



Cathcart & District Housing Association Ltd - Business Plan

2020-2024

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2020-24

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1. EXECUTIVE SUMMARY

This Business Plan (the Plan) covers the five years to 2024. It is a key strategic document which communicates the strategic direction and ambition of the Management Committee as the Association's governing body.

It provides a framework for action which communicates to staff, tenants, customers and other key stakeholders what the Association aims to achieve over the 5 years of the Plan.

The plan is intended to act as a management tool for use by staff in their functional roles and committee in their strategic and policy making roles.

For more than 30 years, CDHA has built a solid tradition of driving positive change in the Cathcart community through housing led regeneration and excellent service provision.

The asset base is made up of 581 self-contained houses and we factor 509 properties for owners in the area. The stock was acquired through a mixture of tenement rehabilitation and acquisition strategies along with two new build developments. The office is in the heart of the community.

The Plan focuses on providing excellent housing management services and maintaining properties to a high standard in line with targets set by the Scottish Government. At the same time focusing on the long-term financial health; governance; independence and viability of the Association, whilst ensuring strong inspirational leadership. Cultural values and value for money are key factors in our service delivery.

The Management Committee participated in a full governance review in 2017 and continues to strive for continuous improvement in a challenging environment.

The Plan aims to ensure this programme of change and improvement is implemented effectively to support excellent and sustainable services to our tenants and customers. The plan will be used by external stakeholders, Scottish Housing Regulator, Lenders, Glasgow City Council and other partner agencies in carrying out strategic planning resource allocation.

To achieve this, an updated set of interlinked Strategic Objectives have been set; underpinned by clear delivery plans. The Strategic Objectives reflect the opportunities and threats we face in the evolving external environment in which we operate and the current internal strengths and weaknesses of the Association.

2. OUR PURPOSE

At our Strategic Business Away Day held in May 2019, we reviewed and refreshed our purpose and aims and these are summarised in our Mission, Vision and Values, which are noted below:

2.1 Mission Statement

CDHA accepts the challenge to deliver comprehensive housing services which meet or exceed the needs and aspirations of our clients.

2.2 Values

Our core values are:

| | |
|--------------------|---|
| Honesty | We will be honest, consistent and objective in everything we do |
| Respect | We aim to treat people with courtesy, politeness and efficiency and we recognise people's rights, opinions and requirements |
| Accountable | We will be accountable to our members, tenants, regulatory bodies and ensure openness in all our business activities |

Our Strategic Business Away Day, included an invited external consultant who focussed on the incoming Freedom Of Information Act. The day was attended by Management Committee members, Staff and key service providers.

3. BACKGROUND

3.1 Brief History

CDHA was registered with Communities Scotland in April 2005 as a Charitable Housing Association (no. SCO37255). The organisation was formed in 1978 from the former Glasgow Fair Housing Association properties. The cumulative stock is 581 properties owned and managed by CDHA. In addition to our stock we manage the common areas of a further 505 properties for other owners.

The association is also registered with the Financial Conduct Authority (no: MS1821RS) under the terms of the Co-operative and Community Benefit Societies Act 2014. This means that it cannot distribute any profits and all surpluses are used for the benefit of the organisation. CDHA is also registered with The Scottish Housing Regulator (no: HAL 85). As a result, the association is subject to regulation and inspection by this agency.

CDHA has been office based in the Community since 1988. The first task was to improve the quality of the stock. This was achieved through a programme of comprehensive tenemental improvements. Upon completion CDHA then embarked on a new build development at Dairsie Court (18 flats) and since then have added another new build development at Holmlea Court (10 flats). In 2010 we obtained a

further 284 properties through second stage stock transfer with GHA. In 2017 we obtained £1m to further our acquisitions in the Newlands Road Holmhead Place area of Cathcart which brought our total units to 583.

Stock Break down

| STOCK STATISTICS | | | | | |
|-------------------------|----------------|----------------|----------------|----------------|----------------|
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| 1 apt | 82 | 81 | 81 | 81 | 81 |
| 2apts | 242 | 243 | 251 | 251 | 248 |
| 3 apts | 194 | 194 | 194 | 192 | 193 |
| 4 apts | 57 | 55 | 55 | 55 | 55 |
| 5 apts | 4 | 4 | 4 | 4 | 4 |
| TOTAL | 579 | 577 | 585 | 583 | 581 |
| RTB Sales | | -2 | -2 | -2 | -2 |

| STOCK AGE | |
|---------------------|------------|
| Pre 1919 | 275 |
| 1919 – 1944 | 114 |
| 1945 – 1964 | 97 |
| 1965 – 1982 | 61 |
| 1982 Onwards | 34 |
| TOTAL | 581 |

Our Asset Management Plan which is attached at Appendix 1, contains information on our stock base and profile.

In terms of performance CDHA performs well against its peer group of housing associations in Scotland, as is evidenced by benchmarking our Annual Return on the Charter key performance indicators (Appendix 8)

CDHA delivers a Welfare and Debt Advice service in partnership with Southside Housing Association. Additional services the Project has provided have included starter packs, furniture and carpets.

3.2 Our Management Committee

CDHA is led by a Management Committee made up of local tenants & residents and other individuals with an interest and or skill that suits the aims of the Association. Each Management Committee member brings particular skills and experience to the governing body. The Management Committee are tasked with making the key decisions about the Association's direction and provide challenge and oversight of the staff team to ensure that all decisions and services are provided and delivered in the best interests of our tenants and customers.

The Management Committee is supported in its work by two sub committees:

Finance & Audit Sub Committee which has the remit of providing validation to the Management Committee that management systems and controls in place are effective and for internal and external audit. The Committee is also responsible for overseeing the Association's role in relation to risk management and finance and received reports on budget versus spend along with management accounts. Both the Internal and External Auditors attend at the Finance and Audit sub committee to present annual plans and give reports on outcomes.

Staffing Sub Committee with the remit of overseeing the Association's role in relation to staffing and all HR functions. This sub committee meets on an adhoc basis.

A summary of the Management Committee's skills and experience is attached at Appendix 5. This summary demonstrates that the Management Committee has the key skills and experience in: governance, finance, asset management and a commitment to the local community and social housing.

3.3 Our Staff

Our staff team of 17 is led by the Association's most senior officer; the Director who is responsible for supporting the Management Committee and inspiring and leading the staff team, to deliver our services and improvement plans, as we move forward through challenging times. The Director is supported by a Management Team consisting of the Finance Officer, the Senior Housing Officer and the Senior Maintenance Officer. (Appendix 9 Staff Organisation Chart)

The staff team provide housing, factoring, maintenance, wider role and environmental services.

3.4 Our Area of Operation

The Association's properties are in the Cathcart and Mount Florida areas of Glasgow with evidence of poverty albeit on a smaller scale than some other areas. CDHA has an excellent record on performance within the community.

As at 31 March 2019 CDHA had a turnover of 0.5% of voids for our lettable property for the year. There are no low demand properties however we are starting to notice an increase in the number of refusals of some studio deck access properties. This is being closely monitored.

3.5 Our tenants and customers

We carry out an independent survey of our tenants and residents every 3 years and our next survey will take place in January 2020. Feedback from our surveys will be used not only to gauge satisfaction with our services, but will be used to inform our service improvement plans, report in our ARC submission and will inform our business planning in terms of our tenants and residents priorities.

Our own staff measure satisfaction at the point of service delivery, for example, reactive repairs, allocations, complaints, and this allows us to capture real-time information so that we can respond quickly to dissatisfaction with our services and consider whether or not our policies and processes need to change.

4. ANALYSIS OF OUR OPERATING ENVIRONMENT

To assist us in the setting of the Plan we have to take cognisance of the environment in which we operate. We have considered:

- the current or future issues relating to our external operating environment and implications;
- our strengths and weaknesses and how we can build on these strengths and deal with areas for improvement;
- the risks we face and how best to address these in terms of being able to avoid, mitigate or manage each.

The purpose of doing so is to align the organisation to the changing environment; to manage threats and take advantage of opportunities that further our Strategic Objectives.

We discussed our operating environment at our Strategic Business Away Day in May 2019 and a summary of the areas we considered in detail are noted below.

4.1 Political, Economic, Social, Technical, Legal & Environmental (PESTLE) Analysis

| Political/Legal | Social |
|--|--|
| <ul style="list-style-type: none"> Govt. target for 50,000 new homes by 2020 Welfare Reform SHQS & EESSH SHR Regulatory Framework Assurance Statements Procurement Regulations Data Protection Regulations and GDPR Living wage Freedom of Information | <ul style="list-style-type: none"> Demographic change Growth of elderly population Rising tenant & customer expectations Reputation of neighbourhood Demand for social and affordable housing Condition of Tenements and need for further investment Tenant poverty trap |
| Economic/Environmental | Technological |
| <ul style="list-style-type: none"> Rising inflation rate Austerity cuts (UK, Scottish Government and impact on Council funding) Unemployment Inequality and poverty Fuel poverty SHAPS pension valuation Climate change Rising Energy Prices Impact of Brexit | <ul style="list-style-type: none"> Home/ mobile working for staff ICT requirements for on-line service Innovations in energy efficiency Improved performance management systems Increased use of mobile technology & social media ICT support for Management Committee members & Staff - New Home Master provision |

4.2 Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

SWOT Analysis

| STRENGTHS | WEAKNESSES |
|--|--|
| <ul style="list-style-type: none"> • Financially sound, all reserves cash backed and SHQS works fully funded • Excellent professional reputation • Professional and experienced Staff Team providing services • Low voids improved void turnaround • High levels of tenant satisfaction • Local knowledge, skills & commitment of voluntary Management Committee • Stable, highly motivated experienced staff • Good Quality housing stock • Stable community in which we operate • Strong, affordable asset base • Adaptable to the changing environment • Resilience • Self-awareness • Commitment to on-going learning • Few SHQS failures or expected EESSH failures that cannot be managed • Welfare Advice Team • Ability to buy-in specialist services • Management Committee/Staff working relationship • Succession Planning • Public access to the office central location to area | <ul style="list-style-type: none"> • Number of Private Landlords within factored stock and lack of engagement • Pressure on skills base & Management Committee numbers • Recruiting younger members to Management Committee • Succession planning for Committee • Future development is limited |

| OPPORTUNITIES | THREATS |
|--|---|
| <ul style="list-style-type: none"> • New Development site currently 2 under consideration • Purchase 'one-off' properties • Opportunity to carry out common repairs scheme on damaged tenement properties with support from private sector GCC • Attract new Management Committee members with key skills • Work with GCC/other RSLs on neighbourhood management issues e.g. refuse dumping, youth issues • Working relationship with local police assistance in anti-social behaviour and estate management. Sharing of information | <ul style="list-style-type: none"> • Welfare reform • Benefit sanctions • Increased rent arrears & void loss • Number of tenants on benefits and benefit system not streamlined • Discretionary housing benefit ceases • Brexit • Owners within tenements reluctant to contribute to works • Tenancy sustainment • Inadvertent Non-compliance with Regulatory processes • Demand for our studio properties in light of more choice from other landlords • SHQS and EESSH standards putting pressure on resources • Staff retention • Inflation |

4.3 Risk Analysis

The management of risk is vital to our success and we acknowledge that not all risks can be eliminated. Risk management is an integral part of all the functions and activities of the organisation and the services we deliver.

Our Strategic risks are reviewed on an annual basis (or more frequently if required) as part of our Strategic Business Away Day. When we revised our Strategic Risks in May 2019, we took account of the SHR's December 2015 publication: "Business Planning – recommended practice", and ensured we reviewed each of the risk areas referred to within the SHR's guidance.

Our approach to risk management extends to our culture, processes and organisational structures, which contribute to the effective management of potential opportunities, threats and weaknesses.

Risk awareness and management will be an integral part of our strategic planning and decision-making processes. For new initiatives and projects, risk analysis will always inform our decision-making process.

The table below details the four key strategic risks facing the association and how these will be managed:

| Risk Area | How we will manage risk |
|--------------------------------------|--|
| Welfare Reform | Welfare Advice service Build our tenant knowledge base Identify and work with other partner agencies Develop a communication strategy to improve how we inform customers – New Housing system Consider rent affordability at every rent increase Ensure Value for Money in everything we do |
| Management Committee Capacity | Carry out an annual skills audit Fill gaps identified Implement a training plan Use external recruitment for Management Committee members when required Management Committee member induction Succession Planning Policy |
| Asset Management | Independent stock condition surveys Incorporate outcomes into long term financial plans Ensure compliance with SHQS & EESSH Assess availability of free reserves Extend office accommodation |
| Regulatory Compliance | Demonstrate compliance with Regulatory Standards Assurance statements approved by the Management Committee Maintain low engagement Attain compliance with Regulatory Standards as per SHR Implement any areas for improvement through self-assessment benchmark our performance against others Continuous review of policies and procedures Independent ARC compliance review |

To ensure we manage our Strategic Risks we have embedded risk in all our Committee reports. Each report identifies the Risk and is detailed on the header sheet. A report on Risk against our policy is delivered quarterly to our Finance & Audit Sub Committee.

5. OUR STAKEHOLDER MANAGEMENT

The Association has a range of key stakeholders who are individuals or organisations who are interested in or have influence over the activities of the Association.

The Association pays considerable attention to the management and development of its relationships with its stakeholders, as their support can play a key part in the

Association being able to achieve its Strategic Objectives. The following table summarises the nature of these relationships and how we will interact with each based on their power and interest.

| Regulatory Impact Group: This group has significant impact on our business. We consult and involve in governance and decision making | Advisory Impact Group Meet the requirements and be aware that many of these groups inform our work |
|---|---|
| Tenants and Service Users Scottish Housing Regulator Glasgow City Council Financial Institutions/Lenders Scottish Government Solicitors and Auditors OSCR Welfare Rights Services Council Equalities Unit Employers in Voluntary Housing Information Commissioner | TPAS The Pensions Trust SFHA Chartered Institute of Housing Glasgow & West of Scotland Forum Scotland's Housing Network Positive Action on Housing Glasgow Centre for Inclusive Living SHARE Woman's Aid Glasgow South HSCP |

We will ensure that our Plan where appropriate aligns with other stakeholders strategies such as the Council's Strategic Housing Investment Plan, Housing Strategy and key documents produced by the Health and Social Care Partnership.

6. ASSET MANAGEMENT

A full life cycle costing exercise was completed early 2018 and will be revised annually as part of our budget setting process and review of our financial modelling assumptions. A strategic approach to asset management is key to the future viability of the Association. Our Asset Management Strategy (Appendix 1) informs all of our activities surrounding our properties and serves as a data base to capture all components, upgrades and improvements.

7. STRATEGIC OBJECTIVES

7.1 Strategic Analysis

At our Strategic Business Away day in May 2019, the Management Committee and Staff reviewed our Strategic Objectives for the coming 5 years.

The Strategic Objectives are split into two areas, those with an external focus and those with an internal focus. Improving our internal focus allows us in turn to improve our provision of services i.e. our external focus.

EXTERNAL

Deliver excellent housing and related services and strengthen our communication and engagement with our customers through our new IT system

INTERNAL

Continually seek ways to strengthen our Governance Structure. Work on Succession planning

Continue to self-assess against Regulatory standards to ensure strong financial and risk management

We link each objective to the appropriate Regulatory Standard that it connects to. We look at what we will do, and when we are satisfied that we are compliant with it.

7.2 Strategic Objectives

EXTERNAL FOCUS

Objective 1: Deliver Excellent Housing & Related Services

| What we will do | How | How will we know we have achieved our goal |
|---|--|--|
| Continually strive for better performance in all areas | <ul style="list-style-type: none"> Set challenging KPIs Benchmark ourselves against our peers | <p>We will be a high performing RSL with high levels of tenant & customer satisfaction in all areas of our service delivery</p> |
| | | |
| Develop & support excellent & sustainable services for our tenants & others | <ul style="list-style-type: none"> Ensure our service delivery plans meet with the requirements of the intended outcomes Review rent affordability annually Take advantage of any initiative to assist with fuel poverty Be ready to work with other providers to achieve better outcomes for our tenants in relation to digital inclusion or fuel poverty Continue to provide Welfare Advice services. Review the current service on a regular basis Work with Housing Officers and Glasgow City Council in relation to better Estate Management Investing in our community Ensure services are value for money | |
| | | |
| Develop the knowledge of our stock | <ul style="list-style-type: none"> Interrogate Stock Condition Survey Feed survey results into our Asset Management | |

| | | |
|------------------------------|--|--|
| | <p>Strategy and new component system within Home Master</p> <ul style="list-style-type: none"> • Implement Asset Management Strategy • SHQS demonstrate current & future compliance • EESSH demonstrate compliance by 2020 & beyond | |
| | | |
| Develop our use of IT | <ul style="list-style-type: none"> • Continue to develop our new system to use to its full potential. Produce Committee reports and ARC indicator reports direct from the system | |
| | | |

EXTERNAL FOCUS**Objective 2: Strengthen our Communication & Engagement with our tenants and other customers**

| What we will do | How | How will we know we have achieved our goal |
|---|---|--|
| Improve Communication with our tenants, customers & others | <ul style="list-style-type: none"> • Review our communications strategy in relation to how we currently communicate and how we can improve practices using our new IT system • Promote existing social and economic inclusion projects • Develop an on-line portal through our website • Review and refresh website in time for FOI | <p>We will have increased</p> <p>engagement with focused services that meet the needs of and are shaped by our tenants and other service users</p> |
| Improve consultation with our tenants, customers & others | <ul style="list-style-type: none"> • Consult with other groups of stakeholders • Consult on & review Customer Care Policy | |
| | | |
| Increase our Membership | <ul style="list-style-type: none"> • Continually review Membership Policy and ways to increase Membership | |
| | | |
| Seek our Tenants views | <ul style="list-style-type: none"> • Carry out a full Tenant Satisfaction Survey • Review Landlord Report results against others • Develop our rent consultation processes • Review internal processes relating to SPSO | |

INTERNAL FOCUS**Objective 3: Continue to Strengthen our Governance**

| What we will do | How | How will we know we have achieved our goal |
|---|---|---|
| Develop & support our Management Committee | <ul style="list-style-type: none"> • Carry out an annual Skill Assessment & Training Needs Assessment for Management Committee • Implement rolling training programme • Identify skill gaps and recruit to fill same on a needs based basis • Consider revision of model Rules based on 2019 changes issued by SFHA & SHR once guidance available | We will have a strong, committed Management Committee and staff team living our vision, mission and values and attaining full compliance with the Regulatory Standards |
| | | |
| Continue to improve our governance & Meet the SHR's Regulatory Standards | <ul style="list-style-type: none"> • Develop Assurance Statement & obtain Management Committee approval • Implement any areas of improvement as identified through self-assessment • Develop & implement other improvement plans e.g. arising from Internal Audit | |

| | | |
|---|---|--|
| Raise CDHA's profile | <ul style="list-style-type: none"> • Be willing to enter into partnership working with other RSL's if it benefits our organisation • Apply for appropriate awards and accreditations • Attend networking opportunities | |
| | | |
| Develop & support our staff team | <ul style="list-style-type: none"> • Empower staff to do their jobs effectively • Review Job Descriptions & person Specifications • Continue to embed our culture and core values • Underpin with training and development plan | |

INTERNAL FOCUS

Objective 4: Continue to Ensure Strong Financial and Risk Management

| What we will do | How | How will we know we have achieved our goal |
|--|--|--|
| Maintain our solid financial base | <ul style="list-style-type: none"> • Revise our 30 year financial projections annually • Assess the cost impact of the Scottish Governments fire safety measures • Define & assess rent affordability • Report regularly against our projections and budgets | <p>Continue to be a strong independent organisation financially sound and effectively managing changing risks</p> |
| | | |
| Develop a Value for Money Framework | <ul style="list-style-type: none"> • Review our KPIs • Review our management costs • Know our cost drivers | |

| | | |
|-----------------------------------|---|--|
| | <ul style="list-style-type: none"> • Make efficiencies through new IT system | |
| | | |
| Embed Risk Management | <ul style="list-style-type: none"> • Ensure approach to risk management is embedded in organisation • Ensure risk awareness is embedded in the away day with Management Committee & staff • Carry out robust risk assessments for any new projects | |
| | | |
| Increase our housing stock | <ul style="list-style-type: none"> • Investigate development opportunities • Assess funding availability for acquisitions • Review local SHIP for opportunities | |
| | | |

7.3 Strategic KPIs

We are committed to improving our performance and we will develop our knowledge base and use internal and external sector information to help us gauge and improve our performance.

We monitor our performance against our peer groups and we benchmark our performance by using data from the SHR's website and by being a member of the Scotland's Housing Network. We are also a benchmarking group of 5 RSLs from Glasgow and West of Scotland.

Our key strategic KPI's are revised annually by the Management Committee and are used in management reporting monthly and quarterly for monitoring and analysis.

7.4 Delivery Plans

To ensure we achieve our 4 Strategic Objectives we have developed practical performance report mechanisms. These reports will be reviewed again against what our new IT system will make available. We believe our Management Committee will be able to receive live reports at meetings by way of dashboards. We will also include direct ARC reporting per indicator for a number of Committee reports. This will mean the ARC will build up over the year with real input from the Management Committee at all times.

Performance is reported monthly and will continue to be done in the new format. The Delivery Plans will be 'live' documents and will be reviewed by the Management Committee and staff annually as part of the annual review of the Business Plan.

8. FINANCING OUR PLAN

8.1 Funding the Plan

To achieve our Strategic objectives we must understand and control our costs. This is important to maintain an affordable rent structure; to allow us to invest in the development of the business, and have the financial strength and flexibility to adapt to external challenge.

Appendix 2 contains our 30 year Financial Forecasts from 2020 to 2048/49; narrative and assumptions, including scenario testing; realistic costs, contingency planning and monitoring compliance with covenants. Our Financial Forecasts will be revised by the Management Committee on an annual basis as part of our Budget Setting process.

8.2 Rent Affordability

A key priority is to maintain our rents at an affordable level. Affordability is essentially about the ability of our individual tenants to pay the rent charged by CDHA.

In June 2017, SFHA produce “Guidance to Rent Setting & Affordability Toolkit”. We will use this guidance, and the affordability analysis and tools within it, to analyse the affordability of our rents, and address any issues that may arise.

8.3 Value for Money

It is important that we review our approach to affordability, and that the approach takes into account value for money (VFM) in terms of service delivery and the costs. In August 2019, the Management Committee approved our first Value for VFM Policy.

VFM has a number of meanings which can vary between housing associations and other organisations. Ultimately our aim is to ensure VFM in all that we do and we put tenants at the heart of everything we do.

For us delivering VFM means that we will deliver on the following four key objectives:

- Deliver maximum value to our tenants and customers while minimising our costs
- Provide an effective and high quality service which meets the needs and expectations of our tenants and customers as efficiently and cost effectively as possible
- Make the best use of available resources
- Understand the relationship between our costs and our services

During the period of this plan we will continue to evolve our approach to VFM in our service delivery. We are members of Scotland’s Housing Network and we will utilize the support provided by SHN to further develop our VFM framework.

9. REVIEWING THE PLAN

The Business Management Plan is reviewed annually through a process commencing with the Away day in May each year and then by discussion with Committee and adding in new plans.

Appendix 1

Asset Management Strategy

Introduction

This Asset Management Strategy and associated action plan, demonstrates the Association clearly recognises that well maintained and sustainable properties are fundamental to ensuring we meet the expectations of our customers.

In order to achieve our vision, “to enhance the quality of life of residents and communities” we must be able to monitor and evaluate how our assets perform in order to target resources effectively.

Strategic Context

The Asset Management Strategy and the maintenance programmes that flow from it, link to the business planning process and inform our Risk Management Strategy. The Asset Management Strategy aligns with the Association’s Finance and Development Strategies.

All strategies have been developed to ensure the Association meets its corporate objectives.

Developing the Strategy

The Association recognised that the housing sector’s traditional approach to asset management did not dynamically respond to the changing needs of the Association, and in particular its customer expectations. To ensure the Association is able to respond accordingly, it has developed systems for regularly reviewing the performance of its assets that enables the pro-active targeting of intervention therefore making the most efficient and effective use of resources. Intervention can take various forms and is not limited to maintenance activities. This approach is referred to as Emerging Asset Management approach and is set out in the Strategy at 1.3.

The Association is aware that poor performance in terms of the property can be a symptom of wider housing related issues. Any system needs to be able to clearly establish the cause of poor performance to ensure intervention is efficient and effective.

This approach to asset management has been designed to inform decisions and ensure the careful targeting of resources, maximising value for money and enabling the highest quality property and customer services to be offered to our residents.

The Association’s Strategic Plan is based on a widely shared vision, having been drawn up in consultation with staff and members, and includes priorities identified by residents from consultation, surveys and discussion with stakeholders. The formulation of the Asset Management Strategy flows from this work and has been developed further with direct input from residents and the Board Champion.

The work relating to customer expectation is one of continuous development and improvement, and initiatives are on-going that will inform future improvements to this strategy.

We are confident that this strategy will help us to steer CDHA to a successful and

prosperous future, being able to identify and respond to the many challenges that we will face in the management of the Association's assets.

1.3 Emerging Asset Management Approach

The Association's Committee has agreed to implement an Emerging Approach to Asset Management to ensure the Association responds to customers' expectations and meets the challenges of the sector including the current economic climate. This is an evolving approach that will be subject to continuous development.

The diagram, on the next page, summarises how the Emerging Approach to Asset Management cycle will operate.

The Emerging Asset Management Approach is a continuous cycle that will be responsive to the changing performance of the Association's stock. It draws data from a number of sources (inputs) which are interpreted against the standards set by the Association before taking action in the form of operational targets, investment decision and changes in policy and procedures (outputs).

The Association's Business Management Plan reflects the decision made to ensure the best performance of the Association's assets. The regular review of outputs and overall performance management information will allow the Association to closely monitor the impact of the actions taken through the inputs and make further decisions on future actions and thus repeat the cycle.

The Association considers this a long term approach that will continue to develop and refine to ensure maximum benefit to the Association's customers.



Key Asset Management Strategy Objectives

Deliverability

The Association has put great importance on ensuring that our objectives are aspirational but that they are deliverable. To ensure deliverability, objectives and targets must give sufficient acknowledgement to a number of parameters. In essence, if it is to be deliverable, we must comply with the following:

Specific
Measurable
Achievable
Realistic
Timely

We have sought to ensure that our key strategy objectives and tasks meet these criteria. The key to the successful management of the Association's assets is to balance the expectations of customers with statutory requirements, good practice incorporating technological advancements and value for money.

This is a complex balance to achieve and is reliant on data management and reporting systems being used efficiently and effectively. The key strategic objectives are designed to position the association to achieve this balance.

Summary of Key Asset Management Strategy Objectives:

Objective 1: To meet the standard of expectations of our client group

Objective 2: Ensuring H & S through effective maintenance

Objective 3: Fresh approach to Stock Condition Data and Property Portfolio Knowledge

Objective 4: Adaptations

Objective 5: Sustainability & Retro Fit

Objective 6: Mapping Stock and Performance to Maximise Service Delivery and Efficiency

Each objective is set out in more detail.

Objective 1: The Cathcart Standard

The current minimum standard for social housing is defined by the Scottish Housing Quality Standard (SHQS). CDHA properties have been maintained to a high standard and our commitment will now ensure this standard is maintained or bettered. This will make clear to our customers what they should expect from one of our properties.

The impact of implementing this asset management plan will be incorporated into financial planning.

Objective 2: Ensuring Health & Safety through Effective Maintenance

Protecting the health and safety of anyone that uses or visits any of our properties is paramount. This includes residents and their guests, staff and maintenance contractors. To

achieve this, the Association has challenging but deliverable maintenance regimes in place to cover Asbestos, Gas Installations, Electrical Installation, Fire Protection and Water Treatment.

Asbestos

The Association has a legal requirement to provide information on the location and condition of any asbestos containing materials in its properties. The Health and Safety Executive publication "Asbestos: The Survey Guide 2010" imposes a responsibility to check for asbestos in all properties where employees (including Contractors) or others may be at risk. This means that the Association must know the location of, the exact type of and how to manage any sources of asbestos in its properties.

The disturbance of asbestos can release small fibres into the air and breathing in these fibres can eventually lead to a number of fatal diseases. Provided the asbestos material is intact and in a position where it cannot easily be damaged, it will not pose a risk to health.

In order to comply with legislation and best practices, we should as far as is reasonably practical:

- Prevent or where this is not possible, minimise exposure to asbestos fibres
- Manage asbestos in our premises and inform, where required, on the location, state of repair and type of asbestos present

There are three forms of asbestos commonly known as blue (Crocidolite), brown (Amosite) and white (Chrysotile) albeit they cannot be identified by colour alone. Blue and brown asbestos (the two most dangerous forms) have not been imported into the UK for nearly 30 years and their use was banned in 1985. White asbestos was banned, except for a small number of specialised uses, in 1999.

The Association's properties constructed or refurbished before 1986 will have a higher risk of containing asbestos containing materials (ACM). To manage this risk, a methodical approach to survey one of each house type on every scheme has been implemented, and results will be assumed for the other properties in the scheme. If any asbestos is found, its location will be conveyed to the customer, and all maintenance contractors, and an appropriate inspection regime implemented. If there is any concern about the condition of any ACM it will be removed.

Allowing for potential contamination and/or use of stock materials any property constructed post 1988 will at worst have ACM containing white asbestos with reduced risk. Most common will be asbestos cement and decorative coatings. These properties will also be tested after the pre 1988 properties data has been gathered.

It is unlikely that any property constructed after 2000 will contain asbestos based products, however these properties will also be subject to a structured testing regime albeit less rigorous than that of older properties.

We have already completed surveys of all communal areas and have significant data on stock which has been tested as part of our major works programmes. This data is held on an Asbestos Register. The register has been issued to contractors who work for the Association and will be updated regularly. To improve our procedures in dealing with asbestos we will:

1. Review, monitor and adjust the register regularly
2. Provide staff and contractors with an adequate level of information on asbestos, its location and condition
3. Provide regular and adequate training for staff
4. Continue developing a programme of surveys and updating of the register

5. Provide emergency procedures

Throughout any work in relation to asbestos, customers will be kept informed and provided with accurate information. To reduce the possibility of undue alarm a communication protocol for asbestos will be developed.

Gas Installations

The Association has a Gas Servicing Policy that recognises the potential hazard that poorly or incorrectly maintained gas services and equipment can cause. The Association will use its best endeavours to ensure the correct servicing and maintenance of gas services and equipment to ensure their continued safe operation.

The Association has a legal obligation to ensure the continued safety of its residents in respect of gas equipment installed in dwellings that it owns. It is the Association's intention to fulfil its responsibility by employing the services of a Gas Service and Maintenance Contractor, who is registered on the Gas Safety Register, operated by CAPITA and who will perform the duty of Gas Installer as defined in the current Gas Safety (Installation and Use) Regulations. The Association must undertake a gas safety check within 12 months of the previous one.

The appointed Gas Servicing Contractor will be audited to ensure properties are being correctly serviced. It is very important that procedures are regularly reviewed to ensure best practice is being followed.

Carbon Monoxide

Carbon Monoxide (CO) is a colourless, odourless, tasteless, poisonous gas produced by incomplete burning of carbon-based fuels, including gas, oil, wood and coal. When CO enters the body, it prevents the blood from bringing oxygen to cells, tissues, and organs. You cannot see it, taste it or smell it but CO can kill quickly and according to the HSE around 20 people die from Carbon Monoxide poisoning every year. The Association's committed approach to maintaining gas installations to the highest standards should minimise any chance of excessive levels of CO occurring but as a backup, audible CO detectors are fitted in all our gas properties.

Electrical Installations

Unlike gas, there is no legal requirement to undertake electrical testing of our properties; however it is considered good practice to do so to ensure the health and safety of our customers.

It is common practice for the first electrical test of a new property to be conducted 10 years after construction. The latest version of BS 7671 updated in 2008 recommends that all properties should be tested every 5 years and every time a property has a new tenancy. All properties should have a label on the consumer unit that states the recommended date of the next inspection.

The Association will implement a testing regime looking at oldest properties first on a 5 year rolling programme. New properties are tested first at year 10. All void properties will also be tested and full records maintained.

The Association recognises that inspection and identification of remedial works should also help to reduce the number of responsive electrical repairs. Electrical safety also links with the important issue of fire safety.

Fire Safety

The Association recognises the risks posed to residents and to the Association's assets, by fire. The new standards require that there is one smoke alarm installed in the room most frequently used for general daytime living purposes, one alarm in every circulation space on each storey, such as hallway and landings and a heat alarm installed in every kitchen. All the alarms should be ceiling mounted and interlinked, and there is also a requirement for carbon monoxide detectors to be fitted where there is a carbon-fuelled appliance (such as boilers, fires (including open fires), heaters and stoves) or a flue. CDHA have a project underway to meet the new standards by 2021. Flats have been upgraded when void since 2017 and our tenanted properties are more than 50% finished.

Water Safety

The Association is aware of the importance of regular maintenance in the prevention of Legionella. Any property with communal vessels used for the storage of water will be regularly cleansed and are subject to a water management plan.

Objective 3: Fresh Approach to Stock Condition Data and Property Portfolio Knowledge

The Association recognises that the quality and condition of our stock is of significant importance to not only our current residents, but also to our funders, regulators and future residents. In addition, well maintained properties give higher valuations for loan security, assisting in funding future development programmes and can give us a competitive advantage over other landlords with less well maintained stock. We have a Stock Condition Model which is updated and provides key financial information allowing us to ensure stock which is well maintained into the future.

Stock Condition Data

The Association implemented a Stock Condition Survey in 2017/18. This will now drive forward our planned maintenance. Regular surveys are undertaken to update the information in the database. Processes are in place to ensure any components updated through responsive and planned maintenance are reflected in the Stock Condition Database.

The database is used to inform planned maintenance programmes and ensure the Association's robust business planning process has accurate maintenance liabilities incorporated. The development of this strategy required a comprehensive review and validation of the stock data. The inclusion within our software programme allows for fully integrated operation of all information.

Improving the accuracy and relevance of data is fundamental to ensuring the Association delivers an effective maintenance service and the Business Plan is based on accurate data. This data should be subject to a statistically representative, sample, Stock Condition Survey at least every three years.

It is important to accept that lifecycles are only guides and the actual performance of components is influenced by a number of factors including manufacturing quality, installation workmanship, weathering, environmental impacts, servicing cycles, and human impact through use. The Association, following consultation with customers, is developing a fixed versus condition approach. This will result in some components being replaced on a fixed lifecycle with others purely on reaching the end of their useful life.

From the completion of this significant exercise, the Association will each year, publish the next year's programme for the replacement of major components that are replaced on a

fixed lifecycle. This will ensure customers are well informed about how their homes will be maintained.

The replacement costs of components also vary depending on market condition, advancement of technology, legislative/regulation changes and the need to respond to changing agendas such as carbon reduction. These will be reviewed annually.

Property Portfolio

The Association has comprehensive records in the form of its Stock Condition Database but also in the form of health and safety files, operational and maintenance manuals, as-built drawings, EPC's, the housing management system and other data sources. We have recently carried out as a result of our new Stock Condition Survey an entire overview of our EPCs and our performance against EESSH. The out turn from our Stock Condition Survey shows that we have 79.1% of our properties meeting EESSH at present and the detailed analysis of our EPCs together with our current planned maintenance project and information from stock condition survey demonstrates that a further 29% of our stock will meet EESSH by light touch fixes such as installation of LED lamps. We therefore anticipate that the figure meeting EESSH will be nearer the 100% by the end of 2018/19.

Our re-let performance improved during 18/19 from 24.16 days to 21.02 days. We anticipate reducing that time further in 19/20, owing to new internal procedures aimed at turning flats around quicker.

Our continuing planned maintenance programme will ensure that our property maintains its net current value on today's market. The property was last valued in 2016 at £9,963,000.00. During the life of this plan we anticipate adding a further 10 properties to our portfolio, being new build flats at Holmlea Primary School.

Objective 4: Adaptations

The Association is committed to the principle of enabling service users with disabilities to continue to live in their homes, if they want to. To this end the Association maintains good working relationships with other stakeholders including Health and Social Service specialists and Glasgow City Council who provide funding for this area. This co-operation is aimed at enabling service users to receive aids and adaptations as part of appropriate support packages.

Objective 5: Sustainability & Retro Fit

The Association is committed to ensuring that all properties perform as well as possible in terms of environmental impact and cost in use but this has to be affordable to the organisation. There have been significant advancements in green technology in recent years but not all products have proven their benefit. The Association will research current good practice and undertake work to establish the most appropriate approach to this important agenda.

The principal of retro-fitting existing properties with new technology has always been supported by the Association. The Association will ensure that the cost of meeting this agenda will be clearly reflected in the Business Management Plan.

The Association will where possible take advantage of ECO schemes and the first grant assisted scheme of cavity wall insulation and loft insulation was completed during 2013. We are currently working with consultants and have secured funding for gas heating and pv panels in Cumming Drive. This work has been delayed but is anticipated to commence Q4 2019/20.

Objective 6: Mapping Stock and Performance to Maximise Service and Efficiency

Objectives 1 to 5 are all designed to ensure the Association maintains its properties in the most efficient way that meets our customers' expectations. This whole approach has to be underpinned with a robust and dynamic approach to data management. Only with clear and informative data can the Association make clear and demonstrable decisions, in conjunction with our customers on how best to meet these challenges.

Responding to other Challenges and Priorities

In addition to the key objectives set out above there are other challenges the Association must address relating to asset management and work is on-going under other initiatives. A number of these initiatives will have an impact on the decision made under this strategy.

Balancing Responsive and Planned Repairs

Planned maintenance is seen as the most efficient way in terms of cost, and service delivery, to undertake maintenance work to our stock. Clearly the organising of maintenance work into larger, and hence more cost efficient, packages of work is preferable to the more costly alternative of an unplanned "one-off."

Efficiency in Procurement

The Association recognises that efficiency in procurement is a significant issue. With annual maintenance budgets approaching £0.75m the opportunity of delivering value for money through effective procurement is evident.

In this respect we will advertise as widely and openly to ensure that we procure the most cost effective mechanism of delivering our planned maintenance schemes.

The significant update of the Stock Condition System enables the Association to plan maintenance spend with a higher degree of accuracy. This will in turn enable the Procurement Strategy to be developed to ensure the Association achieves value for money. Maximising the opportunity to achieve value for money will be greatly aided by ensuring the Association clearly identifies in detail the service and extent of work required. Entering into arrangements without this information could result in inefficient arrangements and higher costs to the Association.

Appendix 2

Financial Projections Five Year Forecast

Financial Projections 2020-2049 attached to document (spread sheet)

Five Year Financial Forecast

The five year financial forecast will be a blend of development and planned maintenance as the significant spend items. There will be a further 10 Units added in 2020 in respect of the development at Holmlea Primary School at a cost of £2.4m. We have secured additional borrowings of £721k for the Holmlea Primary School development. Our current loan facility with RBS is £6m. There are other development opportunities being explored at present but these are at an early stage and have not been included in the projections.

The Association expects to continue to report net surpluses during the period averaging 18% of turnover. This has been stable over a 5 year period.

Over the five years we anticipate meeting all loan covenants, financial gearing, debt serviceability, loan to value and interest cover is expected to remain at projected levels.

| INCOME AND EXPENDITURE | 2020 | 2021 | 2022 | 2023 | 2024 |
|------------------------|-------|-------|-------|-------|-------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Turnover | 2320 | 2412 | 2497 | 2546 | 2546 |
| Operating costs | 1748 | 1806 | 1841 | 1873 | 1918 |
| Operating surplus | 572 | 606 | 656 | 673 | 678 |
| Interest charge | 163 | 169 | 178 | 192 | 188 |
| Net surplus | 408 | 437 | 478 | 481 | 490 |
| Capitalised Interest | 0 | 0 | 0 | 0 | 0 |

Over the five years covered by this plan there are steady increases in turnover, with the operating surplus remaining steady, but little change in interest charges.

| Balance Sheet | 2020 | 2021 | 2022 | 2023 | 2024 | |
|--------------------|-------|-------|-------|-------|-------|--|
| | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Property NBV | 12739 | 12735 | 12465 | 12168 | 12124 | |
| Grant | 2643 | 2550 | 2457 | 2364 | 2272 | |
| Cash | 1912 | 2039 | 2534 | 3069 | 3354 | |
| Loans Due > 1 Year | 4596 | 4365 | 4201 | 4038 | 3869 | |
| Reserves | 7630 | 8068 | 8546 | 9027 | 9516 | |

| Cash Flow | 2020 | 2021 | 2022 | 2023 | 2024 | |
|----------------------|-------|-------|-------|-------|-------|--|
| | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Capital Spend | 2989 | 0 | 0 | 0 | 0 | |
| HAG Funding | 2018 | 0 | 0 | 0 | 0 | |
| New Loans | 721 | 0 | 0 | 0 | 0 | |
| Loan repayments | 315 | 332 | 342 | 356 | 359 | |
| Major Repair spend | 304 | 302 | 38 | 12 | 278 | |
| Closing Cash Balance | 1912 | 2039 | 2534 | 3069 | 3354 | |

| Loan Covenants RBS | 2020 | 2021 | 2022 | 2023 | 2024 | |
|-----------------------|------|------|------|------|------|--|
| | % | % | % | % | % | |
| Gearing | 37 | 36 | 35 | 35 | 33 | |
| Maximum | 60 | 60 | 60 | 50 | 50 | |
| Interest Cover % | 286 | 311 | 473 | 460 | 339 | |
| Minimum | 110 | 110 | 110 | 110 | 110 | |

| Loan Covenants RBS | 2020 | 2021 | 2022 | 2023 | 2024 | |
|-----------------------|------|------|------|------|------|--|
| | | | | | | |
| Loan Repayment % | 246 | 250 | 258 | 253 | 257 | |
| Minimum % | 110 | 110 | 110 | 110 | 110 | |
| Compliant | Y | Y | Y | Y | Y | |

| Financial Assumptions | 2020 | 2021 | 2022 | 2023 | 2024 | |
|------------------------|------|------|------|------|------|--|
| | % | % | % | % | % | |
| CPI | 2.4 | 2 | 2 | 2 | 2 | |
| RPI | 3 | 2.5 | 2.5 | 2.5 | 2.5 | |
| RENTAL INCREASE | 3.5 | 2 | 2 | 2 | 2 | |
| VOID ASSUMPTION | 1 | 1 | 1 | 1 | 1 | |
| BAD DEBT ASSUMPTION | 1 | 1 | 1 | 1 | 1 | |
| INTEREST RATE INCREASE | 0.50 | 0.50 | 0.75 | 1.00 | 0.50 | |

The level of net surplus comfortably exceeds the minimum target of 15% and the debt per unit is substantially lower than £15,000 per unit.

| Key Assumptions | 2020 | 2021 | 2022 | 2023 | 2024 | |
|-------------------------------|------|------|------|------|------|--|
| | | | | | | |
| CPI inflation % | 2.4 | 2 | 2 | 2 | 2 | |
| Voids % | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | |
| Bad Debts % | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | |
| Increases above CPI inflation | | | | | | |
| Rent | 0 | 0 | 0 | 0 | 0 | |
| Salaries | 0 | 0 | 0 | 0 | 0 | |
| Maintenance Costs | 0 | 0 | 0 | 0 | 0 | |

Financial Risks

The first risk to be considered is interest rates. The market currently shows no signs of significant interest rate increases. However, in line with best practice currently 49% of our loans are on a fixed rate basis and the additional borrowings for the Holmlea Primary School Development are on a variable rate basis. The remainder of our loans are on a variable rate based on the three month LIBOR rate it would be easy to fix more of them should the interest rates start to increase significantly. However because of the uncertainty over the effects of Brexit we have used the assumptions on interest rates supplied by RBS in the projections which produces an increase of 3.25% over the five year period.

The second risk to be considered is that rental growth may be less than projected. The plan no longer assumes RPI +1%, given the Government has indicated benefit payments will be linked to CPI. CPI has been allowed for the five years of the plan. The risk was mitigated given the Association does not have a large scale development plan and all component replacements within the life of the plan is expected to be self-funded. It is still expected that we will have a healthy cash balance at the end of the five year period despite the investment in components anticipated in year five of the projections.

Welfare reform continues to be a risk to financial planning. We have robust welfare advice services in place and UC is still paid to a minority of tenants. We are now able to obtain UC direct in cases of arrears and we anticipate UC direct from the outset at a stage within the plan.

In the sensitivity analysis we have increased voids and bad debts cumulatively from 2% to 4% and whilst this has a detrimental effect on the projections is easily manageable and we continue to comply with our covenants. We also examined the effect of increasing CPI by 1% and this had a minimal effect on the projections

Appendix 3

Policy Review Timetable

This review timetable and programme has been set to ensure policies are reviewed at appropriate intervals to reflect the needs of our Risk Strategy and to ensure sufficient time for tenant and member consultation.

Review dates may be brought forward in light of new legislation, guidance or best practice.

| Policy | Review Interval | Last Review | Next Review | Consult |
|--|-----------------|----------------|---|---------|
| Absence Management Policy | 3 years | March 2019 | March 2022 | |
| Allocation Policy | 3 years | January 2015 | December 2019 (rolled over awaiting new housing act to become legislation) | Yes |
| Asbestos Management | 3 years | August 2018 | August 2021 | No |
| Asset Management Policy | 3 years | January 2017 | January 2020 | No |
| Auditing | 3 years | July 2017 | July 2020 | No |
| Anti-Bribery Policy | 3 years | January 2019 | January 2022 | No |
| Breach of Tenancy Misuse of Drug Policy | 3 years | January 2019 | January 2022 | No |
| Card Payment Policy | 2 years | January 2019 | January 2021 | |
| Committee Appraisal Policy | 3 years | April 2017 | April 2020 | No |
| Committee Code of Governance | 1 year | September 2019 | September 2020 | No |
| Communication Strategy | 3 years | January 2019 | January 2022 | No |
| Complaints about Chief Executive/Director | 3 years | February 2019 | February 2022 | |
| Complaint Procedure/Policy | 3 years | November 2019 | November 2022 | Yes |
| Conditions of Employment | ongoing | EVH | EVH | No |
| Customer Care Policy | 3 years | November 2019 | November 2022 | Yes |
| Data Protection Policy | 3 years | November 2019 | November 2022 | No |
| Debt Management Policy | 3 years | November 2017 | November 2020 | Yes |
| Delegated Authorities | 3 years | June 2017 | June 2020 | Yes |
| Dignity at Work Policy | 3 years | November 2018 | November 2021 | |
| Drug and Alcohol Policy | 3 years | November 2019 | November 2022 | No |
| Entitlements, Payments & Benefits | 3 years | January 2018 | January 2021 | No |
| Estate Management | 3 years | August 2017 | August 2020 | Yes |
| Equal Opportunities | 3 years | November 2019 | November 2022 | No |
| Factoring Arrears & Debt Management Policy | 3 years | February 2018 | February 2021 | |
| Factoring Complaints Policy | 3 years | February 2018 | February 2021 | |
| Factoring Policy | 3 years | February 2018 | February 2021 | Yes |
| Financial Regulations | 3 years | January 2019 | January 2022 | No |
| Gifts and Hospitality | 3 years | February 2018 | February 2021 | No |
| Group Procurement Policy | 3 years | July 2017 | July 2020 | |
| Group Procurement Strategy | 4 years | November 2019 | November 2023 | No |
| Group Risk Management Policy | 3 years | May 2017 | May 2020 | No |
| Group Risk Register | 3 years | May 2017 | May 2020 | No |
| Health and Safety | 3 years | Updated by EVH | Updated by EVH | No |
| IT Continuity and Disaster | 1 year | February 2019 | February 2020 | |

CDHA Housing Association Ltd - Business Plan 2020-2024

| | | | | |
|---------------------------------------|---------|---------------|---|-----|
| Recovery Policy | | | | |
| Maintenance Policy | 3 years | August 2017 | August 2020 | No |
| Membership Policy | 5 years | March 2015 | March 2020 | No |
| Minimum Standards In House Condition | 5 years | November 2019 | November 2024 | No |
| Mutual Exchange Policy (Alloc) | 3 years | January 2015 | December 2019 (rolled over awaiting new housing act to become legislation) | Yes |
| Neighbour Relations | 3 years | August 2017 | August 2020 | Yes |
| Notifiable Events Policy | 3 years | August 2017 | November 2019 | No |
| Payment of Expenses | 3 years | October 2018 | October 2021 | No |
| Payroll Policy | 3 years | October 2018 | October 2021 | |
| Publications Policy | 3 years | August 2019 | August 2022 | |
| Rent Setting | 3 year | November 2017 | November 2020 | Yes |
| SHQS Standard Delivery Plan | | 2005 | On Going | No |
| Social Media Use of Email | 3 years | January 2019 | January 2022 | No |
| Standing Orders | 3 years | June 2017 | June 2020 | No |
| Tenancy Sustainment Policy | 3 years | November 2017 | November 2020 | Yes |
| Tenants Handbook | 5 years | August 2015 | August 2020 | Yes |
| Tenant Participation | 3 years | November 2019 | November 2022 | Yes |
| Tenants Right to Compensation | 3 years | August 2017 | August 2020 | No |
| Training Policy | 3 years | November 2019 | November 2022 | No |
| Transfer/Assignment of Tenancy Policy | 3 years | August 2017 | August 2020 | No |
| Treasury Management | 3 years | November 2019 | November 2022 | No |
| Unacceptable Actions Policy | 3 years | October 2018 | October 2021 | No |
| Value for Money Policy | 3 years | August 2019 | August 2022 | |
| Void Management Policy | 3 years | August 2017 | August 2021 | No |
| Whistle Blowing Policy | 3 years | August 2019 | August 2022 | No |

Appendix 4

Internal Audit Programme

CATHCART & DISTRICT HOUSING ASSOCIATION (CDHA) – INTERNAL AUDIT PLAN 2017-2020

In May 2017 CDHA tendered through the public contracts Scotland website for an internal auditor to carry out a three year programme of audit.

We received 4 tenders and after due diligence appointed TIAA to take us through this period.

The work will commence in Quarter 2 of 2017/18 and will address the undernoted functions:

YEAR 1

ARC Compliance Validation

Tenancy Sustainment

Rent arrears management

Procurement and purchasing

YEAR 2

Payroll, use of credit card, cash and banking

Void Management

Business continuity

Budgetary control

YEAR 3

Development Contract Management

Repairs and Maintenance

Factoring

Overview of all sections

Appendix 5

Committee of Management as at AGM September 2019

CATHCART & DISTRICT HOUSING ASSOCIATION LTD - STRUCTURE OF MANAGEMENT COMMITTEE AND SUB COMMITTEES 2019/2020

| NAME | POSITION ON COMMITTEE | CAPACITY |
|----------------------------------|-----------------------|----------------------------------|
| Marion McMillan | Chairperson | TENANT |
| Alastair Penney | Vice Chairperson | LOCAL BUSINESS MAN |
| Michael Doherty | Committee Member | TENANT |
| Valerie Kyle | Treasurer | TENANT |
| Chris Carr | Committee Member | OWNER |
| John Forrest | Committee Member | TENANT |
| Bobby Pollock | Committee Member | RETIRED HOUSING PROFESSIONAL |
| Bruce Strathearn | Committee Member | OWNER |
| Betty Carter | Committee Member | TENANT |
| Sue Harper | Committee Member | TENANT |
| Trudi Tokarczyk | Committee Member | HOUSING PROFESSIONAL |
| Gamal Haddou | Committee Member | ACCOUNTANCY HOUSING PROFESSIONAL |
| Patricia Crockett | Committee Member | TENANT |
| Christine Leitch (Director CDHA) | Secretary | STAFF MEMBER |

Appendix 6

The Management Committee - Roles and Expertise

This section concerns matters of management practice. It covers the primary areas of responsibility and activity for a management committee.

The Management Committee, as a collective body, should encourage eligible people to join the organisation. Membership should be determined by the Rules and Membership Policy of the RSL, and all members should be encouraged to participate as much as possible.

The Management Committee is responsible for:

- The direction and control of the organisation.
- Ensuring that it receives appropriate information and advice to carry out its duties.
- The risks and legal responsibilities arising from its control.
- Ensuring that the objectives of the organisation are in line with the Rules.
- Regularly reviewing the objectives.
- Ensuring there is a mechanism for regular performance reviews.
- Ensuring there is a balance of skill, experience and diversity of equality on the governing body.

Core functions of the Management Committee

The core functions of the management committee include:

- Ensuring that the organisation operates within the law and according to its Rules and procedures, and meets the standards laid down by the Scottish Housing Regulator.
- Establishing business and financial objectives.
- Monitoring performance against those objectives and performance standards.
- Protecting the assets of the organisation.
- Recognising its duty to tenants, applicants and other service users.
- Developing, operating and regularly reviewing policies designed to achieve these objectives.
- Approaching each year's budget, exercising financial management and managing responsibility both financial and non-financial risks.
- Overseeing and exercising control over the organisations work and services.
- Delegating authority to and monitoring the work of the sub-committees and staff. Being responsible for employing staff to carry out the work of the organisation and setting their terms and conditions.
- Ensuring standards of performance are set by the organisation.
- Ensuring that the achievements of performance targets are monitored.
- Ensuring that the information collected is used to amend targets, policies and/or procedures as necessary.

Conduct of Management Committee's Business

The Management Committee has a duty to the organisation, its members, its tenants, the wider community and its staff. New and prospective management committee members should be given an induction programme so that they learn the workings, policies and procedures of the organisation. They should also receive clear information of what is expected of them (for example, a copy of the Code, RSL Rules Regulatory papers on Governance and Accountability).

The management committee should:

Be given a regularly updated list of all the available policies and procedures that the organisation is required to have.

Ensure that professional advice is sought when it is required to inform decisions.

Ensure that sub-committees, working groups and staff are delegated the authority to enable the business of the organisation to be carried on between meetings, where there is urgent business, and during emergencies.

Draw up a regular training plan for the management committee and individual governing body members to support continuing effectiveness.

Roles and Responsibilities of Office Bearers

The Chairperson must be an elected Management Committee Member. The responsibilities of the Chairperson should include:

Ensuring the smooth running of meetings by making sure that all those who wish to contribute is allowed to, allocating adequate time for contributors to speak, ensuring voting procedures are in place and that these are followed, and announcing votes at general meetings.

Providing support for and establishing a constructive working relationship with the Director of the organisation.

Representing the organisation where authorised.

Taking all others decisions that are the responsibility of the Chairperson as laid down in the organisations Rules and Standing Orders.

Participating in training where necessary, to enable the above responsibilities to be taken.

The responsibilities of the Secretary should include:

Calling, attending and keeping the minutes of general and committee meetings.

Circulating the relevant papers for these meetings.

Preparing and sending all necessary reports to Scottish Housing Regulator, and other regulatory bodies.

Ensuring that the organisation acts legally and constitutionally within its Rules. Some Rules of Organisations for example, can legitimately provide that certain documents can be delegated to others.

Keeping the Register of Members, the organisation's Seal and accounts. If the Secretary is a member of staff, she/he must remain in an advisory role, and must not take part in the Management Committee decisions.

Co-opted Members

The Management Committee can co-opt anyone who is suitable to become a Management Committee member. Co-optees do not need to be members of the RSL, but they can only serve as co-optees until the next annual general meeting or until removed by the Management Committee. Co-optees can take part in Management Committee discussions and vote at meetings on all matters except those that directly affect the membership of the RSL or the election of Office Bearers to the Management Committee. Co-optees may not stand for election, nor be elected as one of the Office Bearers of the Management Committee

Sub-Committees

Where sub-committees exist, the following principles should apply:

Each sub-committee and its chair should have clear written terms of reference and levels of delegated authority, which have been approved by the Management Committee.

Each sub-committee must report regularly to the Management Committee

Sub-committees must meet regularly enough to complement the work of the governing body and to carry out the organisations business.

Sub-committees should have their terms of reference and levels of authority reviewed periodically.

Openness and Accountability

RSL's are required to operate in an open and accountable manner. Openness in decision making and access to information is a prerequisite for accountability and empowering those who are users of services. However, confidentiality where necessary is equally important to the professional and personal conduct of the RSL and those who work for it – i.e. staff and governing body members. Information should be disseminated widely to all stakeholders and made readily available in different formats. Only information that is of a personal or commercially sensitive nature may be withheld or where disclosure is covered by legislation. RSL's are expected to have an Openness and Confidentiality policy that covers the following areas:

Ensuring that all information is made available to the public unless it is personally confidential or commercial sensitive.

Ensuring publication and wide access to key information on the organisations performance and how it plans to improve.

Ensuring a range of mechanisms (such as websites) for dissemination of handbooks, leaflets, newsletter, survey results, posters, etc.

Ensuring that documents are written in plain English and translated into other languages if necessary.

Ensuring that requests for information are met, unless it is confidential or commercially sensitive.

Consider allowing members to attend non-confidential parts of meetings, and making publicly available, non-personal or non-commercially sensitive Management Committee papers and minutes.

Ensuring a well-publicised complaints procedure that is accessible and easy to use.

Ensuring that feedback is used to inform policy and service reviews. How the organisation has responded to the feedback should be communicated to tenant members, etc.

Ensuring a regular review of the organisations policy and practice on openness and confidentiality.

The Management Committee and Staff where an RSL employs staff, the management committee should ensure that organisation is complying with all current legislation and good practice on employment, including Equal Opportunities. In the recruitment of staff, the management committee (and each management committee member) must ensure a fair and impartial process that is in line with the organisations recruitment policy. The Management Committee (and each Management Committee member) should foster a mutual respect with all staff. However, great care must be made to avoid undue familiarity.

User Participation

RSL's should involve tenants, residents and other members of the community in its works, as this promotes accountability. The management committee should ensure that their organisation develops a policy on participation that outlines how tenants and other stakeholders can be involved. Such a policy should include for example, the participation of tenants on the management committee, the publication and distribution of policies and information, the methods by which tenants and other stakeholders will be consulted, the holding of public meetings to encourage participation, and the involvement of tenants

in service reviews.

Equal Opportunities

RSL's are expected to adopt and publish an Equal Opportunities Policy that underpins the work and culture of the whole organisation. The management committee has a legal responsibility in ensuring that the policy is implemented within the organisation, with reporting structures established to monitor and develop progress.

Financial Control

The Management Committee must ensure at all times that they have financial control of the organisation, and that they comply with legislation and performance standards and guidance issued by the Scottish Housing Regulator and other regulatory bodies.

Audit External

All RSLs are required to have their accounts audited externally. The management committee's role includes record keeping, setting and selecting appropriate accounting policies, and preparation of the financial statements. The management committee's role in the external auditing process should include the provision of a statement in its audited accounts about the organisations system of internal financial control. The statement should cover:

An acknowledgement of the management committee's responsibility.

An explanation of the extent of the assurance against financial loss.

A description of key procedures.

Confirmation that the management committee has reviewed the effectiveness of the system.

Information about weaknesses in financial control that have led to losses.

External auditors are appointed to comment on the Statement of Internal Financial Controls that governing bodies are required to include with the organisations accounts. Thus, the management committee must ensure that they are independent and effective. The management committee must also ensure that auditors are appointed through a proper selection procedure, with the appointment subject to periodic review.

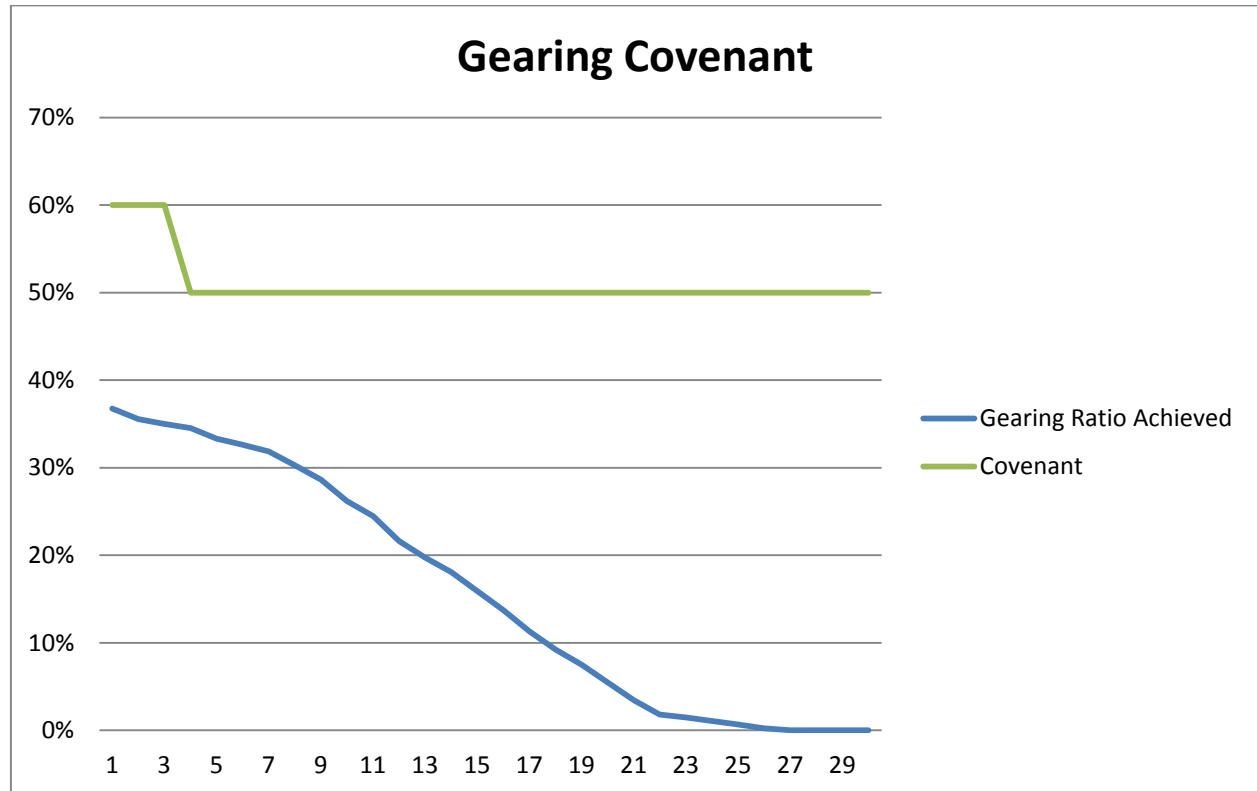
Breaches of The Code of Governance

All RSL members must be committed to adhering to the principles of this Code. An RSL must primarily be concerned with promoting good practice. However, where any member breaches this Code of Governance this can be reported to the Scottish Housing Regulator in order to safeguard the integrity and reputation of the RSL and the voluntary movement as a whole.

Appendix 7

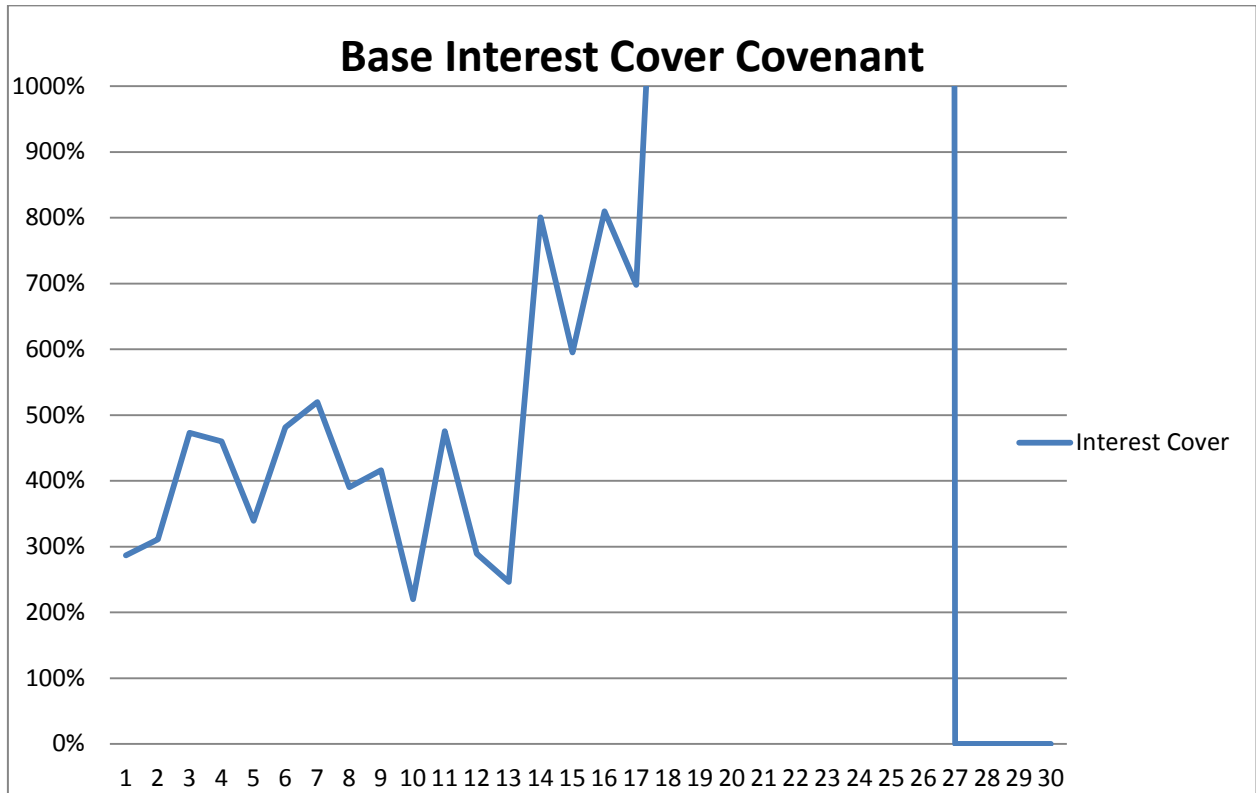
Sensitivity Analysis 2020 - 2024

In looking at the sensitivity analysis we carried out two scenarios. Scenario 1 took account of the doubling of the voids and bad debts. In Scenario 2 inflation has been increased by 1%

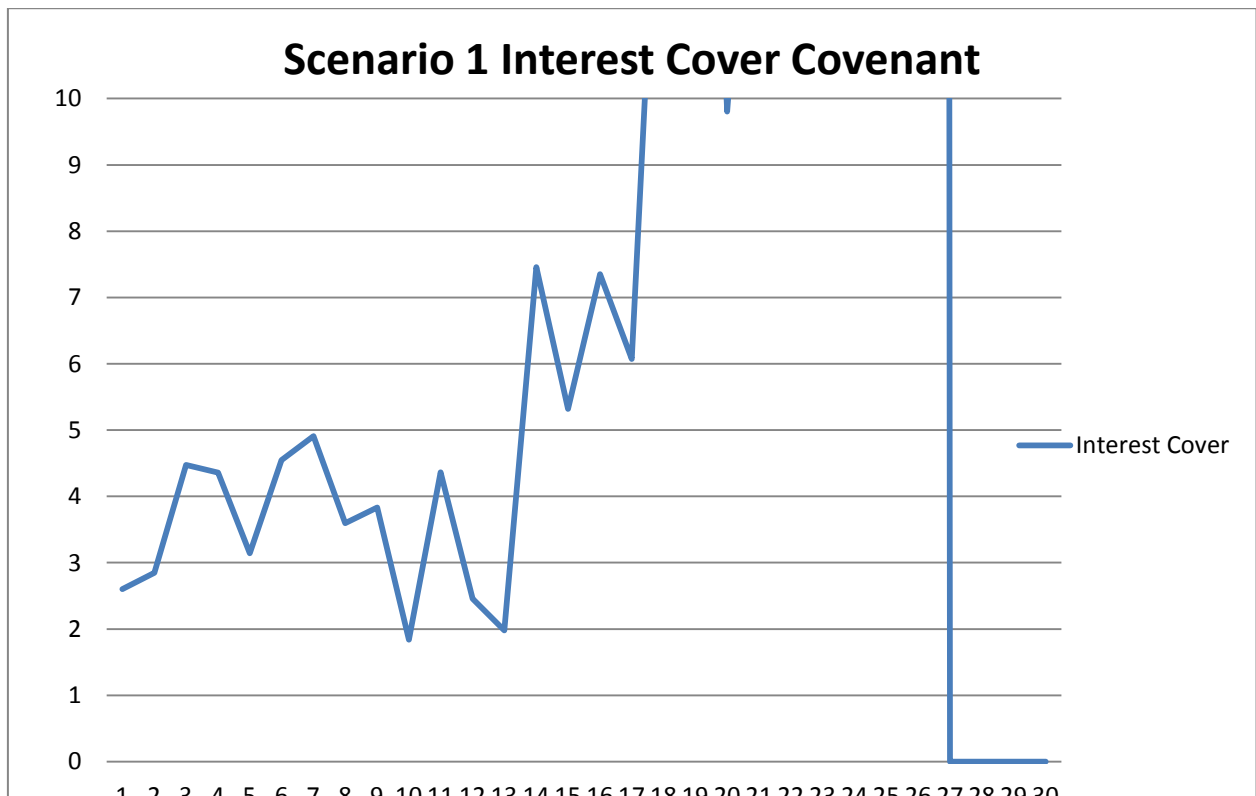


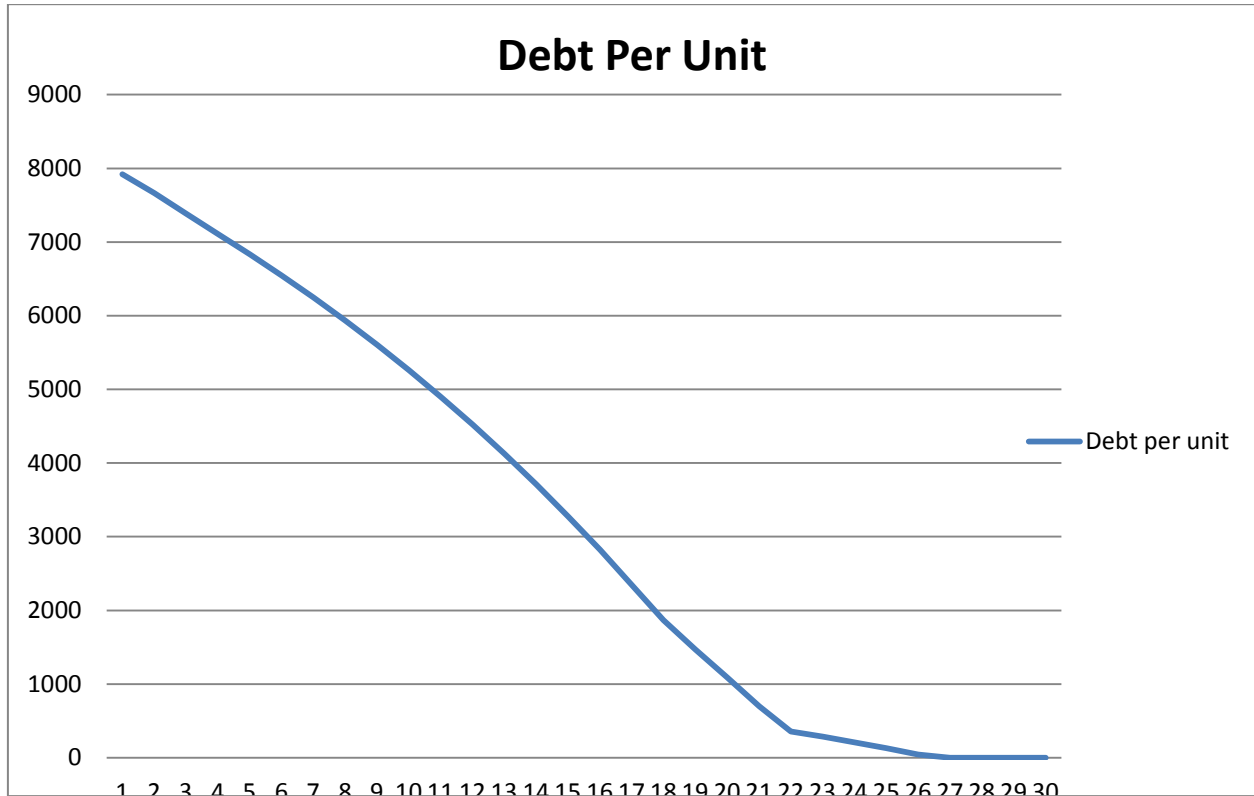
As the Association does not at this stage anticipate any further borrowings from year 1 onwards, the gearing reduces annually with the repayment of the mortgages. This may change as a result of any of the development opportunities coming to fruition. We have a reasonable amount of headroom on our covenant at present and we would not undertake anything that would cause us to breach our covenant.

This is based on the method of calculation of the Gearing Covenant which takes the outstanding loans as a % of the cost of the assets. As the scenarios do not alter the borrowings or the book value of the assets there is no change in the gearing ratio in either.

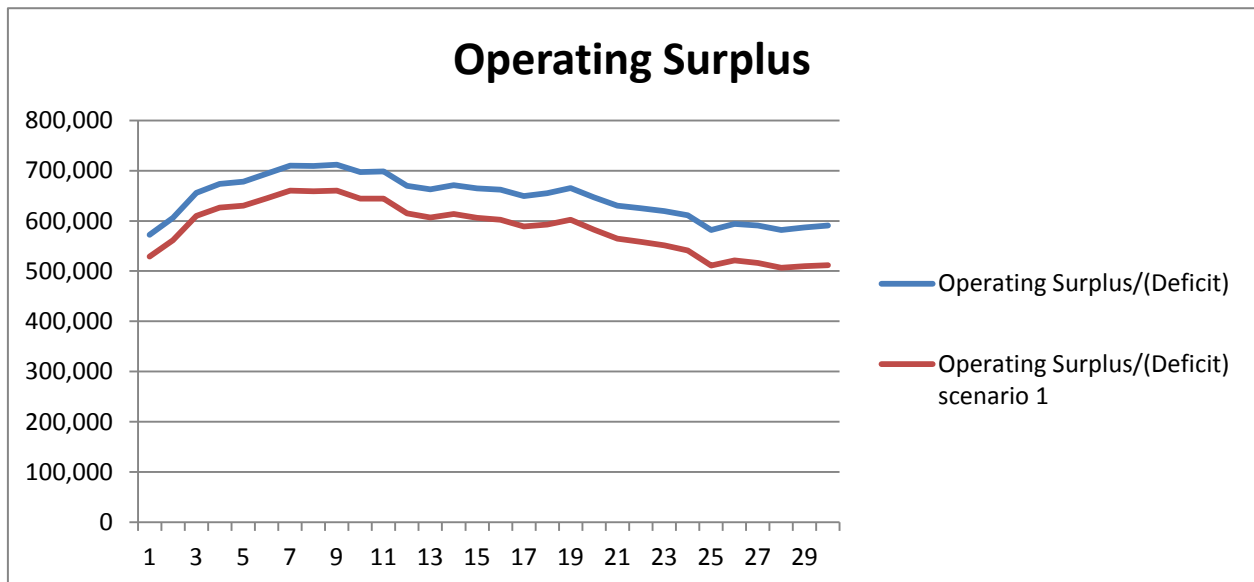


With both options the interest cover remains well above the level specified by our lenders. As there are no significant known, additional borrowings anticipated subject to new development opportunities then the level of cover increases as the loans are repaid and the interest reduces.

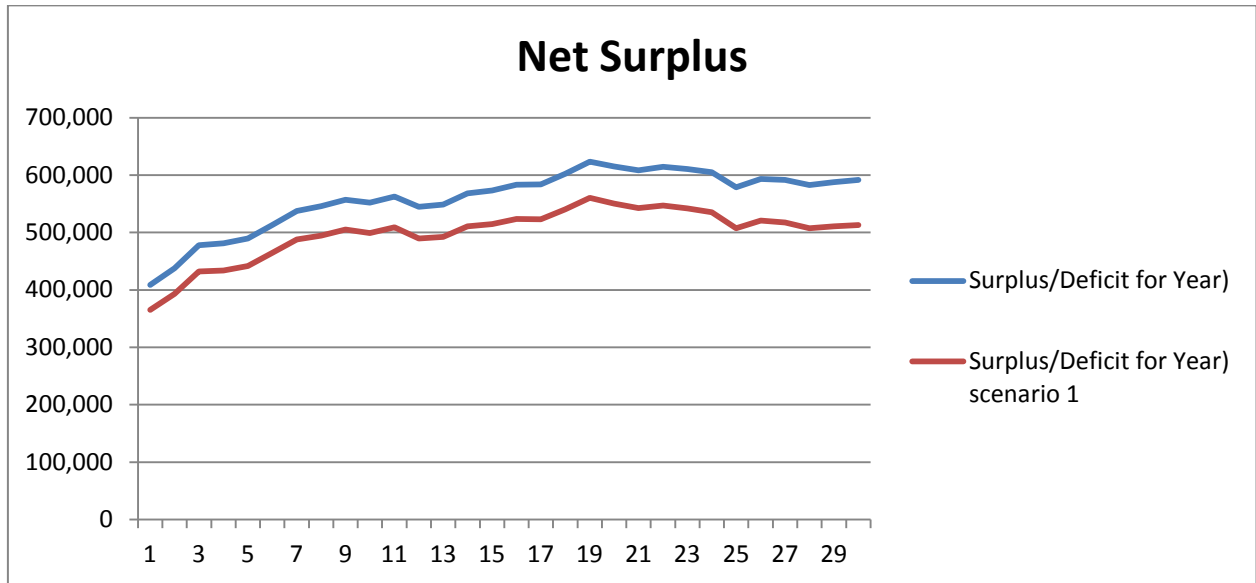




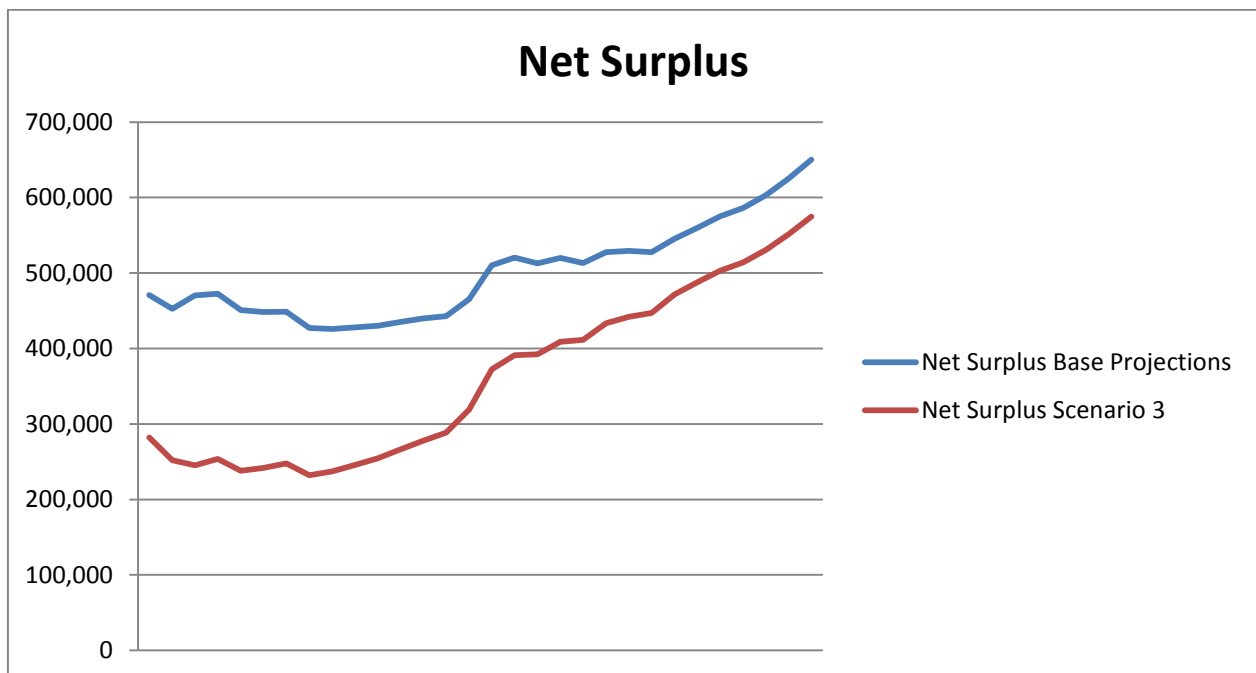
In all of the scenarios there are no additional borrowings anticipated and consequently the debt per unit peaks in year one with the development of Holmlea Primary School at £7,919 per unit and reduces annually thereafter with the repayment of the loans.



As can be seen the operating surplus in scenario 1 is lower than the base projections. However it is still at a reasonable level throughout the projections. This reflects the effect of increasing the voids and bad debts and includes additional interest rate increases over and above those already anticipated in the base projections.



As with the operating surplus the net surplus in scenario 1 is lower than the base projections although as with the operating surplus it remains at a healthy level throughout the projections.



As with the operating surplus the net surplus in scenario 3 is lower than the base projections although as with the operating surplus it remains at a healthy level throughout the projections.

Appendix 8

Management Performance 2018 – 2019 (ARC)

Customer Satisfaction Levels (collected via Tenant Satisfaction Survey)

Overall satisfaction with our services – 97.88%
Satisfaction with repairs services – 97.70%
Satisfaction with opportunity to participate – 85.48%
Satisfaction with Anti-social behaviour handling - >80%
Satisfaction with Association keeping tenants informed – 96.21%
Satisfied with standard of house – 96.55%
Satisfied with quality of house – 94.51%
Satisfied with the management of the neighbourhood – 93.60%
Satisfied with our factoring service – 97.50%
Satisfied with the value for money provided by rent – 93.8%

Rent Collection, Re-lets and Voids

Collection of rent due – 98.16%
Arrears – 5.78%
Void loss – 0.40
Average time to re-let – 21.02 days

KPIs

Rent Collection

Monthly Rent Collection – 95%
Arrears target – 4%

Relet time – 10 days (normal void)

15 days (major void)

Void repair times

- No repairs required – 5 days
- Minimum works 10 days
- Major works - 20 days

Repairs and Maintenance

Emergency Repairs – 6 hours

Urgent Repairs - 2 days

Routine Repairs – 15 days

Right First time - >90%

Pre Inspection – 10 %

Post Inspection – 10%

Complaint Handling

Stage 1 – 100% within timescale

Stage 2 – 100% within timescale

Appendix 9

Organisational Chart

