updated annually.

# The Association's History and Achievements

Molendinar Park Housing Association (MPHA) was established in 1993 and operates to the east of Glasgow city centre. We own 496 properties for social rent in the Bridgeton, Bellgrove, Castlemilk and Dalmarnock areas of the city and provide factoring services to 250 householders in these communities. Our rented housing stock includes a very popular sheltered housing development in the Castlemilk area of the city.

With the exception of our 30 homes in Castlemilk, all of the Association's housing stock is located in the east end of Glasgow, within the Calton multi member ward. The following map shows the ward boundaries and where our housing is located.

Our housing stock is made up of properties which we have built ourselves and properties which we acquired from the former Scottish Homes, when tenants in Dalmarnock voted to transfer their tenancies to MPHA. Our developments have won several design awards over the years and are popular with tenants as they combine good design with energy efficiency.




# The Association's History and Achievements

Tenants tell us that they are happy with the quality of services that we provide: we carried out a tenant satisfaction survey in 2023 which confirmed that 91% are satisfied with the quality of service that they receive from MPHA. Our performance is higher than the Scottish average against most indicators that are used by the SHR to compare Scottish social landlords.

MPHA's original purpose was to regenerate the site of the former Meat Market and connect Dennistoun with the eastern edge of Glasgow city-centre. By the late twentieth century, this part of the city had fallen into decay because of decisions over a long period by, for example, the University of Glasgow, the railway and the Meat Market to re-locate to other parts of the city. The impact on the area was severe and the challenge was significant: to re-build communities in what had become an industrial wasteland and make the area an attractive, desirable place for people to live. MPHA celebrated its 30th anniversary in 2023 and we believe that we have succeeded in our original aim, have been a catalyst for change and are well-placed to meet the challenges of the future.

Our homes are popular and our services are well-regarded, although we constantly strive to deliver improvement to meet the changing needs and expectations of our tenants.

MPHA is a well-managed RSL which places a firm emphasis on strong, effective governance and compliance. MPHA is fully compliant with all legislative and regulatory standards: it has been identified as 'compliant' by the Scottish Housing Regulator since the introduction of published compliance status in 2019. We ensured that we achieved compliance with new standards relating to energy efficiency and tenant safety during the last business planning period, despite the impact of the pandemic. This Business Plan identifies the measures that we are taking to ensure that we continue to demonstrate high governance standards and maintain legal and regulatory compliance. We are mindful of the increased policy and regulatory emphasis placed on ensuring the safety of our tenants and residents and the priority given to tackling climate change: these will be the focus of specific attention during the period of this business plan.

## MPHA's Achievements: a summary

- The Association provides nearly 500 homes for rent in the Bellgrove, Bridgeton, Castlemilk and Dalmarnock areas of Glasgow.
- The Association also provides 78 homes for shared ownership, and we provide factoring services to 250 owner-occupiers.
- In the Bellgrove area, we have built 268 new flats and renovated a tenement building. In doing so, we redeveloped large areas of derelict land, reconnecting east end communities with the city centre. The Bellgrove developments have been highly acclaimed for their quality, winning several prestigious architecture awards.
- In 1999, the Association purchased a Sheltered Housing Complex in Drakemire Avenue in Castlemilk and a small development around Finnart Square in Bridgeton from the Government Housing Agency, Scottish Homes.
- A year later we purchased 350 houses from Scottish Homes in Dalmarnock. We reversed the long-term voids problem that previously existed in the area and we continue to invest in tenants' homes to make sure they meet present day standards.
- We have achieved excellent levels of customer satisfaction with most aspects of our services, and our service delivery performance is better than national averages for almost all Scottish Social Housing Charter indicators. The success of our repairs service is just one example of the high standards we provide for our tenants.
- We successfully introduced a dedicated Welfare Rights service in 2019, which is available to all of our customers; in 2023-2024 it generated £139,982 for our tenants through successful benefit claims.
- Our voluntary Management Committee has provided the Association with effective leadership throughout MPHA's history. Our present Management Committee members bring a range of skills and perspectives to their roles and are committed to ensuring the Association's continued success.
- We have a small staff team and a lean organisational structure. Our staff and customers know each other very well and we pride ourselves in providing a highly personalised service.
  - We continued to deliver services effectively to tenants and maintained compliance throughout the pandemic.
  - We achieved full compliance with new energy efficiency, fire safety and equalities requirements and met the published timescales.
  - We have successfully established a hybrid model of service delivery and working.
- We have created a successful social business that is financially sustainable, in both the short and longer term.

While we are proud of our achievements, we are also ambitious for the future. The Association will work hard to maintain and improve our performance, invest in our existing homes, contribute to sustaining vibrant communities and invest in our people. The Business Plan describes how we will address these objectives.

# Our Mission, Values and Strategic Objectives

## Mission Statement

Molendinar Park Housing Association aims to sustain and create thriving communities across all of our stock areas. We will do this by:

- Pursuing excellence in service delivery for our customers
- Investing effectively in our tenants' homes and neighbourhoods
- Being open and accountable to our tenants
- Investing in our people

## Values

In everything we do, the Association will:

- Be open, honest and transparent
- Listen to our tenants, and keep our promises
- Promote equality and be respectful to everyone we have contact with
- Be responsible in our management of the Association's resources
- Respect the environment.

# Our Mission, Values and Strategic Objectives

| Strategic Objective | Measures of Success |
|---|---|
| **1) To serve our tenants by providing quality, affordable homes that are managed and maintained to the highest standards** | • Tenant satisfaction levels demonstrate strong performance that is above the sector average.<br>• Full compliance with the Scottish Social Housing Charter<br>• The Association is aware of and planning for new Charter indicators on tenant and resident safety. The Association will keep up with changes to energy efficiency and sustainability standards.<br>• MPHA exceeds the Scottish National Average for all Charter Indicators and achieves “top quartile” results for the majority of service areas. The Association exceeds the Scottish National Average in levels of tenant and resident safety compliance. The Association is comparable with the National Average in most other indicators. The Association intends to prioritise tenant participation and value for money in 2024-2025<br>• Rents remain affordable for tenants, take account of the prevailing economic climate and ensure sufficient income to meet medium and long term responsibilities<br>• Tenants continue to receive a high performing repairs service, and we complete more repairs at the first visit |
| **2) To invest effectively in our properties** | • Asset Management Strategy implemented, with all building blocks for effective asset management working as intended<br>• Maximise use and benefits of Homemaster’s capabilities.<br>• Planned 5-year investment outcomes achieved across all stock areas.<br>• Improved housing quality achieved in our Dalmarnock tenement stock and demand sustained.<br>• All legal obligations for tenant safety met in full.<br>• High levels of tenant satisfaction achieved for reactive repairs and investment works.<br>• Meet all demands for heat and power without increasing carbon emissions to allow MPHA to meet its climate emergency commitment of zero carbon by 2045 |

# Our Mission, Values and Strategic Objectives

| Strategic Objective | Measures of Success |
|---|---|
| **3) To engage openly and constructively with tenants and residents** | • Increased involvement by tenants and residents in monitoring service quality and informing decisions that affect them.<br>• Develop and implement tenant engagement strategy with specialist support.<br>• Staff visible in communities through regular estate visits and contact with tenants; tenants invited to participate in estate walk-abouts.<br>• Tenant co-operation in enabling investment works to be carried out.<br>• New value for money strategy leads to more direct engagement with tenants on value for money issues. |
| **4) To create and sustain communities that are desirable and sustainable, across all of our stock areas** | • MPHA funding of Improved welfare rights advice service, provided by Money Matters.<br>• Tenants have improved access to the welfare rights service and financial gains are achieved and maximised for household incomes.<br>• Increased engagement with tenants informs ideas and priorities for community support services in MPHA communities. |
| **5) Deliver our promises and priorities by ensuring that MPHA is well-governed and financially sustainable** | • Maintain full compliance with regulatory and legal requirements; ongoing governance self-assessments carried out to provide continuous assurance.<br>• Financial business plan uses robust assumptions and results are stress-tested.<br>• Covenant compliance is monitored rigorously.<br>• Major repairs programme funded from existing resources, with capacity maintained to borrow as required.<br>• Financial support examined to achieve net-zero and energy efficiency standards to ensure compliance and sustain financial viability. |
| **6) Invest in our people** | • Regular support and Training available for staff.<br>• Structured learning and development programme delivered for Management Committee.<br>• Effective succession planning implemented for staff and committee.<br>• Staff Charter promoted effectively to embed positive organisational culture. |

# Strategic Analysis

**The Association's strategy and delivery will be subject to a wide range of influences, pressures and opportunities during the period of the Business Plan. This chapter begins by reviewing the local context in the communities we serve, before moving on to examine the key external factors that we need to take account of in our planning for the future.**

## The Local Operating Context

### Summary

The Association is a mature and stable organisation. We can demonstrate strong performance in service delivery, high levels of tenant satisfaction, and financial viability in the short and long term.

Demand for our housing is generally good. While we have higher turnover and costs for our interwar tenement stock in Dalmarnock, this has not prevented us from letting stock in this area, which continues to be a stable community. We monitor stock performance in Dalmarnock closely, and the Business Plan describes our plans for bringing about improvements through investment and careful management.

Compared with Glasgow, our customer base has significantly more older residents, single person households, and people with health or disability issues. This has implications for our own service delivery, and for the agencies responsible for meeting health and social care needs.

There are high levels of deprivation in all of the Association's stock areas, and this is most concentrated in Dalmarnock.

Glasgow City Council projections indicate that, in the period to 2034, the Calton multi -member ward will have one of the highest rates of population growth in the whole of Glasgow, and this is expected to be particularly strong for people of working age. The area already has a high proportion of people aged under 35, and the market share of the private rented sector in the Bridgeton/Calton areas is significantly higher than the city average.

We expect population growth to help sustain our neighbourhoods and demand for our homes, and to be a catalyst for regeneration. Glasgow City Council is currently giving priority to east end communities, such as ours, in its decisions about funding for the construction of new homes. We recognise that other RSLs are developing sites within our area which will give more choice to people seeking to live in the East End: we are confident that our very strong performance in maintenance and customer service delivery will ensure that our properties continue to be attractive to new tenants. Our stock in Dalmarnock is also experiencing 'competition' from new developments and we anticipate that, in the medium term, challenges with demand and housing quality may emerge, particularly because of new energy efficiency standards.

We have an experienced and efficient staff team, who have a wide range of relevant experience. Our size and staffing structure means we are exposed to "key person risk", i.e. ensuring continuity if a key member of staff leaves the organisation. We seek to counter this by working collaboratively, sharing information and knowledge amongst team members and prioritising effective and comprehensive record-keeping. The benefits of a well-established team have been demonstrated by the resilience we evidenced during the pandemic and the extended and unexpected absence of our Director in 2021/22.

# Strategic Analysis

## The Wider Operating Environment

The wider environment in which we work, and the requirements set by external bodies will each have a major impact on the Association's strategy and operations over the Business Plan period. The Association will update our assessment of impacts and risks on a regular basis. At the time of preparing the Business Plan, these are the factors likely to prove most challenging.

## Post-Pandemic Recovery

The global recovery from the significant and disruptive impact of the Covid-19 pandemic has been slow and disjointed. Supply chains continue to be seriously affected, with shortages of supplies and components, compounded by fragile and uncertain economic performance. These global weaknesses have been compounded in the UK by the impact of Brexit. Labour supply in the UK generally and Scotland specifically has been adversely affected, leading to shortages in key areas such as construction, maintenance, health and social care. Shortages, whether of components or people, are adding to inflation pressures: the direct impact on MPHA has been a significant increase in asset management costs. We have been largely insulated from the impact on labour supply by our close and constructive relationships with local contractors. As a result of very high construction costs and the inherent risks associated with development activity, MPHA has concluded that it will not seek to develop new housing during the term of this business plan.

# Strategic Analysis

## UK Economy

The response of the UK Government to the unprecedented levels of public spending committed during the pandemic has been to seek to restrict public spending over the short-term in order to satisfy specific domestic fiscal targets. Following the ill-fated 'mini budget' of the Truss administration in September 2022, the UK economy suffered a serious shock which is only gradually being 'worked out'. Inflation is currently running at around 3% and the Bank of England base rate is currently 5.25%. Inflation is regarded as likely to have passed its peak; although the outlook remains uncertain, the expectation is that interest rates will fall during the second half of 2024. This has resulted in the maintenance of what is known as 'austerity budgeting' as a characteristic of public spending policy. Public sector pay continues to be tightly controlled, leading to considerable dissatisfaction and consequent wide-spread strike action. For Scotland, public spending control has meant a reduction of 5% in the funds allocated, based on the Barnett formula, between 2021/22 and 2022/23[1]. Funding for local government and housing have come under significant pressure, whilst the Scottish Government seeks to prioritise funding for reducing child poverty, closing the educational attainment gap and funding health and social care, in addition to promoting challenging environmental targets. The Scottish Budget announced in December 2023 confirmed a freeze on council tax for 2024/25 and reduced planned housing expenditure significantly. Restricted public finances threaten the quality of MPHA's neighbourhoods as GCC restricts and withdraws from service provision, which impacts our residents' satisfaction with their homes and where they live. Meeting challenging new energy efficiency standards to contribute to the achievement of ambitious net-zero targets is likely to require significant investment in our properties which could impact on rent affordability.

This uncertainty created by pressures is compounded by the UK General Election in July 2024, recent political change in the Scottish Government and the fixed-term Parliament requirement for Holyrood elections in 2026.

# Strategic Analysis

## Cost of Living Crisis and Rent Affordability

The invasion of Ukraine in February 2022 had a dramatic effect on energy costs, which rose to unprecedented levels in 2022. The UK government sought to limit the impact on households through control of the Energy Price Guarantee and, although the Scottish Government continues to make funding available to tackle poverty, funding to address fuel poverty was a victim of the 2023 Budget announcement. Household budgets are under severe pressure, partly because of the effect of the conflicts in Ukraine and in the Middle East requiring alternative sources for gas supplies and more secure supply routes. The Scottish Government responded to the economic crisis by imposing a ban on rent increases in September 2022; although this ban did not impact on MPHA and was not continued beyond 31 March 2023 in the social rented sector. Although it has been confirmed that statutory rent controls will not be introduced for social landlords, pressure to limit rent increases remains.

## Revised Scottish Housing Regulator Regulatory Framework

MPHA is identified as being Compliant by the SHR, who does not require any additional assurance from the organisation. MPHA maintains a comprehensive Evidence Bank to support continuous assurance and places a high priority on effective governance. We meet all current safety, quality, environmental standards as well as our legal and regulatory obligations. Following consultation, the SHR introduced a revised Regulatory Framework on 1 April 2024: MPHA will continue to follow good practice and keep processes and practices under review to maintain compliance.

## Scottish Government targets on Climate Change and Energy Efficiency.

The Scottish Government has proposed a new Heat in Buildings Standard, to be achieved by 2045, and a new Energy Efficiency Standard to be achieved by 2032. This is based on all homes in the social housing sector meeting EPC Band B by 2032, with a further goal for all social housing in Scotland "as far as reasonably practical" to be carbon neutral by 2045. While this is not a short-term threat, the technical feasibility and financial affordability of meeting these requirements will present huge challenges for all social landlords in Scotland. MPHA is committed to working with the Scottish Government to work towards these new energy efficiency targets.

## New approaches to meeting homelessness

Homelessness in Scotland is increasing and the SHR is engaging with most local authorities, including GCC, about their compliance with their duties to homeless people. The Scottish Government and local authorities are seeking rapid reductions in the use of temporary housing, with "settled" housing provided from the outset along with any support required. This will improve access to housing for homeless people, while reducing access for other applicants. Liaison between housing associations and GCC to support effective nominations needs to improve. A major investment in support services would also be needed. The Housing Bill which was introduced to the Scottish Parliament in 2023, includes enhanced landlord duties to prevent homelessness. GCC is one of five Scottish local authorities to have declared a 'housing emergency' because of the under-supply of suitable affordable housing to meet needs and demand.

## A new financial framework for housing development

Construction price inflation has been very significant as a result of the impact of Brexit, the pandemic and, more recently, by the crisis in the Middle East. The Scottish Government continues to plan for the delivery of 110,000 new affordable, energy-efficient homes by 2032, but there is significant sector concern about the capacity to achieve this target because of global pressures and reductions in the Affordable Housing Investment Programme for 2023/24 and 2024/25. The Scottish Government intends to review the 'deliverability' of this aim during 2024. GCC's Local Housing Strategy for the period covered by this business plan prioritises the provision of larger family homes, including in MPHA's communities. MPHA has, because of the current environment, decided not to resume development activities during this business plan period.

The Association's ability to manage these and other external risks is often limited, for example in relation to factors such as Brexit, interest rates, inflation or government policy on taxation or housing benefit. However, we can and must ensure that our financial planning assesses the Association's exposure should such risks occur, and the resulting implications for our overall strategy. Achieving our objectives will continue to demand a sustained focus on sound and stable governance and strong financial management.

[1] John Swinney MSP in his budget address to Holyrood (21 February 2023)

# SWOT Analysis

The following table is the result of MPHA's consideration of its current health'. It presents a summary of MPHA in 2024.

| STRENGTHS | WEAKNESSES |
|---|---|
| • Strategic, well- informed committee<br>• Committed to staff and committee development and training<br>• Strong Leadership Team<br>• We know our stock and the area and its infrastructure<br>• Staff motivated and engaged with a strong community ethos<br>• We understand our tenants, shared and factored owners<br>• Stable Management Committee with a good variety of skills and knowledge<br>• Good performance – arrears, relet times, low/ competitive rent<br>• Variety of services on offer to support our customers e.g. money matters<br>• Small, local and responsive – staff have a one-to-one relationship with tenants, applicants and shared and factored owners<br>• Financially stable<br>• Effective internal / external audit<br>• Awareness of our external environment<br>• Strong regulatory compliance<br>• Effective engagement with external bodies<br>• Strong business continuity practices<br>• Up-to-date stock condition information<br>• SHQS & EESSH compliant<br>• Strong and effective focus on tenant and resident safety<br>• Strong relationship with contractors<br>• Robust IT systems | • Small staff team<br>• Tenant participation and improvement culture around complaints lessons learned<br>• Investment in our older stock which does not attract external funding e.g. back courts<br>• Further improvements in our approach to estate management required<br>• IT potential not fully realised in our organisational management practices<br>• We do not hold enough information about our tenants to be able to provide targeted support<br>• Low membership rate/ not engaged.<br>• Limited opportunities to expand or re-configure the office<br>• Demonstrating value for money<br>• External environment<br>• Succession planning |

# SWOT Analysis

| OPPORTUNITIES | THREATS |
| --- | --- |
| • More chances to collaborate and explore potential savings through procurement etc and strengthen relationships with existing partners.<br>• Opportunity for more visible staff team in communities<br>• Increase asset management focus i.e. visibly more investment going into stock/ value for money<br>• Understand our processes to improve our service delivery<br>• Attracting grants; to help our tenants through hard times.<br>• Develop our wider role activities to enhance tenants' and residents' opportunities and improve the quality of our neighbourhoods.<br>• Engage better with our customers through a tenant participation strategy / focus group<br>• Employer of Choice – ensuring MPHA is a great place to work by having progressive HR policies and a good culture to work in.<br>• More flexibility in our recruitment to diversify our workforce<br>• Continue to invest in our committee and staff | • Impact of economic volatility on MPHA and tenants<br>• Achieving Scottish Government energy efficiency measures: net zero targets and EESSH 2 / SHNZS whilst maintaining affordability and demonstrating value for money<br>• Potential that our stock will be in competition with new build developments by other RSLs active in MPHA's areas<br>• Low demand for specific properties<br>• Impact of GCC reductions in services on MPHA communities and levels of tenant and resident satisfaction with their neighbourhoods<br>• SHAPS pension scheme<br>• Brexit / world events i.e. cost of materials<br>• Local contractors retiring / loss of knowledge<br>• SHR – current and future regulatory requirements<br>• Local Authority Resources e.g. section 5s, adaptations, cleansing services, social work / NHS locally – withdrawal of services leaving us to pick up the pieces.<br>• Change in welfare benefits<br>• Lack of funding opportunities<br>• Tenants seeing our properties as a short term let, not somewhere they would stay long term.<br>• EESSH2 / Housing Net Zero Standard (SHNZS): is unachievable and/or unaffordable.<br>• Rising needs of larger population of older people<br>• Balancing a) affordability with b) better homes and c) higher expectations from the Regulator<br>• Local employers laying off staff or moving on/closing down/ fragile local economy.<br>• Staff and committee retention, loss of skill and knowledge<br>• Challenge of recruitment in certain key areas leaving skills gaps/ skills shortage in the sector in general |

# Governance


## Constitution

MPHA is a charitable Housing Association which is constituted as a Registered Society in accordance with the Co-operative and Community Benefits Act (2014): our FCA registration number is 2400RS. Our Rules are based on the Model produced by the Scottish Federation of Housing Associations (SFHA) in 2020. We are also a Scottish Charity (OSCR Registration SC043725). We are a Registered Social Landlord (RSL) with the Scottish Housing Regulator (Registration 274) and are assessed as being compliant by the SHR: our Engagement Plan for 2024 confirmed that the SHR does not require any further assurance.

## Membership

Anyone who is a tenant or customer of MPHA, or who is interested in and supports our aims and activities, can apply to join the Association, in accordance with the Rules, Membership Policy & Action Plan. Membership costs £1 and Shareholding Members elect the Management Committee at the Annual General Meeting. Shareholding members can also stand for election to the Management Committee.

## Management Committee

MPHA is led by a voluntary Management Committee which currently has eleven members who are all volunteers: ten live locally and five are MPHA tenants. The Chair lives locally and receives factoring services from MPHA; the vice-Chair is a tenant of MPHA. We are proactive about succession planning, have recruited new committee members and ensured a smooth transition to new office bearers in 2022.

The Management Committee is responsible for:

- leading and directing MPHA
- setting the strategy
- overseeing performance and compliance
- ensuring that our services meet the needs of tenants and other customers
- setting and monitoring the budget to both cover our costs and maintain rents at affordable levels
- employing staff

# Governance

All committee members have valuable skills, knowledge and experience which they use to support MPHA. In addition to knowledge of the local area and being a tenant / service-user of MPHA, committee members also have valuable and relevant work / professional experience including in the fields of architecture, finance, housing, IT and health and safety. As well as bringing existing skills, knowledge and experience, committee members have access to training when they join to enable them to fulfil their role. Ongoing training, development and support are provided by MPHA and other agencies to ensure that committee members can keep up to date and, each year, committee members have the opportunity to review their contribution and the effectiveness of the committee as a whole.

MPHA's Rules permit a maximum of fifteen committee members and the Management Committee intends to recruit additional members during the period of this Plan as part of its ongoing succession planning. Members can be either share-holding members who are elected at the AGM or people with particular experience who can be 'co-opted' to the committee. Not more than one third of members can be co-opted: there are no co-optees currently.

Details of the membership of the Management Committee are available from our website (www.molendinar.org.uk). The Management Committee usually meets ten times a year; additionally, the Committee holds an annual Away Day which is also attended by staff: it provides an opportunity to review progress, consider new initiatives and agree future plans and priorities. We are members of SFHA and the Glasgow and West of Scotland Forum (our Director is a Lead Member and one committee member is an elected Board Member on GWSF): these organisations provide committee members and staff with access to good practice advice, sector information and training.

## Our Governance Structure

The current governance structure is a consequence of a Review that was undertaken in 2018 and which emphasised the key responsibilities of the Management Committee (strategic direction and leadership, compliance and performance) and delegated responsibility for scrutiny in specific areas to two sub-committees. As part of our ongoing review of the effectiveness of our governance, we now have only one sub-committee which is focussed on service delivery.

The Management Committee is supported by the Director, who is also the Association's Secretary. The Finance, Audit and Risk responsibilities previously held by a sub-committee (management accounts, internal audit reports and risk) are now fulfilled by the Management Committee. The Management Committee is supported in these areas by the Depute Director, with input from our finance agent. The Services sub-committee, which reports to the Management Committee, meets four times annually and considers all aspects of service delivery and performance; it is supported by the Senior Housing Officer.

**Management Committee**

**Services sub-committee**

The Management Committee may establish short-life working groups to take forward specific ideas and make recommendations to the Management Committee. A working group oversaw the plans to mark MPHA's thirtieth anniversary in 2023.

The quality of reporting to the Management Committee is reviewed as part of the annual committee effectiveness reviews and is regarded positively by the Management Committee: agendas and reports have been reviewed and streamlined and, as a result, committee members feel well- informed and able to influence MPHA's policy and activities. The Management Committee actively monitors MPHA's compliance and, in 2021, introduced additional reporting to maintain continuous assurance.

MPHA's staff structure has eleven permanent posts. More details on staff structure can be found in section 6.

# Key Governance Activities and Business Plan Priorities

### Maintaining Effective Governance

During the period of this Plan, we intend to review our governance structure to ensure it continues to be effective and meet evolving regulatory requirements and developing good practice. In Year 1 of this Plan, we will develop and implement a structured learning and development plan for the Management Committee, informed by the annual effectiveness reviews, to ensure committee members continue to be well supported and well-informed. We will ensure that the tenant engagement strategy that we intend to develop incorporates effective arrangements to support good information flow between tenants and the committee.

### Succession Planning

The Management Committee has agreed and adopted a profile which describes the range of skills, knowledge and experience that it needs to lead MPHA to successfully deliver its aims, objectives and priorities. We will review the profile in 2024 to reflect MPHA's strategic objectives – as set out in this Plan – and the changing operating and policy environments that we must take account of. Targeted recruitment will be undertaken in 2024/25, in addition to inviting nominations from existing members, to ensure that the management committee has the range of skills necessary to support the delivery of this new Business Plan. Looking ahead, the Management Committee will support members to take on additional responsibilities to ensure that office-bearing roles can be filled effectively.

### Being Accountable to MPHA's Communities

MPHA's tenants consistently confirm that they are satisfied with the quality of services provided by their landlord and with opportunities to consult. MPHA is committed to engaging effectively with the communities where its housing stock is located: in developing our Tenant Engagement Strategy, it will be a priority to develop effective and varied ways of actively engaging with our communities and involving tenants in scrutinising our performance.

### Membership

By joining the Association, anyone who lives in one of our communities or who supports our aims and objectives can become involved in helping to shape our plans. We will actively engage our members in consultations and circulate information about our plans.

### Compliance

Strong accountable governance is critically important to MPHA. We recognise that good governance is an ongoing priority that has to be actively supported and managed. We have developed a comprehensive evidence bank to support the Management Committee in maintaining assurance and to sustain our compliance with the Regulatory Standards of Governance and Financial Management. We will monitor our levels of assurance and compliance regularly throughout the year through periodic reporting to the Management Committee. We will ensure that our staff and committee maintain their knowledge of evolving legal and regulatory requirements and emerging good practice through structured and continuous learning, development and participation in sector forums and other events.

# Staff Team

## Organisational Structure

MPHA prides itself on having a lean organisational structure which performs efficiently and effectively. This was demonstrated during the pandemic when we were able to transition easily and quickly to a remote working model, whilst maintaining our service quality to tenants. We have successfully established a hybrid working model which we continue to monitor to ensure ongoing effectiveness.

MPHA has a relatively low level of staff turnover; whenever a vacancy arises, it is reviewed critically to determine how best to meet the organisation's changing requirements. This approach has resulted in some modifications being made to the organisational structure over recent years.

The structure has eleven permanent posts, as shown below:

- **Julie Smillie** Seconded to Reidvale Housing Association from April-September 2024
- **Scott Rae** Interim Director & Head of Asset Management
  - **John Mallon** Senior Housing Officer
    - **Morag Henry** Senior Housing Assistant
    - **Martin McLeod** Housing Assistant
    - **Olivia Rooney** Warden, Drakemire
  - **Kathleen Torrance** Maintenance Officer
    - **Martin O'Neill** Maintenance & Customer Services Assistant
  - **Lindsay Gibb** Asset Compliance Officer (P/T)
  - **Susan Paton** Corporate Services & Compliance Officer (P/T)
  - **Beth Anderson** Finance Officer (P/T)

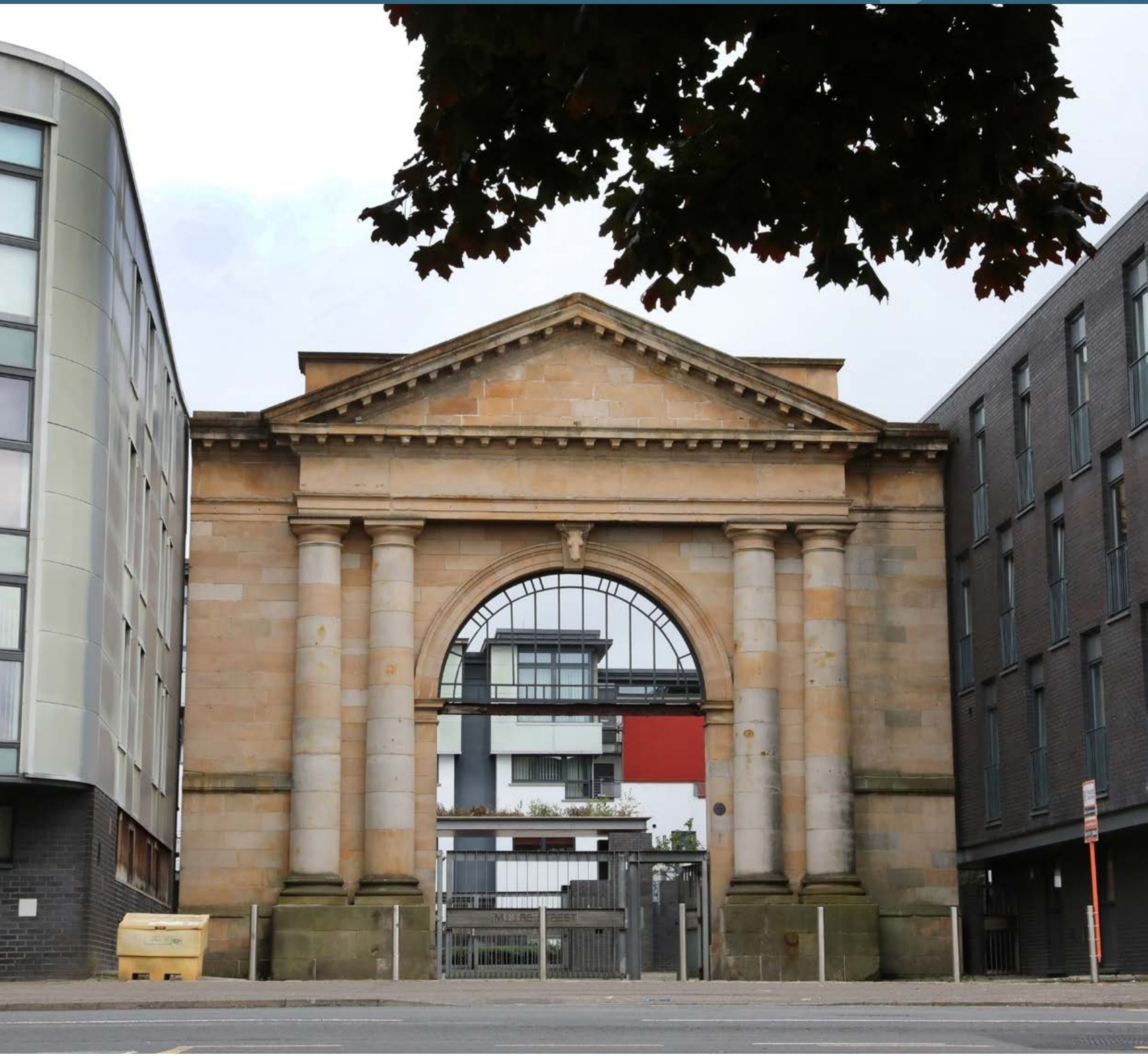
The Director leads the staff team and is directly accountable to the Management Committee for all of the Association's operational activities.

All of MPHA's services to tenants and owners, as well as well as our corporate services and governance functions are provided in house.

Our finance function is managed by recognised experts in the sector. FMD specialise in providing agency services, and this has meant that MPHA is able to benefit from their sector experience and expertise as well as their specialist financial expertise. MPHA employs a part-time Finance Officer to support FMD's work.

The Management Committee has agreed that MPHA should seek to recruit and train a Modern Apprentice during the life of this Plan.

# Organisational Management and Development



## Director’s Secondment in 2024

The Director has been seconded to work at Reidvale Housing Association (RHA) for an initial period of 6 months starting from March 2024, following an approach from Reidvale HA and careful consideration of the risks and benefits by MPHA ’s management committee.  The Director and Interim Director (previously Depute Director) have developed a detailed plan to ensure that business operations are maintained without disruption.  The MPHA Management Committee has kept the staff, stakeholders, and the Scottish Housing Regulator informed about the secondment and will continue to review the arrangement to ensure that MPHA, its tenants and stakeholders are not adversely impacted.  MPHA is committed to assisting and supporting the community-based housing association sector wherever possible and the Director’s secondment is evidence of MPHA’s ongoing commitment to using our expertise to support and assist others in times of need.

# Operational Plan

## Business Plan Priorities

In 2024/2025, our priorities will be as follows:

- To keep MPHA's exposure to pension risks under close review.
- To review the implementation and impact of any new statutory or legislative changes to FOI.
- To continue to comply with our legal and regulatory obligations, through our corporate, service and asset management delivery function.
- SHNZS: contribute to Scottish Government consultation and consider implications of recommendations for MPHA's stock to meet standard. Begin to explore measures of becoming net-zero by the Scottish Government's target of 2040.
- Grow and develop our committee. We will provide ongoing training and resources to enhance their skills, knowledge, and capabilities.
- We will invest in continuous learning opportunities for staff, both through internal and external training, workshops, and conferences. By empowering our staff with the necessary tools and knowledge, we will deliver high quality services for our tenants and residents.
- We will enhance our efforts to actively involve tenants in decision-making processes and seek their feedback on our services. We will foster a culture of open communication and collaboration, using innovative methods such as digital communications and feedback survey tools that meet their needs and expectations. We will develop a tenant engagement strategy in 2024.
- We commit to implementing robust succession planning practices for both our staff and committee members. We will assess skill gaps, identify potential successors, and provide necessary training and mentoring to prepare them for future roles.
- Budget management is a key priority, we will continue to develop our sound financial practices and further implement efficient budgeting processes that align with our strategic objectives. By closely monitoring expenditures, optimizing resource allocation, and implementing cost-saving measures, we aim to ensure the financial health of our organisation and maximize the value we deliver to our tenants.

# Value for Money


We will prioritise a value for money focus and a value for money exercise will be conducted along with a value for money strategy being implemented, in consultation with our tenants. This is rooted in the less favourable 2023 tenant satisfaction survey results where a proportion of tenants felt that value for money was not evident in the work of the Association. We will work on a value for money strategy which will balance the desire to deliver high-quality services while keeping rents affordable.

The pursuit of Value for Money (VFM) will be one of the Association's main priorities over the lifetime of the Business Plan. This is because:

- We are committed to providing tenants with quality homes and services, at affordable rents
- Like all social landlords, we must accommodate the impact of new statutory and regulatory obligations, which are increasing year on year.
- We must maintain reasonable headroom in our business plan, so that we can maintain our services and financial well-being in times of considerable economic risks and uncertainties.

VFM is not about cutting costs for its own sake. Instead, **the Association's VFM objectives are about:**

- Making the best use of our resources for the benefit of our tenants and neighbourhoods
- Continually improving the value that tenants receive from us – whether this relates to the rents we charge, or the range and quality of the services we provide, or both
- Making sure we are efficient and effective in how we work – doing the right things in the right way, with as little waste of our human and financial resources as possible
- Making sure we continue to be a financially strong and sustainable social business.

The ways in which the Association will demonstrate VFM is in our current evidence base on VFM, in the following areas:

- Service delivery
- Tenant satisfaction
- How our rent levels compare with other social landlords in the east end of Glasgow
- The affordability of our rents to tenants
- The Association's costs and resources

# Strategic Risk

- Strategic Risk Register and Key Risks
- The Association's Most Significant Strategic Risks
- Based on the scoring used in the Strategic Risk Register, MPHA's eight most significant strategic risks.

| Risk Area/Specific Risk | Likelihood (without controls) | Impact (without controls) | Risk Score/ Priority (without controls) | Existing Co |
|---|---|---|---|---|
| Impact of External Built Environment on the stability of the Association | 3 | 4 | 12 | An awareness of neighbouring development. Regulatory char levels of service are maintaine our communities. Networking |
| Rent Setting and Affordability | 3 | 3 | 9 | Rent consultation. Benchmark of Rents whilst ensuring Inves affordability tools. |
| Inability to demonstrate Value for Money | 3 | 3 | 9 | Ability to demonstrate value fo Effective service provision. Ef maximisation. Low level of arr |
| Failure to recognise the impact of the external environment | 4 | 4 | 16 | Responding to Scottish and Ce awareness of Legislative char current worldwide events. Aw and ensuring that financial saf projections. Awareness of and changes. |
| Regulatory Requirements. Failure to maintain effective governance and financial viability. Reputational risk. Failure to meet Regulatory Standards of Governance and Financial Management | 4 | 4 | 16 | Effective Governance. Assura bank. Internal and external au returns are submitted on time thematic studies. |
| Failure to demonstrate Regulatory Compliance | 4 | 4 | 16 | Ensuring there is robust repor compliance across all aspects Management Strategy and a co and Procedures. |
| Failure to make best use of Financial Resources | 5 | 4 | 20 | Robust practices in place to m 5- and 30-year plans develope Good relations with Lenders. / financial returns submitted to Strong internal financial contr<br><br>Monitor the pensions risks fac return of the past service defic |
| Failure to maintain high levels of satisfaction across our services | 3 | 2 | 6 | Detailed Policy and Procedure<br><br>Realistic Targets set. Tenant s management of contractors. F Compliance monitoring. Netw |

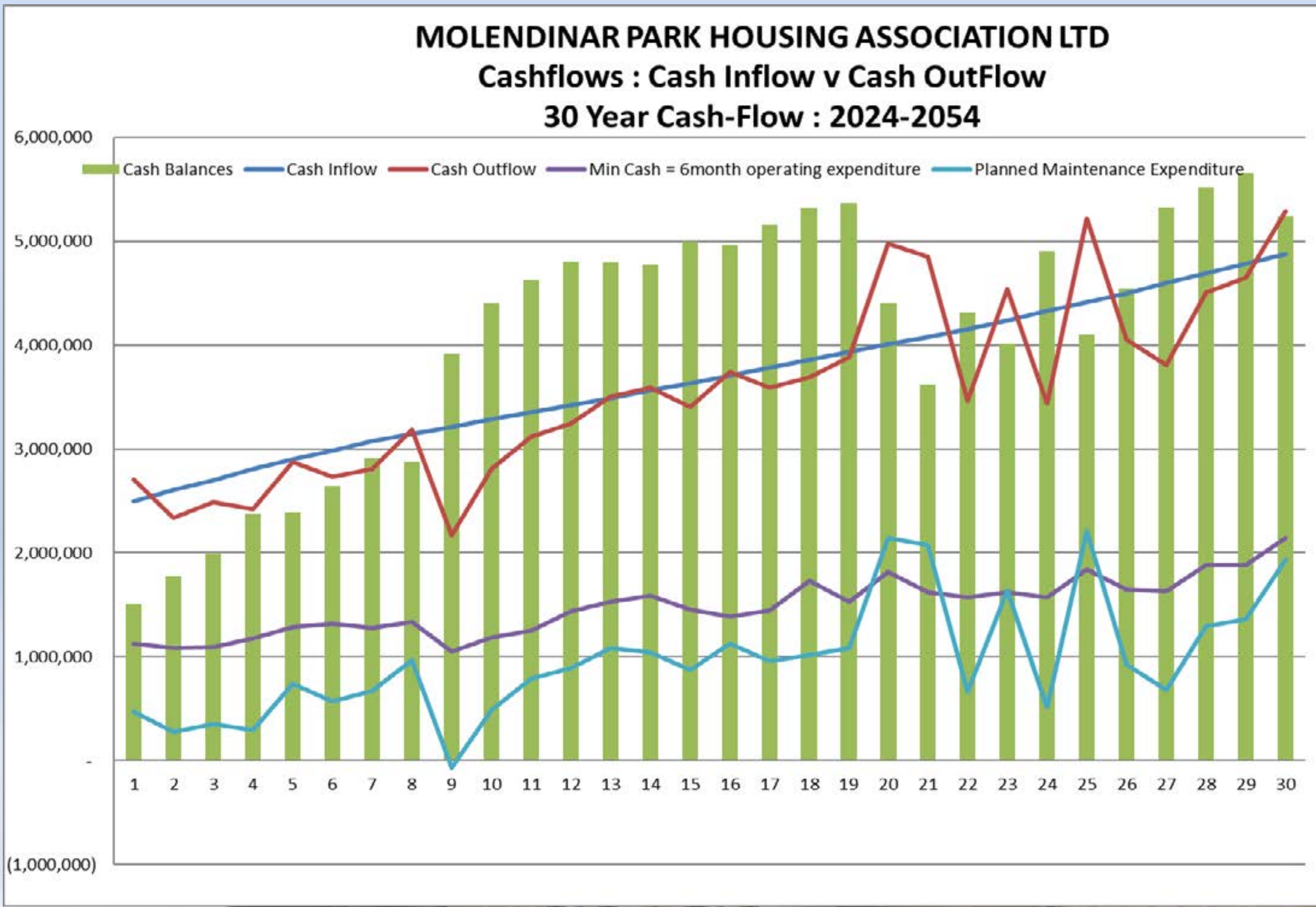
- The Risk Register is a snapshot of risks at a given point in time.
- The Register is updated quarterly by management and then reviewed by the management committee.

# Strategic Risk

| ontrol/Actions | Further Controls Needed | Likelihood With Controls | Impact With Controls | Risk Score/ Priority (with controls) |
|---|---|---|---|---|
| g landlords and any new planned nges or practices. Ensuring high ed. continued engagement with g with neighbouring Associations. | Continued dialogue with neighbouring Associations. Awareness and respond to Regulatory changes. | 3 | 3 | 9 |
| king. considering the Affordability tment needs are met. Rent | Continued use of agencies such as GWSF and SFHA. Awareness of external financial impacts that would drive rents up. Monitoring spend and investigate ways that the Association can be more cost effective | 2 | 2 | 4 |
| or money across the Association. fective budgeting. Income rears | Development of Value for Money Strategy. | 3 | 2 | 6 |
| entral Government Policies and nges. Understanding the impact of areness of changes in the sector feguards are built into the 30yr d responding to any regulatory | Remain vigilant and responsive. Ensure good relations with Sector agencies and forums. | 3 | 3 | 9 |
| nce Statement and Evidence dits. ensuring regulatory . Awareness of SHR updates and | Development of Action Plan to self asses the Association against the regulatory standards. Continue to update policies and procedures. | 3 | 3 | 9 |
| rting and monitoring of s of tenant's safety. Effective Asset omprehensive suite of Policies | Regular reviews of the Asset management Strategy. Swift responses to any regulatory or legislative changes. Continued use of the HUB system.<br><br>Sharing best practice within the sector and keeping up to date via forums etc. | 3 | 2 | 6 |
| anage the Association's finances. ed. Regular updates of Policies. Annual external audit. All the relevant agencies timeously. rols.<br><br>ing the sector regarding the cit contributions. | Continue with current controls. Awareness of regulatory changes. Responding to volatile external environment and mitigating risk where possible. Investigate alternative Insurance arrangements | 3 | 3 | 9 |
| s in place.<br><br>atisfaction surveys. Appropriate Procurement practices. orking. Best practice. | Develop Tenant Participation Strategy. Remain focussed on high levels of customer service. Introduction of Focus Groups. Respond to any Regulatory or legislative changes. Continue to network and adopt good practice. Seek opportunities on collaborative working. | 2 | 2 | 4 |

# Financial Plans & Projections

The 30 Year Projections are based on prudent assumptions and were last updated in March 2024 for the business plan/ SHR FYFP 2024 return and the chart below summarises the base case position:




# Financial Plans & Projections

- Two key financial viability objectives are to ensure that there are sufficient cash reserves to meet obligations as they arise and to comply with lenders' financial covenant requirements.
- The Association is projecting that surpluses will be made throughout the 30 Year Period and that Cash is expected to rise from approximately £1.7m to £1.9m by year 2027 and then to £5.2m by Year 30.
- The chart shows that annual Cash Outflow is particularly sensitive to Planned Maintenance expenditure cost centre over the entire period as the graphs move in synchrony.
- Covenants are met throughout the period with some tightness in the Interest Cover at Years 5 & 8.
- The resilience of the business plan was tested firstly via a range of negative individual sensitivities such as increases in voids & bad debts, rising maintenance and overhead costs.  Generally, this show cash viability being sustained with some covenant breaks appearing between years 5 to 8 which would require some active management.
- The greatest long-term impact on the Association's future cash flows would result from a reduction of net income of £100k per annum and EESH2 being part funded 50% by the Government.
- A combination of the individual sensitivities was also applied to the base case.  This is particularly relevant to the current operating environment where RSLs are exposed to a range of new and different risks and uncertainties.  As would be expected the incidence of a number of scenarios occurring at the same time places future cash flow under greater pressure.

# Implementing and Reviewing the Business Plan

## Roles and Responsibilities

The Director is accountable to the Management Committee (MC) for managing the Association's overall performance, including the delivery of the Business Plan and the priorities it sets out.

Committee scrutiny will include:

- Reviewing overall performance in relation to the Business Plan twice a year, at the mid-year point and when approving the following year's Plan.
- Reviewing financial performance, and services performance against Key Performance Indicators (KPIs), as part of the ongoing cycle of committee meetings during the course of the year.

## Oversight of Risks

The Management Team will maintain oversight of risks, and report to the Management Committee any emerging risks to the Association's strategic objectives, financial position or reputation. As directed by the Management Committee, the Association may undertake additional risk analysis and reporting for designated business areas.

## Operational Monitoring

Departmental plans to deliver the Business Plan are overseen by the Director and senior staff. Delivery priorities will be discussed with the wider staff team to give all colleagues a strong connection with our organisational aims and priorities and their role in meeting these.

For cross-cutting issues such as asset management, budget-setting and value for money, the Director will ensure that the appropriate staff members are involved in the work that needs to be carried out.

## Annual Business Plan Updates

The Business Plan will be subject to an annual review in years 2 and 3 of the planning period. This means that we will update elements of the current plan, rather than producing a new Business Plan from scratch every year.

The review will include the following elements:

1. Review achievement against the Action Plans approved for the previous year, covering the key service/activity areas described in the Business Plan.
2. Update the strategic analysis, to identify any new or altered internal and external factors that have a bearing on our strategy or risk exposure.
3. Confirm that the strategic objectives set in year one continues to be appropriate.
4. Develop the action plans and targets/key performance indicators for the year ahead, taking account of updated information such as tenant feedback, performance, service development etc.
5. Update the strategic risk registers, for discussion by the full Management Committee.
6. Consider the resources needed to deliver the Action Plans (financial and people). This will include producing the annual budget and updated financial projections for the next 5 and 30 years, with appropriate stress testing carried out.

The outputs from the various strands of work – and any others deemed essential – will be incorporated in a Business Plan Update, which will be presented to the Management Committee by the end of June each year.

Molendinar
PARK HOUSING ASSOCIATION

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