

Under Review

Govan Housing
Association

Business Plan and 30
Year Financial
Projections
2015-2018



INVESTORS
IN PEOPLE

Silver



INVESTORS
IN YOUNG
PEOPLE

GOOD
PRACTICE
AWARD

Govan Housing Association
35 McKechnie Street
Glasgow
G51 3AQ

Register of Friendly Societies No. 1686 R (S)
Registered with Scottish Housing Regulator
A Registered Scottish Charity No. SC009055

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Chair and Chief Executive's Introduction

We are proud to welcome you to Govan Housing Association's Combined Internal Management and 30 Year Business Plan for the next 3 years and beyond which was approved at our Management Committee meeting on 29 January 2015.

The objectives, plans and strategies held within here were arrived at after months of joint working between staff, the Executive Management Team and Management Committee members. This was also done as a follow up to an extremely comprehensive review of our business which was carried out during 2013-14. This review brought about a number of changes, including the completion of a full staffing restructure which resulted in the recruitment of a new Executive Management Team. We decided to carry out this review to identify efficiencies and prepare the business for the challenges which lay ahead for both the Association and the Housing sector as a whole.

The review has helped us to focus on what is really important to the Association, our customers, as well as the wider community of Greater Govan. The review has brought about substantial savings for the business going forward, reducing the risk to our business of key areas such as auto-enrolment, past service pension deficits, and has enabled us to recruit key staff with the skills, knowledge, passion and desire to lead, manage and deliver on our overarching mission of *'Moving Govan Forward'*.

The plan also reflects the strong working relationships which we have with our key partner organisations, both locally and nationally, and underpins the key strategies behind the expansion of this work as we continue to deliver enhanced services, better quality provisions and aim to mitigate the pressures placed, both upon our residents and the Association, by internal and external factors such as the Welfare Reform. Building sustainable and holistic partnerships and communities is vital to helping the residents of Greater Govan sustain their tenancies and live independently and this will remain key to the delivery of our services as we continue to strive towards our strategic and operational objectives.

We view this document not only as a working tool for staff and Management Committee members but also as a public declaration of our continuing commitment to all those who have a vested interest in our operational areas. We trust that it demonstrates the commitment we have to continuing to meaningfully contribute to and support our local communities over the next three year period and beyond.



William Pritchard
Chair



Fiona McTaggart
Chief Executive

Executive Summary

Govan Housing Association was established as a registered housing association in 1971 and has charitable status operating as an independent Industrial and Provident Society. Its focus of operation is Central Govan and possesses over 1,450 homes and provides a factoring service to approximately 600 domestic and commercial owners.

The Association is governed by a Management Committee who are appointed to oversee the strategic direction and provide insight to the performance and development of services. Day to day responsibility for service delivery is delegated to the staff through the Chief Executive. The main areas of responsibility for the Chief Executive centre around asset management, property development, delivering a planned maintenance programme to protect our current stock and our investment, housing management, customer service and satisfaction, financial and treasury management, corporate services, governance and regulatory framework management and supporting and delivering wider community development and regenerative strategies.

The Business Plan for Govan Housing Association outlines the organisations strategy for the next three years. It has been prepared in collaboration with both staff and Management Committee, taking consideration of the current challenging operating environment and external pressures such as the welfare reform and pressures on public finance, which are pertinent across the housing sector at this time. The plan builds on the work which has already been carried out during 2013-15, at a time where the Association experienced a number of notable changes and business improvements in order to obtain the structures and frameworks to ensure that the Association is supported in obtaining its mission of *'Moving Govan Forward'*.

This plan takes account of external pressures currently being placed upon the housing sector, notably: bedroom tax, pension reforms, compliance with Scottish Housing Quality Standards and the need to meet the new energy efficiency standards. This plan provides the basis, however continual review of our business, the implementation of robust controls to manage the various risks and carrying out the necessary business planning in order to ensure that the sound financial viability of the Association is not put at risk in the long term remain key. The plan also demonstrates our commitment to our tenants and the wider Greater Govan community through the development of the generic housing teams, enhancement of services to reduce the impacts and provide support to the many individuals and families affected by the welfare reforms, the delivery and implementation of a comprehensive planned and cyclical maintenance programme and the introduction of an extensive community regeneration strategy are just a few key areas that are highlighted within our ambitious plan. In addition, our drive towards working towards Investors In People and Young People accreditation demonstrate our commitment to grow our own people and invest in our most valuable asset, our staff.

We hope that this plan illustrates and demonstrates how the Association is performing, highlights our diversity and demonstrates how we aim to deliver our services and work towards our overarching mission of *'Moving Govan Forward'*.



Under Review

OVERVIEW

THE ORGANISATION – PAST, PRESENT AND FUTURE

1

Overview – The Organisation: Past, Present and Future

The Past

Govan, situated at the confluence of the rivers Clyde and Kelvin, a historic burgh owing much of its earlier prosperity to the shipbuilding yards that established themselves along the Clyde beside it. The shipbuilding and engineering industries may have declined but the influences of these industries are a profound one still very apparent today. Govan boasting an abundance of local landmarks which are the legacy of the yard owners, and the yards and docks themselves, all serve as visible reminders of the areas shipbuilding and engineering heritage.

The decline of shipbuilding and the general demise of the engineering industries brought a decline in the population of Govan. With the redevelopment of the old shipyards of the 1960s, streets were re-aligned or in some cases disappeared completely as the growth and prosperity of the once rich landscape of Govan began to change.

Govan Housing Association itself possesses a rich history and one of development and innovation. Founded in 1971 under the name of Central Govan Housing Association, Govan Housing Association was the first community based housing provider, leading the way for social housing provision in Scotland. Registered under the Industrial and Provident Societies Act of 1965, the Housing (Scotland) Act 2001 and as a registered Scottish Charity, it's growth over the years from its initial rehabilitation of 212 flats in the then Taransay Street Treatment Area to its more recent award winning development on Golspie Street have been key to providing some much needed development and regeneration to the Greater Govan area.

The regeneration process across Greater Govan was invigorated in 2005 by the commissioning of the Central Govan Action Plan (CGAP). Since then, Govan Housing Association has worked with CGAP to provide innovative new developments, improved shop fronts and overall strived to bring life back to the area.

Control of the Association is vested with a voluntary Management Committee which is elected by Members at the Annual General Meeting. No dividend is payable on shares and no Member receives a personal benefit for their services. The Management Committee discuss key issues for the future and work closely with the Executive Management Team on strategic direction and business improvement and development.

The Association's purpose is to be an innovative and responsive organisation, playing a leading role in the regeneration of Greater Govan and continuing to improve the quality of life of residents. Many parts of Greater Govan still require considerable investment to be at a standard where our properties and the community become an area of choice. Through our efforts and substantial investment in both our properties and the community over the period of this plan, we aim to address these matters and contribute in an effective way to the Govan area.

Govan is a proud community and its history and its position today means many things to many people: a primitive crossing point of the River Clyde; the undisputed leader of the 19th century world's shipbuilding and industry, with a workforce of unmatched prowess in the invention and manufacture of great ships; a place of great prosperity, wealth and exceptional design and architecture; a close knit, proud tenement community; a resilient and spirited community; a historic place with a unique heritage and possessing desirable and valuable assets; a place and people with potential to grow and regenerate.

The Present

The Association has successfully contributed to the physical, social and economic regeneration of Greater Govan over its past 42 year history. Being the first community based housing association, we have worked closely with both our strategic and local partners to deliver large-scale improvements to the lives of our tenants and the wider Govan community. These core principles remain at the heart of what the Association aims to achieve and provide to the local community and the service users today. Listed below are just a few of our important milestones and successes that we have achieved, notably:

- Our Management Committee regularly reviews our aims, objectives, risks and critically our performance. We also through our website, newsletters, audited financial statements and annual report, highlight our performance. We use a traffic light monitoring system to review our set objectives. Our Management Committee receives regular reporting on our objectives and reviews our financial performance monthly.
- We have recently expanded our Direct Labour Organisation (DLO), renamed the Govan Home Team. Our Govan Home Team now possesses a team of skilled tradesmen who work continually to improve the standard of our repairs, out of hours service, our back courts and surrounding areas, and ensure that our cyclical and planned maintenance programmes can be delivered in an effective and efficient manner providing best value to our residents. The expansion of this area of the business is anticipated to bring efficiencies in the region of £4.3 million over the 30 years of our business plan.
- In July 2014, we concluded a major staff restructure. This process ensured that the revised staff structure is equipped with suitably capable staff to lead, manage and deliver the high standards expected by the Scottish Housing Regulator and our tenants and service users. We envisage that our new staff structure will enable the Association to strive towards being a high performing, value for money, community-focussed organisation.
- In October 2014, the Association published its first Annual Report on the Charter, following on from the first Scottish Housing Regulator (SHR) Landlord Report, and which let tenants and other service users know how we are progressing in meeting the standards and indicators outlined in the Scottish Social Housing Charter. Monitoring and reporting on our performance is something that we do on a regular basis, so although this format is new, the principle is not. Our first report demonstrated that despite performing well in many areas of the business, there was room for improvement in certain areas.
- Over the past year the Association has tried a number of different ways to engage and obtain feedback on both our current and future service delivery. The Association is also taking different approaches to get our customers and the Greater Govan community involved. Recently, this has taken the form of tenant consultation through newsletters, our online Facebook and Twitter activity, our Annual Fun Day, our Service Scrutiny Panel and attendance at key community events.
- The impact of the new Welfare Reform changes are beginning to be known – all housing providers are experiencing an increase in rent arrears and the number of discretionary housing payments and the effort to contain these will require more intensive personal contact with increasingly vulnerable people. This is a new and growing pressure on overhead costs and is requiring us to increase our partnership

working with local organisations such as Money Matters. While the bedroom tax remains a highly contentious change, the proposed accelerated introduction of Universal Credit is anticipated to introduce a new relationship with customers and additional risks of non-payment. The exact timing of this being introduced, however, remains somewhat uncertain.

The Future

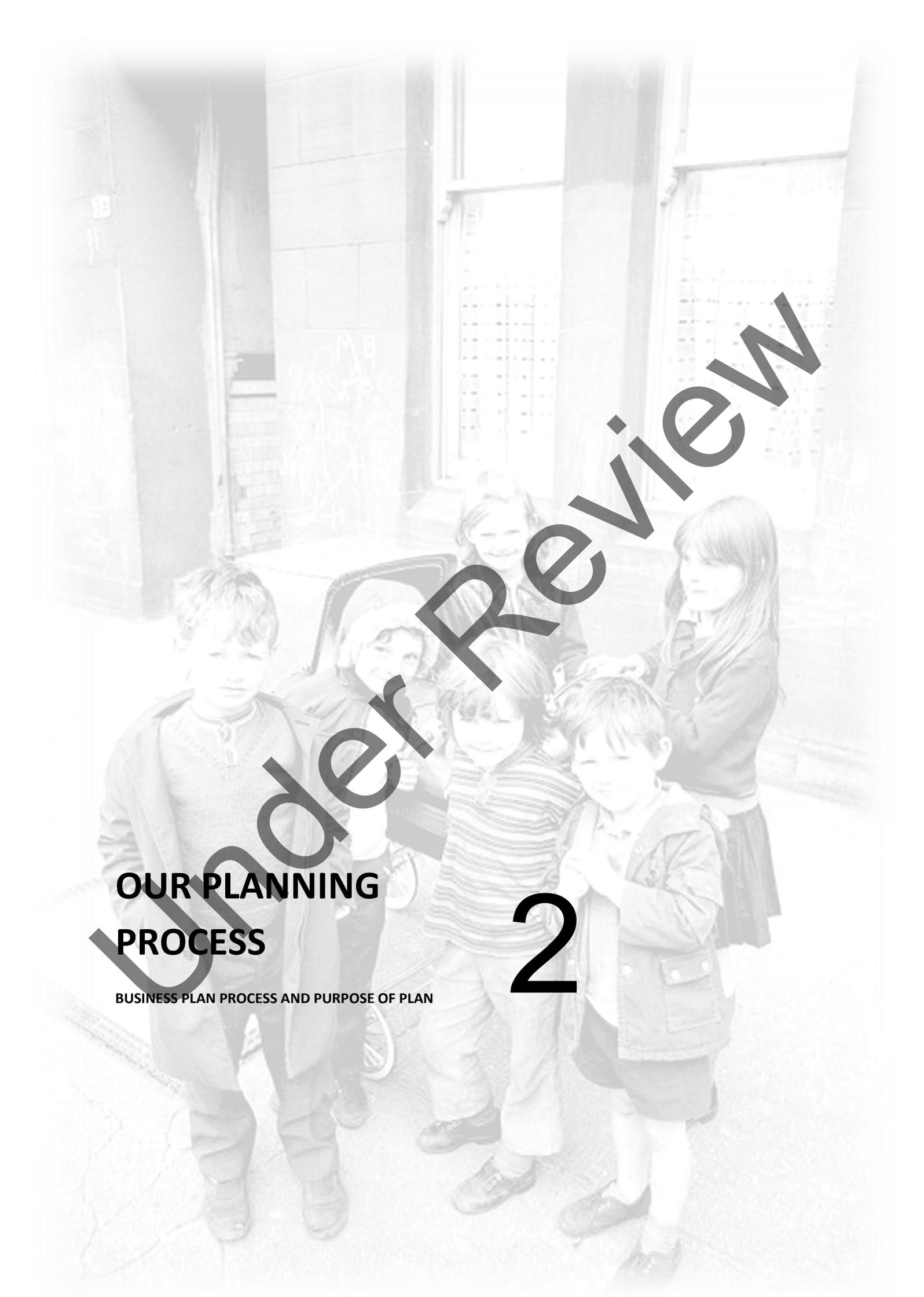
The Association has went through a number of changes during 2013-14, which have brought about a number of challenges, but with it has brought a number of great successes, opportunities and positioned the organisation to move forward with the confidence that it has the structures, staff team and expertise to enhance our performance and continue to drive towards our mission of *'Moving Govan Forward'*.



Looking forward into the future, we are conscious of the pressures currently being placed upon the housing sector, notably: bedroom tax, pension reforms, compliance with Scottish Housing Quality Standards and the need to meet new energy efficiency standards. In light of these, we shall continue to review our business, implementing robust controls to manage the various risks and carrying out the necessary business planning in order to ensure that the sound financial viability of the Association is not put at risk in the long term.

Our recent Residents Satisfaction Survey and our Annual Return on the Charter demonstrated and gave us a realistic review of where we are currently at as an Association. Despite many successes and above average performance in some key areas, there is significant room for improvement, service developments and enhancements. As we go forward for the future we shall be aiming to address these issues as we continue with our overall mission of *'Moving Govan Forward'*. The main issues to be addressed are:

- To continue to review our tenant participation and scrutiny approach and get both our customers and the wider Greater Govan community more involved in the work of the Association and influence decisions and service delivery.
- To continue to grow and enhance our Direct Labour Organisation, the Govan HOME Team, to ensure that our standards for both reactive and non-emergency repairs continually improve and provide value for money to our tenants and service users.
- To establish a range of means by which to support tenants and the wider community with the impact of the Welfare Reform and build on our success in supporting tenants to secure Discretionary Housing Payment and other key benefits to support them in their family lives and tenancies.
- To improve our performance in dealing with both Stage 1 and Stage 2 complaints – we will be monitoring this closely to ensure that we learn from these and alter our services appropriately to enhance our customer's experiences with the Association.
- To improve the standard of our stock through a comprehensive planned and cyclical maintenance programme, focussing attention particularly on our pre-1919 tenement properties.
- To build sustainable and holistic partnerships and communities and overall assist the residents of Greater Govan sustain their tenancies and live independently.
- To build strong working relationships with our key partner organisations, both locally and nationally, and underpin the key strategies behind the expansion of this work as we continue to deliver enhanced services, better quality provisions and aim to mitigate the pressures placed, both upon our residents and the Association.
- To continue to improve service delivery across all areas of our business so that our customers have access to the best service possible from us.



Order Review

OUR PLANNING PROCESS

2

BUSINESS PLAN PROCESS AND PURPOSE OF PLAN

The Business Plan Process

The Business Plan is a joint working document influenced by the staff and Management Committee of Govan Housing Association.

The Association shall follow the process outlined below to ensure consistency and accuracy of the full business plan each year. The Association sees continual review and consultation to be key to the delivery and evaluation of our main strategy and provision of an excellent service to our residents.

To achieve this plan, the following approach was developed:						
	Stage	Detail	July - Sep	Oct - Dec	Jan - Mar	Apr - Jun
Planning	1	Planning process for business planning reviewed in full.	✓			
	2	SWOT analysis carried out by Executive Management Team and Management Committee.	✓			
	3	A joint Business Development event held to agree our strategic direction.	✓			
	4	Business Planning Training/Consultation carried out.	✓	✓		
	5	Executive Management Team review existing strategies and present recommendations to the Management Committee for approval.	✓	✓		
	6	Define SMART planning and objectives.	✓	✓		
	7	Management Committee review and approve strategy.	✓	✓		
	8	Budget planning		✓		
	9	Business Plan and budgets are finalised and approved by Management Committee.			✓	
Delivery	10	Engage all necessary stakeholders.		✓	✓	
Monitoring	11	Ongoing monitoring and evaluation.	✓	✓	✓	✓
Review	12	Full review of performance is carried out against the Business Plan and Key Performance Indicators.	✓	✓	✓	✓
	13	Full risk assessment.	✓	✓	✓	✓

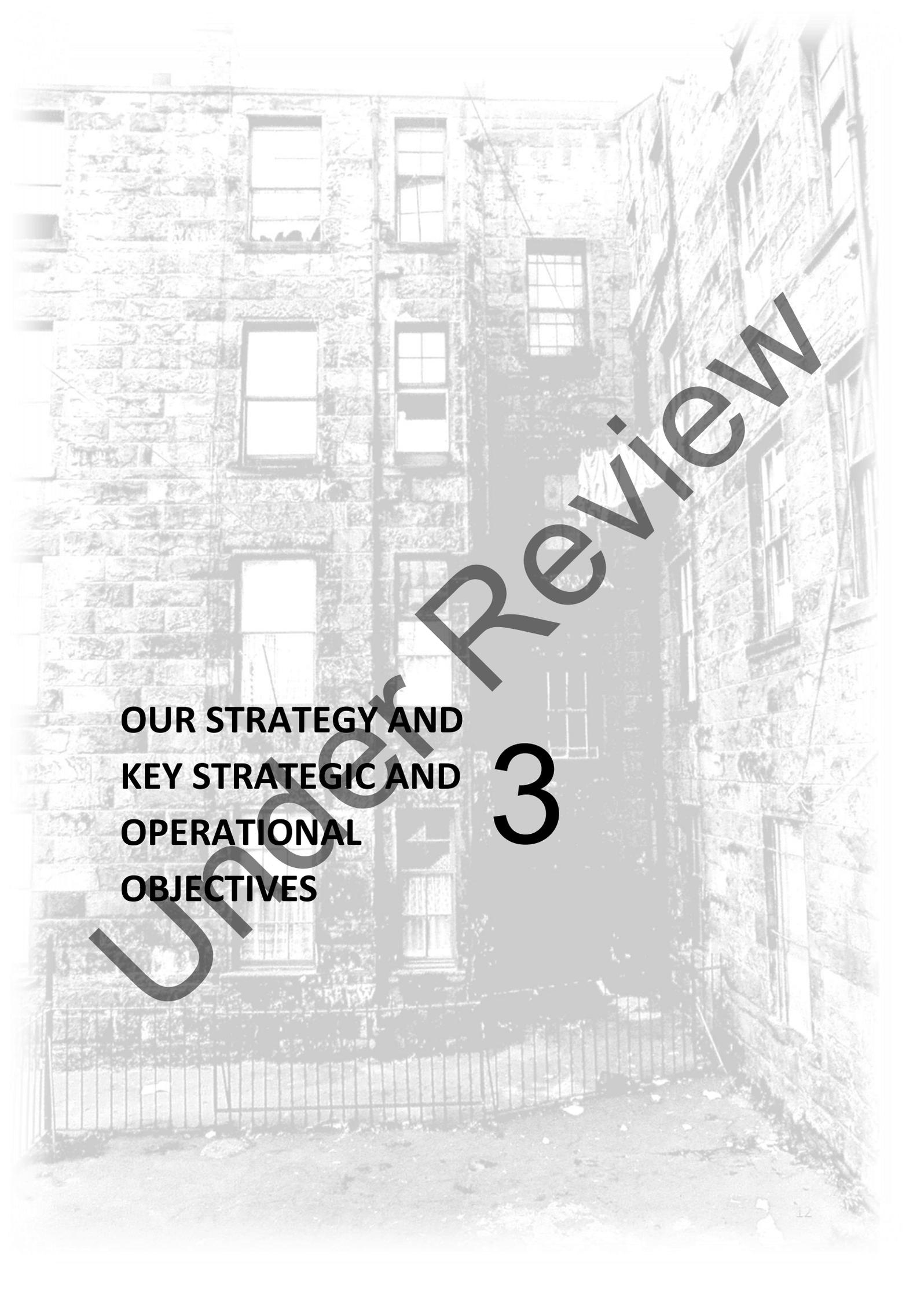
The Purpose of the Business Plan

The Business Plan is a vital tool to the Association. It allows the Association to plan for its future, ensure that its assets and investment are protected in the long term, identifies internal and external risks and provides a basis for developing and enhancing our future business delivery.

At the heart of the business plan are our objectives, both strategic and operational (see Section 3 of business plan). Thus, the key purpose of the full business plan is that these are met, performance is measured and targets are met. Where possible the Association shall strive to exceed these targets. The table below demonstrates some of the key factors to ensuring that these key areas are met.

How we ensure that we achieve the objectives, performance and targets outlined within the Business Plan:

- 1 The Governing body (Management Committee) has the ultimate responsibility for ensuring that the mission statement, strategic and operational objectives are monitored and reviewed.
- 2 The Management Committee and Management Team will oversee the effectiveness of our financial planning. Our internal and external audit functions will also support our financial effectiveness. The Scottish Housing Regulator also monitors our performance.
- 3 The Operations' Sub Committee will have the responsibility for measuring the success of the annual performance of our housing and property services targets, budgets, KPI's, service delivery to tenants and continuous improvement in our customer services.
- 4 The Audit Sub Committee will be responsible for seeking reassurance that the Association's staff team are complying with legislation, policies and regulatory guidance and good practice in the delivery of its services. This is achieved through the work of the internal auditors who are assisted in discharging this duty by the external auditor.
- 5 The Management Committee of Govan Housing Association has the responsibility to review this plan.



**OUR STRATEGY AND
KEY STRATEGIC AND
OPERATIONAL
OBJECTIVES**

3

Our Strategy and Key Strategic and Operational Objectives

Our Business

Our core business function is to provide, manage and maintain homes for people, to the highest possible standards.

We are registered with the Financial Conduct Authority, No.1686 R (S), with the Scottish Housing Regulator No.HEP87, and we are a registered Scottish Charity, No. SC009055.

Our Mission

Govan Housing Association aims to be an innovative and responsive organisation, playing a leading role in the regeneration of Greater Govan and continuing to improve the quality of life of residents.

Our Values

Equality

To ensure that everyone regardless of age, income, marital status, sex, disability, race, sexual orientation, religion and culture has equal access to services of the Association and employment by the Association or contractors working for the Association. Service provision should closely reflect the evolving needs of the whole community.

Quality

To ensure that all property and services provided by the Association should be of a high quality, reflect the needs of the users and demonstrate high measurable standards.

Participation

To ensure that the Association encourages and enables, participation by all sections of the community in meaningful consultation to ensure that services are appropriate and responsive.

Strategic Objectives

The Association has 5 key Strategic Objectives which assist the Association in setting out how our mission statement can be broken down into individual components of strategy. There are a number of drivers which have a significant impact on the Association's key objectives and priorities, more details of which are outlined in *Section 5 'Our Operating Environment'*. These areas are all taken into account so that we ensure that our business plan reflects the current operational environment and policy context in which we work.

Our strategic objectives are outlined below along with details of:

- How these will be achieved.
- How success will be measured.

1. Provide a continually improving, high quality housing and factoring service that meets the needs and aspirations of our service users and protects the investment.

How will this be achieved?

- We will continue to monitor tenant satisfaction with our services to ensure we reach and sustain high levels of customer satisfaction.

- We will review and present annually to tenants our performance against our own Customer Charter and the Annual Report Charter (ARC), benchmarking ourselves against our peer organisations.
- We will consult with tenants on all significant service changes and all policy reviews impacting on service delivery, and take their views into account.
- We will continue our activity to help to mitigate the impact of the UK welfare reform changes for tenants, supporting tenants to understand the impact for them through marketing and publicity material and the provision of advice and assistance with debt management, benefit applications, setting up bank accounts, energy advice and personal support through our Tenancy Sustainment Officer. Through this activity we will reduce as far as we can the impact of the welfare reforms on arrears and tenancy sustainment.
- We shall continually review our housing and factoring service to identify efficiencies and ways to provide and enhance our service provision.
- We will continue to develop our understanding of our customer needs and act proactively on satisfaction levels, performance, needs and demographics.
- We will deliver on our Operations Service Plan and Targets.
- Ensure that our staff are equipped with the necessary skills and resources to deliver the services our customers expect.

How will success be measured?

- We will continue to use complaints to resolve problems and consider feedback from customers through the variety of customer feedback methods.
- We will compare our performance year on year to ensure we continue to deliver a high quality housing and factoring service and benchmark our performance with those achieved by other Housing Associations.
- We will continue to consult and engage with service users on changes affecting them and policy reviews which have a service implication and feedback what we have considered as a result and what we have changed.
- We will continue to grow and develop our Service User Panel to ensure that matters are given the due consideration required and that the wider needs of the area are identified and dealt with proactively.
- We shall continue to enhance our in-house services to mitigate the impact of the welfare reform.
- We will measure our success against our Operations Service Plan and Targets outlined within Appendix 1 using a traffic light system on a quarterly basis.
- Commitment to continued investment in staff training through internal and external training.
- Continual review of our structure to ensure we are best placed to meet our future challenges and seize opportunities.

2. Maximise participation, consultation and social inclusion in the delivery of our services.

How will this be achieved?

- We will continue to enhance our Service User Panel, enhancing membership and encouraging participants from a variety of areas across the community to contribute.
- We will continue to engage with tenants through a variety of mediums e.g. newsletters, tenant and resident satisfaction surveys, community events etc. to maximise participation.
- We shall continue to enhance our Tenancy Sustainment service to ensure that our residents obtain access to wider initiatives across the area to encourage social inclusion.
- We shall continue to consult with tenants and owners to raise awareness of any prevalent issues affecting them e.g. welfare reform, rent restructures, service charge reviews etc.
- We shall continue to liaise with tenant participation organisations such as Tenant Information Services (TIS) to enhance our activities and deliver new models and different practices to encourage greater participation.

How will this be measured?

- We shall introduce a minimum of 2 further members to the Service User Panel during

2014-15.

- We will continue to provide a quarterly newsletter with considerable content on the Association and the wider community.
- We will encourage residents to engage to various media e.g. website, Twitter, etc.
- We will continue to review our participation and consultation effectiveness to ensure that we are reaching out to as much of the Greater Govan community as possible.
- We will benchmark our Tenancy Sustainment performance against our peer group.

3. Improve our communities, quality of life and living conditions through regeneration initiatives.

How will this be achieved?

- We will work holistically and collaborate with the local voluntary sector and with other key local partners to improve on employability, health and wellbeing, environmental conditions etc. by raising external funding from a number of sources in order to enable new or expanded services to develop.
- We will support the review and delivery of the Central Govan Action Plan. In so doing we will continue to promote improved services for our customers by our contribution within the local community and through support of local initiatives.
- We will maximise our relationship with suppliers and contractors to support work experience placements, apprenticeships and jobs by using community benefit clauses in our contracts.
- We will continue to monitor the key agendas nationally to ensure that the Association has measures in place in order to meet key areas affecting its residents e.g. digital inclusion, benefit sanctions etc.
- We will continue to develop and enhance our Direct Labour Organisation in order to provide employment and training opportunities for young people and enhance our environment in order to make for better living conditions for our residents.
- We will develop further partnerships in order to deliver a wide range of services to the Greater Govan community.

How will success be measured?

- A minimum of £50,000 grant income will be generated each year for additional and expansion of existing services in the community.
- Development of a collaborative working group to address key youth issues in the Greater Govan area.
- Provide a minimum of 3 positions annually for Community Job Fund Trainees to take up positions within our in-house Direct Labour Organisation.
- Continually develop our Regeneration and Community Development Strategy to address the needs of our residents and the Greater Govan community.
- Continue our membership of Glasgow West of Scotland Forum to share knowledge and learning from wider initiatives.
- We shall continue to provide a money advice service through Govan Money Matters, work towards tackling fuel poverty and deliver wider initiatives where possible.
- We will develop our existing and future partnership work to provide a range of local community projects which benefit our tenants and the wider community.
- Introduce a small Community Development Trust, or similar, to help support local initiatives and grow future development projects.

4. Ensure that the Associations services are delivered in a cost effective way.

How will this be achieved?

- Continuing to benchmark our performance against other Housing Associations, with the aim of being an above average performer in our peer group.
- To continually consider where we might make further improvements.
- To carry out a full Stock Condition Survey and revisit our Asset Management Strategy during 2015-16.
- To develop a revised 30 year planned maintenance programme from 2015 to address the future development of our existing housing stock.
- Ensuring we do all that we can to mitigate the impact of the Welfare Reform changes for tenants in order to reduce the potential impact for us on lost rent.
- Continually reviewing our existing procedures and agreements to identify any

inefficiency.

- To continually scrutinise our procurement processes to ensure that the Association obtains best value for its residents.
- We will share services with other housing providers and explore new ways of working where there is a business case to do so.
- We will critically evaluate the costs of providing our main services, including the provision of supported housing and special lets.

How will this be measured?

- Achievement of our key performance indicators (KPIs) as outlined in our Operations Service Plan outlined at **Appendix 1**.
- All of the Association's social rented properties meet or exceed the Scottish Housing Quality Standard by 2015.
- Full review and implementation of our revised Asset Management Strategy, Planned Maintenance Programme and undertaking of a full Stock Condition Survey during 2015.
- Continued and enhanced delivery of our Money Matters service to mitigate the impact of Welfare Reform on rental loss and tenancy sustainment.
- Continual application of best value principles and compliance with the Association's procurement policy.

5. Ensure the business and viability of the Association is effective by providing efficient financial, administration and personnel systems.

How will this be achieved?

- We will continue to promote and maintain a workplace that staff enjoy working in and feel engaged with.
- We will continually review our Business Systems to ensure that our systems are providing added value to our service delivery and are ensuring that our staff resource is being used effectively.
- We shall continually review our financial reporting to ensure that Management Committee are being provided with the information they require in order to make informed business decisions.
- We will ensure that our financial projections and business planning ensure that the Association is viable for the period and that risks are managed in order to protect the Association's assets and investment.
- We shall ensure that our business systems meet the needs of our business and where necessary provide access to the wider community in order to enhance their IT skills.
- We shall ensure that our personnel systems are kept up to date and secure to allow any potential staffing issues to be dealt with timely and effectively.
- We shall deliver an effective business continuity and disaster recovery programme of works to ensure that the Association's systems are robust and that, should a adverse situation arise, the service delivery should have minimum disruption.
- We shall continue to review our systems to ensure that they are set up for the future and to ensure that the Association remains up to date in terms of its full Business System provision.

How will this be measured?

- A in-house IT User Group shall be implemented to help develop our business systems, identify inefficiencies and enhance them for future service delivery.
- Financial models shall be developed on our business planning software, Brixx, in order to enhance our business planning process.
- A fully revised ICT Strategy shall be developed and implemented during 2014-15 in order to meet both the business and wider community needs e.g. digital inclusion.
- Use of ICT contractors shall be reviewed annually to ensure that the Association is obtaining the best value.
- The full Contact Management Software Package shall be implemented during 2014-15 in order to enhance our frontline systems.
- Budgets shall be reviewed in a timely manner and scrutinised in order to ensure best value and accurate spend.

- Financial reporting shall be changed from quarterly reporting to monthly reporting to allow Management Committee to make better informed business decisions.
- Business Planning and 30 Year Financial Projections shall be delivered in-house rather than by external consultants from 2014-15 onwards.

Operational Objectives 2014-2016

The desire to meet the organisation's strategic goals in tandem with addressing the points raised at *Section 5 'Our Operating Environment'* of this business plan, determines the key priorities for staff over 2015-16 and these will continue to be monitored annually, or as the business requires. A number of workstreams, initiatives and projects have been identified, some of which are underway and others planned to start and be delivered over 2015-16.

Over the 2015-16 period a number of key operational objectives have been identified below as being key priority areas in delivering our overall strategy. These shall be focussed on collaboratively with our strategic objectives and will be key to our service delivery and the progression of our business as we continue to work towards our overall mission of *Moving Govan Forward*.

1. To deliver the operational targets set out in the Operational Service Plan;
 - Rent Arrears
 - Voids
 - Repairs
 - Resident Satisfaction
2. To complete the reshaping of the organisations staffing structure to meet the service delivery model and value for money efficiencies.
3. To minimise the impact of the Welfare Reforms and Bedroom Tax on our residents and the Association and create further financial inclusion opportunities.
4. To introduce a regeneration strategy and maximise partnership funding opportunities to meet the objectives of our strategy.
5. To complete the Associations development programme and sell the remaining NSSE flats.
6. To set up a programme for planned maintenance from 2015.
7. To carry out a full Residents Satisfaction Survey.
8. To complete a full rent restructure ensuring our rents are competitive, affordable and meet our financial demands.
9. To complete the office refurbishment providing enhanced facilities for our customers.
10. To carry out an options appraisal on the Associations DLO.
11. To work towards "Investors in People".

To support the operational objectives, the following staff members have documented (see Appendix 5: SMART Planning) a comprehensive SMART plan of their service area:

- Chief Executive
- Director of Finance/ICT
- Director of Operations
- Head of Corporate Services

These SMART plans support both the strategic and operational objectives outlined above and shall be reviewed annually as part of the business planning process.

An aerial photograph of a residential development. On the left is a long, multi-story brick building with many windows. In the center and right are newer, multi-story buildings with light-colored facades. A central courtyard area features several green lawns, paved walkways, and small structures with corrugated metal roofs. A tall construction crane is visible in the background against a clear sky.

Under Review

**OUR PRODUCTS AND
SERVICES**

4

Our Products and Services

The Association provides a range of housing and factoring services.

General Needs

General needs housing is provided for single people, couples and families to rent in a wide range of developments throughout Scotland. Govan Housing Association provides a range of general needs housing across Greater Govan from pre-1919 tenements to our award winning Golspie Street development.



Shared Equity and Shared Ownership

Shared equity and shared ownership are Government initiatives which assist people to become homeowners by building properties that are regarded as affordable. In addition there is an advantage to the householder of owning a percentage of the equity of the home. The Association holds a number of shared equity and shared ownership properties across Greater Govan; Rathlin Street, Golspie Street, Dunsmuir Street, Vicarfield Street and Summertown Road to name a few.



Sheltered Housing

Sheltered housing is provided to rent for people aged 60 or over or those demonstrating a particular need, living independently in their homes, which benefit from a housing support service. The Association has a limited number of sheltered housing available in the area. Our current sheltered housing is available on Wanlock Street.

Very Sheltered Housing

Very sheltered housing is provided to rent for older people who are less independent and who benefit from housing support for personal care needs. The Association works with its partner, Loretto Care, to deliver this accommodation through our development at Jim Stephen House.

Supported Housing and Special Lets

We act as landlord to voluntary agencies, where properties are let to meet specific needs through supported housing, leases or special lets. These types of accommodation cater for a range of people with special needs, including mental health issues and physical disabilities. We currently work with the following partners in delivering this service: Key Housing Ltd, the Talbot Association, Scottish Association for Mental Health (SAMH) and Orchard and Shipman.



Tenancy Sustainment

We face a challenging environment of welfare reform, economic downturn, increasing unemployment and reduced public spending. These factors are having, and will continue to have, an adverse effect on many of our customers, particularly those that are vulnerable and on low incomes.

Creating and maintaining successful tenancies lies at the heart of Govan Housing Associations vision – to create homes and places where people want to live. As a result, in 2012, we appointed a Tenancy Sustainment Officer to assist tenants with matters that may lead to them giving up their tenancy.

Tenancy Sustainment is about understanding the importance of living in a secure environment and how this helps people to flourish through education, employment and good health. It is also about understanding the cost of tenancy breakdown – the personal, social and financial cost.

The purpose of our Community Development and Tenancy Sustainment Officer role is to ensure that we create the best possible conditions in order for our tenancies to thrive. Our main objectives in relation to this area are:

- To minimise the rate of tenancy failure, and possible homelessness, by identifying and responding appropriately to those whose tenancy may be at risk.
- To mitigate, as far as possible, the impact of the Welfare Reform Act – both to the organisation and to our customers.
- To ensure customers understand the implications of the welfare reform changes, so empowering them to make informed choices in relation to their housing situation.
- To work in partnership with other organisations in the development, provision and procurement of advice and support services.
- To equip staff to provide accurate information to residents, either directly, or through effective signposting to appropriate organisations.
- To help customers improve their financial capability, enabling them to better manage their money so as to avoid/reduce debt, including rent arrears.
- To help customers to maximise their income by improving access to education, training and employment opportunities.
- To help to counter issues of digital exclusion amongst our customers by providing support around online access.

A considerable part of this role is the creation and sustaining of partnership agreements (formal or informal) with external agencies. Partnership working is vital to the Association; we see the development of links with other agencies being of great benefit to our residents and in turn to the Association. Working in partnership ensures that we make our contribution in a more structured, holistic way, building and developing on work already being delivered across the area.



Sandra McIlroy
*Community Development
and Tenancy Sustainment
Officer*



Working in partnership allows the Association to:

- Share experiences, knowledge and skills – resulting in new and better ideas about how to tackle issues or provide services.
- Co-ordinate planning and delivery of services to make it easier for people to access the services they need.
- Focus and motivate – encouraging organisations to focus their activities on a specific issue. Joint working can give you a momentum that you wouldn't get if you were working alone.

We have formed successful partnerships with various external agencies: Second Opportunities, Galgael, Jobs and Business Glasgow, Plantation Productions, SAMH, Aberlour Youth Point and Quarriers to name a few. Going forward we shall aim to bring together comprehensive collaborative working groups, enhance and develop further our partnership network, encourage joint approaches and holistic partnership development. The key aim of this work is to remove social barriers and encourage our residents to feel part of the Greater Govan community.

Money Matters

The Association works closely with Money Matters, an independent financial inclusion service situated at Orkney Street Enterprise Centre, Unit 1, 18-20 Orkney Street, Glasgow, G51 2BX. They offer a free service and have charitable status (Charity number SC017868).



Money Matters
Money Advice Centre

Money Matters has a wealth of knowledge and has been operating a successful advice centre since 1990. Money Matters has adopted a holistic approach to dealing with advice issues. Their Welfare Rights service includes representation at Social Security and Disability appeal hearings. They also adopt a pro-active approach to the provision of in-work benefits advice such as Tax Credit, Housing Benefit and Council Tax Benefit.



Money Matters has an excellent reputation for delivering a service to clients and have a proven track record at working at a highly skilled level thus ensuring a quality service provision. Their reputation for being a pro-active and quick to respond to change organisation within the city has brought about many innovative solutions e.g. the provision of in-house language skills offered includes: Urdu, Punjabi, Polish, Russian, Slovak and German. This service is particularly vital across Greater Govan where a very diverse community has developed.

The Money Matters service is diverse and is provided directly to the Associations residents, currently two days per week, within the Association's premises. Some key examples of work carried out include: managing money with confidence, moving from benefits into employment, budgeting, saving, debt prevention, affordable credit, economical options for paying bills, etc. They also facilitate energy awareness sessions to offer essential information on heating your home effectively and saving money on your fuel costs. This is a vital service to Govan Housing Association residents and indeed the wider community.





**OUR OPERATING
ENVIRONMENT**

5

Our Operating Environment

Customer Profile

We are committed to getting to know our tenants better so that we can tailor our services to the needs of the people who rent homes from us.

This process of getting to know our tenants better involves improved data collection and production of reports that show patterns of characteristics based on age, household compositions, income levels, employment and disability status. We already know a great deal about our tenant profile but we aim to build on this knowledge as a means of improving our service. Our move to a generic approach within our Operations Team aims to achieve this.

Below we highlight some general characteristics about our existing tenants:

Figure 1 – Ethnic Origin of Tenants

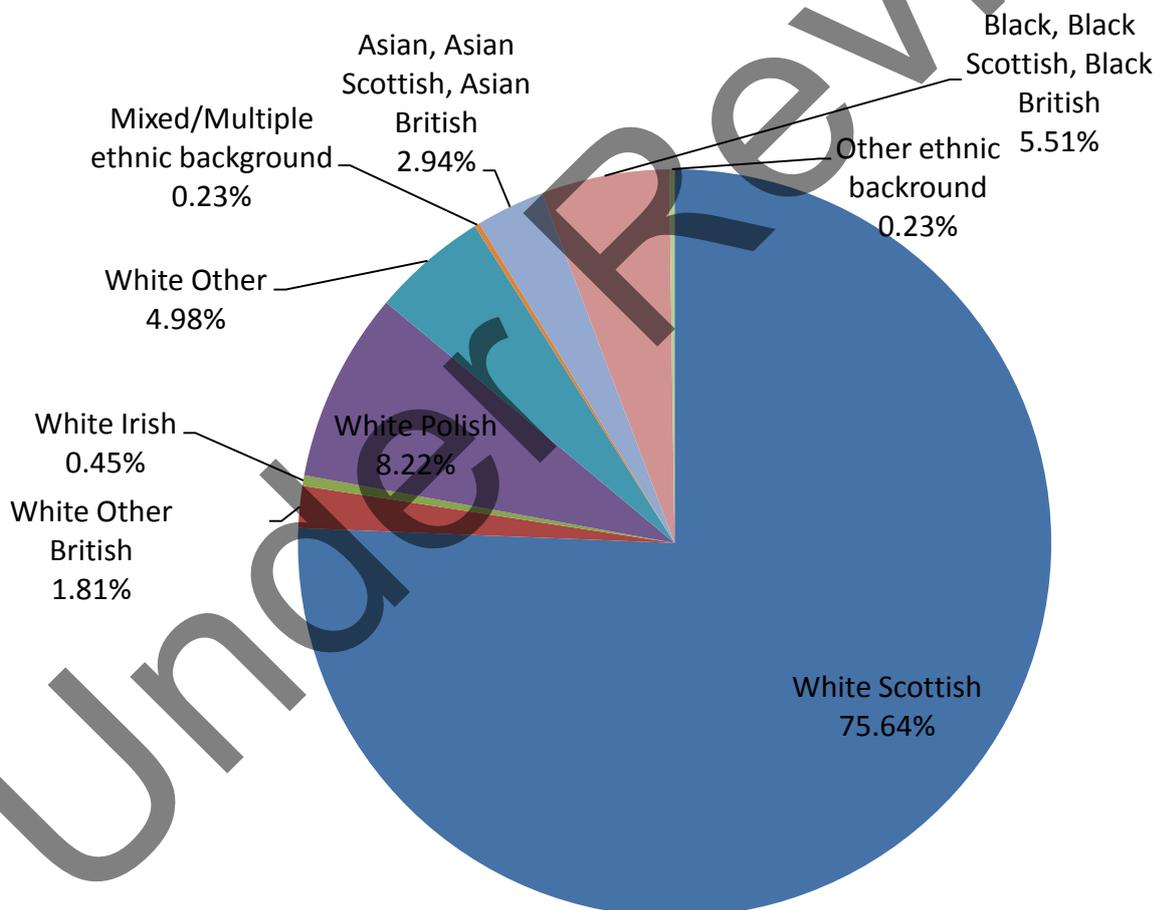
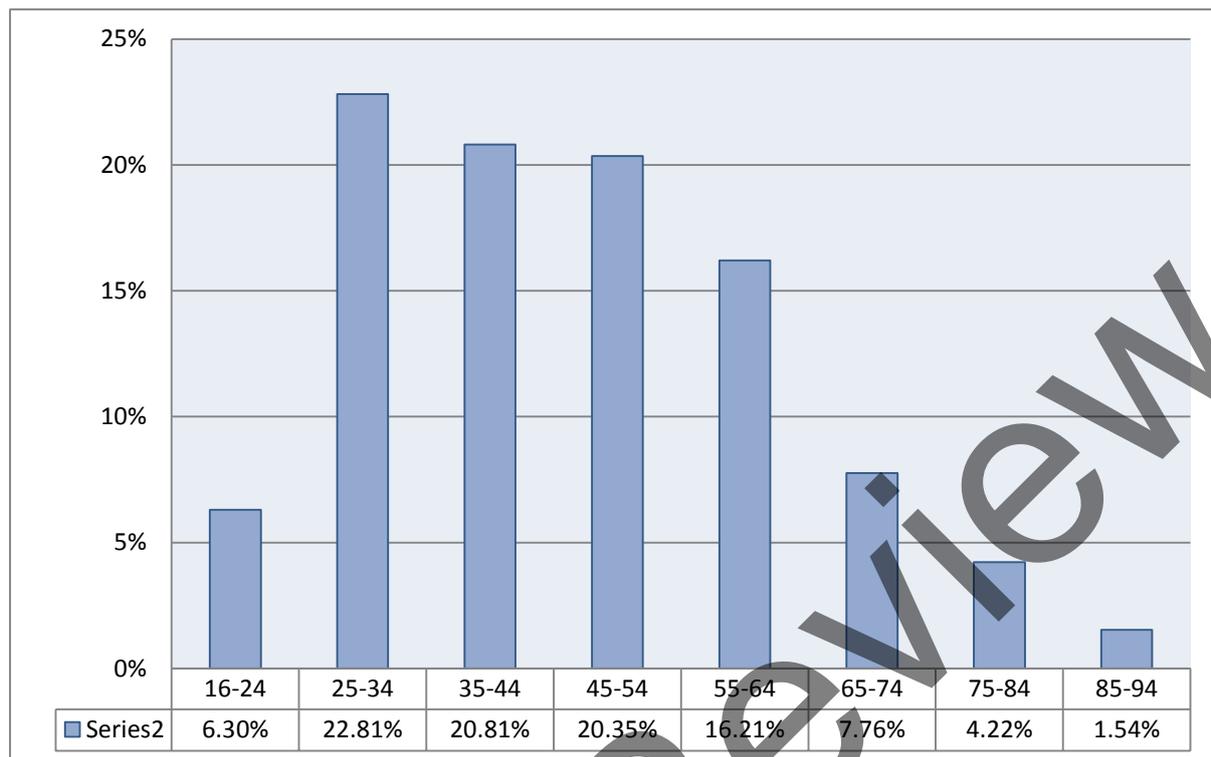


Figure 2 – Age Demographic of Tenants



Demand

In the vast majority of cases, there is significant demand for our homes and services, particularly in the wake of the economic recession and reductions in public finances.

However, despite being in the minority, some of our accommodation is no longer attracting adequate levels of interest from prospective tenants and residents due to the need for investment and/or location. These high risk properties have been identified within the context of our Asset Management and our respective planned maintenance programmes. During the coming five years of this plan, there shall be substantial investment in our existing stock in order to restore it and deliver a wide range of properties of choice to the area.

In light of the UK welfare reform agenda, demand profiles will be kept under regular review. We shall also remain focussed over the course of this plan on creating efficiencies in our service delivery to create more capacity to improve the quality of what we do whilst exploring opportunities to develop new working practices and services where appropriate.

We will always remain alert to opportunities and/or need to develop new services or products recognising the uncertain climate in which we operate and the constant need to adapt our business practices and plans to meet the changing housing needs of our residents and the wider community.

SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats)

A key part of our strategic planning processes are our Business Development Days. These provide us with an opportunity for our Management Committee and Staff Team to spend dedicated time discussing the strategic direction of the Association. Part of this process is an

examination of the environment in which we operate – external and internal. Shown below are the results of our Strengths, Weaknesses, Opportunities and Threats analysis (SWOT). This is followed by our Environmental Assessment which looks at the Political, Economic, Socio-cultural and Technological (PEST) analysis for 2014/15.

Strengths	
<ul style="list-style-type: none"> • Staff and Management Committee commitment and knowledge. • Strong leadership and management. • Staff team are highly motivated and are generic. • In house Direct Labour Organisation. • Relationships with tenants and service providers. • Employment opportunities for local people and businesses. • Good quality housing, high demand. • Good staff development/structure. • Positive outlook/willingness to adapt and change. • Working in a multi-cultural community. • Continuous regeneration. • Financially sound and viable organisation. • Continuous improvement in arrears and voids. • Direct Labour Organisation improvement, enhancement and development (efficiencies). • Follow good Governance principles and have a robust appraisal system to identify and manage risks. • Complaints policy • 40+ years of experience in delivering housing services. • In-house money advice service provided through Govan Money Matters. • Comprehensive and affordable rents. • Strong relationship with lenders. • A move to performance focus. • Partnership working – willingness to expand and develop holistic and collaborative partnerships both locally and nationally. 	<ul style="list-style-type: none"> • Awards – recognition – Medium Housing Association of the Year in 2012. • Community support for tenants – offer more than just houses. • Low staff turnover. • Based in one office in the heart of the community. • Reactive repairs performance. • Good reputation. • Team working/team building. • “Can do” attitudes. • Extended office opening hours. • Professional image. • Estate caretaker services. • Flexible and adaptable staff – corporate appetite for change and improvement. • Govan’s geographical location and heritage. • Meeting targets. • Current and future investment in IT. • Community Development and Tenancy Sustainment service. • We are dedicated to ‘<i>Moving Govan Forward</i>’ • Diverse housing stock. • Job security. • A safe organisation. • Good vibrancy about Govan, strong community spirit. • We have created a more ‘balanced’ community. • Identified the need to improve the staff team by carrying out a full staff re-structure. • Remain a partner of choice. • Great history and heritage being the first community-based Housing Association. • Provide a wide range of services.
Weaknesses	
<ul style="list-style-type: none"> • Lack of local infrastructure • Not dealing with Anti-Social Behaviour. • Not being able to sell NSSE flats. • Low Management Committee numbers and representation. • Tenant participation is low despite use of 	<ul style="list-style-type: none"> • Change in development funding regime. • Self assessment and bench marking. • Regulation plan. • Lack of community development and regeneration – not just bricks and mortar. • Lyceum – unused/eye sore.

different methods.

- Considerable investment required into our planned maintenance programme.
- Failure to meet our planned maintenance programme priorities in previous years.
- IT systems are still currently being updated to cope with our full business needs and provide efficiencies
- Perception of Govan as a deprived area and not an area of choice.
- Lack of local services from other agencies – Police, GCC.
- Lack of sufficient one bedroom or small accommodation to help alienate “The Bedroom Tax”.

- Empty shop/shop fronts.
- High rents for new build properties.
- Tenement stock requires considerable investment.
- Complaints handling procedure.
- Duplication of work.
- Void loss and costs/rent arrears.
- Out of hours service currently contracted out.
- Parts of our area of Operations have a poor reputation. This means less demand for housing in that area.
- Potentially rising rent arrears as a result of the Welfare Reform.
- Local territorial divides within the area.

Opportunities

- Direct Labour Organisation – expansion of services and employment/training initiatives.
- Training and Employability opportunities for young people.
- Funding secured to support non-housing activities.
- Development of new and wider partnerships both locally and nationally.
- Improved factoring service.
- Strong position should merger take over opportunities arise.
- Social enterprise opportunity/culture of organisation.
- Provision of more community events providing more tenant engagement opportunities.
- To improve our efficiency.
- To develop new technology e.g. mobile working.
- Continue to contribute and influence our trade bodies (GWSF, EVH and SHARE).
- Provide a broader service to tenants and owners.
- Continue to update our IT systems to improve business processing and service delivery.
- Use of DLO rather than contractors.

- Investigate renewable energy.
- Expand welfare rights/money advice through use of external funding.
- To improve the Association’s business marketing.
- Improve the use of social media.
- Assess how remote IT devices would improve service delivery (home visits).
- Sites remain to be developed should the opportunity arise.
- New Management Committee members will provide fresh ideas and views.
- The use of applications to contact our service users e.g. text, email, tablets, IPADS, PDAs etc.
- Continue to expand the use of our website.
- Achieve wider exposure and access to publicity.
- Tenant participation/Service User Panel.
- New staff structure – career development and opportunity.
- Installation of Contact management – IT system changes and diversification.
- Community Development/Tenancy Sustainment Officer.
- Review of future contractual agreements.
- Welfare Reform.

Threats

- Pension deficit costs.
- Relationship with our tenants could deteriorate if we do not handle Welfare Reform impact with great care.
- Ability to continually improve performance levels due to external

- Other local social and private landlords.
- Arrears and void loss.
- Uncertainty over future lending costs e.g. inflation etc.
- Welfare Reform – associated arrears and deprivation.

- factors.
- Rising fuel costs will impact tenant's ability to pay rent and contribute to the local economy.
- Public expenditure cut backs and the impact of service cut backs by Glasgow City Council.
- The speed of the current economic recession recovery.
- Losing experienced and valued Management Committee Members.
- Losing key experienced staff.
- Age discrimination law – removing retirement age.
- Scottish Government efficiency agenda.

- Lack of development opportunities.
- Ageing stock – investment and improvement required.
- HAG funding competition and reductions.
- Low levels of Management Committee Members.
- Referendum Vote in September 2014.
- Potential future mergers.
- Future pension provision.
- Negative image of Govan from external sources.
- Lack of community and recreational activities.
- Scottish Housing Quality Standards compliance.

We have used this information to inform and shape our priorities for the year ahead.

Environmental Assessment (PEST Analysis)

Political/Legal	Socio-cultural
<ul style="list-style-type: none"> • Legislation changes in Government – current and proposed legislation (Housing Scotland Act). • Statutory duties to house people defined as homeless. • Continuing to consider the impact of allocations on creating and sustaining balanced communities. • Increased difficulties in dealing with anti-social behaviour. • Scottish Housing Regulator's implied need for consideration of inefficiencies and the need to consider mergers. • Housing Scotland Bill (draft) proposes new private sector models for the provision and management of housing. • Increasing health and safety legislation. • Uncertainty about how the courts will treat rent arrears resulting from Welfare Reform. • 2014 Referendum. • Public funding squeeze. • Introduction of the revised IFRS and Statement of Recommended Practice (SORP 2014) and the continued impact of Component Accounting. • Continued development of the Scottish Social Housing Charter. • Engagement from the Scottish Housing 	<ul style="list-style-type: none"> • Rising immigration. • Continuing ageing population. • Skills shortages in the young. • Greater pressure on environmental targets. • Recession effecting income/welfare of existing tenants – harder to prevent and control arrears – performance against target suffers. • Increase in private sector renters. • Increase in child poverty as a result of cuts to benefits and tax credits. • Increase in the use of pay day loans. • Delays to direct payment roll out (Universal Credit) leaves continuing uncertainty about how tenants will respond. • Stagnating income for tenants and leaseholders whereas the costs of food, fuel, transport, etc. continue to increase. • Younger generation facing increased challenges to save first deposit for home ownership. • Welfare reforms likely to deepen existing inequalities and pose a further threat to community cohesion. • Increased demand on a range of agencies to support vulnerable tenants. • Managing current tenants expectations

Regulator.	<p>e.g. Anti-Social Behaviour, environmental issues and crime.</p> <ul style="list-style-type: none"> • Tenant Participation. • Availability and quality of staff and Management Committee Members. • Financial penalties for people deemed to be under occupying. • Abolition of the Social Fund. • Housing Benefit Maximisation.
Economic	Technological
<ul style="list-style-type: none"> • Economic uncertainty due to lack of credit and bank failures. • Market for private finance has become smaller. • Uncertainty over inflation rates but rises anticipated as the economy moves out of recession. • Building and maintenance costs are rising ahead of inflation as a result of skill shortages and increased work e.g. schools, Commonwealth Games legacy etc. • Funding shortages for wider role and regeneration activities etc. • Top-line impact of Welfare Reform on rents/voids – knock on effect on cash flow, margins, interest cover and various banking covenants. • Direct payments and overall benefit cuts likely to increase costs of income collection and tenancy sustainment. • Changes to VAT rules give potential savings for partnership work with other organisations. • Operational efficiency and performance e.g. re-let time, arrears targets, former tenant arrears, reactive repairs and staff turnover. 	<ul style="list-style-type: none"> • Advances in software and hardware. • Greater emphasis on sustainability and energy efficiency. • Substantial proportion of social housing tenants still do not have access to the internet at home. • Requirement to transform working methods will increase demand for technical solutions to deliver greater self-service and streamlined transactions. • Greater range and complexity of products will require more sophisticated technology to monitor and manage risks. • E-commerce – the emphasis by Government and pressure to deliver the business in different ways to result in greater use of IT. • Benchmarking – providing comparisons with client groups, areas of operation, population density and demand.

Current 'Pressure' Points

The summary list below highlights the pressure points our business may face over the next 3-5 years.

Throughout Business Plan we set out how we deal with risks, challenges and events therefore whilst this list appears here, it should be noted that the Association has robust plans in place to cope with current and future pressure points.

Welfare Reform is a constant risk to our business:

Last year saw the introduction of the Welfare Reform. This will not only have an effect on our tenants and on the Association's business in terms of Policy e.g. Allocations, Rent

Management and reduced income.

The Association has a comprehensive action plan in place for dealing with the issue and our business plan has robust assumptions for managing and mitigating the risks.

Continually, we must consider the impact of interruptions to our income flow as a direct result of Housing Benefit changes as a result of the proposed introduction of Universal Credit.

Current Economic Climate:

The recession may be ending and the economic climate may be showing signs of improvement but there is still an impact on real income earnings and benefits grow more slowly than the cost of living increases. There continues to be sector debate over the use of RPI and CPI for establishing affordability on Housing Association rents. Cuts in benefits and pay freezes are widespread. This means that people have suffered an income reduction in real terms and have less money to pay for essentials, household bills and key priorities such as their rent.

The Association is not immune to the current pressures on the economic climate. However, our 30 year Business Plan is strong and viable and has sufficient flexibility to cope with the fluctuations which we might expect in future years. Our financial business planning is kept under constant review to ensure we can achieve the flexibility and meet any unexpected demands should they arise.

Over the coming year the Association will conduct a rent restructure to ensure that our rents are consistent and affordable for our tenants. We will also continue to benchmark our rents against the rents of other Registered Social Landlords operating within a similar environment.

Retaining our best people will be important:

In the current climate, people with business drive, commitment and vision will be required to guide the Association. The Association will therefore ensure that our best people are rewarded, motivated and encouraged to commit to Govan Housing Association.

To ensure that the Association had in place the required skills and expertise required to lead, direct and develop the Association a full staff restructure took place and was concluded in August 2014. This restructure ensured that the Association developed efficiencies, enhanced effectiveness across key areas of operation and brought into effect an Executive Team with the skills, knowledge and passion to meet the overarching mission of 'Moving Govan Forward'.

Going forward, the Association shall continue to review staffing structures, develop and invest in its staff and to demonstrate this, shall work towards 'Investors in People'.

Development opportunities will be limited in future years:

Since 2012, the Association has had limited development opportunities as a result of the cutbacks in public expenditure, land availability and restrictions on future borrowing as a result of the welfare reform and the banking crisis over the past few years.

The Association recently completed its large scale development programme and has made the decision, for the foreseeable future, not to pursue any new development commitments until the effects of the welfare reform and reduced funding etc. are known, unless any substantive opportunities arise whereby the ability to develop presents limited business risk

in both the short and long term. The focus for the coming years will be, in the main, to deliver a programme of internal upgrades and investment in our existing stock. The Association will set a 30 year planned maintenance programme and procure, where possible on a rolling basis, to ensure best value and identify efficiencies where possible. The programme of works shall be published so that tenants are aware of the work proposed for their home and when it is scheduled to occur.

Continuation of the Scottish Housing Association Pension Scheme (SHAPS) final salary pension scheme

The Association are aware of the risks associated with remaining in the SHAPS final salary pension scheme and the increased costs associated with auto enrolment in August 2015.

Since April 2014, in order to manage the risks, the Association has moved from the final salary to a defined contribution scheme for any new employees entering the Association. It is anticipated that Management Committee shall carry out a future review in order to assess further options and to consider further the impact of auto-enrolment and the future pension requirements impact on the 30 year business plan.

Investment in our pre-1919 tenement stock:

The Association has a high percentage of pre-1919 tenements within its housing stock which require major work. This is not a critical issue in the short term but may become so later in our business plan if steps are not taken to protect these assets at this stage.

Going forward, investment in this stock shall be incorporated into the 30 year planned maintenance programme to ensure that future issues of a 'high-risk' nature do not arise.

Attracting the right Management Committee members:

It is vital to the Association that the governing body has a diverse mix of skills and that they are properly inducted, trained and fully understand the fundamental role they play in delivering the business requirements. There are 10 members of the Management Committee at August 2014.

To retain high-quality Management Committee members the Association shall introduce new arrangements for induction of new members to ensure that people are joining for the reasons required of the business and that they have the skills required to carry out their role to the highest standard. The Association will carry out a full training needs analysis after the AGM in 2014 to ensure that members are fully supported to be strong and effective in their vital governance role within the Association.

Scottish Government Referendum Vote:

It is unknown how the change in the political landscape may affect the housing sector. We do know, however, that the Scottish Government has implemented an effective and robust legislative and regulatory framework, following wide consultation, to shape performance within the housing sector and ensure the views of tenants are listened to and used to shape services and standards. There is a commitment within the Scottish Government's National Performance Framework to enhance and develop ownership within communities and Registered Social Landlords are seen as a key facilitator in this regard. With change, comes challenges and the Association will need to be prepared to meet and embrace these challenges post September 2014 regardless of the result of the vote.

Introduction of Financial Reporting Standard 102:

The introduction of any new Financial Reporting Standard brings with it various pressures

and risks which must be managed. It is important that we liaise with our lenders and ensure that our systems remain compliant with any of the new changes which arise. Some of the key areas for consideration will be the treatment of pensions, more complex financial arrangements and the valuation of properties.

The Association shall work with its lenders, external auditors and internally across the departments to ensure that the risks are managed, the Association remains compliant and that our staff and Management Committee obtain adequate levels of training in order to understand the changes brought about by the new standard.

Time and resource shall also be spent analysing and assessing the impact of the FRS on the business and looking at the Statement of Recommended Practice to provide guidance.

Other Key areas for consideration:

- Managing the range of customers and the diversity in their expectations over time.
- A large proportion of our customers facing severe challenges – providing a range of support to our most vulnerable customers to enable them to sustain their tenancies.
- Shifting customer behaviours and expectations from dependency to independence.
- Supporting, innovating and working with community groups to shape the wider community – through development, management of existing properties and through regeneration activities to enhance the sustainability of the Greater Govan community.
- Less reliance on increasingly scarce government funding and more self-sufficient, looking to see how we can use the value within our existing portfolio to meet our objectives.
- The increase in mergers in the future in order to drive down costs and increase capacity for further efficiencies and borrowing.
- Concerns over rent affordability as a result of the current economic climate and welfare reform.
- The Associations ability to thrive in a more commercially minded environment.
- The need to adopt new strategies to engage tenants on ways of adjusting to the welfare reforms.

The Association appreciates that we need to continue to closely monitor, manage and improve our performance, during this time of change for the Association and the sector. To this end, we will ensure that our performance framework and governance arrangements allow us to be vigilant and to take action if required to alleviate, mitigate and manage any potential risks to the business.



**OUR MANAGEMENT
COMMITTEE AND
STAFF TEAM**

6

Our Management Committee and Staff Team

Governance and Management Committee

Govan Housing Association is governed by a Management Committee overseeing all activities undertaken by the organisation. The Management Committee's overall purpose is to lead the organisation within a framework of sound governance, continuous improvement and prudent and effective control, which enables risks to be properly assessed and managed.

The Management Committee is specifically responsible for:

- Setting the Association's mission, vision and standards and ensuring that its obligations to its stakeholders are understood and met.
- Setting key objectives for the Association supported by the strategies and priorities that will enable those objectives to be met.
- Reviewing the performance of the Association against its business plan (budget and targets), the performance of its peers and its plans for continuous improvement.
- Support the Executive Management Team in the management of the business, while monitoring their conduct and scrutinising their performance in delivering agreed targets and objectives.
- Reviewing the Association's use of public funds and ensuring it maintains sound financial management of these and other resources.
- Approving the business plan, budget, rent policy and financial statements in a timely and effective manner.
- Ensuring that the Management Committee and its sub committees have the capacity, commitment and experience to control and manage the Association effectively.

From above, it can be seen that the Association is more than simply a landlord; it belongs to its Members and is run by a Management Committee composed of elected Members. In every sense it is your Housing Association. Whether it is managing more than 1,450 properties, carrying out repairs and refurbishment, or providing a wide range of services to its customers, the Management Committee governs all aspects of its work

Consultation and Review Groups

To assist the Management Committee and Executive Management Team continuously improve and to make communications better within the organisation and across our service users the Association has implemented a Service Scrutiny Panel. The main focus of this Panel is to provide the Association with a unique opportunity to get our customers involved in assessing our performance, influencing decisions and making recommendations on how we could improve the services we provide.

The Panel will be a formal way to present recommendations directly to our Management Committee. Importantly, the Panel will complement our other participation opportunities such as Registered Tenant Organisations, local community groups and our Management Committee.

Committee Structure



William Pritchard
Chairperson



Georgina Hay
Secretary



Anne Irvine
Vice Chair



Committee Member
Alice Connolly



Committee Member
John Hendry



Committee Member
John Flanagan



Committee Member
Karen Russell



Committee Member
Roger Chapman



Committee Member
Kellianne McMillan



Committee Member
Thomas McArthur



Committee Member
Fariha Thomas

Sub Committee Members

Below are details of the Management Committee Members and the respective sub-committees which they are members of:

Audit Sub-Committee

Alice Connolly (Chair)

Georgina Hay

Bailie F Thomas

Thomas McArthur

Kellieanne McMillan

Operations Sub-Committee

William Pritchard (Chair)

Kellieanne McMillan

Georgina Hay

John Hendry

Roger Chapman

Staffing Sub-Committee

Anne Irvine (Chair)

John Hendry

Georgina Hay

Karen Russell

William Pritchard

Thomas McArthur

Govan HA Staffing Structure

Govan Housing Management Association Committee

Fiona McTaggart
Chief Executive

Natalya Macholla
Director of Finance/ICT

Arlene Robertson
Head of Corporate Services

Roger Dulin
Head of Finance/ICT

Mary Craig
Factoring/Finance Officer

Violet Marshall
Corporate Services Officer

John Cannell
Head of Maintenance and Property Management

Tom McLeod
Head of D.O. Govan Home Team

Sandra McIlroy
Tenancy Sustainment Officer

Fiona McLaughlan, Sandra Sloan, Marion McIntyre
Housing Officer

Brian Wightman, Gordon Anderson, Kimberley Cowan
Housing Assistant

Amy Elliot, Shona Armstrong, Michael McCulloch
Customer Services Assistant

Jacqueline Stirling
Factoring/Finance Assistant

Helen Ferguson
Domestic

Lindsey Graham
Maintenance Co-ordinator

Frank O'Neill, Sean Jackson
Labourer/Handyman

Robert Bryant
Plumber

John Olson
Joiner

Thomas Low, Kevin Crosbie
Labourer/Handyman

Jacqueline McDade
Factoring/Finance Assistant

Iain Elliott
Landscape Gardener

David McGee
Electrician

Neil Thomson
Business Systems Officer

John Olson
Joiner

John Olson
Joiner

Executive Management Team



Fiona McTaggart
Chief Executive

To strategically develop and lead the Association and support Management Committee. To work closely with the Management Committee to ensure that performance and strategic and operational objectives of the Association are being met through regular review. To lead, manage and inspire the Executive Management Team and the Staff Team to work towards the overarching mission of 'Moving Govan Forward'.



Natalya Macholla
Director of Finance and ICT

To support the Chief Executive and support the Management Committee. To help deliver the Association's Strategic and Operational Objectives. To also plan, coordinate and monitor the Association's financial operations to secure long term financial viability for our organisation and value for money for our tenants. To manage our IT and Business Systems effectively and ensure that they are up to date and meet the business requirements.

As a member of the Executive Management Team, to contribute to the strategic direction of the Association.



Kevin Nixon
Director of Operations

To support the Chief Executive and support the Management Committee. To help deliver the Association's Strategic and Operational Objectives. To lead and manage the Association's operations, including staff, contractors and service providers. To ensure that the Association is compliant with relevant legislation and that we operate within our rules. The setting of targets and monitoring to ensure that the operations service plan delivers the objectives set out in the business plan.

As a member of the Executive Management Team, to contribute to the strategic direction of the Association.

Management Committee Training and Development

Maintaining our skills and improving our knowledge is vital to the organisation.

To assist Management Committee Members, an annual skills audit and training needs analysis will be carried out. This section includes the main training needs of our Management Committee. Target dates, cost and time will be updated throughout the period of this IMP.

Introduction:	Training Needs Analysis carried out to identify Management Committee skills and strengths. These are individually recorded.
Training Needs:	A variety of training needs have been identified. Some key areas include: improved governance, chairing skills, understanding finance, Housing Bill, impact of welfare reform and operational standards.
Training Style:	Management Committee Members have indicated that they would prefer to attend training during the day and if possible in the Association's Committee Room. Small class room environment is the preference. However Senior Management Committee Members enjoy attending seminars and conferences to expand their knowledge, skills and networking.
Preferred Training Organisations:	SHARE, EVH, DTA, SHFA, Glasgow West of Scotland Forum have been identified as main training bodies. The Association is affiliated to all of them. In addition Community Planning and Glasgow City Council provide a variety of training.
What we are trying to achieve:	Management Committee Members have the right skills. Knowledge is improved to help individuals to improve their role as a Management Committee member. We achieve continuous improvement. Performance culture is top down.
Budget Resources:	A significant training budget in the region of £10k has been approved to help deliver the plan.
Training Plan:	This will be updated by the Chief Executive and reported to the Management Committee.

Our staff going forward will take part in annual appraisals to determine their training needs. This shall initially be implemented through the carrying out of a full training needs analysis on all staff across the organisation.

Individual staff members are encouraged to raise any training needs throughout the year. Line Managers regularly recommend suitable training, conferences, seminars and internal training to support staff development.

SMART Planning

The Business Plan is the principle document for Govan Housing Association. It sets out the strategic and operational direction of the Association for both core business and wider regenerative and community based planning. The primary mechanism for implementation will be 'SMART' plans developed by the Executive Management Team and the Head of Corporate Services.

The Management Committee and Sub-Committee structure will review the actions in the SMART plans and ensure that actions are implemented in the most cost-efficient manner.

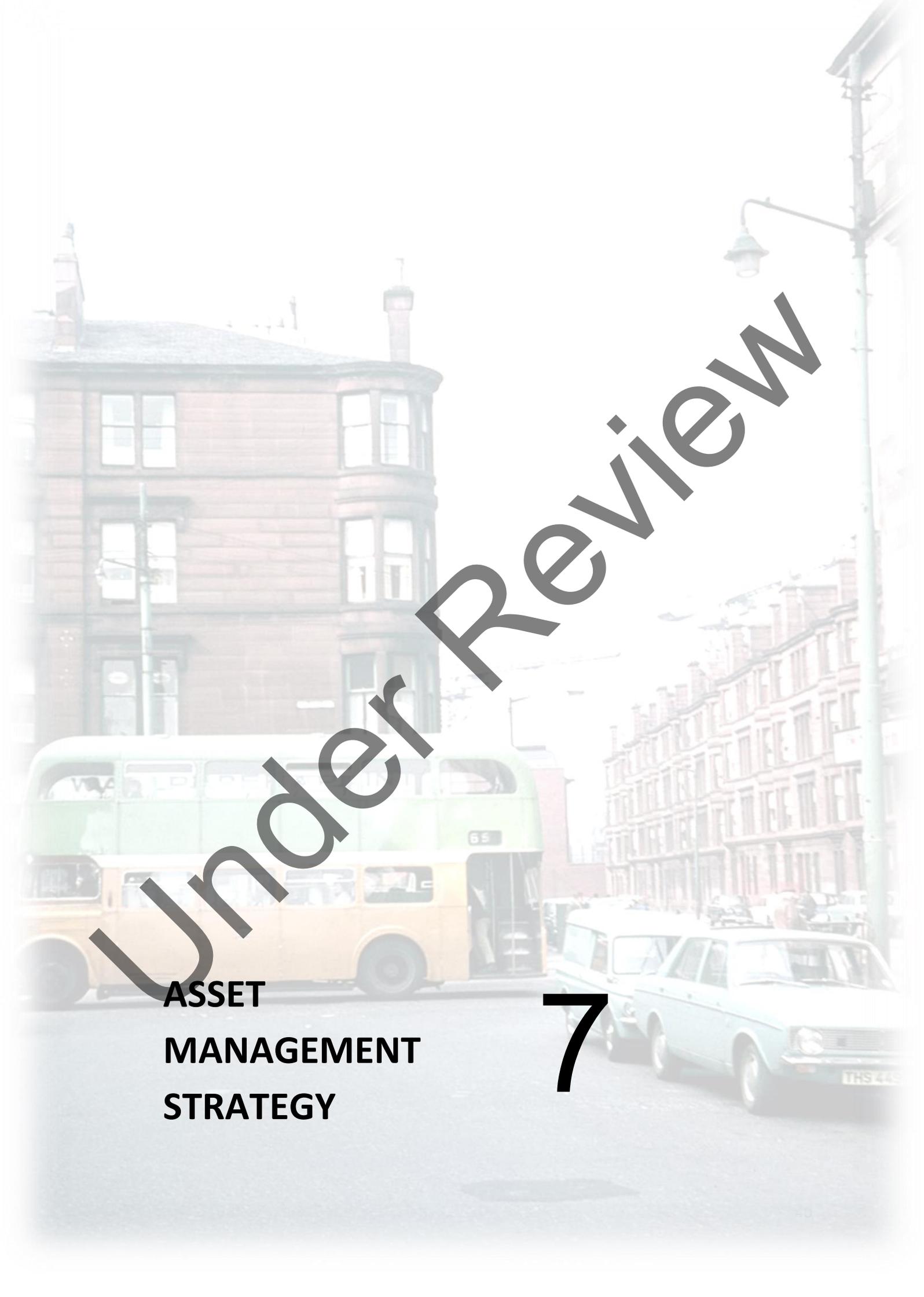
There are several other plans in place or under development which focus on specific components of Govan Housing Association's management. Indeed, the recent success in attaining both Investors in People and Investors in Young People accreditation and various moves to improve and develop service delivery will continue to change the specific components and enforce the continual need for review and scrutiny.

The Association's SMART plans will also be reviewed by the Chief Executive on a regular basis with each Executive Manager and where necessary, each Senior Manager.

SMART planning gives each Executive Manager the focus that they need to ensure that we deliver our main objectives. Each SMART plan is closely linked to delivery of the Strategic and Operational Objectives set within the Business Plan at *Section 3 'Our Strategy and Key Strategic and Operational Objectives'*.

Appendix 5 contains the following SMART Plans:

- Chief Executive
- Director of Finance and ICT
- Director of Operations
- Head of Corporate Services



Under Review

**ASSET
MANAGEMENT
STRATEGY**



Asset Management Strategy

Executive Summary

Govan Housing Association's long term business planning is critical if the Association is to ensure that its key asset "Property" has:

- A robust 5 year planning framework in place which has the financial capacity to deliver the plan.
- That the Management Committee has taken steps to review the planning model and has taken independent advice to support the Association's long term planning.
- That the Executive Management Team understand the plan and have procedures in place to implement, review and update the Asset Management Plan.
- The Association's tenants are aware of the Asset Management Plan through an effective communication strategy.

Introduction

The Association appointed Currie & Brown, who are a company specialising in Asset Management to undertake an Asset Management Strategy (AMS). The Strategy was completed in November 2010 and presented to the Management Committee on 16 December 2010 for consideration for approval.

There are 3 distinct property types in the Association's stock port-folio, these are:

- Govan C (Properties acquired by the Association in 2004 through an LSVT from Scottish Homes).
- New build properties post 1988;
- Traditional tenement properties.

The AMS considered the following data to inform the options appraisal and future investment options for stock:

- 2006 stock condition survey, which has been updated by the Association's staff through property inspections and re-active, cyclical and planned repairs information.
- Local demand through the Association's housing list compared with the turnover of tenancies.
- Demographic forecast information for Govan/Ibrox and the national perspective.

The findings from the AMS are as follows:

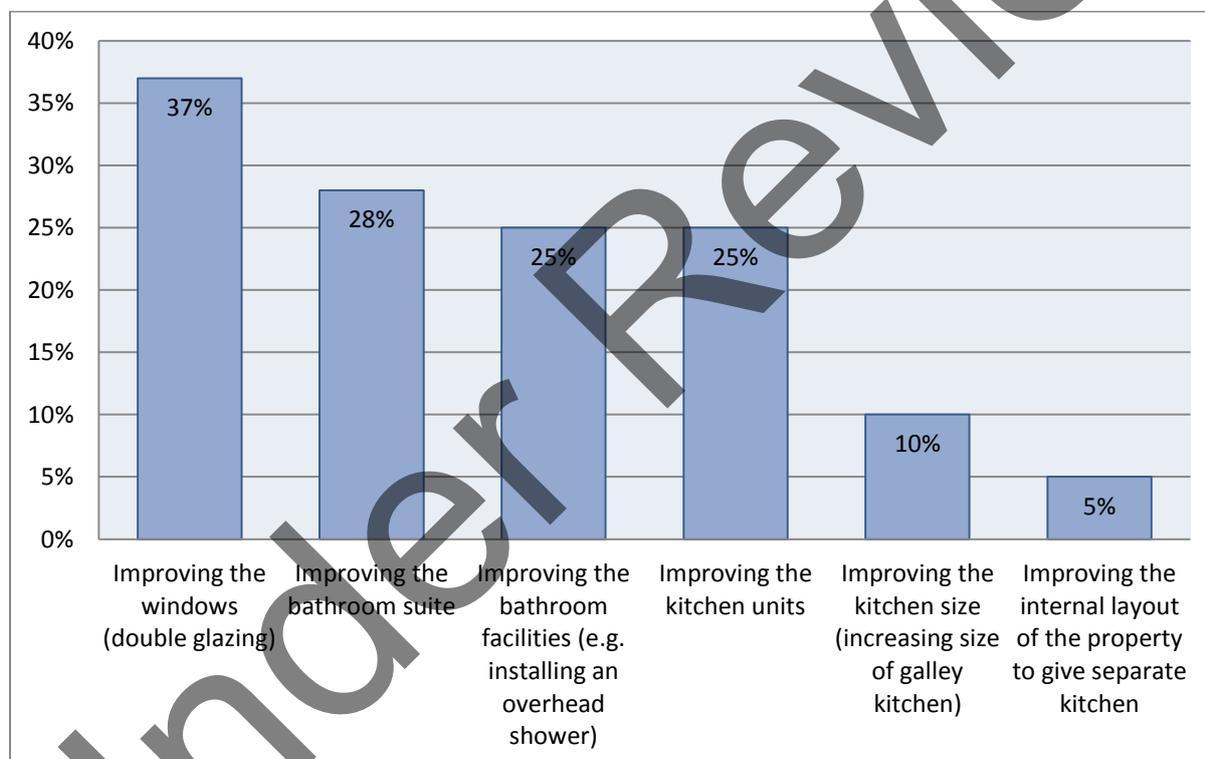
- Govan C: The stock condition in Govan C is good and there is a high demand for the housing with a low turnover of tenancies. The Association will continue to maintain re-active, cyclical and planned repair work for the period of the strategy 2010-20.
- New build: The new build stock has a high demand from the housing list and there continues to be a very low turnover of tenancies. The Association will continue to maintain re-active, cyclical and planned repair work for the period of the strategy.
- Traditional Tenements: The stock condition is generally good but internal improvements are necessary to meet the needs and aspirations of existing and prospective tenants.

This ranges from re-modelling options aimed at increasing space standards to enhanced planned maintenance works in the bathroom, kitchen and internal joinery work. There is currently medium demand for these properties and demographics forecasts indicate a requirement for more single person accommodation and increased households in 2018 and 2033.

- Scottish Housing Quality Standard: the Association completed the Residents Satisfaction Survey in 2014 and established tenants' priorities for the planned maintenance programme. This information coupled with the findings of the Stock Condition Survey (SCS) which will be carried out in early 2015 will inform our planned maintenance programme. The table below shows an extract from the Residents Satisfaction Survey demonstrating tenants priorities for the planned maintenance programme:

Table 3 – Priorities for improving the area inside the home (base 580)

Question – Which 3 items from the list below do you think are priorities for improving the inside of your home?



The 30 Year Asset Management Plan

The Association is in the process of procuring for a revised stock condition survey to be conducted in early 2015. This survey shall provide the basis for the 30 year planned maintenance programme and will detail:

- What major items will be replaced.
- When major items will be replaced.
- Where major items will be replaced.

The Association intends to deliver its Asset Management Plan with efficiency by achieving maximum value for money. This will be achieved through careful:

- Planning, including rolling programmes of work.
- Establishing excellent working relationships with contractors and only retaining those contractors and consultants who exceed our expectations.
- We believe that efficiency savings will be achieved through long term rolling programmes of work which will also offer contractors long term certainty.
- We also want to include community benefit clauses particularly linked to employment training and apprenticeships. This will be better achieved via long term partnership working.
- We want to incorporate our Govan Home Team where possible in order to deliver cost savings and provide opportunity to our own internal business where possible within the asset management strategy.

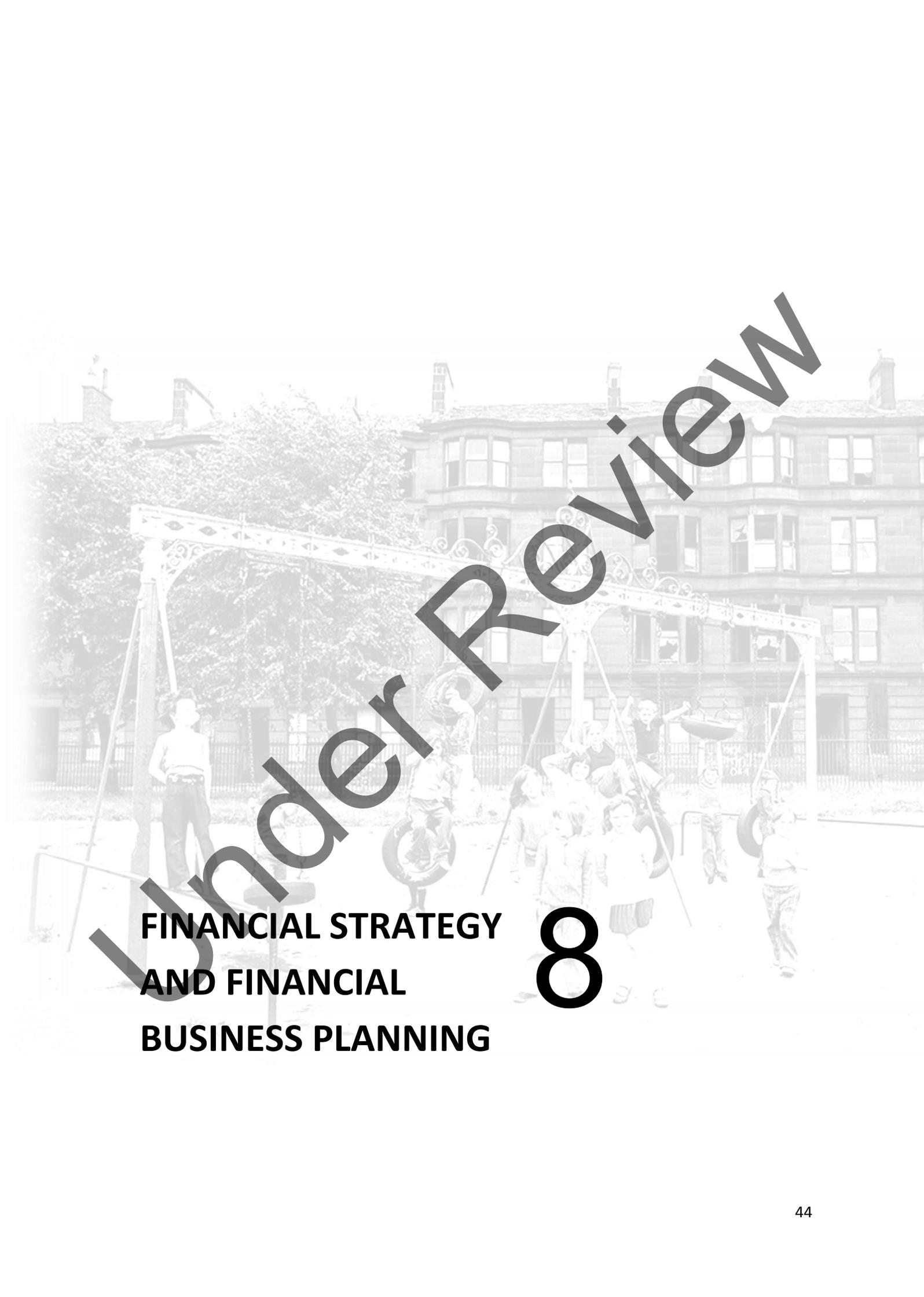
Procurement and Selection

The Association will strive to achieve the best price and quality by following our procurement policy. The Association will work with specialist consultants to help achieve the outputs required.

Selection of contractors will be completed after the PQQ process. All contractors interviewed will be expected to ensure that the community benefit clauses are utilised to the maximum for the benefit of the local community.

The Director of Finance/ICT will carry out a full credit evaluation of the contractors prior to contracts being awarded in order to protect the Association's investment.

In terms of best practice in governance arrangements, two Management Committee members will be present during the contractor selection process.



**FINANCIAL STRATEGY
AND FINANCIAL
BUSINESS PLANNING**

8

Financial Strategy and Financial Business Planning

The Association has a comprehensive budgeting process and a number of financial plans in place to help it achieve its budgetary requirements and manage the short, medium and long term risks and aspirations of the business. This Business Plan is a long term projection for the Association based on cash, both inflows and outflows, which helps to identify funding gaps and demonstrate long term financial viability.

It is also a requirement of Royal Bank of Scotland and the Scottish Housing Regulator requires to have this in place and approved by the Management Committee annually. The first 5 years of the plan are uploaded electronically to the Regulator by 31 July each year. Going forward this revised business plan shall form the basis for this submission to the Regulator annually.

Up to late 2014, following the completion of the staff restructure, the business planning financial projections have always been outsourced and completed by an independent consultant. As part of the staff restructure review an important aim was to obtain the relevant skills and expertise to enable this process to be undertaken in house. The key benefit being that the Association then has sufficient control over its future financial viability and has the ability to assess and appraise revenue and costs over the period of the business plan. The Association is also better positioned to carry out regular reviews of the plan without incurring additional costs.

The new revised business plan has moved away from a largely income and expenditure format to one which is more cash flow driven. Most business plan modelling is done on a cash flow basis as it is from having a lack of cash that most businesses fail. The lack of funding available from lenders and funding bodies also puts a greater emphasis on the need to manage cash effectively from both an expenditure and investment perspective.

Within this plan, the Association has combined its 3 year business plan with its long term financial business planning set over a 30 year period. The Association can demonstrate that it has the long term financial resources to deliver the required investment within our housing stock, meet any unexpected changes, support and enable the Association to meet its strategic and operational objectives, meet the lenders banking covenants and overall work towards the Association's mission of '*Moving Govan Forward*'.

The Association is aware that a continual review process will be required for the financials of the business. With this in mind, the following programme of financial review has been proposed:

Date	Details
Monthly	Presentation of Management Accounts with comments on variances. Report includes Income and Expenditure, Balance Sheet and Cash Flow Statement and analysis of variances.
January	First draft of budgets presented to Management Committee for discussion and review.
February	Budgets passed to Management Committee for approval pending the rent consultation figure.



April	Review and report on Treasury Management of the Association.
April	Presentation of Loan Portfolio Return to Management Committee for discussion and approval prior to submission to the Regulator.
June	Presentation of Five Year Financial Projections Return to Management Committee for discussion and approval prior to submission to the Regulator.
October	6 monthly review of current year budgets with full report to Management Committee on projected outturns against budget and against the overall business plan.
October	Review and report on Treasury Management of the Association.
December	Review and re-assess the financials of the business plan to incorporate any major changes, reporting fully to Management Committee on any key factors affecting the financial performance or viability of the Association.

The above list is not exhaustive but is to act as a checklist for the main components of the financial reporting of the Association going forward. This process shall be continually reviewed over the period of this Business Plan to ensure that financial review and reporting remains at the forefront of the business planning process and that it continues to reflect and support the strategic direction of the organisation.

This need to continually review the business plan projections is fundamental given the key areas of focus for the Association over the coming years, notably:

- Pension changes.
- Introduction of FRS 102.
- The need to carry out a Stock Condition Survey.
- The impact of the EESH and the Association's obligation to meet this standard by 2020.
- The continued impact of the welfare reform and the potential introduction of Universal Credit.
- Interest Rate uncertainty.
- Uncertainty around future rent increases.

Again the list above is not exhaustive but highlights a number of key aspects which are critical to the Association's ability to remain financially viable and manage its cash and assets going forward. All projections within this plan shall be continually reviewed and where necessary updated to reflect all of the above.

Included within this section of the business plan is the Association's short term and long term financial planning:

30 Year Cash Flow Projections

30 Year Balance Sheet Projections

30 Year Income and Expenditure Projections

Refer to **Appendix 3** for full details.



**COMMUNITY
DEVELOPMENT AND
REGENERATION
STRATEGY**

9

Community Development and Regeneration Strategy

Summary

This document outlines the strategy for delivering Govan Housing Association's community regeneration strategy for the period 2015 – 2017. The primary objective for the strategy is to ensure we are delivering on the following:

- Help meet the broader ambitions of our tenants for their communities.
- Tackle disadvantage and social exclusion.
- Build and develop sustainable communities.
- Protect the investment being made in our housing stock.

Building on the work that has been done to date, the strategy takes on board the main mission of *'Moving Govan Forward'* and the view that the Association wants to deliver a service which goes far beyond the basic Housing service. The Association through this strategy wants to deliver a service which puts the Association at the heart of the Govan community again, puts tenants and the wider community interests at the heart of projects undertaken and which tackles the wider economic and social challenges facing the Greater Govan area.

Our vision is to be an innovative and responsive organisation, playing a leading role in the regeneration of Greater Govan and continuing to improve the quality of life of residents. Govan Housing Association cannot achieve this vision alone and therefore a main element in our approach is about adopting a holistic, partnership approach to tackle problems, deliver effective services, learn, innovate and add best value to our community. Govan Housing Association's Management Committees vision is to work in partnership with tenants, owners, staff, other Registered Social Landlords (RSLs), Glasgow City Council, local regeneration projects and other agencies to deliver a wide range of social, economic and environmental regeneration activities that will contribute to the creation of building a safer and sustainable community.

Govan Housing Association has a broad history spanning over 40 years. The Govan area itself has a rich history of industry, ship building, prosperity and pride. The industry and ship-building may have declined over time but the pride that the people of Govan have for their area remains strong today.

Govan Housing Association wants its customers to feel safe, secure and supported by its community. It wants its customers to have a long association with the area, to feel a sense of belonging and to have pride in it. This underpins the great importance of the holistic approach to partnership working, collaboratively working with others to:

- Contribute towards the broader needs and desires of our tenants and their respective communities.
- Establish opportunities for the growth and development of a stronger, more sustainable Govan community.
- Exploit opportunities to provide possibilities and wider options for our customers to build their skills and their life prospects.



- Provide resource and activities which our tenants can take pride in and which demonstrate vibrancy and inclusiveness attractive to both current and future customers and community members.

In order to achieve our objectives we will deliver on the following key themes:

1. **Community Engagement and Involvement.**
2. **Employability and Training Opportunity.**
3. **Building Sustainable Communities.**
4. **Youth Development and Integration.**

Govan Housing Association wants its customers to have a long association with the area, to feel a sense of belonging and to have pride in their community.

This strategy also aims to provide our customers and the wider Govan community with greater access to our services through our community development and tenancy sustainment activities, with referrals being made to a wide variety of in-house and external projects by our frontline staff and partner organisations. We shall endeavour to make direct links to those individuals and families in greatest need, learning and shaping our services to minimise the overall risks associated with general exclusion from mainstream services.

Making Our Communities Stronger

Govan Housing Association provides services to over 2,000 households. The Association aims to provide a diverse range of services for a range of client groups. The aim of this strategy is to ensure that the Association's services go beyond the traditional landlord role of providing homes and housing services. Govan Housing Association aims to work with local people and organisations to improve the wider social and economic conditions of the areas in which we deliver services. There is increasing awareness of the ways in which living in a deprived area can contribute to social exclusion. Tackling problems such as high unemployment, social and financial exclusion and community unrest are key to us delivering the vision of '**Moving Govan Forward**'.



We acknowledge that communities have an integral role in identifying solutions which shapes the services that we provide. As a social landlord we want to make sure that we offer our customers the service that best suits them. We work with customers so that they can influence the services provided by Govan Housing Association, holding us to account for decisions we make. Effective engagement of local people is critical to the regeneration of our most disadvantaged communities. Listening to the

experiences and ideas of people who live and work in these communities enables us to find solutions that will make a lasting difference.

With increasing levels of unemployment and changes arising as a result of the welfare reforms, early indications are that our customers will require support and interventions from a range of agencies. Govan Housing Association is a key organisation who should be

providing this support and thus the work that we will do over the coming years will be even more important in supporting those residents who will be adversely affected by the current social and economic climates.

We aim to improve the quality of life for the communities we serve by bringing long lasting benefits and choice to individuals and families. It is important to the Association that people living in our neighbourhoods are given opportunities to develop the skills, confidence and resources to take advantage of opportunities open to them. We recognise improving the quality of life within communities is a collective responsibility that we share with our customers, and the wider voluntary, public and private sectors.

In the 1930s, Govan was a key engine room for Glasgow; a community teeming with skilled workers and families living around and working in Glasgow's famous docks and shipyards. This regeneration strategy aims to bring the past into the future of the Govan area and to install a source of local pride back into the area that all residents have been so proud to be associated with over the areas dense history.

We aim to play a leading role in the regeneration of Greater Govan and continue to improve the quality of life of residents.

How does our Strategy help delivery on wider agendas

Govan Housing Association's strategic objectives outline clearly the Association's vision to deliver key regeneration initiatives and to contribute effectively to the wider issues pertaining to the Greater Govan area. Govan wants to be recognised as a leading social and community regeneration organisation, providing opportunity and services to the local community which meet the wider needs. By taking a holistic approach to community regeneration and ensuring that we deliver a focussed, effective and quality core housing service, we will endeavour to enhance the quality of life and opportunities for the Greater Govan community.



The Association is clear that in order to meet the diverse needs of the Greater Govan community, an effective and holistic approach to partnership working is fundamental. In order to tackle poverty, economic austerity, inequality, unemployment, crime, social exclusion and environmental impairments such as litter and graffiti, a broad holistic approach is key. It is vital that the services and agencies operating across the city come together to address these issues. Many partnerships both formal and informal already exist, but new relationships and alternative ways of working must be developed to achieve the objectives laid out within this strategy.

The Scottish Government's 'Achieving a Sustainable Future' outlines some key objectives in their regeneration delivery, notably that consideration should be given to the following when delivering regeneration locally so that regeneration activity:

- puts communities first, effectively involving local residents in the regeneration process and empowering communities.
- is holistic, making connections between the physical, social and economic dimensions.

- adopts a long-term vision for a places and focuses the on the safety and quality of places.
- takes account of the specific function of neighbourhoods and integrates regeneration initiatives into wider economic strategies.
- makes tailored interventions to link economic opportunity and need to address worklessness and deliver sustainable quality employment.
- is supported by simple and aligned funding streams and maximises the impact from mainstream resource by better integration with place-based interventions.
- has strong leadership with clear accountability and makes effective use of partnership working, involving the private sector, both in investment and in shaping ideas and development.



Govan Housing Association is in a strong position to support the agendas outlined by the Scottish Government in meeting some of their wider regeneration activities outlined above and linked to health, education, tackling poverty, unemployment and wider issues pertaining to the welfare reform. By incorporating these key priorities into our community development and regeneration strategy we will ensure that innovative and sustainable projects are adopted to help meet some of these wider issues.

The Association is also contributing to many of the outcomes in Glasgow City Council's Single Outcome Agreement that sets out the commitments of community planning. The Agreements outlines its main vision that:

“Glasgow is a thriving, inclusive and resilient city - a city where all citizens can enjoy the best possible health and well-being, and have the best opportunities to meet their potential.”

We believe that our Strategy will assist in complementing the work of this Agreement by improving housing conditions, building sustainable communities, reducing fuel poverty, tackling crime and anti-social behaviour, providing employment and training opportunities and empowering our local community to deliver widespread regeneration initiatives in a collaborative, holistic partnership models.



Scope and Purpose

Our community regeneration strategy covers a number of priorities which targets specific groups and fall into the following categories:

Objective 1: Community Engagement and Involvement.	Objective 2: Employment and Training Opportunity	Objective 3: Building Sustainable Communities	Objective 4: Youth Development and Integration
<ul style="list-style-type: none">• Empowering and providing opportunity for customers to shape our services and priorities.• Meeting the wider objectives imposed by the Scottish Housing Regulator in relation to tenancy engagement and consultation.• Improving tenant and wider customer satisfaction levels.• Ensuring that the Association is accountable to its customers.• Ensuring that customers have the opportunity to access a range of services.• Running community-led events, providing access to wider services and encouraging community participation.• Working with our wider partners in a holistic manner to provide quality services to our customers.	<ul style="list-style-type: none">• Providing people with the necessary skills and tools to assist them into employment.• Providing skills development and training opportunities.• Enhancing our in-house Direct Labour Organisation (DLO) to provide access to training opportunities for young people aged between 18 and 24.• Working with wider agencies to help alleviate the pressures of welfare reform on our customers e.g. sanctions.	<ul style="list-style-type: none">• Ensuring that resources are targeted in areas of greatest need.• Working with diverse and hard to reach groups.• Enabling current and future vulnerable service users to live independently within sustainable tenancies.• Providing our most vulnerable service users with access to wider services prior to crisis.• Taking a proactive approach to meet community problems.• Working with migrant communities.• Making important links to the criminal justice programmes.• Making effective use of our community development and tenancy sustainment programme of works.	<ul style="list-style-type: none">• Improving the lives of young people.• Providing young people with access to learning and development opportunities to better their future prospects.• Work to help in the prevention of child poverty.• Provide access to health and wellbeing opportunities for young people.• Provide access to sports, recreational activities, the arts and other key areas to help build their futures.• Proactively work with the youth of Greater Govan to integrate them effectively with mainstream services.



RISK MANAGEMENT

10

Risk Management

Introduction

There are risks associated with anything new and untried. Govan Housing Association wants to embrace new opportunities and recognising that, it will rarely be possible to remove risk associated with new opportunities completely. Thus the Association's aim is to identify, manage and minimise, rather than eliminate, risks which may prevent the organisation achieving its objectives. The identification and management of risk is on-going and occurs as changes are made to how the Association operates and to the external environment in which it works.

This risk management policy (the policy) forms part of the Association's internal control and corporate governance arrangements. The policy explains the Association's underlying approach to risk management, and documents the roles and responsibilities of the Management Committee, the Executive Management Team, and other key parties. It also outlines key aspects of the risk management process including the risk assessment scoring methodology, and identifies the main reporting procedures.

Central to the Association is its processes and framework for risk management. The Association is committed to embedding risk management throughout the organisation and its systems and controls are designed to ensure that exposure to significant risk is properly managed. The Management Committee set internal policy on risk and internal control as well as having responsibility for determining the strategic direction and providing oversight of risk management.

The Association recognises that the management of risks is a continuous process that is linked to the Association's annual business planning cycle and is designed to identify and prioritise the risks to the achievement of policies, aims and objectives.

This policy outlines in detail the arrangements and processes by which the Association identifies, categorises, assesses and addresses risk. Under it, the key risks facing each part of the group are regularly reviewed and assessed, together with the steps to avoid or mitigate those risks. The document also describes the process by which the Management Committee will evaluate the effectiveness of the Association's internal control procedures.

Whilst this policy sets out defined processes for managing risk, the Association recognises that successful risk management can only be accomplished on a day-to-day basis by staff at all levels.

Underlying Approach to Risk Management

Risk is defined as the uncertainty of outcome, whether positive opportunity or negative threat of action and events. By its nature, risk is not necessarily bad. Risk has to be assessed in respect of the combination of likelihood of something happening and the impact that arises if it does happen.

The resources available for managing risk are finite and so it is the aim of the Association to achieve an optimum response to risk and identify priorities in accordance with our evaluation of the risks. The term '**risk appetite**' is used to refer to the amount of risk which the organisation is prepared to accept, tolerate, or be exposed to at any point in time.

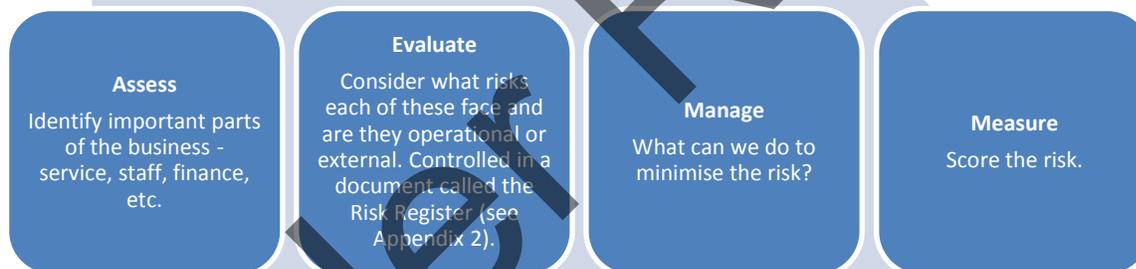
Risk Management is the process by which:

- Risks are identified in relation to the achievement of objectives.
- Risks are assessed by reference to their relative likelihood and impact.
- The identified risks are responded to, taking into account the organisation's assessment and tolerance.
- Risks are reviewed and reported – to ensure the risk register is up to date, to gain assurance that responses are effective, and identify when further action is necessary.

The aims of Risk Management are:

- To take a proactive approach, anticipating and influencing events before they happen.
- To facilitate better informed decision making.
- To improve contingency planning.

The Association's approach to Risk Management is based around assessment, evaluation, management and measurement, as follows:



It is essential that the risk management process is intertwined with other operating activities and permeates the Association's management and operations. As such the following key principles outline the Association's approach to risk management and internal control:

Management Committee

The Management Committee is responsible for overseeing risk management in the Association as a whole, specifically:

- Agreeing the risk management framework within the Association.
- Setting the risk appetite for the Association.

- Directing the risk strategy.
- Receiving reports and demanding action where appropriate.
- Reviewing assurance providing mechanisms to ensure that actions to mitigate risks are operating effectively.
- Annual review of the Association's approach to risk management, approving any proposed changes to the core aspects of the strategy and associated procedures.

Executive Management Team

The Executive Management team is led by the Chief Executive and has responsibility for:

- Implementing policies on risk management and internal control.
- Identifying and evaluating the key inherent risks faced by the Association. These risks will be set out in a "risk register" (see Appendix 2).
- Providing adequate, timely information to Management Committee and its sub committees on the status of risk and controls and providing assurance that risks are being effectively mitigated.
- Undertaking an annual review of the effectiveness of the system of internal control and providing a report to Management Committee.

The Executive Management Team has two main roles in relation to the risk management process, notably:



The Executive Management Team are responsible for the co-ordination of the risk management review and liaison with the stakeholders on the transfer of risks to insurers, where appropriate.

The Management Committee shall satisfy itself that the risk management process is effective, taking advice from the Executive Management Team and internal auditor. Advice shall also be obtained from the external auditor as part of the review of governance in the annual audit. The Director of Finance/ICT shall submit a brief report to Management Committee each year, outlining its work in this area and the conclusions reached.

Internal Audit

The Internal Audit function has a central role in reviewing the governance, risk and control issues within the Association. Specifically in relation to risk management, the internal auditor provides assurance of content and of process to the Management Committee.

Internal Audit plays a key role in evaluation of effectiveness of, and recommending improvements to, the risk management process. This is based on the systematic review and evaluation of the policies, procedures and operations in place to:

- Establish and monitor the achievement of the organisation's objectives.
- Identify, assess and manage the risks to achieving the organisation's objectives.
- Advise on, formulate, and evaluate policy.
- Ensure the economical, effective and efficient use of resources.
- Ensure compliance with established policies, procedures, laws and regulations.
- Safeguard the organisation's assets and interests from losses of all kinds, including fraud, irregularity or corruption.
- Ensure the integrity and reliability of information, accounts and data, including internal and external reporting and accountability processes.

In addition, Internal Audit aims to add value through:

- Supporting and facilitating the identification of risks and the development of processes and procedures to assess and effectively respond to risks.
- The identification and recommendation of potential process improvements.
- The provision of advice to manage risks in developing systems, processes, projects and procedures.
- The provision of best practice advice to all areas of the business, and encouraging best practice and encouraging continuous improvement.

Key Activities within the Risk Management Process

Risk Management incorporates a number of elements that together facilitate an effective and efficient operation, enabling the Association to respond to a variety of operational, financial and commercial risks. These elements include:

Policies and Procedures	Attached to key risks are a series of policies that underpin the internal control process. The policies are set by Management Committee and are implemented and disseminated throughout the Association by the Executive Management Team. Written guidance supports these policies.
Monthly Reporting	Comprehensive monthly reporting is designed to monitor key risks and their controls. Decisions to rectify problems are made at regular meetings of the Executive Management Team or by the Management Committee as appropriate.
Business Planning and Budgeting	The business planning and budgeting process is used to set objectives, agree action plans and allocate resources. Progress towards meeting business plan objectives is monitored regularly by the Executive Management Team and Management Committee. The Association has the relevant funding in place to deliver its planned maintenance programme, meet its SHQS obligations, cover additional pension costs, etc. Therefore much of our financial risks have been carefully planned and significantly mitigated. The Association's revised 30 year financial model has been tested and performs very well with scope to deal with unexpected events in future years.
Risk Register	The Risk Register is compiled by the Executive Management Team in liaison with Management Committee, and helps to facilitate the

	identification, assessment and ongoing monitoring of risks significant to the Association. The document is formally appraised annually but emerging risks are added as required. The Executive Management Team also reviews the document bi-annually. Improvement actions and risk indicators are monitored regularly.
Department/ Team Framework	Each departmental manager has their own monitoring framework to ensure that key risks within their department are identified, assessed and controlled. The framework is formally appraised annually and any emerging risks are contained as required. Reference is made to key performance indicators which allow the department to identify any improvement action that is required and to report to the Executive Management Team and Management Committee as appropriate.
Internal Audit Programme	Internal Audit is an important element in the internal control process as it provides assurance to management that controls are operating effectively and/or alerts management to any control weaknesses identified. Internal Audit is responsible for carrying out individual assignments to enable the delivery of proactive advice to Management Committee. The internal audit programme will address the key risks within the Association. Within an annual report to the Management Committee, the internal auditor shall provide a specific comment upon his/her annual review of the internal control system and their professional opinion on the effectiveness of the internal control system, and the extent to which it can be relied upon.
External Audit	External Audit provides feedback to the audit sub-committee on the operation of those aspects of the internal control system reviewed as part of the annual audit. They shall also provide a comment on the general governance arrangements within the Association.
Business Continuity Planning and Disaster Recovery	Interruption of the Association's business threatened by any emergency events will be avoided via the procedures of its disaster recovery plan.
Third Party Reports	From time to time the use of external consultants will be necessary in areas such as health and safety, development, and human resources. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.
Scottish Housing Regulator (SHR)	The SHR issued a Regulatory Advice Note highlighting emerging risks for Housing Associations in November 2013. The Association's business planning and risk register deals with those emerging risks that may affect the Association. The Regulatory Advice Note sets out expectations as to how Registered Social Landlords (RSLs) should comply with Regulatory Standard 3. This requires the governing body of each RSL to manage its resources to ensure financial well-being and economic effectiveness. There are particular challenges at this time for RSLs in managing to protect their financial health. The SHR recognises that RSLs which do not manage to do so are unlikely to be able to achieve good outcomes for tenants and other stakeholders. RSLs may face increased financial stress as a result of the Welfare Reform and the resulting outcomes of the Smith Commission following the Referendum in 2014. For some, from April 2014, there will also be a substantial increase in pension deficit contributions.

Key emerging risks

All RSLs should give due attention to these emerging issues through their ongoing management of risk and business planning:

- Increased exposure to, and management of, growing pension obligations. The 2013 Pension Deficit (SHAPS) increase led to a full independent review of pension cost and provision. As a result the Management Committee in decided to end the final salary pension for new staff from 1st April 2014. Existing staff will remain within the final salary until the next review. The Association will offer a defined contribution pension for new staff which will also allow existing staff to transfer if they wish. The Defined Contribution scheme also deals with auto-enrolments from August 2015.
- Welfare Reform is a serious risk facing the organisation due to the changes in the welfare payments. The Association has recognised that this risk would be significant for some time and have set about introducing robust plans to help mitigate the risk. This risk will be kept under constant scrutiny by the Executive Management Team and Management Committee.
- Supply chain management (break down in supply chain/financial stability of private contractors).
- Increasing scarcity of public funding and tension with increasing demand from those requiring housing and care.
- The potential for reductions in local authority expenditure in areas that may impact on RSLs, for example, pressures around care financing.

There are a number of other potential developments that may introduce further cost pressures or new risks for RSLs:

- Increased complexity for risk management where RSLs are setting up trading subsidiaries for mid-market rent, social enterprises, etc.; increased pressure upon arrears due to economic circumstances; Welfare Reform.
- Use of Consumer Price Index rather than Retail Price Index for, for example, benefits and pension calculations.
- Proposed or planned changes to housing policy including the implementation of the housing bill and planned changes to the property management/factoring regime.
- The potential costs to landlords' obligations in relation to climate change targets.
- There is a small risk that lenders will challenge covenant reinstatements as a result of Financial Reporting requirements.
- Introduction of Financial Reporting Standard 102.

Scoring Methodology for the Assessment and Prioritisation of Risk

The scoring methodology for the assessment and prioritisation of risk is applied consistently to all risks so that the Association's resources are directed to those risks which have the highest score and, therefore, present the greatest threat to the Association's operations.

The information and content which follows outlines this process in detail.

Categorising Risk

The risk categories are intended to provide a means of grouping related risks within the risk register document, as risks are commonly not entirely independent from each other.

The main risk categories are:

- **External** – arising from the external environment, not wholly within the Association's control but where action can be taken to mitigate the risk.
- **Operational** – relating to the successful execution of existing operations – both current delivery and building and maintaining capacity and capability.
- **Change** – risks created by decisions to pursue new endeavours beyond current capacity.

Examples of categories include:

- **External** – Political, Economic, Social Cultural, Technological, Legal, Environmental, Regulatory.
- **Operational** – Delivery, Capacity, Capability.
- **Change** – New projects, Policies, Change programmes.

Assessing Risks

There are three important principles for assessing risks:

1. Ensure that there is a clear structure to the process so that both likelihood and impact are considered for each risk.
2. Record the assessment of risk in a way which facilitates monitoring and the identification of risk priorities.
3. Be clear about the difference between inherent and residual risk.

To evaluate risks, all risks should be scored in terms of their likelihood and potential impact using the following scale.

Probability		Impact	
Score		Score	
1	Almost Certain	1	Fatal/Catastrophic
2	Likely	2	Major
3	Possible	3	Moderate
4	Unlikely	4	Minor
5	Very Unlikely	5	Insignificant

The overall risk score will be the sum of the probability and impact scores added together and expressed as a percentage.

Risk Appetite

The aim of the policy is not to remove but to recognise that some level of risk will always exist. It is recognised that taking risks in a controlled manner is fundamental to innovation and the building of a can do culture which is fundamental to the continued success of the Association.

Risk appetite is the amount of risk that the organisation is prepared to accept, tolerate or be exposed to at any point in time. Risk appetite can be expressed as a boundary, above which the organisation will not tolerate the level of risk and further actions must be taken:

		Assessment of Risk					
Impact	Fatal/ Catastrophic	5	60%	70%	80%	90%	100%
	Major	4	50%	60%	70%	80%	90%
	Moderate	3	40%	50%	60%	70%	80%
	Minor	2	30%	40%	50%	60%	70%
	Insignificant	1	20%	30%	40%	50%	60%
			1	2	3	4	5
			Very Unlikely	Unlikely	Possible	Likely	Almost Certain
			Probability				

Key	
Severe	Unacceptable level of risk exposure which requires immediate corrective action to be taken.
Major	Unacceptable level of risk exposure which requires constant active monitoring and measures to be put in place to reduce exposure.
Moderate	Acceptable level of risk exposure subject to regular active monitoring measures.
Minor	Acceptable level of risk subject to regular passive monitoring measures.
Insignificant	Acceptable level of risk subject to periodic passive monitoring measures.

The risk appetite is monitored by the inherent and the residual risk assessment figures. Generally the Association will manage closely all residual risks scoring 60+ and will not wish to tolerate risks scoring 90+. The Association's risk appetite is not necessarily static. The

Management Committee may vary the amount of risk which it is prepared to take depending on the circumstances surrounding the specific risk area.

The Management Committee shall focus on the monitoring of risks which are seen to have the greatest impact on the business, notably those with inherent risks greater than 60%. The Management Committee has also given delegated authority to the Audit Sub-committee to review and monitor the risk register in its entirety and make recommendations as required.

Review and Evaluating the Effectiveness of Risk Management

Responsibility for each risk must be assigned to an owner who is responsible for ensuring the risk is managed and monitored over time.

Risk Register

The risk register documents the risk assessment in order to:

- Facilitate the identification of risk priorities.
- Capture the reasons for decisions made about what is and what is not tolerable exposure.
- Record the way in which it is decided to address risk.
- Allow all those concerned with risk management to see the overall risk profile and how their areas of particular responsibility fit into it.
- Facilitate the review and monitoring of risks.

Reviewing and Reporting Risks

The management of risks has to be reviewed and reported on for two reasons:

- To monitor whether or not the risk profile is changing.
- To gain assurance that risk management is effective, and to identify when further action is necessary.

The review process will:

- Ensure that all aspects of the risk management process are reviewed at least one a year.
- Ensure that risks themselves are subject to review at least quarterly.
- Identify new risks and changes in already identified risks so that the change can be appropriately addressed.

The Risk Management Policy will be reviewed once every 3 years, initially by the Executive Management Team, followed by the Audit Sub-Committee and finally approved by the Management Committee. The Risk Register however will be a live document. The register will be formally reviewed and updated quarterly by the Executive Management Team. The updated register will then be reviewed by the Audit Sub-Committee prior to submission to Management Committee.

Each risk is assessed twice. Firstly the "Inherent" risk which is the exposure arising from a specific risk therefore mitigating action has been taken to manage it. Secondly the "Residual"

risk which is the exposure arising from a specific risk after action has been taken to manage it and making the assumption that the action is effective.

Evaluation of Risk

The following diagram sets out the typical elements of the risk management process:

As indicated earlier in this document, the Management Committee is responsible for reviewing the effectiveness of internal control of the Association, based on information provided by the Executive Management Team.

When evaluating risk, the following criteria needs to be considered:

- Financial and value for money issues.
- Human resource issues – capacity, relations and others.
- Service delivery and quality of service issues.
- Public concern, trust or confidence issues.
- Degree and nature of risks to the public.
- Reversibility or otherwise of realisation of risks.
- The impact of the risk on the Association (including its reputation), stakeholders, etc.
- Defensibility of realisation of the risk.



These impact descriptors, outlined above are however only an indication of the probable effect on the Association if the risk occurs; they are not hard and fast rules. It is essential that staff use their knowledge and judgement when deciding on the score for impact. In particular, when assessing the financial impact staff and Management Committee members should take account of the potential cumulative effect of what might be considered smaller sums on the overall resource constraints of the organisation.

A summary of the likelihood descriptors is as follows:

Almost Certain:	Likelihood greater than 75%
Very Likely. The event is expected to occur in most circumstances. There could be a history of regular occurrences, i.e. on an annual basis; and if new event, likelihood of occurrence regarded as almost inevitable.	
Likely:	Likelihood greater than 50%
There is a strong possibility the event or risk will occur. There may be a history of frequent occurrences. Everyone with knowledge of issues in this area knows this could happen. No or little effective measures to reduce likelihood can be and/or have been taken; and will probably occur in most circumstances.	
Possible:	Likelihood between 10% and 50%
The event might occur at some time. There could be history of casual occurrence. Most of the team know that the risk might occur and measures that reduce likelihood have been taken but are not full effective.	

Unlikely:	Likelihood between 1% and 10%
Not expected, but there's a slight possibility it could occur at some time. Some of the team consider this a risk that might occur. Conditions exist for this loss to occur, and probably requires more than two coincident events.	
Very Unlikely:	Likelihood less than 1%
Highly unlikely, but may occur in exceptional circumstances. It could happen, but probably never will, no experience of similar failure. Probably requires three or more coincident events and if it has happened, sufficient controls are now in place.	

Under Review

Description	Financial Impact	Health & Safety	Asset Loss	Business Interruption	Reputation and Image	Corporate Objectives/ Performance	Intervention
Insignificant	0.5% of either a Capital or Revenue budget.	No or only minor personal injury. First Aid needed, but no days lost.	Little or no impact on assets.	Interruption negligible; less than ½ day. Critical systems unavailable for less than an hour.	Minor article in local media or website (story unsubstantiated).	Workaround required, within Association resources.	Relevant Manager intervenes.
Minor	2.5% of only either a Capital or Revenue budget.	Minor injury, medical treatment and some days lost.	Minor loss or damage to assets.	Interruption inconvenient; ½ - 1 day lost. Critical systems unavailable for several hours.	Headline article in local media or housing press (Substantiated story).	Additional resources requiring Senior Team authorisation or delay in achieving part of an objective.	Senior Manager intervenes.
Moderate	5% of either a Capital or Revenue budget.	Serious medical treatment, hospitalisation and numerous days lost.	Major damage to assets.	Interruption 1 day to 1 week. Client dissatisfaction; Critical systems unavailable for up to 1 day.	Headline article in media (story substantiated and publicly embarrassing).	Major compromise in objectives. Variation in achievement of key objectives.	Director intervenes.
Major	10% of only either a Capital or Revenue budget.	Extensive injuries or long term illness.	Significant loss of assets.	1 week to 1 month. Critical systems unavailable for 1 day or a series of prolonged outages.	Short term campaign against Association (story substantiated, publicly embarrassing with third party actions).	Elements of objectives abandoned and fail to meet needs of a tenants and housing requirements.	Chief Executive intervenes.
Fatal/ Catastrophic	20% of either a Capital or Revenue budget.	Fatalities or severe permanent disabilities.	Complete loss of assets.	Interruption more than 1 month. Critical systems unavailable for more than a day (at a crucial time).	Prolonged media campaign against the Association. Story substantiated, publicly embarrassed with third party action and widespread news profile.	Unable to deliver organisational objectives. Widespread failure to meet housing and tenant needs.	Management Committee intervenes.

Addressing Risks

The purpose of addressing risks is to turn uncertainty to the Association's benefit by constraining threats and taking advantage of opportunities. The appropriate response to each risk will depend on its nature and the outcome of the risk assessment.

There are five key aspects of addressing risk:

TOLERATE	The exposure may be tolerable without any further action being taken. Even if it is not tolerable, the ability to do anything about some risks may be limited, or the cost of taking such action may be disproportional to the potential benefit gained.
TREAT:	By far the greatest number of risks will be addressed in this way. The purpose of treatment is that whilst continuing within the Association with the activity giving rise to risk, action (control) is taken to constrain the risk to an acceptable level.
TRANSFER:	For some risks the best response may be to transfer them. This might be done by conventional insurance, or it might be done by paying a third party to take the risk in another way. This option is particularly good for mitigating financial risks to assets.
TERMINATE:	Some risks will only be treatable, or confinable to acceptable levels, by terminating the activities.
TAKE THE OPPORTUNITY:	This option is not an alternative to those above; rather it is an option which should be considered whenever tolerating, transferring or treating a risk.

In reaching its conclusions and making decisions, the Management Committee should also consider the following:

Control Environment

- The Association's objectives and its financial and non-financial targets.
- Organisational structure and calibre of the Executive Management Team.
- Culture, approach and resources with respect to the management of risk.
- Scheme of delegation.
- Public reporting.

Ongoing Identification and Evaluation of Key Risks

- Timely identification and assessment of significant risks.
- Prioritisation of risks and the allocation of resources to address areas of high exposure.

Information and Communication

- Quality and timeliness of information on key issues and assurance providing activities.
- Time it takes for control breakdowns to be recognised or new risks to be identified.

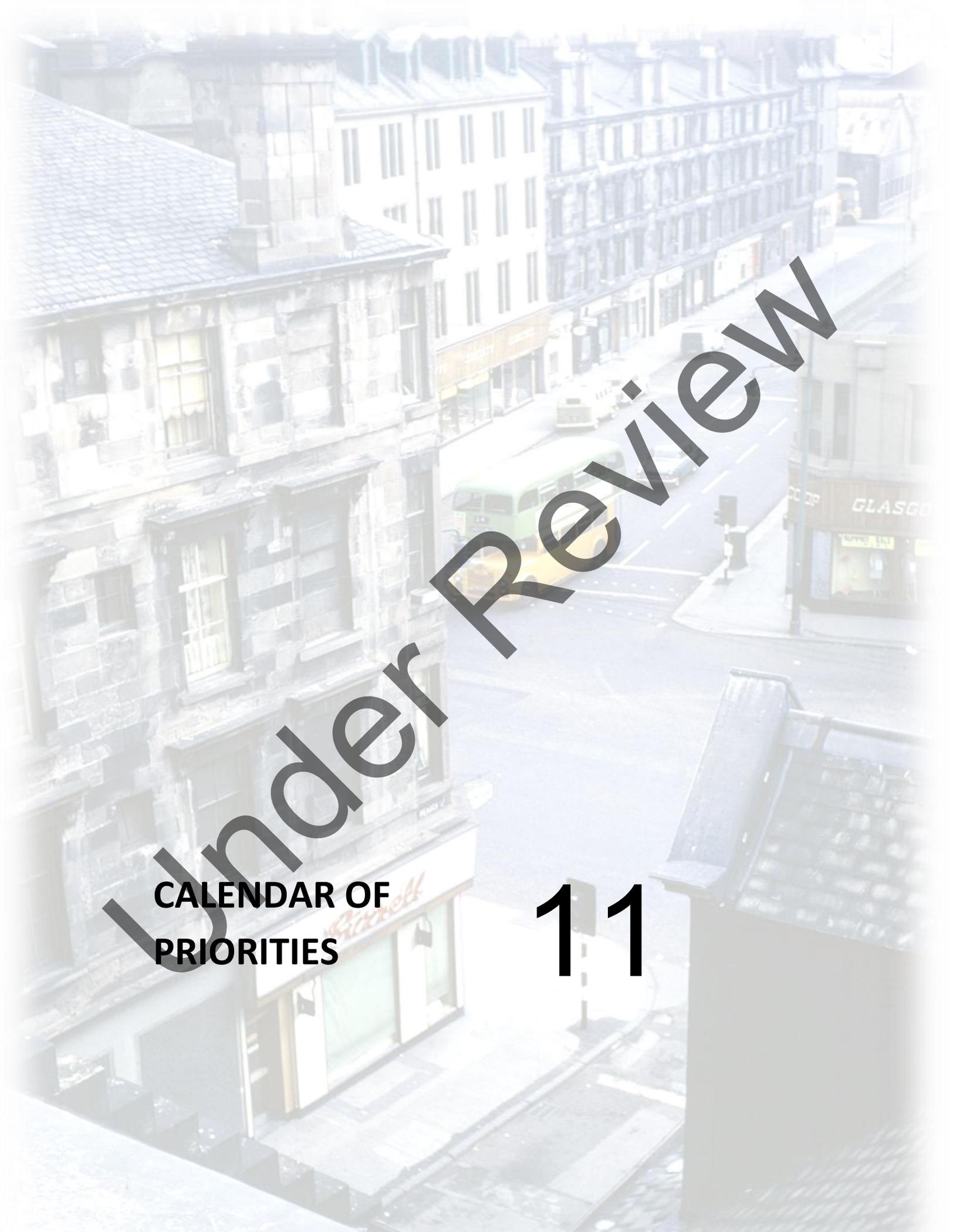
Monitoring and Corrective Action

- Ability of the Association to learn from its problems.
- Commitment and speed with which corrective actions are implemented.

Glossary of Risk Terms

When putting in place a structure for the analysis and management of risk, it is important that the organisation uses a common risk language. The following table sets out some definitions for the Association's risk management activities.

Assurance	An evaluated opinion, based on evidence gained from review, on the organisation's governance, risk management and internal control framework.	
Embedding risk management	The identification and management of risk becomes part of ' <i>business as usual</i> ' within the Association.	
Exposure	The consequences, as a combination of impact and likelihood, which may be experienced by the organisation if a specific risk is realised.	
External Risk	External risks arise when there are external forces that could either put the Association out of business or significantly change the assumptions that drive its overall objectives and strategies.	
Financial Risk	Risk related specifically to the financial aspects of the business and the underlying business processes.	
Impact	The probable effect on the organisation if the risk occurs.	
Information Risk	Risks arising from the Association making decisions, based on information which is in some way flawed.	
Inherent Risk	The risk that arises from engaging in an activity. It is the risk that exists before any mitigation (risk treatment action is taken).	
Likelihood	The probability or chance of the risk occurring.	
Operational Risks	Those risks associated with all the on-going day-to-day management of the business. This will include the risks around the business processes employed to meet the business objectives.	
People Risks	Risks arising from the fact that people can make both inadvertent and deliberate errors in carrying out their day-to-day tasks.	
Residual Risk	The remaining levels of risk after treatment measures have been taken. If it falls within the organisation's risk tolerance, then residual risk is acceptable; if it falls outside, then other actions may be needed.	
Risk	The threat that an event of action will adversely affect the Association's ability to maximise stakeholder value and to achieve its business objectives. Risk arises as much from the possibility that opportunities will not be realised as it does from the possibility that threats will materialise or that errors will be made.	
Risk Appetite	The amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time.	
Risk Assessment	The evaluation of risk with regards to the impact if the risk is realised, and the likelihood of the risk being realised.	
Risk Management	A logical and systematic method of identifying, analysing, assessing, treating, monitoring and communicating risks in a way that will enable the Association to minimise losses and maximise opportunities.	
Risk Register	The documented and prioritised overall assessment of the range of specific risks faced by the Association.	
Risk Treatment	The selection and implementation of appropriate options for dealing with risks. These may include:	
	<ul style="list-style-type: none"> - Risk Acceptance - Risk Transfer (e.g. insurance) - Risk elimination 	<ul style="list-style-type: none"> - Risk increase - Risk reduction - Risk avoidance

An aerial, high-angle photograph of a city street, likely in Glasgow, Scotland. The street is lined with multi-story stone buildings. A green double-decker bus is visible in the middle of the street. The text 'Under Review' is overlaid diagonally across the image. In the bottom left, the text 'CALENDAR OF PRIORITIES' is visible, and in the bottom right, the number '11' is displayed.

Under Review

**CALENDAR OF
PRIORITIES**

11

Calendar of Priorities

To achieve many of the set priorities and objectives of the business plan the Association has created a calendar to help monitor our progress.

The purpose of this calendar is simply to provide a useful guide to the Management Committee and the Executive Management Team to ensure that key activity takes place, priorities are met and that they all take place when as the business requires.

Function	Task	Comments	April	May	June	July	August	September	October	November	December	January	February	March
Fiona McTaggart	Introduce Business Continuity Plan			✓										
Fiona McTaggart	Contribution Management for Members of the Management Committee and Training Needs Analysis	Review of good governance practices to enhance awareness and ensure our Committee, as a group and individually, are suitably skilled and equipped to govern the Association. Individual personal development plans will be established.	✓	✓										
Fiona McTaggart	Implementation of personal development sessions for Committee Members			✓	✓	✓	✓							
Fiona McTaggart	Review of induction for new		✓	✓										

Function	Task	Comments	April	May	June	July	August	September	October	November	December	January	February	March
	Management Committee Members													
Fiona McTaggart	Staff Team Building Day						✓							
Fiona McTaggart	Implement contribution management for staff								✓	✓	✓			
Fiona McTaggart	Review planning process for Internal Management/Business Plan	A review of our IMP/BP planning process to ensure that all necessary steps are included and a realistic timetable is agreed.				✓	✓	✓						
Fiona McTaggart	Business Away Day	Joint review with staff and MC in September, after AGM, to begin IMP/BP review process for following year. Follow up meeting in March with all staff to consider content and implications of IMP/BP for practical application in year ahead.		✓										
Fiona McTaggart	Business planning sessions	In depth review of the needs and priorities of the business by Executive Management Team (EMT) and MC.							✓	✓				

Function	Task	Comments	April	May	June	July	August	September	October	November	December	January	February	March
Fiona McTaggart	Review and set strategic objectives		✓						✓			✓		
Fiona McTaggart	Review and update operational objectives with EMT		✓									✓	✓	
Fiona McTaggart	Prepare Operational Service Plan										✓	✓	✓	
Fiona McTaggart	Prepare SMART Plans										✓	✓	✓	
Fiona McTaggart	Finalise IMP/Business Plan annual review	Submission of draft IMP/BP to MC for consideration and approval.										✓	✓	✓
Fiona McTaggart	Traffic light monitoring report of operational objectives to MC	Details will be submitted to MC quarterly following consideration by the Operations Sub-Committee.		✓			✓			✓			✓	
Fiona McTaggart	Carry out a full risk assessment of the business following approval of the 3 year Business Plan.	Full review to ensure key potential risks to the business are identified, prioritised and included in our risk register with a realistic time frame for consideration. Identification of key controls to mitigate the risks noted and managed respectively.	✓											
Fiona McTaggart	Carry out a review of Risk	Findings of risk assessments will be	✓	✓										

Function	Task	Comments	April	May	June	July	August	September	October	November	December	January	February	March
	Management Strategy and Policy	submitted to MC following <i>quarterly</i> Audit Sub-Committee.												
Fiona McTaggart	Review risk register and implement a risk management traffic light system for MC.	Implement a quarterly update process for MC outlining key risks to the business, how these are being managed and controlled effectively and their impact on other key areas of the business. To be reviewed quarterly following Audit Sub-Committee meetings.		✓			✓			✓			✓	
Fiona McTaggart	Annual Report	Design, print and issue a summary of the Association's achievements, performance attainment and commitment to excellent service delivery to partners, tenants, owners and other service users.				✓	✓							
Fiona McTaggart	Prepare audited accounts update and completion.			✓	✓	✓								
Fiona McTaggart	Submission of Annual Return on the Charter (ARC)	Draft to MC for approval in April, for submission to SHR end of May	✓	✓										

Function	Task	Comments	April	May	June	July	August	September	October	November	December	January	February	March
		2015.												
Fiona McTaggart	ARC: QEF annual bench marking review	Report to MC comparing the Association's performance with other QEF members.		✓	✓									
Fiona McTaggart	ARC: Scottish Housing Regulator (SHR) performance review	Report to MC comparing the Association's performance with other SHR peer group members following publication of statistics by SHR end of August.					✓	✓						
Fiona McTaggart	Publication of the Annual Return on the Charter.							✓	✓					
Fiona McTaggart	Quarterly newsletter.		✓			✓			✓		✓			
Fiona McTaggart	Prepare and co-ordinate peer performance benchmarking.	Quarterly reports submitted to MC to compare the Association's performance with other Scottish Housing Best Value Network (SHBVN) members.	✓			✓			✓			✓		
Fiona McTaggart	Carry out rent and service charge structure review on all housing stock.					✓	✓	✓	✓	✓	✓	✓	✓	✓

Function	Task	Comments	April	May	June	July	August	September	October	November	December	January	February	March
Fiona McTaggart/ Natalya Macholla	Carry out a full review of the Association's procurement policy and tendering processes.	Liaise with Development Consultant – Edwards MacDowall Consultancy.	✓	✓	✓	✓								
Fiona McTaggart	Evaluate the Association's compliance with EESH.	Evaluate in line with the Stock Condition Survey.												
Fiona McTaggart	Annual budget preparation.										✓	✓	✓	
Fiona McTaggart	Complete stock condition survey		✓	✓	✓									
Fiona McTaggart	Develop and implement a 5 year acquisition strategy.	Co-ordinate with Development Consultant Edwards MacDowall Consultancy.												
Fiona McTaggart	Set framework for major planned and cyclical repairs programme 2015/19.	Implementation of a 5 year planned and cyclical maintenance programme following completion of the Stock Condition Survey to protect the investment in our housing stock.			✓	✓	✓	✓						
Fiona McTaggart	Procure all major planned and cyclical repair contracts.	Contracts to be procured based on the 5 year programme. Community benefit						✓	✓	✓	✓			

Function	Task	Comments	April	May	June	July	August	September	October	November	December	January	February	March
		clauses to be established to fit with the community regeneration aspirations of the Association.												
Fiona McTaggart	Carry out a full review of all contracts held by the Association across all areas of the business.		✓	✓										
Fiona McTaggart/ Natalya Macholla	Manage the wider role and regenerative programme of works across the Association.	Ensure that the Association continues to grow and develop its commitment to community regeneration across Greater Govan.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Fiona McTaggart	Work towards Investors In People Gold Accreditation.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Fiona McTaggart	Continue to develop and enhance the Association's commitment to young people to support its IYYP Accreditation.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Fiona McTaggart/ Natalya Macholla	Carry out a review and re-design of the Association's website.		✓	✓	✓									

Function	Task	Comments	April	May	June	July	August	September	October	November	December	January	February	March
Natalya Macholla	Implement and develop a new revised Finance and Housing Management ICT System to cover all key areas of the business.	Complete revision and development of the current system to address key resource issues and assist the business to grow and develop to meet its key strategic and operational objectives going forward.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Natalya Macholla	Carry out and manage quarterly meetings with IT Consultant and IT Maintenance provider.		✓			✓			✓			✓		
Natalya Macholla	Implement and develop a 3 year ICT strategy for the Association.										✓			
Natalya Macholla	Oversee and direct the ICT disaster recovery solution.	Carry out regular testing and evaluating of this area of the business and link to the risk management strategy of the Association.						✓						✓
Fiona McTaggart	Review current stair cleaning contract and carry out full procurement.						✓	✓	✓					

Function	Task	Comments	April	May	June	July	August	September	October	November	December	January	February	March
Natalya Macholla	Manage and administer Govan Housing Association's accounts.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Natalya Macholla	Update the Association's 30 year Business Plan projections.		✓	✓		✓	✓						✓	✓
Natalya Macholla	Update the Association's 5 year Business Plan projections.		✓	✓		✓	✓						✓	✓
Natalya Macholla	Prepare the Association's Financial Statements.	Prepare the financial statements and manage the external audit function.	✓	✓	✓	✓								
Natalya Macholla	Prepare and submit PAYE returns.		✓											
Natalya Macholla	Review and deliver the Association's Financial Policies.		✓											
Natalya Macholla	Prepare the Association's Management Accounts.	Provided monthly to MC.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Natalya Macholla	Prepare Treasury Management Report	Provided annually to MC.		✓										
Natalya	Carry out an annual	Co-ordinate with						✓	✓	✓				

Function	Task	Comments	April	May	June	July	August	September	October	November	December	January	February	March
Macholla	review of shared owners' occupancy and service charges.	Factoring Team.												
Natalya Macholla	Update planned maintenance projections based on Stock Condition Survey results and 5 and 30 year planned maintenance programme.	Review for impact on cash flow and implications for component accounting on the 30 year projections. Ensuring compliance with key banking covenants.		✓	✓				✓	✓			✓	✓
Natalya Macholla	Prepare and update annual budgets and rents.	Process passed to EMT and MC. SMT involved at planning stages.			✓						✓	✓	✓	
Natalya Macholla	Prepare and submit the SHR's FYFP return (financial viability).	5 year financial projections based on the approved business plan and 30 year projections.			✓									
Natalya Macholla	Prepare audited accounts update.			✓	✓	✓								
Natalya Macholla	Carry out a full review of the Association's insurances and carry out procurement for new contract.	Current insurance agreement ends in September 2015.			✓	✓	✓	✓						

Function	Task	Comments	April	May	June	July	August	September	October	November	December	January	February	March
Natalya Macholla	Prepare and submit the SHR's Financial Viability returns.	Submission of annual financial statements and audit letters.					✓							
Natalya Macholla	Prepare and submit the SHR's Loan Portfolio return.	Annual Loan Portfolio return with details of full current lending portfolio.			✓									
Natalya Macholla	Implement Brixx business planning model.	Implement Brixx based on business plan approved in March 2015.				✓	✓	✓						
Natalya Macholla	Carry out a full review of the factoring service and charges.								✓	✓	✓	✓	✓	✓
Natalya Macholla	Co-ordinate Internal Audit process and review.	Two full blocks of internal audit carried out annually with agreement from EMT and MC as to proposed areas for review. Report findings to EMT, SMT, MC and Audit Sub-Committee.	✓						✓			✓		
Natalya Macholla	Manage and co-ordinate the sale of the remaining 10 NSSE properties held by the Association.		✓	✓	✓									
Natalya Macholla	Conclude on all development contracts, HAG	Co-ordinate with Development Consultant – Edwards	✓	✓	✓	✓	✓							

Function	Task	Comments	April	May	June	July	August	September	October	November	December	January	February	March
	submissions and retentions.	MacDowall Consultancy. Unable to conclude until full sale of NSSE properties.												
Kevin Nixon	Gas Servicing.	Co-ordinate with Maintenance Assistant.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Kevin Nixon	Management of planned and cyclical maintenance programme.	Co-ordinate with Development Consultant – Edwards MacDowall Consultancy.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Kevin Nixon	Manage all work in relation to Right to Repair.							✓						
Kevin Nixon	Manage the annual rent review and consultation process.										✓	✓	✓	
Kevin Nixon	Waiting list review.											✓	✓	
Kevin Nixon	Conclude on all on-going repairs within the Defects Liability Period													
Kevin Nixon	Prepare reports on KPI's for Operations Sub-Committee.	Statistics compiled monthly and provided quarterly to Operations Sub-Committee.		✓			✓			✓			✓	
Kevin Nixon	Review Operations Service Plan.		✓									✓	✓	✓
Kevin Nixon	Preparation of		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Function	Task	Comments	April	May	June	July	August	September	October	November	December	January	February	March
	monthly performance analysis and monitoring.													
Kevin Nixon	Manage rent consultation process of the rent restructure process.					✓	✓	✓	✓	✓	✓	✓	✓	✓
Kevin Nixon	Monitor all housing management and maintenance budgets.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Kevin Nixon	Management and development of Govan Home Team.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Under Review

APPENDICES

Appendix 1 – Operations Service Plan

Appendix 2 – Risk Assessment

Appendix 3 – 30 Year Business Plan – 2015/16 to 2044/45

Appendix 4 – SMART Planning

Appendix 1 – Operations Service Plan

1. Introduction and Context

The Operations Service Plan covers the period April 2015 – March 2016. It has been prepared as part of the suite of plans that link together to form the planning and performance management of Govan Housing Association.

The Operations Service Plan provides the key priorities for the Operations Sub-Committee, Managers and Staff team. The business plan is the comprehensive planning document for the Association and this service plan aims to:

- Identify what we are trying to achieve.
- How we set about delivering our priorities.
- What we have achieved to date/not achieved to date.
- What we plan to do next.
- What resources we require.
- Does the plan deal with the risks identified within the Risk Register.

2. What we are trying to achieve

The starting point for the Operations Service Planning for the Association is the corporate Mission Statement and Strategic and Operational Objectives for the period. These are as follows:

Our Mission

Govan Housing Association aims to be an innovative and responsive organisation, playing a leading role in the regeneration of Greater Govan and continuing to improve the quality of life of residents.

Strategic Objectives



Operational Objectives

1. To deliver the operational targets set out in the Operational Service Plan;
 - Rent Arrears
 - Voids
 - Repairs
 - Resident Satisfaction
2. To complete the reshaping of the organisations staffing structure to meet the service delivery model and value for money efficiencies.
3. To minimise the impact of the Welfare Reforms and Bedroom Tax on our residents and the Association and create further financial inclusion opportunities.
4. To introduce a regeneration strategy and maximise partnership funding opportunities to meet the objectives of our strategy.
5. To complete the Associations development programme and sell the remaining NSSE flats.
6. To set up a programme for planned maintenance from 2015.
7. To carry out a full Residents Satisfaction Survey.
8. To complete a full rent restructure ensuring our rents are competitive, affordable and meet our financial demands.
9. To complete the office refurbishment providing enhanced facilities for our customers.
10. To carry out an options appraisal on the Associations DLO.
11. To work towards “Investors in People”.

3. What we are trying to achieve

Operations Service

The Operations Service has both a strategic and operational role in the delivery of Housing and Property Management Services. The focus for the service is to deliver the changes needed to Govan Housing Association’s area of operation so that we create an environment where people choose to live.

The service will be underpinned by a commitment to The Scottish Social Housing Charter and the Charter Outcomes and Standards outlined below and all subordinate indicators relating to Housing and Property Management:

Scottish Social Housing Charter – Outcome 1:

“every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services.”

Scottish Social Housing Charter – Outcome 11:

“tenants get the information that they need on how to obtain support to remain in their home; and ensure suitable support is available including services provided directly by the landlord and by other organisations.”

Scottish Social Housing Charter – Outcome 13:

“Tenants owners and other customers receive services that provide continually improving value for the rent and other charges they pay.”

The operations service has a fundamental role to play in delivering improved housing services to our tenants, driving forward efficiency and delivering agreed outcomes whilst ensuring that the needs of our community are recognised.

The operations service is committed to continuous improvement and to play its part in enabling the Association to achieve it aims and objectives. This means that we must meet our performance targets.

To achieve our aims, we must be very clear about what we want to be as an organisation and how we want to get there. We must be customer focused and in recognition of this we have introduced the following: -

- Tenants Handbook
- Govan Housing Association Standard

We will continue to develop, monitor and review these documents.

4. What have the Operations Team achieved in the last year?

The Operations Sub-Committee meet on a quarterly basis to review the Associations operational performance. The meeting is serviced by the Director of Operations, Kevin Nixon, with assistance from the relevant staff members from across the team.

During 2014-15 we have introduced a generic housing service which is a comprehensive and proactive service model in which our Customer Service Assistants, Housing Assistants and Housing Officers will ensure that tenants enquiries and requests will be progressed speedily through our organisation and with efficiency, ensuring the Association achieve quality outputs and improved tenant satisfaction.

A breakdown of our new generic housing teams are listed below:

Housing Patch 1	Housing Patch 2	Housing Patch 3
		
Fiona McLauchlan Housing Officer	Marion McIntyre Housing Officer	Sandra Sloan Housing Officer

		
Brian Wightman Housing Assistant	Kimberley Cowan Housing Assistant	Gordon Anderson Housing Assistant
<i>Elder Street, Govan Road 820, 830, 892, 894, 896, 898, 900, 924, 932, 940, 946, 956, 964, 970, 976 and 1014 Howat Street, Luath Street, McKechnie Street, Rathlin Street, Taransay Street, Wanlock Street, Wardrop Street</i>	<i>Broomloan Crescent, Golspie Street, Govan Road 701, 709, 817, 819, 821, 823, 825, 827, 845, 855, 865, 867, 871, 883, 893 and 903 Langlands Road, Rosneath Street, Shaw Street, Elizabeth Street – 25, 27 and 29, Ibrox Street, Middleton Street – 97, 99, 101 and 103, Midlock Street – 26 and 28</i>	<i>Brand Street, Burndyke Court, Burndyke Square, Dunsmuir Street, Elizabeth Street – 31, 33, 35 and 37, Elphinstone Place, Govan Road 533, 579, 587, 591, 597, 630 and 636 Ibrox Street, Merryland Place, Merryland Street, Middleton Street – 100, 102 and 104, Midlock Street – 32 and 34, Southcroft Street, Summertown Road, Vicarfield Street</i>

We have developed our Customer Services Assistants roles to manage customer enquiries on a one stop shop approach supported by our three dedicated housing teams linked to three housing patches allowing tenants to engage with us in more detail and provide a readily available and consistent point of contact for customers.

Our duty officer service will ensure that our customers will always be able to progress their enquiries when they visit or call into our office.

The closer working and service development of the Associations housing services staff and our repairs and maintenance staff is key to our vision for success and continuous improvement.



The Association recognise that the issues which are important to tenants are where the Association should focus our energy and resources, and this includes providing a holistic response to customers housing needs. We look forward to our revised service delivery model delivering that vision.

During 2014-15 the Association also reviewed our in-house direct labour organisation with a view to seeking continuous improvements, and obtaining improved value for money. Our DLO, renamed Govan Home Team delivers multi-trade services for our properties and our open and common

spaces. After detailed options appraisals the Association developed further this area of the business to take forward the Association's ambition to deliver our savings and improvements.

In October 2012 the Association appointed Tom McLeod to take forward the development of the Govan Home Team. As Head of this service area, Tom has remodelled a more productive and self-sufficient working unit with the aim of providing a first class repairs service to our tenants.

Our maintenance team continues to grow and develop. The coming year should show improved outcomes for tenants in relation to repairs and maintenance, improved open environments and green spaces, cleaner neighbourhoods and a more efficient and effective use of our staffing resources in delivering savings with increased standards. In the last year the Association have recruited new staff to deliver plastering, landscaping, plumbing and now electrical work eliminating the necessity to continually rely on the use of outside contractors which can be expensive.



The Association have also increased our vehicle fleet to assist in speedier response times to jobs and have invested in heavy machinery reducing the costs associated with plant hire.

The Govan Home Team continue to develop the environment in and around Govan by, improving old brick bin stores and working to increase bin storage capacity, maintaining anti-dog fouling campaigns, power washing our streets and back courts, regenerating old and poorly positioned flower

planters, fitting new kitchens and bathrooms and contributing to the development of hanging flower baskets along Govan Road.

All of these positives have been key to moving Govan forward and these changes have been embraced by the staff whom recognised the need for change themselves.

The renewed and developed team is an essential component for the Association in delivering on our improvements agenda over the course of this business plan and as we look to the future investments from our planned maintenance programs such as guttering, renewal of electrical consumer units, gas maintenance, painter works, stonework repairs, roof repairs, new central heating, boiler replacements, kitchen upgrades and renewals.



5. Summary Statement

Nature and Scope

The focus for the department's services is to deliver the changes needed to continually improve the Association's performance and to create an environment where people choose to live.

Major Projects/Tasks 2015-16

- *Operational Objective 1* - To ensure that all operational targets are met, whilst continually improving on customer service and tenancy sustainment.
- *Operational Objective 2* - To bed in the restructured generic housing teams, complete the recruitment of the Govan Home Team service structure flowing from the DLO options appraisal, communicate with tenants these changes and monitor its progress.
- *Operational Objective 6* - To further develop a five years Major Repairs programme with contracts procured in order to secure investment in our stock on a rolling programme basis from 2015 onwards.
- *Operational Objective 3 and 4* - Continue to work in partnership with financial inclusion partners i.e. Money Matters, to ensure we make financial inclusion services available to tenants. We will further develop the scope of our Community Development/Tenancy Sustainment Officer to develop further partnership links to help mitigate welfare reform impacts.
- *Operational Objective 4* – The operations Generic Housing Teams will support the regeneration strategy by ensuring that service standards on estates are improved by creating greater partnerships with those agencies with a statutory responsibility and vested interest in our shared objectives. The launch of the Govan Standards will be developed as a focus for this improvement.
- *Operational Objective 6* – To ensure that our planned maintenance is properly monitored for value for money and effective delivery of works.
- *Operational Objective 7* – To ensure that the operations services are fully represented in any tenant satisfaction survey and the outputs inform our service improvements.
- *Operational Objective 10* – To ensure that the outcomes of the DLO options appraisal are fully implemented during the course of the year.
- *Operational Objective 11* – To ensure that staff are suitably skilled and empowered and on a continuous learning curve in order to support organisational development and support Investors in People accreditation.

Over the next 12 months we will be preparing and concentrating on:

- Bedding in the new generic housing structures.
- Support the development of the newly formed DLO service structure.
- Focus on improving our core services and performance in, void turnaround, arrears recovery, improved lettings, enhanced estate management and improved repairs delivery.
- Deliver on the planned maintenance programme.
- Develop team awareness of wider housing issues and networking opportunities to strengthen skills and knowledge base.
- Develop further the Association's Tenancy Sustainment Officers activities to achieve improved interaction with the service areas, generic teams and tenants.

- Focus on delivering the cyclical maintenance works on time.
- Monitor budgetary efficiencies in all areas.
- Identify new risk and manage existing risks.

Resources and Budgets 2015-18

No. of employees

Staff Costs:

Housing Management
Maintenance

To be updated with budget information following January 2015 Management Committee meeting.

Tenant Management/Participation
Reactive Maintenance and Voids
Govan Home Team
Cyclical
Planned Maintenance

Total of all above

Performance Targets

	Target 2013/14	Performance 2013/14	Target 2014/15	Performance 2014/15
Arrears				
Gross	4.68%	6.08%		
Technical	0.30%	n/a		
Non-Technical	3.38%	3.19%		
Former	1.00%	1.82%		
Void Rent Loss	1.00%	1.15%		
Void Days	14 days	31 days		
All Reactive Repairs	97%	TBC		
Emergency Repairs	100%	100%		
Urgent & Right to Repair	99.5%	88.44%		
Routine Repairs	97%	TBC		
Reactive & Void Expenditure (Ext. Contractors)	£249,660	TBC		
Tenant Satisfaction (Repairs)	96%	98.1%		

To be completed following finalisation of the 2014/15 KPIs.

In addition a full breakdown of 2015-18 expectation will also be outlined to support the period of the business plan.

Performance Targets Service Area	Old Target 2013/14	New Target 2014/15
Total Gross Current Arrears	4.68%	5.00%
Current Sitting Tenant Arrears	3.38%	3.50%
Former Tenant Arrears	1.00%	1.00%
Void Relet Times	14 days	14 days
Void Rent Loss	1.00%	0.50%
Section 5 relets	-	25.00%
Emergency Repairs – Average Time	3 hours	3 hours
Urgent Repairs – Average Time	24 hours	24 hours
Routine Repairs – Average Time	10 days	10 days
Gas Servicing	100.00%	100.00%
Customer Satisfaction – Very or Fairly Satisfied	96.00%	96.00%

6. Story Boards

1. What are we trying to achieve?

Our aim is to continually improve our service delivery across all areas of operations. Specifically this would involve the following: -

- Establish a sustainable community through accessible services.
- Encourage partnership working with contractors and Support Providers.
- Work within set budgets.
- Liaison with other agencies such as Police and GCC Depts.
- Support Wider Role Activity.
- Collaborative work with local financial inclusion projects e.g. Money Matters to maximise Association and tenant income and help with sustaining tenancies.

2. How are we delivering our priorities?

Performance across all KPIs is now monitored and reported monthly to Executive Management and quarterly to Operations Sub-committee.

This has led to earlier identification of areas of weakness and allowed for speedier corrective action.

Regular meetings of Operations staff and improved internal and external communication.

Regular contractor liaison meetings.

Regular networking with partner agencies and service area forums.

3. What have we achieved and not achieved in 2014-15

Achieved

- Reviewed waiting list.
- Developed the specialised teams.
- Established Customer Services roles.
- Continued with learning and development opportunities for staff.
- Developed the Tenancy Sustainment Officers role further.
- The department underwent a large staffing restructure and this was a successfully managed process.
- We turned around 199 properties
- Met a significant number of targets
- Achieved a significant number of our various repairs targets with the exception of 1 day RTRs which were 1.93days

Not Achieved

- Rent arrears target 4.68%, achieved 6.08%.
- Re-let times on our property target 14 days, achieved 31 days.
- Emergency repairs target 3 hours, achieved 3.51 hours.
- Rent Restructure Review.
- Complete the planned maintenance programme.
- We did not achieve 100% gas safety checks carried out within 12 months of previous certificate.

4. What do we plan to do next?

- Continue to develop the knowledge and experience of the generic Housing team.
- To focus on the core service areas to ensure improvements are made in areas that are failing.
- Expand work with other housing support partners.
- Achieve KPIs.
- Better sharing of benchmarking information with staff and committee.
- Use Benchmarking to learn, motivate and stimulate performance.
- Implement the annual rent review
- Minimise Impact of Welfare reform
- Support the development of IT user group
- Continue to develop the knowledge and experience of the Maintenance team.
- Continue to meet targets for the delivery of a quality reactive repairs service in terms of repairs within timescales and to tenants satisfaction
- Achieve 100% of gas safety certificates issued within one year of previous certificate.
- Develop Govan HA's Planned and Cyclical Maintenance with 3 year + contracts and full commitment to budget allocations.
- Procure a suitable contractor to carry out a revised stock condition survey.
- Develop improvements required in our IT systems to be more efficient and effective.
- Continue to review and develop the Govan HOME team's performance.

Appendix 2 – Risk Assessment



Risk Ref.	Strategic Objective Reference	Risk Category	Risk Description	Inherent Risk			Control Measures	Residual Risk			Risk Owner	Further Action Required	Assurance
				Probability	Impact	Risk Priority (%)		Probability	Impact	Risk Priority (%)			
1	All	Financial Operational Reputational	Poor customer satisfaction results leading to lack of demand and damaged reputation.	2	4	60	Regular review of customer satisfaction and carrying out of three yearly full and comprehensive Resident Satisfaction Survey with full action plan provided to Management Committee on key areas identified.	1	3	40	Chief Executive and EMT Support	Resident Satisfaction Survey Action plan to be delivered to Management Committee in February 2015 with further review 6 monthly to provide updates on key areas identified.	The Association has just completed its staff restructure in August 2014 and as such this recent Resident Satisfaction Survey provides a foundation for improvement going forward. Encouraging to see that in a number of areas performance is good but the beneficial aspect of this work is that we are now fully aware of where the investment is required and where improvements are needed and as such have been able to reflect this in our business planning going forward.

Risk Ref.	Strategic Objective Reference	Risk Category	Risk Description	Inherent Risk			Control Measures	Residual Risk			Risk Owner	Further Action Required	Assurance
				Probability	Impact	Risk Priority (%)		Probability	Impact	Risk Priority (%)			
2	1, 5	Operational	Tenants dissatisfied with maintenance and repairs services.	3	3	60	<p>Pre and post inspection of repairs.</p> <p>Maintenance and Repairs policies and procedures in place across the business.</p> <p>Tenant satisfaction sought in order to identify areas of concern and improve performance in this area.</p>	2	2	40	<p>Director of Operations, Head of Maintenance and Head of DLO</p>	<p>Full review of maintenance and repairs to be carried out during 2015-16 looking at policies and procedures required in light of the major IT system changes taking place across the business and the continual development of the Govan HOME Team to support the Association's future service aspirations.</p> <p>Carry out a full procurement exercise to identify a quality multi-trade organisation to support the works of the Govan HOME Team in periods of high volume.</p>	<p>Results of the recent Residents Satisfaction Survey were encouraging in this area but also provided a good foundation for areas for improvement and investment which will assist in delivering a quality service.</p> <p>The added resource of the Govan HOME Team also enables the Association to be proactive in its review and development of the repairs and maintenance aspects of the business.</p>
3	1, 2, 4, 5	Operational Financial Reputational	Failure to identify the needs and aspirations of our customers and incorporate service users views in the decision making process of the organisation.	2	3	50	<p>Regular customer satisfaction feedback sought.</p> <p>Implementation of a Service Scrutiny Panel and better use of community consultation at local events e.g. Fun Day.</p> <p>Use of business development days and staff team building days to identify key priorities across all service areas.</p>	1	2	30	<p>Chief Executive and EMT Support</p>	<p>Continual review of customer and Service Scrutiny Panel.</p> <p>Use of partner organisations to identify need in other stakeholder groups e.g. use of youth groups to identify website requirements.</p>	<p>The Association continually through 2014 enhanced the Service Scrutiny Panel and obtained invaluable feedback through engagement at local community events which in turn assisted the Association to develop a good basis for community need and aspiration. This work shall continue and develop further through the advancement of the Tenancy Sustainment Officer, the bedding in of the generic housing teams and the development and implementation of key areas of the Regeneration Strategy.</p>

Risk Ref.	Strategic Objective Reference	Risk Category	Risk Description	Inherent Risk			Control Measures	Residual Risk			Risk Owner	Further Action Required	Assurance
				Probability	Impact	Risk Priority (%)		Probability	Impact	Risk Priority (%)			
4	1	Operational Reputational	Poor quality service delivered by frontline staff e.g. Customer Service Assistants, Housing Assistants, Housing Officers and Factoring Officers.	3	2	50	Continual investment in staff through monthly staff meetings, in-house training and knowledge sharing. Empowerment of staff to contribute to key areas of the business e.g. ICT User Group. Move to generic housing patches within the Operations Team to ensure that staff are equipped to manage all areas of housing and maintenance enquiries. Close monitoring and development of KPIs to manage performance and identify key development areas.	2	1	30	Director of Operations	Full review of front line services, evaluating processes and procedures for all housing and maintenance related matters as part of the full ICT system development. Carry out a full review of the factoring service to both streamline and re-design the service to provide a customer service focussed provision.	The Association receives very few complaints with regards to poor quality service with respect to frontline service delivery and this is an area which has improved considerably over the last 18 months. With the Corporate Services department now in place as part of the staff restructure this will ensure that any areas of poor quality service are fully reviewed and that customers receive appropriate feedback.
5	1, 4, 5	Operational	Overstretched/stressed staff and resource.	2	2	40	Maintain good terms and conditions with all staff. Regular review and support by Senior Management to assess workloads, capacity and manage priorities. Where required carry out full and comprehensive options appraisals to analyse service areas as part of the decision making process.	1	2	30	Chief Executive and EMT Support with support from the Head of Corporate Services	Continual review of the staff structure to identify areas where additional resource are required or where support is needed in order to complete specific tasks. Continual development of the HR function of the Corporate Services department to meet organisational need.	Corporate Services department now in place as part of the staff restructure with a key part of their role being to manage the HR function of the organisation. The Association also continually reviews staff resource and structure to identify key areas of need. One recent development has been the inclusion of Modern Apprenticeships within the business to assist with day-to-day operational areas of the business.

Risk Ref.	Strategic Objective Reference	Risk Category	Risk Description	Inherent Risk			Control Measures	Residual Risk			Risk Owner	Further Action Required	Assurance
				Probability	Impact	Risk Priority (%)		Probability	Impact	Risk Priority (%)			
6	All	Operational	Inability to recruit and retain quality, well trained staff and loss of key members of staff within the current staffing structure.	3	4	70	<p>Maintain and develop the Association's image through improved performance, quality marketing and through a commitment to developing, supporting and rewarding staff for their commitment to the Association. Maintain good terms and conditions in line with EVH and the Code of Conduct.</p> <p>Continual development of the Association's Investors in People Silver and Investors in Young People Accreditation recognising good practice.</p> <p>Build in effective succession planning into the staff structure.</p> <p>Development and implementation of a new Corporate Services department as part of the recent staff restructure to ensure that staff are supported fully.</p>	2	2	40	Chief Executive	<p>Maintain staff motivation through regular team meetings, business development days and involving staff in the decision making of the business to ensure that they feel valued and empowered.</p> <p>Ensure that all key processes and procedures are effectively documented in light of the new ICT system implementation to ensure that all key processes can be carried out and that the knowledge and expertise does not just sit with one member of staff.</p> <p>Continual development of the in-house HR function of the Association.</p> <p>Implementation of a structured contribution management/ appraisal system for all staff following the full Training Needs Analysis of Management Committee in March 2015.</p>	The Association was recently awarded Investors In People Silver Accreditation and Investors In Young People Accreditation in recognition of commitment to staff in the organisation. This area of the business shall be continually reviewed with the aim to reach Investors In People Gold Accreditation.
7	All	Operational	Staff in positions within the structure who are not motivated and trained effectively leading to poor performance in key areas of the business.	3	4	70	<p>Regular review of the recruitment procedures of the Association to ensure that these are effective.</p> <p>Monthly staff meetings to ensure that all staffing matters are raised and clear expectations are set, staff have opportunity to contribute and effective training can be delivered where required.</p>	2	2	40	Chief Executive and EMT	<p>Continue to motivate staff through regular team meetings.</p> <p>Implement a full contribution management/staff appraisal system working collaboratively with Investors In People to refine this work.</p>	Recent Investors In People accreditation demonstrated that staff are committed to the organisation, understand the leadership and are dedicated to the Association's overall mission of 'Moving Govan Forward'.

Risk Ref.	Strategic Objective Reference	Risk Category	Risk Description	Inherent Risk			Control Measures	Residual Risk			Risk Owner	Further Action Required	Assurance
				Probability	Impact	Risk Priority (%)		Probability	Impact	Risk Priority (%)			
8	All	Operational External	<p>Adverse report from the Scottish Housing Regulator (SHR) leading to a continuation of an engagement plan and potential development from medium to high risk.</p> <p>Failure to meet the SHR's requirements.</p>	3	4	70	<p>Executive Management Team meeting regularly and engaging fully with the SHR to inform and provide assurance across key areas of the business.</p> <p>Management Committee provided with a full update on any developments with the SHR in a timely manner.</p> <p>Key steps have been taken to address key areas identified by the medium engagement which is currently in place e.g. in-house management of all financial viability works, implementation of a new revised business plan and a focus on service improvement and delivery.</p> <p>Continue to monitor changes in the SHR's regulatory requirements. Report to the Management Committee effectively and in a timely manner in order to fulfil all requirements.</p>	2	2	40	Chief Executive with EMT Support	<p>Continue to work closely with the SHR to remove the need for the medium engagement to be in place.</p> <p>Provide all financial viability, operational KPIs and the revised business plan to the SHR in March 2015 following full review and approval by Management Committee.</p>	<p>The Association has a good working relationship with the SHR and has continually engaged with the SHR throughout the comprehensive staff restructure and with regards to liaising with the SHR in terms of the current medium engagement plan.</p> <p>Work is ongoing in this area but there is full transparency with all correspondence with the SHR and Management Committee are kept fully up to date with all developments in this area.</p>
9	All	Financial External Political	<p>Interest rates rise leading to a breach of banking covenants.</p>	3	4	70	<p>51% of debt is on fixed interest rates. The Association continues to work closely with Royal Bank of Scotland (lender) to manage the loan portfolio and where required external information on short and long term interest rates are obtained.</p> <p>Sufficient facilities are in place and have been tested in terms of affordability in light of the revised business plan.</p> <p>Regular monthly preparation of Management Accounts submitted to Management Committee incorporating all key banking covenants.</p>	2	2	40	Director of Finance/ICT	<p>Continue to work with RBS to consider a potential change to the Interest Cover ratio in light of the accounting changes bringing into effect component accounting.</p> <p>Carry out a full review of Treasury Management in April 2015.</p>	<p>Efficiency savings will reduce the need for more borrowing. Close monitoring of the financial markets and trends will allow the Association to plan future costs of loan agreements and ensure that banking covenants are not breached.</p> <p>A move to monthly financial reporting to Committee shall also provide for more control and review of financial KPIs and key loan covenant ratios.</p>

Risk Ref.	Strategic Objective Reference	Risk Category	Risk Description	Inherent Risk			Control Measures	Residual Risk			Risk Owner	Further Action Required	Assurance
				Probability	Impact	Risk Priority (%)		Probability	Impact	Risk Priority (%)			
10	1, 4, 5	Financial Operational Reputational Technological	ICT failure leads to a breakdown in service delivery, business disruption, financial loss and a loss of business critical organisational data.	2	3	50	<p>Disaster Recovery in place.</p> <p>Data backed up regularly and stored in numerous locations including off-site back up.</p> <p>All system implementations managed effectively by suitably qualified staff and in light of the new system implementation a full in-house project team has been assigned led by the Director of Finance/ICT and supported by Aareon and CNT the Association's ICT system and support providers. Regular reviews of this process to be provided to Management Committee.</p>	1	2	30	Director of Finance/ICT	<p>Full review of Disaster Recovery procedures, policies and systems to be reviewed in light of the new ICT system implementation.</p> <p>New ICT system implementation during 2015-16 to be fully documented, evaluated and managed effectively to bring considerable resource savings and streamlined business models and service deliveries to the Association.</p>	<p>Robust back up and remote working facilities in place and tested regularly by external ICT maintenance provider.</p> <p>A planned ICT investment programme has been agreed to upgrade the Association's frontline housing management and finance systems to ensure that systems are fit for purpose and support the Association's objectives and future aspirations.</p>
11	All	Operational Reputational Financial	Natural disaster at office destroys records, equipment etc. leading to loss of service.	1	5	60	<p>Competent Health and Safety person in place who understands all of the relevant legislation and has ensured health and safety assessments have been carried out where required.</p> <p>In light of the new office refurbishment external support has been sought to ensure that the building is fully compliant.</p> <p>A move to a largely paperless office where staff utilise online files to provide frontline services thus putting the reliance on the ICT systems which have in place appropriate back up systems as per risk 10. above.</p> <p>Comprehensive insurance policies in place across the business.</p>	1	2	30	Chief Executive and EMT	<p>Continual review of Health and Safety requirements in light of continual legislative changes.</p> <p>Completion of full external assessment in light of the office refurbishment programme carried out during 2014-15.</p> <p>Carry out a full review of the Association's Disaster Recovery Plan and business continuity planning to help reduce the impact of serious interruption, including ensuring that robust supply chain exists via our contracts with partners and other stakeholders to provide additional assurance.</p>	<p>The Association has a current plan in place which is regularly reviewed.</p> <p>There have been no emergencies leading to the loss of access to the office resources but existing staff have managed a number of emergency situations including emergency situations for tenants, notably fire evacuations resulting in tenant decants and using facilities from partner agencies with minimal disruption to tenants effected.</p> <p>Comprehensive insurance policies in place across the business to manage risk.</p>

Risk Ref.	Strategic Objective Reference	Risk Category	Risk Description	Inherent Risk			Control Measures	Residual Risk			Risk Owner	Further Action Required	Assurance
				Probability	Impact	Risk Priority (%)		Probability	Impact	Risk Priority (%)			
12	All	Operational Financial Reputational External Political	<p>UK Government and impacts of the Smith Commission in relation to welfare reform/ Universal Credit have an adverse effect on bad debts, rent arrears and overall adversely effect income and in turn affect our ability to maintain affordable rents and the ability to deliver services in a cost efficient manner.</p> <p>Benefits indexation linked to CPI rather than RPI leading to tenant hardship as benefits and rent indexation are out of sync.</p>	5	4	90	<p>In August 2014 the Association changed to generic housing roles and implemented housing patches across the area in order to manage anticipated increased need across the housing stock as a result of these changes.</p> <p>Entered strategic partnerships with organisations such as Money Matters in order to support tenants and service users through the considerable benefit changes.</p> <p>Carried out sensitivity analysis within the business plan to ensure that there is capacity to manage increased rent arrears and potential bad debts arising from these changes.</p> <p>The Association has built up cash reserves over the last few years to support anticipated changes.</p> <p>Close monitoring of arrears and early actions being taken through the Tenancy Sustainment Officer to assist with problematic cases.</p>	3	3	60	Chief Executive and EMT	<p>Continue to monitor external and political trends and work with local organisations to mitigate the impacts of key benefit changes on our service users.</p> <p>Continue to identify regenerative initiatives to manage the effects of the welfare reform and implementation of Universal Credit.</p> <p>Develop links with a key banking provider in order to assist 'unbanked' service users in light of the implementation of Universal Credit.</p> <p>Continue to review and benchmark in relation to affordability across the sector.</p>	<p>Potential arrears and bad debt increases, are within anticipated levels without adversely effecting the financial viability of the Association.</p> <p>Current reviews in place to consider arrears processes and management of both former and current tenant arrears.</p> <p>The revised business plan has been conservative in budgeting for bad debts and arrears and sensitivity analysis has been carried out to assess the Association's sensitivity to any potential increases in these areas.</p> <p>Additional reserves generated provide an element of comfort also in relation to any increases.</p>
13	1, 3, 4, 5	Financial External Political	<p>December RPI falls below the business plan assumptions, implying that budgeted income not being achieved leading to a negative impact on the overall Association in terms of service delivery, investment and its ability to meet its strategic and operational objectives.</p>	3	3	60	<p>Full business plan has been reviewed and sensitivity analysis carried out in order to investigate and manage the Association's ability to meet key areas through falls in income.</p> <p>Control over the planned investment programme to ensure that costs are managed and where necessary steps are taken to delay works if required in light of income loss.</p> <p>Benchmarking is undertaken to ensure that the Association's rents are affordable and to ensure that any movements in rents are in line with what the business requires and also the sector as a whole.</p>	2	2	40	Chief Executive and EMT	<p>Full review of rent setting policy to ensure that rent-setting takes into account external factors e.g. RPI vs. CPI but becomes more business driven and in line with the business plan notwithstanding customer affordability.</p>	<p>Rent setting policy is being reviewed during 2015-16 to ensure that business needs are taken into account as well as tenant and customer affordability in the short and long term.</p> <p>The revised business plan has been tested for falls in rental income and as such measures and steps have been taken to look at efficiencies being made in other areas of the business to compensate for any potential rental income reductions.</p>

Risk Ref.	Strategic Objective Reference	Risk Category	Risk Description	Inherent Risk			Control Measures	Residual Risk			Risk Owner	Further Action Required	Assurance
				Probability	Impact	Risk Priority (%)		Probability	Impact	Risk Priority (%)			
14	1, 3, 4, 5	Operational Financial	With reduced income streams, we are unable to meet the timescales, aspirations and needs of our asset management plan and in turn protect the investment in our stock.	3	3	60	Carrying out a full, comprehensive Stock Condition Survey in April 2015 with a view to assess the full requirements of our current stock and stock acquired in March 2015 as part of the acquisition strategy with Glasgow City Council (DRS). The business plan has been tested to establish efficiency measures and to identify other funding streams and strategic partnerships to assist in the delivery of the full asset management strategy e.g. partnership work with CGAP on a THI bid for works on the pre-1919 tenements. The Association is working closely with a Development Consultant (Edwards Macdowell) to manage the Asset Management Strategy to ensure value for money and strategic evaluation of all works.	2	2	40	Chief Executive and EMT with support from Development Consultant - Edwards Macdowell.	Continue to work collaboratively with various groups across the area e.g. CGAP to attract additional funding through streams such as THI, GGPT and Lottery Heritage to support asset management plans.	The revised business plan takes account of an ambitious planned maintenance programme and tests the Association's financial viability in meeting these demands. Steps will be taken to reduce any planned maintenance work or seek additional funding should income levels reduce. Steps are already being taken to work collaboratively with CGAP following successful award of THI funding for the area.
15	1, 3, 4	Operational Financial External	Shared owners enter into mortgage arrears and breach occupancy agreements resulting in increased repossessions.	3	2	50	The Association works in partnership with organisations such as Money Matters who can help and assist with budgeting, debt and money advice in this area. Any customers experiencing financial pressures are encouraged to see a member of the Money Matters team to discuss their position and potential arrears.	2	1	30	Director of Finance/ICT	Engage with shared owners earlier in order to present a more proactive service in this area. This will be reviewed as part of the full overall review of the Factoring service due to take place during 2015-16.	The Association currently has very low arrears in relation to shared owners with very few repossessions having been carried out since inception. The full review of the factoring service throughout 2015-16 shall look at shared ownership fully. Close partnership working with Money Matters ensures that shared owners receive support on financial and debt matters where required.

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16	1, 4, 5	External Financial	<p>Costs increase beyond that budgeted for within the Association's business plan leading to worsening efficiency across the Association.</p> <p>Financial viability in the long term is reduced through a failure to deliver efficiency savings, breaches of loan covenants or through poor investment decisions.</p> <p>Increase in inflation resulting in increased costs across the business plan.</p>	2	4	60	<p>Monthly management accounts prepared and reviewed by the Executive Management Team and any relevant senior staff with a full report being provided to Management Committee monthly for information and review with any variances being identified and covenants explained.</p> <p>Full options appraisals carried out on any large scale projects being carried out so that the decision making process is quantified.</p> <p>All assumptions within the revised business plan are conservative with a view to making additional costs savings in order to meet anticipated increased inflation over the period of the 30 year business plan.</p> <p>The Association closely monitors external information in order to review and evaluate the impacts of inflationary increases and likely trends from political and economic decision making.</p>	2	2	40	Chief Executive with the Director of Finance/ICT	<p>Full review of organisational procurement policies and procedures to be reviewed in early 2015 to establish basis for moving forward.</p> <p>Consider the inclusion of Community Benefit Clauses within key contracts to ensure wider benefits as a result of large contracts and to ensure that key contractors share the same ethos as the Association in the delivery of their services.</p> <p>Continue to closely monitor and evaluate external information on inflation.</p> <p>Continue to monitor the operating environment and take account of increased costs as a result of any inflationary increases through conservative budgeting.</p>	The revised business plan has in place conservative assumptions to accommodate increased costs should they arise. Following the Association's move to bring business planning in-house this provides the Association with better control mechanisms for managing costs and enables the organisation to manage changes more effectively assessing the full impact on the business in a timely and efficient manner.
17	1, 5	Financial Operational External	The Association fails to sell the remaining NSSE properties currently held.	2	2	40	Undertaking additional marketing in partnership with Glasgow City Council (DRS) in order to ensure that all steps have been taken to sell the remaining properties.	2	1	30	Director of Finance/ICT	<p>Consideration to be given to provide incentives on sale of the remaining NSSE properties e.g. carpets, white goods packages, etc. The Association is currently liaising with DRS to see if there are additional funds available to provide this level of support.</p>	Steps already taken to work collaboratively with DRS to market and raise the profile of the remaining properties. The Association has been fully transparent with the SHR and DRS in relation to these properties. An external marketing organisation are being identified to carry out this work in early 2015. The business plan has been tested to evaluate the impact of these properties and potential sales on the financial viability. There is no immediate risk and the Association takes comfort that there are monies available from DRS to assist with the marketing and sales of these properties.

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18	1	Operational Financial	Increase in void units leading to significant loss of income.	3	3	60	<p>Monitor trends in voids across Housing patches to access need and reasons for high void turnover.</p> <p>Consider an investment plan to support the development and upgrading of void properties. £90k budget been assigned in 2015-16 to carry out this work.</p>	2	2	40	Director of Operations and Housing Teams	<p>Continue to review void standards and turnover of stock across the housing patches and assess housing allocations to ensure that these are appropriate.</p> <p>Bring into effect pre and post tenancy visits to ensure that all tenant needs are met. Where necessary engage the Tenancy Sustainment Officer and local partner organisations in order to break down social isolation, take steps to mitigate tenancy issues and ensure that tenant needs are met.</p>	The Association has been taking steps to raise the void standard and in 2015-16 has allocated £90k to raise the standard. It is anticipated that this will also assist with rent arrears and tenant satisfaction.
19	1	Operational Financial Reputational	Increase in inappropriate lettings leading to increased anti-social behaviour problems and in turn increased costs through high turnover, damage to properties, abandonments etc.	3	3	60	<p>Implementation of generic housing teams in August 2014 to aim to tackle specific issues and to ensure that staff are equipped to deal with a range of tenant needs.</p> <p>Increase in operational staff meetings to address these key areas and share learning and experiences as well as best practice across the generic housing teams.</p> <p>The Association is working with a range of partners in the local area to address wider issues which shall aim to have an impact on these key areas. This work is a key part of the Tenancy Sustainment Officers role.</p>	2	2	40	Director of Operations and Housing Teams	<p>Continued review of these key business areas and continual development of local and national partnerships to help tackle some of these key areas from a regenerative perspective.</p> <p>Continued development of the Tenancy Sustainment Officers role to support the housing teams in this area.</p> <p>Potential adoption of Housing Options and other similar resources.</p> <p>Review of housing allocations policy.</p>	The Association is allocating considerable resource to this area. Despite a relatively high turnover within the stock, improvements are being seen and it is hoped that the increased investment in void properties, back courts and environmentals and the area as a whole shall continue to improve this area of the business.

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20	1, 3, 4	Operational Financial	<p>Inadequate maintenance and repairs works leads to properties dilapidating which in turn leads to higher costs in the long term and reduced demand for our stock.</p> <p>In addition to the above, inadequate funding could be in place for major repairs work.</p>	2	3	50	<p>Programme in for the completion of a comprehensive Stock Condition Survey which will result in the completion of a 30 year planned maintenance programme for all stock. This information shall also feed the revised Asset Management Strategy of the organisation.</p> <p>The Association is undertaking the acquisition of owner-occupied properties in order to enable the Association to carry out major repairs work and work to raise the standard of the area.</p> <p>Feedback from Resident Satisfaction Surveys and community liaison at local events are used to support our Asset Management Strategy to ensure that customers views are taken into account.</p> <p>5 and 30 year business plan has been revised in order to incorporate the planned maintenance works.</p> <p>Strategic partnerships are being formed with DRS and CGAP to ensure that additional funding is brought to the area to help support large-scale maintenance works.</p> <p>Longer term contracts with set costs and competitive tendering allows the Association to budget effectively and manage the repairs effectively.</p> <p>Enhancement of the Govan HOME Team in relation to reactive repairs to enable closer monitoring and less reliance on sub-contractors carrying out repairs work.</p>	1	2	30	Chief Executive and EMT with support from Development Consultant - Edwards Macdowall and Head of Maintenance.	<p>Continue to work and develop the partnership with CGAP to deliver works collaboratively on the Townscape Heritage Initiative and other funding initiatives to support the planned maintenance works and to protect the investment.</p> <p>Continue to investigate and participate in any acquisition strategies and develop a 5 year programme in relation to acquisition works.</p>	<p>Strong partnerships are already in place with key organisations such as DRS and CGAP with steps already being taken to work collaboratively on acquisition, refurbishment costs, restoration and refurbishment of pre-1919 tenemental stock and investment in the back courts and general environmental in the area to raise the standard across the area.</p> <p>CGAP were successful in obtaining THI monies to carry out considerable work across Central Govan on the pre-1919 tenements. Work plans are being developed in the early stages of 2015 to progress this work.</p>

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21	1, 5	Operational External	Failure to meet SHQS or EESH.	2	3	50	Information being utilised from the existing Stock Condition Survey and through specific visits to assess SHQS requirements. Full compliance expected by March 2015. Full assessment of EESH being assessed through the Stock Condition Survey to accurately predict and model our programme for compliance in line with the 2020 Standard.	1	2	30	Chief Executive	Full review of EESH to take place following the Stock Condition Survey. System ability to be assessed for monitoring and programming of EESH works to assist with co-ordinating.	The Association is well placed and expected to meet all SHQS works by the March 2015 deadline with only exemptions and abeyances outstanding.
22	All	Operational Reputational	Increasing political and local sensitivity of our work leads to poor publicity generated by politicians, local residents or other external agencies.	2	3	50	Full Corporate Services Department now in place within the staff structure to support complaints management, media, etc. to moderate impact of poor publicity. Association taking steps to engage and consult locally with customers and community members to raise awareness of changes and incorporate community members and customers aspirations in order to deter potential poor publicity.	1	2	30	Chief Executive with Head of Corporate Services	Continue to engage locally and carry out community consultation where required. Continue to develop the Corporate Services department to manage media etc. effectively and manage any poor publicity but also have in place safeguard measures to manage the risk through e.g. complaints procedures and good use of media and website.	In the last few years the Association has had very little poor publicity. Where any matters have arisen the Association has dealt with the press effectively and where necessary engaged the Association's solicitors to support any responses.
23	All	Financial Operational Legal	Failure to comply with relevant legislation (e.g. Data Protection Act - personal data mislaid or misused, Health and Safety, OSCR).	2	3	50	Regular training assessment and recruitment of Committee members will ensure that the Association has an appropriate mix of Members with appropriate skills to govern the Association and Senior Staff to manage effectively. Association maintains an annual timetable (Calendar of Priorities) incorporated into the revised business plan for review and completion by Senior staff and Management Committee to ensure compliance. IT security policy in place, including use of thin-client devices and limited use of mobile IT devices that can store data. Corporate Services department now in place to manage Data Protection Act issues first hand.	2	2	40	Chief Executive	Moves to review further the current ICT security policy in light of the new system changes. Review of the Data Protection Act policy held by the Association during 2015-16. Continue to maintain records and systems going forward.	Association has a good track record of delivery with appropriate resources in place. With the staff restructure, additional skills and experience will be available to ensure the Association is equipped and well prepared to comply with regulatory and legislative requirements.

Risk Ref.	Strategic Objective Reference	Risk Category	Risk Description	Inherent Risk			Control Measures	Residual Risk			Risk Owner	Further Action Required	Assurance
				Probability	Impact	Risk Priority (%)		Probability	Impact	Risk Priority (%)			
24	1, 2, 3, 4	Operational	Concentrate only on tenants without considering neighbourhood needs and the wider regeneration, social and economic requirements.	2	3	50	<p>Tenancy Sustainment Officer in place with a key part of their role being about community development and cohesion.</p> <p>Regeneration Strategy now in place as part of the revised business plan providing a framework internally for development in this area.</p> <p>Service Scrutiny Panel.</p>	1	1	20	Chief Executive and EMT	<p>Continue to develop the role of the Tenancy Sustainment Officer and in turn develop the Association's Regeneration Strategy and partnership working.</p> <p>Implement constructive and effective partnerships across key areas and continue to engage locally and carry out consultation to assess and ascertain the communities wider needs.</p>	<p>The Association has carried out considerable consultation across the community using local events e.g. Fun Day and Govan Loves Christmas to ascertain community need.</p> <p>The Association was also successful in co-ordinating the Govan Loves Christmas event which reached out to over 2,500 community members and was deemed a great success by the local community but also provided the Association with a good opportunity to engage with local people and identify need.</p> <p>The Service Scrutiny Panel is now fully operational and is providing invaluable feedback across key areas of the business as well as highlighting wider community needs.</p> <p>The Association is utilising local partners to carry out consultation exercises e.g. Aberlour and Quarriers to establish what different</p>
25	All	Operational	Failure to diversify our staffing and Management Committee to reflect the community composition.	5	3	80	<p>Consideration always given to diversity needs in recruitment process.</p> <p>Full Training Needs Analysis being carried out on our Management Committee in April 2015.</p> <p>Carrying out regular Resident Satisfaction Surveys and reviewing sign up statistics to get an understanding of the diversity of the Govan community.</p>	3	3	60	Chief Executive	<p>Continue to work collaboratively with various groups across the area e.g. Govan and Craighton Integration Network in order to develop links to harder to reach groups to ensure that their views are being heard in the decision making processes of the Association.</p>	

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26	All	External Financial Political	<p>Increase in SHAPS final salary pension deficit liability leading to additional contribution costs and pressures on resources and cash flow of the Association.</p> <p>Costs of auto-enrolment for all staff will mean increased contribution levels from the Association and further reduce cash flows in relation to pension costs.</p>	5	4	90	<p>Independent advice sought in relation to pension changes and the impact on our business plan and continued financial viability, enabling Management Committee to consider the issues and to balance the risks of costs with other business and staff priorities in April 2013 with a further review due to be undertaken in April 2015.</p> <p>The Association has from April 2014 closed the Final Salary and Care 70th to new entrants to minimise costs and implemented a DC Gold (employer 10% and employee 5%) scheme from 1 April 2014 for new entrants to manage the ongoing risks of the pension scheme.</p> <p>Continue to review and monitor pension deficit costs regularly and decisions made to mitigate and manage adverse effects.</p> <p>Auto-enrolment will be a legal requirement from our staging date of August 2015. Our revised business model takes account of all additional costs and demonstrates the financial viability surrounding this area.</p> <p>Full staff restructure carried out in 2013-14 to establish cost savings and continued review of key areas of the business to identify savings and mitigate long term drains on resources.</p>	3	4	70		<p>Continue to review the business and its main cost centres to identify efficiencies and identify cost savings where possible which long term will assist with management of cash flows.</p> <p>Liaise with all staff throughout the auto-enrolment process.</p> <p>Close monitoring and independent advice sought where required in order to inform the business fully with regards to all areas of pension costs.</p> <p>Carry out a review of contribution levels in light of auto-enrolment and the legal minimum levels employers must offer.</p>	<p>Management Committee can decide to amend the contribution levels and type of scheme offered to staff, by giving 3 months notice and offering suitable consultation processes.</p> <p>Revised 30 year business plan has been tested to include pensions in their current format.</p>
27	All	Financial Operational External	<p>Increases in cost of private finance and lack of ability to attract private finance in light of the current financial and economic climate.</p> <p>Lack of certainty over funding due to public spending cuts and reductions in the Scottish Governments funding levels.</p>	3	4	70	<p>The Association continues to engage with our lenders Royal Bank of Scotland on all areas relating to loans.</p> <p>The Association has in place affordable loan agreements with capacity to draw down additional monies where required within the revolving credit facility.</p> <p>Association is working collaboratively with local partners to attract wider funding to carry out large scale projects e.g. TH1 bids therefore reducing the need to look for private finance.</p>	2	3	50	Chief Executive and Director of Finance/ICT	<p>Efficiency savings will reduce the need for more borrowing.</p> <p>Close monitoring of the financial markets and trends will allow the Association to plan future costs of financing.</p> <p>Continue to work collaboratively with RBS to manage the risks associated with this area of the business.</p> <p>Build on existing and future funding partnerships in order to attract wider regenerative and development monies.</p>	<p>The Association continues to work closely with lenders and has additional facilities that can be drawn down if required.</p> <p>The Association also continues to engage and monitor public spending and recently was awarded in the region of £4 million to carry out acquisition works in the area through collaborative working with DRS.</p>

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28	All	Operational	Management Committee members fail to comply with 9 year fixed term SHR requirements and therefore are unable to demonstrate ongoing objectivity and independence.	5	3	80	Recruitment drive for new Members for the Management Committee to enhance and support existing Members. Full Training Needs Analysis for Management Committee to be carried out in March/April 2015. Adopt new SFHA Code of Conducts and model rules.	3	3	60	Chief Executive	Carry out a full evaluation of the Training Needs Analysis and implement an action plan where required. Continue to recruit new Members who can provide value and commitment and who share the ethos and values of the Association.	The Association has a strong Board with Members who are committed to maintaining individual independence and objectivity and who also embrace training and compliance with best practice.
29	1, 4, 5	Financial Operational	Increased demand on staff resources and higher administrative costs going forward as a result of key legislative changes e.g. Housing Bill, Smith Commission, etc.	3	3	60	Full staff restructure carried out during 2013-14 to identify key priority areas of the business and put in place the resource required to deliver the Association's objectives. Continual review carried out where necessary to meet business objectives. Proposal passed by Committee in January 2015 to bring into place Modern Apprenticeships across the business and to take steps to develop a skills academy approach across the business to provide valuable resource and provide opportunities in the local community. Wider role and other funding being actively sought to cover additional requirements where necessary.	2	2	40	Chief Executive and EMT	Continue to identify wider role and other funding opportunities. Continue to review and evaluate legislative and regulatory changes which may impact the resource of the business. Continue to review and develop the staff structure to ensure that it is suitably equipped to meet the Association's key strategic and operational objectives. Carry out a full evaluation as to where the new ICT implementation can help assist with administrative workloads and the streamlining of procedures.	Over the last few years there has been continuous legislative changes which have been smoothly implemented and adopted by the staff across the Association. Staff are well experienced and equipped to adapt to meet the new demands and amend policies and processes to suit. £110k spend approved by Committee to enhance business systems, evaluate processes and streamline the overall business to assist with change.
30	All	External Financial	The Government and the SHR seeking greater efficiencies and looking to establish potential mergers where possible. Introduction of the Tenants Social Housing Charter.	3	4	70	The Association continues to work within a controlled business plan model. Long term financial viability is proven with sensitivity analysis carried out to ensure that the Association can manage unexpected events. Forward planning in place in order to prepare and carry out a full report on the Charter annually.	2	2	40	Chief Executive and EMT	Continue to monitor the SHR role and future direction learning from Governance Matters guidance.	The Association has continued with efficiency measures. The benefits to our business continue to be evident placing the Association well in relation to any potential future models.

Risk Ref.	Strategic Objective Reference	Risk Category	Risk Description	Inherent Risk			Control Measures	Residual Risk			Risk Owner	Further Action Required	Assurance
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31	All	Financial External Operational	Economic threats to our suppliers that would limit or restrict our ability to continue providing essential services.	3	3	60	<p>The Association has divided contracts amongst a number of contractors and suppliers to help minimise the impact of such economic threat.</p> <p>Senior staff will continue to regularly liaise with suppliers and contractors to identify signs of such potential threats.</p> <p>Our procurement methods require detail of economic viability from each contractor.</p>	2	2	40	Chief Executive and EMT	<p>The Association shall continue to carry out reasonable background checks with our major suppliers before appointing.</p> <p>Continue to develop our approved contractors list for key areas of the business.</p>	<p>Whilst nothing in this area is certain in the current climate, the Association carefully controls payments to ensure that we are not over exposed financially, therefore leaving capacity to reappoint alternative suppliers should the need arise.</p> <p>The Association having the capacity of the Govan HOME Team provides additional support in areas should problems with suppliers arise.</p>
32	All	External	The Local Authority may reduce or remove housing support finance to the Association's care partner directly affecting tenants receipt of support.	4	1	50	<p>The Association continues to work closely with Loretto Care and Social Work to deliver services within very sheltered and sheltered accommodation within the stock.</p> <p>Any changes to care provision are discussed fully and where required decisions taken to manage the risk.</p> <p>Housing team in place to manage the tenancies where care provision is in place. They continue to engage with Loretto Care in terms of granting tenancies, managing tenancies and looking at additional support provisions in place.</p>	3	1	40	Chief Executive and EMT	<p>Continue to engage with Loretto Care and liaise with Social Work to ensure that the Association is fully aware of key changes and alerted when there might be a potential cut in funding available for the provision of these services across the City.</p>	<p>Any changes in this area would directly affect tenants receiving the support but would not affect the Association's business plan. Social work would continue to have responsibility to ensure care was provided in the format outlined. In light of this the risk to the business is reasonably low as we are not the primary support provider.</p>

Appendix 3 – 30 Year Business Plan – 2014/15 to 2043/44

Introduction

The Business Plan is a long term projection for the Association based on cash, both inflows and outflows, which helps to identify funding gaps and demonstrate long term financial viability.

It is also a requirement of Royal Bank of Scotland and the Scottish Housing Regulator (SHR herein) requires to have this in place and approved by the Management Committee annually. The first 5 years of the plan are uploaded electronically to the Regulator by 31 July each year. Going forward this revised business plan shall form the basis for this submission to the Regulator annually.

Up to late 2014, following the completion of the staff restructure, the business planning financial projections have always been outsourced and completed by an independent consultant. As part of the staff restructure review an important aim was to obtain the relevant skills and expertise to enable this process to be undertaken in house. The key benefit being that the Association then has sufficient control over its future financial viability and has the ability to assess and appraise revenue and costs over the period of the business plan. The Association is also better positioned to carry out regular reviews of the plan without incurring additional costs.

Background

The new revised business plan has moved away from a largely income and expenditure format to one which is cash flow driven. Most business plan modelling is done on a cash flow basis as it is from having a lack of cash that most businesses fail. The lack of funding available from lenders and funding bodies also puts a greater emphasis on the need to manage cash effectively from both an expenditure and investment perspective. The full projections incorporate a 30 year cash flow, income and expenditure account and balance sheet.

Component Accounting has complicated much of housing association business planning over the last few years, particularly in relation to the Income and Expenditure account since only a portion of major repairs are now recorded as costs here. Instead major repair components are recorded as increasing the fixed assets but with those replaced items being deducted using the cost that existed when first bought or built. This is how the items are recorded in the management accounts and the consistent approach is maintained within the 30 year projections.

Since October 2014, the Association has moved from quarterly to monthly management account reporting. Again, this was a move by the Association to strengthen the financial reporting function of the Association and move towards a model which truly reflected the business planning process of the organisation going forward. With the introduction of the model outlined within the business plan this will see this process complete and will provide the framework for future years as part of the business planning process. The monthly financial reporting will also allow Management Committee to monitor the spends closely and scrutinise areas of investment and spend e.g. planned maintenance, acquisition, pensions, void loss, etc. against the main business plan model and annual budgets.

In 2013-14 the Association received confirmation from the SHR informing of their continuation of the medium level engagement with particular emphasis on the overall financial capacity and viability. At this point the SHR asked the Association to:

- Continue to provide quarterly updates on progress with sales of NSSE.
- Provide its revised business plan including 30 year projections, cash flows, sensitivity analysis, and covenant calculations in quarter 2 of 2014-15.
- Provide the outturn position against budget as at the end of quarter two of 2014-15 once this is available.
- Provide details of the impact of auto-enrolment and,
- Inform SHR about any material change in the status of the subsidiary.

In December 2014, the Executive Management Team of the Association met with the SHR to address the points raised above and to provide a detailed plan of the progress of the Association to date. As a result of the points outlined in the Regulation Plan, the Association, through this revised business plan has focussed on financial viability, operational efficiency, protection of the investment and compliance with lenders covenants.

With the above in mind, the 30 year financial projections provide a clear picture and support framework reflecting the key strategic and operational objectives of the Association. The sensitivity analysis within the business plan provides assurances of the Associations ability to meet some of the key factors which are currently a priority, notably welfare reform, lack of external funding, reductions in inflation rates, pension changes and the need to protect the investment through planned and cyclical maintenance programmes, to name a few.

To survive the economic environment, it is important that the Association provides appropriate and sustainable capacity in the financial projections. With this in mind, scope has been made in the projections to demonstrate that the loans currently outstanding can be repaid on time, planned and cyclical maintenance programmes can be delivered in full, pension costs as a result of auto-enrolment and the past service deficit can be absorbed, and that there is scope within the projections to cover any unforeseen costs which may arise.

Key Financial Risks

The Management Committee must ensure that it is able to detect any serious risk to the financial sustainability of the Association and take rapid and appropriate corrective action. The Association needs to be candid about its finances and realistic about the implications of:

- Welfare Reform.
- SHAPS Pension deficits.
- Introduction of auto-enrolment in August 2015.
- Cost management.
- Protecting the investment – planned and cyclical maintenance programmes.
- Covenant compliance.
- Interest rates increasing above anticipated rates.

In addition to the above, the Association must also give due consideration to reduced levels of rental growth. The standard assumption of RPI + 1% is adopted for rental growth and for the purposes of the business plan an assumption of 3.5% has been used with the exception of year 1 which has been based on 2.6% following the fall in the December RPI figure in 2014. This

presents some risk given that the UK Government has announced that any future increases in benefit payments will be linked to the Consumer Price Index in the long term. If there is significant divergence between these indices, some tenants may have difficulty paying their rent. The sensitivity analysis outlined below demonstrates the adverse effect of a fall in rental income.

The Management Committee as part of this strategy will consider all of the risks in the business plan, model the financial effects of changes to key assumptions and have contingency plans in place as appropriate. The operating environment for the Association will remain challenging for the foreseeable future.

Assumptions

1. The assumptions behind the business plan should ideally be conservative as we would want to demonstrate that Govan Housing Association can perform better and generate higher levels of cash in the business. The current position of the business plan includes:
 - Known pension increases as a result of the past service deficit.
 - Increased investment in the planned and cyclical maintenance programmes.
 - Likely increased rent arrears as a result of the welfare reform and the impact of the anticipated accelerated implementation of Universal Credit.
 - Anticipated increased costs on insurance given the need to tender this process in 2015.
 - The sale of the remaining 10 NSSE properties and the resultant marketing costs and cost of sales associated with this.
 - Increased investment in our void repairs and estate management in order to bring up the standard of the housing stock and estate.
 - The effects of the increased costs as a result of auto-enrolment.
 - Effects of anticipated acquisition strategy currently being worked on with Glasgow City Council.
2. The 2013/14 column demonstrates the actual outturn from the last audited set of financial accounts. The 2014/15 column demonstrates the anticipated outturn in the year as at December 2014. The move to monthly management account reporting will assist with monitoring the spend for the current year and will allow for a full update to be provided to Management Committee at the meeting following 31 March 2015 to provide the overall anticipated position at the year end. The years following this provide 30 years of projections demonstrating the anticipated financial position of the Association over this period.
3. Rental income is assumed to increase by 2.6% in year 1 of the business plan, rising to 3.5% (RPI + 1%) in each year following that, although measures have not been taken to demonstrate within these projections the impact of a rent and service charge review. This shall be carried out as a separate costing exercise given the complexities associated with this area.
4. Voids and bad debt loss in the budget have been accounted for at 4% for main stock and 1% for former Scottish Homes Stock. The plan allows for this over the 30 year projections to be prudent and factor in some anticipated movements as a result of the

welfare reform changes. It is anticipated that the change to the housing teams and the way that they operate generically shall aid improvements in this area and help support these anticipated risks.

5. The majority of costs across the business plan rise by 3% with the exception of key areas such as pensions, planned and cyclical maintenance, professional and legal fees, reactive repairs, void repairs and wider role which have been inflated at varying levels.
6. The Association currently has a number of funding applications awaiting approval from a number of funders, notably: Scottish Government, Big Lottery and Scottish Legal Aid Board. For budget purposes an annual grant of £50k has been assumed. This is anticipated to be worst case scenario but allows the Association to take a strategic approach to community regeneration and development following the receipt of funding. Management Committee shall be updated separately on all matters relating to funding as and when funding is received. The Association has also budgeted for a general provision of £20k per annum, growing by 3% over the 30 year business plan to support contributions towards local projects in each of the respective years.
7. Other income relates to monies anticipated for Stage 3 adaptations. It has been assumed that approximately £30k of income is received annually in relation to this. In 2015-16 it has been assumed that a further £235,750 of income is received. This balance is in relation to monies anticipated from the THI funding bid currently being worked on with Central Govan Action Plan and also anticipated grant monies from DRS in relation to the acquisition strategy currently being developed. These monies relate to revenue expenditure in the year hence the recognition of a one-off grant rather than HAG within the balance sheet.
8. Employee costs have reduced in year 1 of the business plan, which demonstrates the cost savings made from the major staff restructure which took place during 2013 and 2014. The budget then subsequently increases, taking account of the auto-enrolment staging date of August 2015. For budgeting purposes it has been assumed that all staff remain in the pension scheme following auto-enrolment. Realistically this is unlikely to occur given the age profile and salary banding of many staff across the organisation. The additional costs of auto-enrolment over the period of the business plan, should all staff remain in the pension scheme, shall be in the region of £2.7million which equates to an annual increase of approximately £44k in year 1 and £66k in year 2 and increasing accordingly over the period of the business plan based on salary increases (2.3% increased assumed to salary bandings based on EVH scales). It is important to emphasise that the savings made from the staff restructure have assisted in eliminating this risk to the business of auto-enrolment and indeed the past service deficit.
9. It is noteworthy that employee costs also incorporate the Defined Benefit Final Salary Pension. From 1 April 2014, the Association has been required to significantly increase its annual past service deficit payments. This balance relates to the amount each SHAPS participating employer is required to pay in attempt to eliminate the Scheme deficit. On 1 April 2014 the Association's annual past service deficit contribution increased from £83,100 to £231,002. This £231,200 deficit contribution has subsequently been increased each April by 3% until 2027. These additional costs have been reflected in the business plan projections and are anticipated to cost the Association in the region of £3.9 million.

10. The Reactive and Void Repairs budget has been increased considerably over the course of the 30 year projections and particularly over the next 4 years. This is in line with the Associations aim to bring up the standard of the void properties in the area in order to reduce re-let times and ensure that the Association becomes a housing provider of choice. The reduction in re-let times will ensure that additional income is received into the Association to counteract an element of the increased spend. A budget of £90,000, inflated by 2.5% for the next 4 years has been assumed in the 2015-16 budgets and the 30 year projections to help support this objective.
11. The cyclical maintenance budget has been left at a similar level to 2014-15. This budget shall be reviewed as part of the Stock Condition Survey process where the Association shall develop a 30 year planned and cyclical maintenance programme to support the investment. Included in this budget for the year is also a £40k provision towards the standard of the back court areas, again with the aim of supporting the Associations aim to improve the standard of the stock, particularly around the pre-1919 tenement properties.
12. The planned maintenance budget has been increased considerably in 2015-16 and going forward into the 30 year business plan. Historically, investment in the planned maintenance programme has been low and as a result there is a greater need to invest, particularly in the pre-1919 tenement properties to protect the investment and ensure that re-let/void times are kept to a minimum. This increase is also reflected within the Balance Sheet with a greater recognition for component replacements over the course of the 30 year projections. This area of the business plan shall be reviewed following the completion of the Stock Condition Survey in early 2015.

In 2015-16 monies have also been set aside to support the acquisition strategy. This will relate to the refurbishment costs of any properties acquired through the DRS acquisition process which must be concluded by March 2015. Any refurbishment works shall receive 50% housing association grant from DRS which will be drawn down in 2015-16. This will be reviewed and a separate report shall be provided to Committee to outline the progress in this area and the likely impacts on the business going forward.

13. Office Overheads have decreased considerably in year 1 of the business plan from £703k to £432k. This decrease relates entirely to the office refurbishment costs which cease at the end of the 2014-15 financial year with the conclusion of the works. The majority of other areas increase consistently at 3% per annum over the course of the business plan.

Income and Expenditure and Balance Sheet Projections

1. It is noteworthy that all years of the business plan show a surplus in the income and expenditure. This is partly related to the major repairs element being removed as a result of the principles of component accounting. It is encouraging to see that the Association has scope to cover anticipated increases should the need arise. However, caution must be taken to take into account the cash flow of the business when assessing the Association's capacity to meet unexpected costs.

2. The Balance Sheet remains reasonably consistent over the course of the 30 year business plan. This is a combination of the replacement of higher costing components replacing historical ones which were built or installed 15-45 years ago. In addition to this there has been considerable investment demonstrated in the office equipment and vehicles. Office equipment has been enhanced to reflect a programme to continually maintain the building following the major refurbishment programme carried out in 2014. In addition to this the ICT investment has been reflected in the balance sheet along with replacement costs for existing equipment. This area will be further developed following the review and approval of the ICT Strategy.
3. Debtors and Creditors have remained at a set level given that it would be impossible to forecast specific amounts owed to the Association or invoices outstanding. Arrears also do not impact hugely on this area of the Balance Sheet as they are incorporated into the Income and Expenditure account (see note 4 above) and written off here.
4. The NSSE properties which are also contained within Work In Progress in the Balance Sheet have been written off in 2015-16 and 2016-17 of the business plan. This reflects the increased marketing costs in the Income and Expenditure in order to increase the sales opportunity of the 10 remaining NSSE properties.
5. Right to Buy concludes in 2016. With this in mind, no properties have been recognised in the financial projections. It has been assumed that any sale would increase the cash balances and with the limited number of properties available under the Right to Buy Scheme it is prudent to assume that the risk to the business is low.

Scenario Planning and Sensitivity Analysis

1. The model allows changes in assumptions to be easily quantified and the outcome of these are summarised in the table below.

Sensitivity	Increase or decrease to the final cash balance
Change of +1/2% in rent receivable (i.e. 4%)	£23.7 million higher
Change of +1% in rent receivable (i.e. 4.5%)	£49.9 million higher
Change of -1/2% in rent receivable (i.e. 3%)	£21.5 million lower
Change of -1% in rent receivable (i.e. 2.5%)	£41.1 million lower
Reactive maintenance inflation 2% greater (i.e. 4.5%)	£2.4 million lower
Salary inflation 2% greater (i.e. 5%)	£22.2 million lower
All overheads currently held at an inflation rate of 3% increase by 2% (i.e. 5%)	£26.9 million lower

2. It can be seen that the Association continues to be very sensitive to a small change in rental income generating £23.7 million more income if rents were increased by a further ½%. Going forward sensitivity will be examined to assess the long term impact of decisions on the Association's financial viability.
3. It can also be seen from above that a decrease in rental income by 1% would have a significant impact (£41.1 million) on income and cash if it were to be brought into effect. A decrease in rental income and an increase in overheads could potentially cause the

Association to breach its banking covenants in the longer term or increase the Associations need to dip into reserves.

Loan Covenants

The Association has two financial covenants:

KPI	Calculation	Explanation	Benchmark/Target
Interest Cover Ratio (Financial Capacity)	Operating surplus*/interest payable *after adding back housing depreciation and major repairs charged to the I&E account	This indicates the extent that the interest payable on loans is covered by the cash being generated by the Association. This ratio is set by the Bank as a covenant within the agreements for the Association's loans.	Minimum of 1.1:1 on a 3 year rolling basis with a minimum of 0.9:1 in any one year This is the minimum ratio that the Bank expects the Association to achieve.
Gearing	Total of all monies borrowed / share capital + revenue reserves + capital grants (HAG)	This is a measure of the Association's borrowing capacity used by lenders. This ratio is set by the Bank as a covenant within the agreements for the Association's loans.	Maximum of 30% This is maximum gearing ratio permitted under the Association's loan agreements with the Bank.

These are presented quarterly to the lenders on the basis of Income and Expenditure results but adjusted for depreciation, major repairs and component replacements. This has historically reflected more of a cash position however this has changed with major repairs expenditure largely moving to the balance sheet. Thus, Royal Bank of Scotland is currently in discussions with the Association to amend the Interest Cover ratio to capture the capitalised repairs into the management accounts and remove the non-cash depreciation charge.

The bottom of the Balance Sheet report shows the covenants and how they are met. In light of the above, both the current and proposed ratios are shown to demonstrate the movement. The interest cover continues to be the most significant with cash flow at the centre of the business planning process. From the projections it is not foreseen that the Association shall breach any of the current or proposed covenants. However, again caution should be applied to manage any unexpected movements or events.

Summary and Recommendation

The Association has demonstrated through this revised financial plan of the business that it has the necessary reserves and processes in place to support the business needs and deal with unexpected events should they arise. As much as the Association is sensitive to small changes, this business plan demonstrates that with the relevant processes and good governance these can be effectively managed and as such the relevant risks can be reduced.

Going forward, the Association has a number of key financial areas which shall continue to be addressed, notably:

- The results of the Stock Condition Survey must be managed and a costing exercise carried out to establish the amount of resources required to carry out the necessary works and protect the investment.
- The Association must continue to look at the affordability of rents, service charges and management fees to customers in light of the current economic climate and the key changes to customer circumstances in light of the Welfare Reform and other key factors.
- Loan covenants must continue to be managed and it is vital that the Association continues to develop the strong links that it has with its lenders so that if development opportunities arise in the future, the Association is well-placed to move forward and take these opportunities.
- The Association during 2015-16 will adopt the new FRS 102. This will change the face of the Association's accounts and as a result steps will be taken during the year end audit process in 2014-15 to adopt these changes and ensure that the measures are in place to support this key change. Preparation is already well underway internally to meet this need.
- A full review of pension provisions going forward will be undertaken in April 2015 but the business plan demonstrates the Association's ability to meet such pension requirements at this present time and going forward into the future.
- As an Association we are committed to continually developing our services across the community and are fully aware that our financial resources should be tailored to meet customer aspirations and needs.
- Continue to seek acquisition opportunities with key partners such as Glasgow City Council.

These are just a few of the key areas identified within the financial projections and indeed the wider business plan. We are confident that our financial projections meet with our wider strategic and operational objectives and that the Association is well placed to move forward and meet key outcomes over the period of this business plan.

Govan Housing Association Business Plan Cash Flows (as at March 2015)

	1	2	3	4	5	6
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	£	£	£	£	£	£
Opening Balance	2,992,280	3,650,254	3,997,481	4,463,827	4,897,262	5,692,835
Net Cashflow From Operating Activities						
Net Rent Income	4,538,400	4,697,244	4,861,644	5,031,792	5,207,916	5,390,196
Scottish Homes Stock Net Rental Income	494,616	511,920	529,848	548,388	567,576	587,444
Shared Ownership Income	44,032	45,308	46,896	48,532	50,224	51,984
Development Income	2,597	-	-	-	-	-
Net Sheltered Housing Service Charge Income	161,004	166,644	172,476	178,512	184,752	191,224
Factoring Income	173,240	180,837	188,821	197,213	206,036	215,314
Commercial Property Income	9,772	9,772	9,772	9,772	9,772	9,772
Wider Action Grant Income	50,000	50,000	50,000	50,000	50,000	50,000
Stage III Adaption Income	30,000	30,000	30,000	30,000	30,000	30,000
Other Income	195,696	30,216	31,272	32,364	33,496	34,668
Employee Costs	(1,536,716)	(1,612,649)	(1,667,918)	(1,711,656)	(1,753,702)	(1,806,313)
Office Overheads (less depr)	(394,668)	(395,268)	(400,949)	(427,730)	(441,081)	(454,718)
Direct Housing Accomodation	-	-	-	-	-	-
Direct Development Costs	(36,895)	-	-	-	-	-
Direct Housing Management Costs	(301,685)	(316,676)	(329,714)	(343,350)	(357,595)	(372,491)
Stage III Adaption costs	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Day to Day Repairs	(354,640)	(363,298)	(372,160)	(381,236)	(393,192)	(403,068)
Cyclical Maintenance	(570,640)	(656,078)	(673,922)	(690,398)	(708,231)	(729,010)
Planned Maintenance	(349,884)	(358,626)	(367,594)	(376,781)	(386,205)	(397,748)
Other Direct Maintenance Costs (less Cyclical/Planned)	(41,820)	(12,200)	(12,993)	(42,999)	(13,406)	(13,966)
Direct DLO Costs (less depreciation of van)	(132,854)	(139,800)	(147,152)	(154,923)	(163,091)	(171,726)
Direct Shared Ownership Costs (less Cyc/Plan/bad debt)	(12,836)	(13,448)	(14,088)	(14,765)	(15,472)	(16,211)
Direct Sheltered Housing Costs	(88,040)	(90,681)	(93,392)	(96,202)	(99,098)	(102,071)
Direct Factoring Costs (less bad debts)	(91,052)	(96,420)	(102,094)	(108,104)	(114,469)	(121,220)
Direct Commercial Property Costs	(1,102)	(1,168)	(1,238)	(1,312)	(1,391)	(1,474)
Direct Wider Action Costs	(20,800)	(21,424)	(22,068)	(22,728)	(23,412)	(24,114)
Direct SH Stock Costs (less Reactive/Cycl/Plan/bad debt)	(16,702)	(17,469)	(18,272)	(19,117)	(19,998)	(20,933)
Change in Creditors <1 year (less bad debts)	(107,524)	(130,560)	(136,026)	(143,532)	(132,220)	(185,598)
Change in Debtors	-	-	-	-	-	-
Net Cash Inflow / (Outflow) From Operating Activities	1,611,498	1,466,175	1,532,449	1,561,741	1,747,210	1,769,942
Returns On Investments and Servicing of Finance						
Interest Received	12,499	12,874	13,260	13,658	14,068	14,490
Loan Interest Paid	(388,834)	(448,739)	(477,198)	(487,766)	(498,187)	(506,622)
Net CashFlow on Investments & Servicing of Finance	(376,335)	(435,865)	(463,938)	(474,108)	(484,119)	(492,132)
Investing Activities						
Cash Paid for construction and purchase of housing	(847,805)	(306,030)	(339,999)	(312,181)	(315,303)	(350,302)
Disposals in year	389,592	223,432	257,490	223,432	397,532	367,477
HAG Received	311,000	-	-	-	-	-
HAG repayments / write-offs in year	(142,033)	(89,791)	(89,791)	(89,791)	(89,791)	(89,791)
Purchase of other fixed assets	(174,100)	(122,884)	(35,303)	(73,560)	(35,651)	(80,514)
WIP - Additions	-	-	-	-	-	-
Cashflow from NSSE Schemes	345,609	-	-	-	-	-
Net Cash Flow from Investing Activities	(117,737)	(295,273)	(207,603)	(252,099)	(43,213)	(153,129)
Net Cash Flow before Financing	1,117,426	735,038	860,907	835,533	1,219,878	1,124,680
Financing						
Loans Received	-	-	-	-	-	-
Loan Principal Repaid	(459,452)	(387,811)	(394,561)	(402,098)	(424,305)	(387,526)
Net Cash Flow from Financing	(459,452)	(387,811)	(394,561)	(402,098)	(424,305)	(387,526)
CLOSING BALANCE	3,650,254	3,997,481	4,463,827	4,897,262	5,692,835	6,429,989
Discount Rate						
Discount Factor	0.96674	0.90349	0.84439	0.78914	0.73752	0.68927
Discounted Cash Flow	3,528,834	3,611,692	3,769,188	3,864,648	4,198,571	4,431,996

	7	8	9	10	11	12
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	£	£	£	£	£	£
Opening Balance	6,429,989	7,149,518	8,024,832	8,871,014	9,848,629	11,037,523
Net Cashflow From Operating Activites						
Net Rent Income	5,578,853	5,774,113	5,976,207	6,185,374	6,401,862	6,625,927
Scottish Homes Stock Net Rental Income	608,005	629,285	651,310	674,106	697,699	722,119
Shared Ownership Income	53,804	55,687	57,636	59,653	61,741	63,902
Development Income	-	-	-	-	-	-
Net Sheltered Housing Service Charge Income	197,917	204,844	212,014	219,434	227,114	235,063
Factoring Income	225,070	235,334	246,132	257,495	269,454	282,044
Commercial Property Income	9,772	9,772	9,772	9,772	9,772	9,772
Wider Action Grant Income	50,000	50,000	50,000	50,000	50,000	50,000
Stage III Adaption Income	30,000	30,000	30,000	30,000	30,000	30,000
Other Income	35,882	37,138	38,437	39,783	41,175	42,616
Employee Costs	(1,860,502)	(1,916,317)	(1,973,807)	(2,033,021)	(2,094,011)	(2,156,832)
Office Overheads (less depr)	(450,254)	(479,340)	(485,141)	(513,689)	(523,019)	(555,165)
Direct Housing Accomodation	-	-	-	-	-	-
Direct Development Costs	-	-	-	-	-	-
Direct Housing Management Costs	(388,075)	(404,382)	(421,448)	(439,312)	(458,015)	(477,599)
Stage III Adaption costs	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Day to Day Repairs	(353,237)	(363,708)	(374,490)	(385,592)	(397,024)	(408,795)
Cyclical Maintenance	(750,400)	(772,420)	(795,088)	(818,423)	(842,446)	(867,176)
Planned Maintenance	(409,635)	(421,879)	(434,488)	(447,475)	(460,850)	(474,625)
Other Direct Maintenance Costs (less Cyclical/Planned)	(44,550)	(15,160)	(15,797)	(46,462)	(17,157)	(17,883)
Direct DLO Costs (less depreciation of van)	(180,845)	(190,476)	(200,648)	(211,392)	(222,743)	(234,734)
Direct Shared Ownership Cocts (less Cyc/Plan/bad debt)	(16,989)	(17,808)	(18,669)	(19,576)	(20,530)	(21,534)
Direct Sheltered Housing Costs	(105,134)	(108,288)	(111,537)	(114,884)	(118,331)	(121,880)
Direct Factoring Costs (less bad debts)	(128,371)	(135,946)	(143,971)	(152,472)	(161,478)	(171,019)
Direct Commercial Property Costs	(1,562)	(1,656)	(1,755)	(1,860)	(1,972)	(2,090)
Direct Wider Action Costs	(24,838)	(25,583)	(26,350)	(27,141)	(27,955)	(28,794)
Direct SH Stock Costs (less Reactive/Cycl/Plan/bad debt)	(21,917)	(22,951)	(24,040)	(25,184)	(26,389)	(27,656)
Change in Creditors <1 year (less bad debts)	(192,558)	(200,735)	(203,717)	(213,131)	(217,335)	(224,567)
Change in Debtors	-	-	-	-	-	-
Net Cash Inflow / (Outflow) From Operating Activities	1,830,436	1,919,524	2,010,562	2,046,002	2,169,564	2,241,094
Returns On Investments and Servicing of Finance						
Interest Received	14,924	15,372	15,833	16,308	16,798	17,302
Loan Interest Paid	(532,066)	(510,041)	(487,177)	(462,472)	(441,347)	(417,605)
Net CashFlow on Investments & Servicing of Finance	(517,141)	(494,669)	(471,343)	(446,164)	(424,550)	(400,304)
Investing Activities						
Cash Paid for construction and purchase of housing	(321,641)	(324,857)	(328,106)	(364,525)	(334,701)	(338,048)
Disposals in year	241,403	320,602	287,315	323,113	249,775	241,876
HAG Received	-	-	-	-	-	-
HAG repayments / write-offs in year	(89,791)	(89,791)	(89,791)	(89,791)	(89,791)	(89,791)
Purchase of other fixed assets	(26,343)	(50,174)	(140,827)	(81,155)	(18,763)	(41,524)
WIP - Additions	-	-	-	-	-	-
Cashflow from NSSE Schemes	-	-	-	-	-	-
Net Cash Flow from Investing Activities	(196,372)	(144,220)	(271,409)	(212,358)	(193,479)	(227,487)
Net Cash Flow before Financing	1,116,923	1,280,635	1,267,810	1,387,480	1,551,536	1,613,304
Financing						
Loans Received	-	-	-	-	-	-
Loan Principal Repaid	(397,394)	(405,321)	(421,628)	(409,865)	(362,641)	(372,380)
Net Cash Flow from Financing	(397,394)	(405,321)	(421,628)	(409,865)	(362,641)	(372,380)
CLOSING BALANCE	7,149,518	8,024,832	8,871,014	9,848,629	11,037,523	12,278,447
Discount Rate						
Discount Factor	0.64418	0.60203	0.56265	0.52584	0.49144	0.45929
Discounted Cash Flow	4,605,557	4,831,228	4,991,270	5,178,808	5,424,278	5,639,362

	13	14	15	16	17	18
	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Opening Balance	12,278,447	13,697,409	15,126,102	16,343,690	18,058,360	19,800,975
Net Cashflow From Operating Activites						
Net Rent Income	6,857,834	7,097,859	7,346,284	7,603,404	7,869,523	8,144,956
Scottish Homes Stock Net Rental Income	747,393	773,552	800,626	828,648	857,651	887,668
Shared Ownership Income	66,138	68,453	70,849	73,329	75,895	78,552
Development Income	-	-	-	-	-	-
Net Sheltered Housing Service Charge Income	243,291	251,806	260,619	269,741	279,182	288,953
Factoring Income	295,299	309,259	323,961	339,450	355,769	372,966
Commercial Property Income	9,772	9,772	9,772	9,772	9,772	9,772
Wider Action Grant Income	50,000	50,000	50,000	50,000	50,000	50,000
Stage III Adaption Income	30,000	30,000	30,000	30,000	30,000	30,000
Other Income	44,108	45,652	47,249	48,903	50,615	52,386
Employee Costs	(2,221,537)	(2,288,183)	(2,356,828)	(2,427,533)	(2,500,359)	(2,575,370)
Office Overheads (less depr)	(564,166)	(586,060)	(618,889)	(644,696)	(657,526)	(683,428)
Direct Housing Accomodation	-	-	-	-	-	-
Direct Development Costs	-	-	-	-	-	-
Direct Housing Management Costs	(498,110)	(519,594)	(542,103)	(565,689)	(590,407)	(616,316)
Stage III Adaption costs	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Day to Day Repairs	(420,916)	(433,397)	(446,249)	(459,483)	(473,110)	(487,142)
Cyclical Maintenance	(892,635)	(918,843)	(945,823)	(973,598)	(1,002,192)	(1,031,627)
Planned Maintenance	(488,812)	(503,424)	(518,472)	(533,970)	(549,932)	(566,372)
Other Direct Maintenance Costs (less Cyclical/Planned)	(48,641)	(19,433)	(20,260)	(51,124)	(22,027)	(22,971)
Direct DLO Costs (less depreciation of van)	(247,403)	(260,791)	(274,938)	(289,888)	(305,690)	(322,391)
Direct Shared Ownership Cocts (less Cyc/Plan/bad debt)	(22,592)	(23,705)	(24,878)	(26,113)	(27,415)	(28,785)
Direct Sheltered Housing Costs	(125,537)	(129,303)	(133,182)	(137,177)	(141,293)	(145,532)
Direct Factoring Costs (less bad debts)	(181,126)	(191,834)	(203,178)	(215,197)	(227,929)	(241,418)
Direct Commercial Property Costs	(2,215)	(2,348)	(2,489)	(2,638)	(2,796)	(2,964)
Direct Wider Action Costs	(29,658)	(30,547)	(31,464)	(32,408)	(33,380)	(34,381)
Direct SH Stock Costs (less Reactive/Cycl/Plan/bad debt)	(28,990)	(30,395)	(31,873)	(33,430)	(35,070)	(36,797)
Change in Creditors <1 year (less bad debts)	(234,553)	(240,420)	(249,161)	(259,403)	(268,576)	(277,821)
Change in Debtors	-	-	-	-	-	-
Net Cash Inflow / (Outflow) From Operating Activities	2,306,946	2,428,075	2,509,573	2,570,899	2,710,706	2,811,938
Returns On Investments and Servicing of Finance						
Interest Received	17,821	18,355	18,906	19,473	20,057	20,659
Loan Interest Paid	(396,696)	(375,843)	(352,552)	(331,210)	(309,222)	(285,378)
Net CashFlow on Investments & Servicing of Finance	(378,875)	(357,488)	(333,646)	(311,737)	(289,165)	(264,719)
Investing Activities						
Cash Paid for construction and purchase of housing	(341,428)	(379,326)	(348,291)	(351,774)	(355,291)	(394,729)
Disposals in year	343,651	311,941	159,911	397,947	285,103	413,950
HAG Received	-	-	-	-	-	-
HAG repayments / write-offs in year	(89,791)	(89,791)	(89,791)	(89,791)	(89,791)	(89,791)
Purchase of other fixed assets	(42,286)	(93,699)	(279,315)	(90,849)	(97,493)	(79,761)
WIP - Additions	-	-	-	-	-	-
Cashflow from NSSE Schemes	-	-	-	-	-	-
Net Cash Flow from Investing Activities	(129,853)	(250,876)	(557,485)	(134,467)	(257,473)	(150,330)
Net Cash Flow before Financing	1,798,217	1,819,712	1,618,442	2,124,695	2,164,068	2,396,889
Financing						
Loans Received	-	-	-	-	-	-
Loan Principal Repaid	(379,256)	(391,019)	(400,854)	(410,025)	(421,452)	(433,887)
Net Cash Flow from Financing	(379,256)	(391,019)	(400,854)	(410,025)	(421,452)	(433,887)
CLOSING BALANCE	13,697,409	15,126,102	16,343,690	18,058,360	19,800,975	21,763,977
Discount Rate						
Discount Factor	0.42924	0.40116	0.37492	0.35039	0.32747	0.30604
Discounted Cash Flow	5,879,510	6,068,006	6,127,528	6,327,464	6,484,167	6,660,735

	19	20	21	22	23	24
	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39
Opening Balance	21,763,977	23,914,038	25,983,822	28,321,036	30,615,479	33,269,104
Net Cashflow From Operating Activites						
Net Rent Income	8,430,030	8,725,081	9,030,458	9,346,524	9,673,653	10,012,231
Scottish Homes Stock Net Rental Income	918,737	950,893	984,174	1,018,620	1,054,272	1,091,171
Shared Ownership Income	81,301	84,147	87,092	90,140	93,295	96,560
Development Income	-	-	-	-	-	-
Net Sheltered Housing Service Charge Income	299,066	309,534	320,367	331,580	343,186	355,197
Factoring Income	391,091	410,197	430,341	451,581	473,981	497,608
Commercial Property Income	9,772	9,772	9,772	9,772	9,772	9,772
Wider Action Grant Income	50,000	50,000	50,000	50,000	50,000	50,000
Stage III Adaption Income	30,000	30,000	30,000	30,000	30,000	30,000
Other Income	54,220	56,117	58,082	60,114	62,218	64,396
Employee Costs	(2,652,631)	(2,732,210)	(2,814,176)	(2,898,602)	(2,985,560)	(3,075,126)
Office Overheads (less depr)	(710,450)	(830,645)	(768,068)	(798,778)	(830,834)	(876,300)
Direct Housing Accomodation	-	-	-	-	-	-
Direct Development Costs	-	-	-	-	-	-
Direct Housing Management Costs	(643,479)	(671,961)	(701,831)	(733,161)	(766,028)	(800,514)
Stage III Adaption costs	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Day to Day Repairs	(501,591)	(516,469)	(531,789)	(547,565)	(563,809)	(580,536)
Cyclical Maintenance	(1,061,930)	(1,093,126)	(1,125,242)	(1,158,304)	(1,192,340)	(1,227,380)
Planned Maintenance	(583,303)	(600,741)	(618,700)	(637,196)	(656,246)	(675,866)
Other Direct Maintenance Costs (less Cyclical/Planned)	(53,957)	(24,987)	(26,064)	(57,190)	(28,366)	(29,596)
Direct DLO Costs (less depreciation of van)	(340,046)	(358,709)	(378,440)	(399,300)	(421,358)	(444,681)
Direct Shared Ownership Cocts (less Cyc/Plan/bad debt)	(30,230)	(31,752)	(33,356)	(35,047)	(36,830)	(38,709)
Direct Sheltered Housing Costs	(149,898)	(154,394)	(159,026)	(163,797)	(168,712)	(173,773)
Direct Factoring Costs (less bad debts)	(255,709)	(270,850)	(286,891)	(303,887)	(321,893)	(340,970)
Direct Commercial Property Costs	(3,142)	(3,331)	(3,531)	(3,743)	(3,968)	(4,206)
Direct Wider Action Costs	(35,413)	(36,475)	(37,569)	(38,696)	(39,857)	(41,053)
Direct SH Stock Costs (less Reactive/Cycl/Plan/bad debt)	(38,616)	(40,533)	(42,553)	(44,682)	(46,926)	(49,291)
Change in Creditors <1 year (less bad debts)	(288,078)	(297,275)	(309,263)	(319,886)	(331,395)	(343,422)
Change in Debtors	-	-	-	-	-	-
Net Cash Inflow / (Outflow) From Operating Activities	2,885,745	2,932,281	3,133,785	3,218,499	3,366,256	3,475,512
Returns On Investments and Servicing of Finance						
Interest Received	21,279	21,917	22,575	23,252	23,949	24,668
Loan Interest Paid	(261,043)	(236,457)	(210,928)	(185,850)	(158,776)	(131,430)
Net CashFlow on Investments & Servicing of Finance	(239,764)	(214,540)	(188,354)	(162,598)	(134,827)	(106,762)
Investing Activities						
Cash Paid for construction and purchase of housing	(362,433)	(366,057)	(369,718)	(410,756)	(377,149)	(380,920)
Disposals in year	585,877	358,067	343,464	302,708	443,244	360,142
HAG Received	-	-	-	-	-	-
HAG repayments / write-offs in year	(89,791)	(89,791)	(89,791)	(89,791)	(89,791)	(89,791)
Purchase of other fixed assets	(184,101)	(90,151)	(20,057)	(76,395)	(51,670)	(141,650)
WIP - Additions	-	-	-	-	-	-
Cashflow from NSSE Schemes	-	-	-	-	-	-
Net Cash Flow from Investing Activities	(50,447)	(187,932)	(136,102)	(274,234)	(75,365)	(252,220)
Net Cash Flow before Financing	2,595,533	2,529,810	2,809,329	2,781,666	3,156,064	3,116,530
Financing						
Loans Received	-	-	-	-	-	-
Loan Principal Repaid	(445,472)	(460,026)	(472,115)	(487,223)	(502,439)	(461,259)
Net Cash Flow from Financing	(445,472)	(460,026)	(472,115)	(487,223)	(502,439)	(461,259)
CLOSING BALANCE	23,914,038	25,983,822	28,321,036	30,615,479	33,269,104	35,924,376
Discount Rate						
Discount Factor	0.28602	0.26731	0.24982	0.23348	0.21821	0.20393
Discounted Cash Flow	6,839,951	6,945,753	7,075,248	7,148,087	7,259,490	7,326,059

	25	26	27	28	29	30
	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45
Opening Balance	35,924,376	38,911,044	42,064,905	45,485,221	49,267,387	53,134,446
Net Cashflow From Operating Activites						
Net Rent Income	10,362,659	10,725,352	11,100,739	11,489,265	11,891,389	12,307,588
Scottish Homes Stock Net Rental Income	1,129,362	1,168,890	1,209,801	1,252,144	1,295,969	1,341,328
Shared Ownership Income	99,940	103,438	107,058	110,805	114,683	118,697
Development Income	-	-	-	-	-	-
Net Sheltered Housing Service Charge Income	367,629	380,496	393,813	407,597	421,863	436,628
Factoring Income	522,531	548,827	576,575	605,857	636,764	669,388
Commercial Property Income	9,772	9,772	9,772	9,772	9,772	9,772
Wider Action Grant Income	50,000	50,000	50,000	50,000	50,000	50,000
Stage III Adaption Income	30,000	30,000	30,000	30,000	30,000	30,000
Other Income	66,650	68,983	71,397	73,896	76,482	79,159
Employee Costs	(3,167,380)	(3,262,402)	(3,360,274)	(3,461,082)	(3,564,914)	(3,671,862)
Office Overheads (less depr)	(909,243)	(935,734)	(973,846)	(1,025,657)	(1,055,247)	(1,228,704)
Direct Housing Accomodation	-	-	-	-	-	-
Direct Development Costs	-	-	-	-	-	-
Direct Housing Management Costs	(836,703)	(874,687)	(914,559)	(956,422)	(1,000,380)	(1,046,546)
Stage III Adaption costs	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Day to Day Repairs	(597,760)	(615,496)	(633,759)	(652,565)	(671,930)	(691,871)
Cyclical Maintenance	(1,263,452)	(1,300,588)	(1,338,819)	(1,378,177)	(1,418,696)	(1,460,410)
Planned Maintenance	(696,072)	(716,883)	(738,316)	(760,391)	(783,126)	(806,541)
Other Direct Maintenance Costs (less Cyclical/Planned)	(60,882)	(32,226)	(33,631)	(65,101)	(36,637)	(38,244)
Direct DLO Costs (less depreciation of van)	(469,345)	(495,429)	(523,015)	(552,192)	(583,054)	(615,699)
Direct Shared Ownership Cocts (less Cyc/Plan/bad debt)	(40,691)	(42,780)	(44,984)	(47,308)	(49,760)	(52,346)
Direct Sheltered Housing Costs	(178,986)	(184,357)	(189,887)	(195,583)	(201,450)	(207,493)
Direct Factoring Costs (less bad debts)	(361,183)	(382,598)	(405,288)	(429,328)	(454,800)	(481,788)
Direct Commercial Property Costs	(4,458)	(4,725)	(5,009)	(5,310)	(5,629)	(5,967)
Direct Wider Action Costs	(42,285)	(43,553)	(44,860)	(46,206)	(47,592)	(49,020)
Direct SH Stock Costs (less Reactive/Cycl/Plan/bad debt)	(51,785)	(54,414)	(57,187)	(60,112)	(63,196)	(66,450)
Change in Creditors <1 year (less bad debts)	(355,579)	(364,150)	(362,223)	(368,981)	(376,160)	(389,882)
Change in Debtors	-	-	-	-	-	-
Net Cash Inflow / (Outflow) From Operating Activities	3,572,739	3,745,736	3,893,497	3,994,922	4,184,350	4,199,737
Returns On Investments and Servicing of Finance						
Interest Received	25,408	26,170	26,955	27,764	28,597	29,455
Loan Interest Paid	(103,296)	(74,239)	(44,528)	(18,162)	(6,067)	-
Net CashFlow on Investments & Servicing of Finance	(77,888)	(48,069)	(17,573)	9,602	22,530	29,455
Investing Activities						
Cash Paid for construction and purchase of housing	(384,730)	(427,435)	(392,463)	(396,387)	(400,351)	(444,790)
Disposals in year	310,330	386,373	314,143	476,454	392,578	420,246
HAG Received	-	-	-	-	-	-
HAG repayments / write-offs in year	(89,791)	(89,791)	(89,791)	(89,791)	(89,791)	(89,791)
Purchase of other fixed assets	(44,238)	(103,519)	(29,038)	(102,033)	(242,257)	(127,177)
WIP - Additions	-	-	-	-	-	-
Cashflow from NSSE Schemes	-	-	-	-	-	-
Net Cash Flow from Investing Activities	(208,428)	(234,372)	(197,149)	(111,757)	(339,821)	(241,512)
Net Cash Flow before Financing	3,286,423	3,463,295	3,678,775	3,892,766	3,867,059	3,987,679
Financing						
Loans Received	-	-	-	-	-	-
Loan Principal Repaid	(299,755)	(309,434)	(258,459)	(110,600)	-	-
Net Cash Flow from Financing	(299,755)	(309,434)	(258,459)	(110,600)	-	-
CLOSING BALANCE	38,911,044	42,064,905	45,485,221	49,267,387	53,134,446	57,122,125
Discount Rate						
Discount Factor	0.19059	0.17812	0.16647	0.15558	0.14540	0.13589
Discounted Cash Flow	7,416,010	7,492,618	7,571,818	7,664,885	7,725,711	7,762,166

Govan Housing Association Business Plan Income and Expenditure and Balance Sheet (as at March 2015)

	1	2	3	4	5	6	7	8	9	10
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
INCOME AND EXPENDITURE										
Turnover	5,699,357	5,721,941	5,920,729	6,126,573	6,339,772	6,560,602	6,789,303	7,026,172	7,271,507	7,525,616
Operating Costs inc. Depreciation	4,528,222	4,831,469	4,904,176	5,145,454	4,981,686	5,139,964	5,413,618	5,470,399	5,676,760	5,859,810
Operating Surplus	1,171,135	890,472	1,016,553	981,119	1,358,086	1,420,639	1,375,685	1,555,773	1,594,747	1,665,807
Gain/(Loss) on Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-
Interest Receivable	12,499	12,874	13,260	13,658	14,068	14,490	14,924	15,372	15,833	16,308
Interest Payable	(388,834)	(448,739)	(477,198)	(487,766)	(498,187)	(506,622)	(532,066)	(510,041)	(487,177)	(462,472)
Surplus for the Year	794,800	454,607	552,615	507,011	873,967	928,506	858,544	1,061,104	1,123,404	1,219,643
BALANCE SHEET										
Tangible Fixed Assets	15,532,072	15,272,208	14,984,337	14,674,251	14,363,784	14,155,586	13,884,342	13,650,107	13,494,576	13,312,997
Debtors	485,000	485,000	485,000	485,000	485,000	485,000	485,000	485,000	485,000	485,000
Cash	3,650,254	3,997,481	4,463,826	4,897,261	5,692,834	6,429,988	7,149,517	8,024,831	8,871,013	9,848,627
Creditors < 1yr	(1,887,198)	(1,907,766)	(1,928,187)	(1,946,622)	(1,982,066)	(1,970,041)	(1,957,177)	(1,942,472)	(1,931,347)	(1,917,605)
Assets - Current Liabilities	17,780,127	17,846,923	18,004,977	18,109,890	18,559,552	19,100,532	19,561,682	20,217,466	20,919,241	21,729,019
Creditors > 1yr	(10,608,805)	(10,220,994)	(9,826,433)	(9,424,335)	(9,000,030)	(8,612,504)	(8,215,110)	(7,809,789)	(7,388,161)	(6,978,296)
Net Assets	7,171,322	7,625,929	8,178,544	8,685,555	9,559,522	10,488,028	11,346,572	12,407,676	13,531,080	14,750,723
Share Capital	215	215	215	215	215	215	215	215	215	215
Revenue Reserves	7,171,107	7,625,714	8,178,329	8,685,340	9,559,307	10,487,813	11,346,357	12,407,461	13,530,865	14,750,508
	7,171,322	7,625,929	8,178,544	8,685,555	9,559,522	10,488,028	11,346,572	12,407,676	13,531,080	14,750,723
COVENANTS										
Interest Cover (Proposed change by RBS)	3.05	2.22	2.33	2.28	2.93	3.00	2.77	3.23	3.38	3.74
Interest Cover	4.74	3.78	3.76	3.70	4.41	4.42	4.15	4.70	5.02	5.43
Gearing Ratio	15.13%	14.55%	13.94%	13.34%	12.67%	11.99%	11.33%	10.63%	9.93%	9.25%

	11	12	13	14	15	16	17	18	19	20
	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
INCOME AND EXPENDITURE										
Turnover	7,788,818	8,061,443	8,343,836	8,636,352	8,939,361	9,253,246	9,578,406	9,915,254	10,264,217	10,625,740
Operating Costs inc. Depreciation	6,053,454	6,249,262	6,341,694	6,553,396	7,003,243	7,021,130	7,329,647	7,432,904	7,505,688	8,055,445
Operating Surplus	1,735,364	1,812,181	2,002,142	2,082,956	1,936,117	2,232,117	2,248,759	2,482,350	2,758,529	2,570,295
Gain/(Loss) on Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-
Interest Receivable	16,798	17,302	17,821	18,355	18,906	19,473	20,057	20,659	21,279	21,917
Interest Payable	(441,347)	(417,605)	(396,696)	(375,843)	(352,552)	(331,210)	(309,222)	(285,378)	(261,043)	(236,457)
Surplus for the Year	1,310,814	1,411,878	1,623,267	1,725,468	1,602,471	1,920,380	1,959,594	2,217,632	2,518,764	2,355,755
BALANCE SHEET										
Tangible Fixed Assets	13,061,367	12,849,087	12,660,845	12,555,260	12,527,301	12,309,141	12,090,333	11,896,490	11,804,193	11,615,060
Debtors	485,000	485,000	485,000	485,000	485,000	485,000	485,000	485,000	485,000	485,000
Cash	11,037,522	12,278,446	13,697,407	15,126,100	16,343,689	18,058,358	19,800,974	21,763,976	23,914,037	25,983,821
Creditors < 1yr	(1,906,696)	(1,895,843)	(1,882,552)	(1,871,210)	(1,859,222)	(1,845,378)	(1,831,043)	(1,816,457)	(1,800,928)	(1,785,850)
Assets - Current Liabilities	22,677,193	23,716,691	24,960,701	26,295,150	27,496,768	29,007,122	30,545,264	32,329,008	34,402,301	36,298,030
Creditors > 1yr	(6,615,655)	(6,243,276)	(5,864,020)	(5,473,000)	(5,072,147)	(4,662,121)	(4,240,669)	(3,806,782)	(3,361,310)	(2,901,284)
Net Assets	16,061,537	17,473,415	19,096,681	20,822,149	22,424,621	24,345,001	26,304,595	28,522,226	31,040,991	33,396,746
Share Capital	215	215	215	215	215	215	215	215	215	215
Revenue Reserves	16,061,322	17,473,200	19,096,466	20,821,934	22,424,406	24,344,786	26,304,380	28,522,011	31,040,776	33,396,531
	16,061,537	17,473,415	19,096,681	20,822,149	22,424,621	24,345,001	26,304,595	28,522,226	31,040,991	33,396,746
COVENANTS										
Interest Cover (Proposed change by RBS)	4.07	4.43	5.05	5.57	5.86	6.44	7.10	8.58	10.50	10.81
Interest Cover	5.88	6.39	7.23	7.84	8.32	9.13	10.16	11.83	14.14	14.91
Gearing Ratio	8.64%	8.02%	7.40%	6.77%	6.17%	5.56%	4.95%	4.35%	3.74%	3.16%

	21	22	23	24	25	26	27	28	29	30
	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45
INCOME AND EXPENDITURE										
Turnover	11,000,286	11,388,332	11,790,376	12,206,935	12,638,543	13,085,757	13,549,155	14,029,336	14,526,922	15,042,560
Operating Costs inc. Depreciation	8,229,949	8,572,799	8,664,654	9,072,601	9,461,494	9,666,371	10,066,734	10,278,913	10,720,396	11,204,561
Operating Surplus	2,770,337	2,815,532	3,125,722	3,134,333	3,177,049	3,419,387	3,482,421	3,750,423	3,806,526	3,837,999
Gain/(Loss) on Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-
Interest Receivable	22,575	23,252	23,949	24,668	25,408	26,170	26,955	27,764	28,597	29,455
Interest Payable	(210,928)	(185,850)	(158,776)	(131,430)	(103,296)	(74,239)	(44,528)	(18,162)	(6,067)	-
Surplus for the Year	2,581,983	2,652,934	2,990,895	3,027,571	3,099,162	3,371,318	3,464,848	3,760,025	3,829,056	3,867,454
BALANCE SHEET										
Tangible Fixed Assets	11,370,639	11,224,560	11,041,257	10,933,242	10,726,269	10,617,926	10,401,903	10,273,095	10,245,092	10,134,867
Debtors	485,000	485,000	485,000	485,000	485,000	485,000	485,000	485,000	485,000	485,000
Cash	28,321,035	30,615,478	33,269,103	35,924,374	38,911,043	42,064,904	45,485,220	49,267,385	53,134,445	57,122,124
Creditors < 1yr	(1,768,776)	(1,751,430)	(1,733,296)	(1,714,239)	(1,694,528)	(1,678,162)	(1,676,067)	(1,680,000)	(1,690,000)	(1,700,000)
Assets - Current Liabilities	38,407,897	40,573,608	43,062,065	45,628,377	48,427,784	51,489,668	54,696,056	58,345,481	62,174,537	66,041,990
Creditors > 1yr	(2,429,169)	(1,941,946)	(1,439,507)	(978,248)	(678,493)	(369,059)	(110,600)	-	-	-
Net Assets	35,978,728	38,631,662	41,622,557	44,650,129	47,749,290	51,120,608	54,585,456	58,345,481	62,174,537	66,041,990
Share Capital	215	215	215	215	215	215	215	215	215	215
Revenue Reserves	35,978,513	38,631,447	41,622,342	44,649,914	47,749,075	51,120,393	54,585,241	58,345,266	62,174,322	66,041,775
	35,978,728	38,631,662	41,622,557	44,650,129	47,749,290	51,120,608	54,585,456	58,345,481	62,174,537	66,041,990
COVENANTS										
Interest Cover (Proposed change by RBS)	13.02	15.02	19.41	23.52	29.99	45.15	77.00	203.41	611.29	-
Interest Cover	17.90	20.47	25.95	31.59	40.87	60.10	102.48	267.32	813.69	-
Gearing Ratio	2.58%	2.02%	1.46%	0.97%	0.65%	0.34%	0.10%	-	-	-

Appendix 4 – SMART Planning

GOVAN HOUSING ASSOCIATION: SMART PLANNING						
Name: Fiona McTaggart Designation: Chief Executive Period: 2014-16		The purpose of this plan is to provide a monitoring framework for managers to ensure that their individual performance and priorities support the Strategic and Operational Objectives of Govan Housing Association as outlined within the IMP/Business Plan 2014 to 2017.				
	SPECIFIC	MEASURABLE	ACHIEVABLE	REALISTIC	TIME BASED	Notes to help Completion
1.	Implement full annual Business Plan review for April 2015 to March 2016. SO 1, 4 & 5	Support EMT, Management Committee & Staff. Ensure Business objectives are set and agreed by the EMT, Board and staff team. Co-ordinate a business away day focused on performance, the organisations overall mission of 'Moving Govan Forward', continual improvement, external risk factor	The initial planning period started in July 2014 with the completion of the new EMT members. Management Committee reviewed and agreed the new objectives in July 2014. Staff sessions took place after Business Development Day in April 14. The plan includes a set timetable to include SWOT,	The organisation requires a sound IMP/BP therefore cannot operate effectively or efficiently without a fully reviewed Business Plan. Our Planning framework will support our 3 year framework.	The process is rolling however the initial reviews started pre-July 14. Management Committee and staff have been updated with key milestones (Financial Plans, Strategic and Operational Objectives and performance review). Specific sessions have been held with Management Committee to cover key areas of the business plan during October and	EMT Meeting Agenda's monitor progress. The Management Committee receives regular progress reports and this year have participated in sessions to cover governance, financial planning and management, risk management, value for money and internal/external audit. 30 Year Asset Management plan approved March 2012.

		<p>implications (i.e. welfare reform, EESH), development and change management.</p> <p>Ensure that early preparation takes place and full implementation plans are in place in relation to the Social Housing Charter.</p>	<p>Environmental Assessment, 30 Year Financial Plan, Asset Management Plan and Risk Register review.</p> <p>Operational Targets and strategic and operational objectives approved by Management Committee in January – March 2015 to incorporate future year planning.</p>	<p>November 2014.</p> <p>The full review will be updated throughout the year. The Business Plan will be signed off and approved in January - March 2015 with the final approval of the 2015-16 budgets.</p>	<p>Stock Condition Survey to be completed by April 2015 and 30 year financial review and plan to be approved by March 2015.</p>	
2.	<p>To meet the requirements of the housing regulators governance and financial framework.</p> <p>All objectives</p>	<p>By February 2015 carry out training needs analysis on each committee member to ensure they have the skills, knowledge and experience required to run the business.</p> <p>Increase the diversity on Committee to include younger</p>	<p>Initial contact made with Linda Ewart (consultant) to carry out the assessment in February 2015 after the completion of the Business Plan.</p> <p>Contact made with 2 potential Committee Members. Further discussion to take place in January 2015.</p>	<p>Committee have agreed that in line with the regulators framework the training need analysis is required. The consultant is available in February 2015.</p> <p>To co-opt new members onto the Management Committee in February 2015. To check new</p>	<p>To present the consultant's report to Committee in March – April 2015.</p> <p>To increase the Committee Membership to 13 by March 2015.</p> <p>To review the governance timetable and reassess standing orders and reporting</p>	

		<p>and members from Ethnic Minority backgrounds in order to reflect the diversity of the Govan community.</p> <p>Evaluate the Governance arrangements of the Association after the AGM in September.</p>	<p>The Associations table of meetings and standing orders will be reassessed after the AGM in September 2015.</p>	<p>committee members availability to carry out a full training needs analysis as part of the consultants work.</p>	<p>mechanism by September 2015.</p>	
3.	<p>Implement a comprehensive Stock Condition Survey to inform the Associations Business Plan on 30 years spend on planned and cyclical maintenance.</p> <p>SO 1, 4 & 5 OO 1, 6 & 7</p>	<p>To complete a framework for a 30 year planned and cyclical maintenance programme.</p> <p>To inform Central Govan Action Plan of our 30 year plan to match any funding that may be available via the THI or CTI.</p> <p>To investigate and prepare a 5 year plan for a private sector acquisition</p>	<p>To present a comprehensive report to Management Committee in July 2015.</p> <p>To meet with CGAP in August 2015.</p> <p>Committee have already approved spend for Edwards McDowell Consultants to carry out the work on the private sector acquisition strategy and present the findings to them in August</p>	<p>Committee have already agreed that our SCS must be comprehensive as far as our pre-1919 tenemented stock to ensure that we have the information available on our stock to inform the work required to ensure that we can maximise external funding and ensure that our business plan meets the asset management requirements and protects the</p>	<p>The SCS will be complete by June 2015 to allow the information to be shared with our service users, partners and funders.</p> <p>The initial stages of the acquisition strategy shall commence in December 2014 with an initial submission to DRS for consideration in early January 2015. All submissions and acquisitions for 2014-15 financial</p>	<p>EMT to meet with Edwards McDowell Consultants in early January 2015 to finalise acquisition strategy and discuss programme of works.</p> <p>Acquisition strategy to be reflected in the 2015-16 budgets and relevant risk assessments carried out to protect the long term investment.</p>

		<p>strategy in partnership with DRS.</p> <p>To present the findings on all of the above to our funders, partners, tenants and service users.</p>	<p>2015.</p> <p>To prepare a full report for inclusion in our newsletter, ARC report and annual report by August 2015.</p>	<p>investment.</p>	<p>year must be made prior to the March 2015 deadline.</p>	
4.	<p>To mitigate the impact of the Welfare Reform on our tenants and the business.</p> <p>SO 1 & 3</p> <p>OO 3 & 4</p>	<p>We continually assess the impact of the bedroom tax and universal credit on our business and our service users. The financial risk to the Association must be offset by providing money and benefit advice and a clear communication strategy must be in place with our tenants and service users. Failure to plan for the welfare reform changes will have an adverse effect on</p>	<p>The Association has planned well for the bedroom tax with over half of the shortfall in rental income having been paid to the Association by the tenant or DHP claims.</p> <p>The Association has been awarded grant funding for SLAB funding to pay Govan Money Matters to deliver money and debt advice from the Associations offices 3 days per week and for PCF funding for modern apprentices to assist in</p>	<p>Effective and holistic partnership working with Govan Money Matters and many other local and national organisations along with the implementation of a robust communication strategy will allow the Association to minimise the effect of Universal Credit to our tenants and the business.</p> <p>We will ensure that a robust and comprehensive service level</p>	<p>The Association staff will continue to work closely with our partners and any of our tenants and service users affected by the Welfare Reforms and accelerated implementation of Universal Credit. We will continue with our communication and consultation strategy to ensure that those affected are fully informed of their options and that user feedback is fed into our future service delivery.</p> <p>The Government are pushing the</p>	

		rental income and performance.	communicating the services provided to our tenants and service users. The Association is continuing to work with these partners and funders to look at the continued growth and development of these services to meet ever-changing needs across the diverse Govan community.	agreement is agreed and in place between all the respective partners within the arrangement so as to ensure that everyone understands what is expected from the arrangement. The office remodelling allows the Association to work closely with our partners to ensure that the impact of Welfare Reform is minimised e.g. inclusion of a food bank and Money Matters staff in house.	reform through and February 2015 is the new date. The Association will prepare for this date and provide an update to Management Committee by July 2015.	
5.	Review and Monitor Risks to the Association. All Objectives	The Management Committee has agreed a new Risk Management Policy and Strategy. A full risk register will be delivered 1 month after the Business Plan in	The Management Committee will be asked to approve the Association's Risk register in line with the agreed policy in April 2015. The cost controls and the financial risk to the	The EMT will comprehensively review and scrutinise all risks involved in preparing the risk register for approval by Committee. We are aware that	To present the Risk Register to Committee by April 2015 and review the full register in October 2015. Monthly reports on operational elements of the risk register will be	

		<p>April 2015 to allow all new and potential future risks to be addressed and appropriate control measures to be implemented.</p> <p>Working collaboratively with the Audit Sub Committee to obtain value for money from both internal and external audit processes, ensuring that key areas of the business are scrutinised with action plans developed to address areas where improved control and risk management is required.</p>	<p>Association includes an assessment on the risk to the Association with regard to the final salary pension scheme. A full independent report will be presented to management Committee in April 2015 to consider these risks in full.</p>	<p>we are operating in challenging economic and political times therefore we are placing greater emphasis on our approach to risks and cost controls.</p>	<p>reported to Management Committee and any relevant sub committees monthly.</p> <p>To continually review internal audit programmes annually in April 2015 to ensure that key areas of the business are being addressed and targeted with the aim of continual review and improvement.</p>	
6.	<p>To work with local and national partners on funding bids and localised projects which will</p>	<p>The Association will work with partners to ensure that external funding is maximised to</p>	<p>The process has already begun with funding bids submitted to PCF, SLAB and STV Hunter.</p>	<p>The Associations reputation has already developed locally and throughout the sector through</p>	<p>By the beginning of the calendar year in 2015 the Association will know the outcome of the bids to SLAB,</p>	

	<p>improve the quality of life of our community through regenerative projects.</p> <p>SO 1, 2 & 3</p> <p>OO 4</p>	<p>provide training, volunteering, personal development and employment opportunities within the organisation and within the local community. This will include community facilities to address multiple deprivation and exclusion factors within the community.</p>	<p>Contact has been made with the Big Lottery to begin discussion on future projects.</p> <p>Other funders have been researched to establish how their objectives fit with the organisations community development and regeneration strategy.</p>	<p>holistic and effective partnership working.</p> <p>Development of new and existing partnerships are enabling the Association to establish the key partners and fundamental issues which are pertinent across the wider and greater Govan community.</p>	<p>PCF and STV Hunter.</p> <p>The Association will continue to build and develop the relationship and the bid with the Big Lottery Fund, and other local and national funders, to ensure that the regeneration strategy of the organisation is both sustainable and supportive of the community needs.</p>	
7.	<p>To carry out a rent and service charge review.</p> <p>SO 1, 2, 4 & 5</p> <p>OO 1 & 8</p>	<p>By 31st March 2016 carry out a full rent and service charge restructure to ensure tenant's rents are set fairly and that the service charges are incorporated into the rent charge. This plan must ensure that the rental income to the Association allows us to continue to be a</p>	<p>The EMT and Business Support Officer have carried out initial investigations and have set diary dates to ensure this project is complete by March 2016.</p> <p>We must set a communication strategy to ensure that tenants, TARA's and SUP are fully involved in the process.</p>	<p>The Associations rents are variable and this project is essential so that the rents for the properties can be set so that the Policy allows for a fair system of rent setting.</p>	<p>A report submitted to Management Committee by June 2015 to allow time for intensive consultation and participation.</p> <p>A report has already been submitted to Committee in November 2014 to bring all rent increases into line (all rent increases shall be effective</p>	<p>Management Committee have been fully informed of the reasons for delaying this project. The investment in ICT systems and the business planning process will allow for a comprehensive assessment to ensure that there is very little detrimental effect on tenants and the business both in the short and long term.</p>

		financially sound and viable organisation and enables the Association to protect its investment in the short and long term.			from 28 April each year rather than 28 March). This is a historical issue which arose as a result of the transfer of the Scottish Homes Stock. This change will reduce administrative work considerably going forward and provide consistency across the stock.	
8.	<p>To implement an action plan to address the required improvements and mitigate the risks to the business in relation to the current resident's satisfaction survey carried out in October 2014.</p> <p>SO 1, 2, 4 & 5 OO 1, 2, 7 & 10</p>	<p>To present a report and action plan for improvement to the Management Committee in January 2015.</p> <p>The RSS has shown improvements in some areas but will allow us to set a plan for areas of service delivery improvement going forward.</p>	<p>The staff restructure has ensured that we have the staff in place with the relevant experience, skills and attitude to improve on service areas and achieve and support the overall mission of 'Moving Govan Forward'.</p> <p>The EMT in place from 12th May 2014.</p> <p>Full staff restructure concluded in August 2014 and DLO options</p>	<p>The focus for the EMT has been improvements in service delivery and core business. Many aspects of this have already been looked at and new standards set to make sure staff are aware of what is expected and feel empowered to deliver change.</p> <p>A housing patch system has been introduced with officers within the patch working generically. The</p>	<p>Summary report and presentation given to Management Committee in November. Action plan with report to Management Committee in January 2015.</p>	

			<p>appraisal concluded in June 2014. Both of these pieces of work have identified considerable efficiencies and savings to the business over the 30 year business plan.</p>	<p>changes in practice have not been in place long enough to have an impact on this RSS.</p> <p>The Association now has an Operations section instead of a Housing and Maintenance section which has already proven to be influencing improvements in service delivery.</p> <p>The communication with maintenance and factoring has improved enabling better consultation to take place with factored owners, particularly on key pieces of maintenance e.g. emergency stoneworks.</p> <p>The EMT will review the service being provided to</p>	
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				our owners in early 2015 with a view to delivering a more streamlined, efficient and customer-focussed service to a wider client base.		
9.	<p>Review and make recommendations to Management Committee on the investment in to the current Housing Management and Finance Software Package supporting the Association.</p> <p>SO 1, 4 & 5</p>	<p>A review and report presented to Management Committee in November 2014 with recommendations to spend in the region of £110K on ensuring that our IT and business systems are fit for purpose, provide efficiencies and enable the Association to grow and develop going forward.</p> <p>To provide regular updates to Management Committee on system development</p>	<p>An ICT User Group has already been set up (commenced in September 2014) and carried out the initial review in detail to assess business needs in consultation with our main contractors, Aareon and Central Network Technologies.</p> <p>Further dates shall be set up with contractors and the ICT User Group in early 2015 to finalise the implementation plan and resource implications. It is anticipated that this project shall take</p>	<p>The business systems of the organisation are a fundamental piece of the organisations operating environment. Effective, robust and organisation focussed systems are vital to the business going forward and as such the EMT are taking the time to ensure that the planning is considered in full, staff are involved throughout to ensure that the end product is right and costs are managed to ensure value for</p>	<p>A report submitted to Management Committee in November 2014 to get initial spend approved.</p> <p>Planning completed by March 2015.</p> <p>Project completed in full between December 2015 and March 2016.</p> <p>To consider a further enhancement of a mobile working solution in 2016-17 once the main system has been implemented and tested.</p>	<p>Management Committee to be kept fully informed of progress on this matter and full risk assessment to be carried out on all works to ensure that effective processes, procedures and internal controls and delivered as part of the overall programme of works.</p>

		<p>progress so as to demonstrate improvements efficiencies and value for money as well as service improvements.</p>	<p>between 9 and 12 months to complete.</p> <p>We must ensure that a robust, concise and accurate ICT Strategy is derived alongside this process, approved by Management Committee and is effectively communicated to all staff across the business.</p> <p>The EMT are already looking at the creation of super users across the organisation to ensure that effective training is provided to staff on the new system and that knowledge is shared across the organisation to enhance the organisations expertise.</p>	<p>money. It is estimated that this project shall take between 9 and 12 months to complete and would be anticipated to finish towards the end of 2015/beginning of 2016. With the costings approved and the buy in from staff and Management Committee the Association in confident that this is both realistic and achievable.</p>		
10.	To gain Investors in People and Investors in	Discussions have already begun with Investors in	The Association is well positioned to achieve these	The Association is dedicated to reaching this	Monies have been set aside to obtain and work towards	

	<p>Youth People Accreditation.</p> <p>SO 1 OO 11</p>	<p>People. The Association shall be assessed against the Silver Investors In People framework in December 2014. This shall be carried out alongside the Investors in Young People Accreditation.</p> <p>Following this assessment an action plan shall be drawn up and the Association shall work closely with Investors In People to build, develop and work towards the aim of obtaining Investors In People “Gold” Accreditation and maintaining Investors In Young People accreditation long term.</p>	<p>objectives as the Association has embraced the Investors in People and Young People framework and is well placed to work collaboratively with the partner agencies.</p> <p>Given the organisations wider strategies surrounding regeneration, people development and together with the great change that the organisation has undertaken in the last 18 months this places the Association well to achieve this objective and reward the staff for their success.</p>	<p>objective and has buy-in from staff across the various areas of the business. Investment in staff and involvement of staff in key business decisions is ensuring that this is both achievable and embedded in the culture of the organisation.</p>	<p>these Accreditations. Government subsidy on Investors In Young People is enabling the Association to go for Investors In Young People in December 2014 also.</p> <p>The staff are fully informed of the framework and their role with assisting with the process.</p>	
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GOVAN HOUSING ASSOCIATION: SMART PLANNING

Name: Natalya Macholla
Designation: Director of Finance/ICT
Period: 2014-16

The purpose of this plan is to provide a monitoring framework for managers to ensure that their individual performance and priorities support the Strategic and Operational Objectives of Govan Housing Association as outlined within the IMP/Business Plan 2014 to 2017.

	SPECIFIC	MEASURABLE	ACHIEVABLE	REALISTIC	TIME BASED	Notes to help Completion
1.	<p>Ensure that the Association's structure is adequately supported to deliver on its strategic and operational objectives.</p> <p>All objectives.</p>	<p>Develop and continually monitor and evaluate the Association's financial plans.</p> <p>Ensure that key business decisions are appropriately financially appraised and evaluated in terms of the overall business plan e.g. 30 year planned maintenance programme.</p>	<p>Update the Association's Business Plan to incorporate the latest forecasts and expectations taking account of sector changes e.g. implementation of FRS 102 and accelerated Universal Credit roll out.</p>	<p>Ensure that the current year budgets are reflected in year 1 of the business plan and that the business plan is kept up to date and monitored continually to manage risk and financial viability both short and long term.</p>	<p>Business Plan updated and approved in March 2015.</p> <p>Annual Budgets approved between January and March 2015 and each year thereafter.</p>	<p>Business Planning now being carried out in-house and as a result staff need to be managed into the process and empowered within the process.</p> <p>Must take account of key areas e.g. stock condition survey and the resultant 30 year planned and cyclical maintenance programme.</p>
2.	<p>Monitor the performance of the Business Plan to ensure</p>	<p>Preparation of monthly management accounts,</p>	<p>Full implementation of monthly management accounting from May 2014, a move from</p>	<p>Business plan is an accurate reflection of the business and the</p>	<p>To continually review the annual performance against the</p>	

	<p>that the Association is meeting its set targets, lending requirements and that the financial viability of the Association is managed both in the short and long term.</p> <p>SO 4 & 5</p>	<p>including Income and Expenditure, Balance Sheet and cash flow statement comparing actual against budget and projections to establish year end positions from both a cash and accounting perspective. All detail provided to Management Committee on a monthly basis.</p> <p>Preparation of monthly KPIs provided to Management Committee for review and scrutiny.</p>	<p>the previous quarterly reporting.</p> <p>Measurement of the business plan accuracy against the monthly management account reporting.</p> <p>Clear understanding of the full business plan and 30 year projections given the move to carry this process out in house from 2014 onwards. Fully revised 30 year projections to complement the full IMP business plan to be approved by Management Committee as part of the budgeting process in January to March 2015.</p>	<p>Association's strategic and operational objectives. The Business Plan can accurately be assessed against actual results using all of the key financial statements, including cash flow.</p> <p>The Association can liaise with the lenders on banking covenant adjustments to reflect the new accounting standards with confidence in its future financial viability and ability to meet debt covenants.</p>	<p>business plan 3 months following the year end.</p> <p>To review the 30 year projections annually to take account of any realistic variances and business decisions. All changes to be carried out as part of the annual budgeting process.</p> <p>Full session on financial planning, risk management and internal audit to be carried out with Management Committee in November 2014.</p>	
3.	<p>Update Business Plan with post financial year-end outcomes and new 30 year forecasts.</p> <p>SO 5</p>	<p>Actual results to be populated as the starting point. Allow for changes in economic factors to be modelled over future years.</p>	<p>Requires prompt closure of the year end and prompt liaison with year-end external auditors. With move to monthly management accounting, year-end closure shall be more</p>	<p>Director of Finance/ICT and Head of Finance/ICT shall update this during the month of April each year with year-end audit taking place in</p>	<p>Prepare for June 2015 after the draft year end accounts have been prepared and audited.</p> <p>The first year of the business plan</p>	

		All for sensitivity analysis to be carried out on projections to establish long term impacts of business decision making.	streamlined and effective, resulting in less time and resource being required and a quicker turn around, making this process achievable.	May annually.	should be populated with budgets annually.	
4.	<p>Oversee and direct the annual review of:</p> <ul style="list-style-type: none"> - Sharing owners' occupancy and service charges. - Factoring management fees and charges. <p>SO 1, 2, 4 & 5</p>	<p>Support the factoring staff with the review ensuring that recommendations are prepared and submitted to the Chief Executive timeously.</p> <p>Ensure that appropriate consultation with owners takes place and that revised charges are notified to owners in line with their agreements.</p> <p>Review the costs of providing the factoring management service and insurance cover</p>	<p>The review for shared owners shall take place during September and October each year. The consultation process must be enhanced and service to owners improved to ensure that the quality of service is improved, following feedback from the resident satisfaction survey.</p> <p>The review of the factoring fees shall be carried out during November 2014 alongside the annual rent increase for our tenanted properties.</p>	<p>All charges must be set at levels that cover the Association's costs as services to owners cannot be subsidised from general rental income. The annual review seeks to ensure that this objective is met.</p> <p>As per point 5 below, following feedback from the resident satisfaction survey and review from the EMT, a full and comprehensive review of the factoring service must be carried out during 2015</p>	<p>For shared owners, notifications must be issued by 28 October 2014 to ensure that the agreed 28 days notice period is adhered to for implementation of the revised charges from 28 November 2014.</p> <p>For factored owners, the review must be completed before the annual rent, service charge and management fee consultation exercise, which will take place in December 2014.</p>	<p>Per point 5 below, a full review of these areas of the business are required in 2015. Key to this review shall be:</p> <ul style="list-style-type: none"> - Obtaining value for money. - Ensuring that factoring costs are met. - Review of operational delivery. - A move to a more comprehensive customer focussed service. - Future service delivery model e.g. limited company.

		for owners. Make a recommendation to the Chief Executive on the level of fee and charges to be effective from 1 April 2015.		with suggestions for improvement presented to the Chief Executive ahead of the new financial year.		
5.	Carry out a full review of the current Factoring service to provide an effective, customer focussed, and value for money service going forward. As part of this establish realistic and performance related KPIs for the service to achieve. SO 1, 4 & 5	Ensure that the review is thorough, takes on board recent feedback within the resident satisfaction survey and going forward delivers value for money for both the Association and its shared owners and factored owners. A full review should be submitted to the Chief Executive in Quarter 2 of 2015-16 along with an action plan for implementing change.	Initial reviews to start in March 2015. Action plan to be finalised by June 2015. Service changes to begin following approval of proposed changes and action plan in June 2015. Begin liaison with Hacking and Paterson to bring back any currently covered properties within our stock in February 2015. Agree revised targets with the Factoring team in March 2015 ahead of the new financial year.	Important to the review is that the factoring service is not supported or subsidised by general rental income. The review must take account of the risks and opportunities of the factoring service, as well as the resource required for a new revised model and any ICT requirements. It is important to take into account that despite the targets being close to performance currently, the	Initial reviews to start in March 2015. Action plan to be finalised by June 2015. Service changes to begin following approval of proposed changes and action plan in June 2015. All changes must be effective prior to the shared owners occupancy charge consultation requirements at point 4 above. Future impacts of the factoring service to be reflected in the business plan.	Key areas of the factoring review include: - Obtaining value for money. - Ensuring that factoring costs are met. - Review of operational delivery. - A move to a more comprehensive customer focussed service. - Future service delivery model e.g. limited company. Serious shared owner/factoring arrears (over £500) shall be reviewed by the Director of Finance/ICT on a

		<p>Ensure that factoring staff are involved and supported throughout the review.</p> <p>Lead the factoring team in the process of arrears management on both shared ownership and factoring. Reduce to the levels identified within the KPIs:</p> <ul style="list-style-type: none"> - Shared ownership – 1% - Factoring arrears – 10% 		<p>changes to the factoring service, as outlined at point 5, will have an impact on service e.g. factored properties portfolio growing, changes to consultation techniques, etc.</p> <p>It is also important to take account of external factors i.e. financial challenges. In addition to this is the Association's limited means of debt recovery when an owner refuses to pay.</p>	<p>Targets to be in place and meeting to be held with Factoring team in March 2015.</p> <p>Targets to be met throughout 2015-16</p>	<p>monthly basis.</p> <p>A quarterly report shall be submitted to Management Committee for review of all current arrears.</p> <p>Current arrears to be considered within the current Acquisition Strategy.</p>
6.	<p>Oversee and direct the implementation of the Brixx business planning model.</p> <p>SO 5</p>	<p>The Association has previously purchased this package but having never completed in house business planning this package is yet to be used. Following completion of the</p>	<p>Head of Finance/ICT and Business Systems Officer shall work on this following approval of the 30 year business plan projections. The inclusion of the new Business Systems Officer has significantly reduced the workload of the</p>	<p>It is important to take account of the IT works throughout the year to ensure that adequate levels of resource are dedicated to this piece of work. Given the robustness of the newly developed</p>	<p>Brixx model to be implemented by December 2015.</p>	

		business plan and 30 year projections in January – March 2015, the model shall be replicated within Brixx to enable quick and effective sensitivity analysis to take place.	current Head of Finance/ICT and will ensure that the knowledge of this system does not just sit with one staff member but that knowledge of this system is shared across the finance department.	in-house 30 year projections (currently built in Excel), the need for Brixx is not as pertinent. However, the inclusion of the Business Systems Officer shall free up additional time of the Head of Finance/ICT to carry out this work during the year.		
7.	Oversee the implementation of a complete housing management and financial systems upgrade (QL-x) to bring efficiencies, reduce resource and potential for human error and improve service delivery. SO 1, 2, 4 & 5	To implement an ICT User Group in September 2014 to assist with the comprehensive review of the Association's business systems. To provide the Chief Executive with a report to present to Management Committee with an outline of recommendations to spend in the region of £110k	An ICT User Group has already been set up (commenced in September 2014) and carried out the initial review in detail to assess business needs in consultation with our main contractors, Aareon and Central Network Technologies. Further dates shall be set up with contractors and the ICT User Group in early 2015 to finalise the implementation plan and resource implications. It is	Effective, robust and organisation focussed systems are vital to the business going forward and as such sufficient time and resource is being dedicated to ensure that the planning is considered in full, staff are involved throughout to ensure that the end product is right and costs are managed to ensure value for money. It is estimated that this	A report submitted to Management Committee in November 2014 to get initial spend approved. Planning completed by March 2015 and submitted to the Chief Executive for comment and approval. Project completed in full between December 2015 and March 2016. To consider a further	Management Committee to be kept fully informed of progress on this matter and full risk assessment to be carried out on all works to ensure that effective processes, procedures and internal controls and delivered as part of the overall programme of works. Consider the use of internal audit on this area to provide external scrutiny and review.

	<p>to enhance our current housing management and financial systems.</p> <p>To provide an accurate and robust action plan to the Chief Executive on the system implementation project plan so as to manage risk and ensure that value for money is obtained and costs/staff resource is managed effectively.</p>	<p>anticipated that this project shall take between 9 and 12 months to complete.</p> <p>Ensure that a robust, concise and accurate ICT Strategy is derived alongside this process, approved by Management Committee and is effectively communicated to all staff across the business.</p> <p>Must identify and managed the creation of super users across the organisation to ensure that effective training is provided to staff on the new system and that knowledge is shared across the organisation to enhance the organisations expertise. Regular feedback to be provided to the Chief Executive on this process throughout.</p>	<p>project shall take between 9 and 12 months to complete and would be anticipated to finish towards the end of 2015/beginning of 2016. With the costings approved and the buy in from staff and Management Committee the Association in confident that this is both realistic and achievable.</p> <p>The role of the Business Systems Officer and the complete ICT User Group shall be key to making this process as streamlined and efficient as possible.</p> <p>Regular review of the project plan will ensure that any anomalies or issues are</p>	<p>enhancement of a mobile working solution in 2016-17 once the main system has been implemented and tested. Support the Business Systems Officer in carrying out a review of various suitable systems.</p>	
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				rectified and solutions identified timeously so as to avoid delay.	
8.	<p>Oversee the review and implementation of a complete ICT Strategy for the Association going forward, covering the period 2015-2018.</p> <p>SO 1, 4 & 5</p>	<p>To implement a strategy which takes account of both current and future needs of the business.</p>	<p>Work closely with the Association's current IT consultant to assess both current and future needs of the business in terms of ICT for April 2015.</p>	<p>With the current use of an ICT consultant who is contracted to October 2016 this process is realistically achievable given the ability to use external resource and knowledge.</p> <p>The implementation of the ICT User Group has helped to identify a wide range of issues which are already being discussed as part of the wider ICT Strategy and which have already been addressed e.g. Smart TVs, new mobile phones, Wi-fi and new multi-functional device printers.</p>	<p>Full ICT Strategy to be completed by March 2015.</p>

<p>9.</p>	<p>Maintain prompt performance on reporting across key areas, in line with the Regulator and other key agencies requirements i.e.</p> <ul style="list-style-type: none"> - Loan Portfolio Return. - 5 year projections. - Year end financial statements. - FCA requirements. - OSCR and Companies House Returns. - ARC Statistical Returns. <p>This area also includes the production of internal</p>	<p>All returns are submitted to Management Committee prior to submission. All events are also included in a corporate calendar and Calendar of Priorities.</p>	<p>Current software and internal documentation provides the fundamental basis for this work. Review is carried out annually by the Director of Finance/ICT ahead of submissions to Management Committee for approval. An aim of the new system outlined at point 8 is to assist with this process, making areas such as ARC reporting considerably easier and less resource intensive going forward. The full effect of this is not likely to be seen until 2016 when the new system is fully functional.</p> <p>The inclusion of the Business Systems Office shall assist with the regular reporting of both performance statistics and governance/regulatory returns as a key part</p>	<p>The implementation of the new ICT systems and the Business Systems Officer role shall make this process fundamentally easier going forward and easily achievable.</p>	<p>Carry out regular monthly and annual review on these key areas.</p> <p>Performance shall be continually reviewed against KPIs, peer groups and internal financial and operational targets with variances explained and scrutinised.</p>	<p>All relevant dates for submissions to be incorporated into the Calendar of Priorities.</p>
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	<p>statistics, notably arrears, void loss, etc.</p> <p>SO 1</p>		<p>to this role is the streamlining of these process and the production of specific reports tailored to the needs of the business.</p>			
10.	<p>Monitor and review the development aspirations throughout the year and provide the Chief Executive with the relevant financial information required to make informed decisions as well as contributing to discussions in this area within the EMT.</p> <p>SO 1, 4</p>	<p>Measured via Management Committee decisions, EMT discussions and acting on various opportunities e.g. DRS Acquisition Strategy.</p>	<p>To assist the Development Consultant with works required on the proposed Acquisition Strategy to be completed by March 2015.</p> <p>Work with the factoring staff to identify properties to be targeted as part of this Acquisition Strategy.</p>	<p>Dependent on external events and the uncertainties surrounding the economy e.g. lack of funding and lending opportunities.</p>	<p>For review over the financial year.</p>	
11.	<p>Contribute to the organisation's aspiration to become "Gold" level accredited</p>	<p>3 grades of Investors In People exist with Gold being the highest level.</p>	<p>As part of the EMT, contribute to the achievement of this framework and support staff throughout the</p>	<p>The Association is dedicated to reaching this objective and has buy-in from staff across the various</p>	<p>Monies have been set aside to obtain and work towards these Accreditations. Government</p>	<p>Continue to manage staff effectively, ensuring that staff feel empowered, valued and are provided with the</p>

	<p>with Investors in People and to obtain Investors in Young People Accreditation.</p> <p>SO 1</p> <p>OO 11</p>	<p>The Association is currently being assessed at Silver Level Accreditation and Investors in Young People in December 2014.</p>	<p>process.</p> <p>Contribute to the on-going action plans and the achievement of these and the Association's aspiration to meet Investors In People Gold Standard and retain Investors in Young People Accreditation.</p>	<p>areas of the business. Investment in staff and involvement of staff in key business decisions is ensuring that this is both achievable and embedded in the culture of the organisation.</p>	<p>subsidy on Investors In Young People is enabling the Association to go for Investors In Young People in December 2014 also.</p> <p>The staff are fully informed of the framework and their role with assisting with the process.</p>	<p>ability to grow and develop in their roles within the Association.</p>
12.	<p>To successfully lead on the implementation of an ambitious and community focussed Community Development and Regeneration Strategy for 2015-2018. This work should include holistic partnership working and projects to support wider issues being</p>	<p>The Association will establish what local organisations are providing and how this meets with the Association's aspirations for community development and regeneration over a three year period.</p> <p>Work with partners both locally and nationally to ensure that</p>	<p>The process has already begun with various multi-agency partnership meetings being held to discuss employability and localised issues.</p> <p>Funding bids have been submitted to PCF, SLAB and STV Hunter to establish a number of localised projects e.g. community hub concept, community gardens and close working relationships with both Elderpark and Linthouse</p>	<p>The Associations reputation has already developed locally and throughout the sector through holistic and effective partnership working. Links have been made with both local and national organisations e.g. Quarriers, Aberlour, SURF.</p> <p>Development of new and existing partnerships are</p>	<p>A number of holistic, multi-agency partnership meetings have been established with localised projects in December 2014 and follow ups to be arranged for January 2015.</p> <p>A partnership day shall be held within the Association in late January 2015.</p> <p>By the beginning of the calendar year in 2015 the</p>	

	<p>experienced by the Association e.g. welfare reform.</p> <p>SO 1, 2 & 3</p> <p>OO 3 & 4</p>	<p>external funding is maximised to provide training, volunteering, personal development and employment opportunities within the organisation and local community, addressing multiple deprivation and exclusion factors across the areas which the Association serves.</p> <p>Develop holistic partnerships where local skills are fully utilised and participation encouraged.</p> <p>Ensure that any projects implemented are both fit for purpose, fully appraised and that sustainability measures are considered.</p>	<p>Housing Association.</p> <p>Contact has been made with the Big Lottery to begin discussions on future projects e.g. employability, skills centre, etc.</p> <p>Other funders will be researched to establish how their objectives fit with the organisations community development and regeneration strategy in order to build in .</p>	<p>enabling the Association to establish the key partners and fundamental issues which are pertinent across the wider and greater Govan community.</p>	<p>Association will know the outcome of the bids to SLAB, PCF and STV Hunter.</p> <p>The Association will continue to build and develop the relationship and the bid with the Big Lottery Fund, and other local and national funders, to ensure that the regeneration strategy of the organisation is both sustainable and supportive of the community needs.</p>	
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GOVAN HOUSING ASSOCIATION: SMART PLANNING

Name: Kevin Nixon
Designation: Director of Operations
Period: 2014-16

The purpose of this plan is to provide a monitoring framework for managers to ensure that their individual performance and priorities support the Strategic and Operational Objectives of Govan Housing Association as outlined within the IMP/Business Plan 2014 to 2017.

	SPECIFIC	MEASURABLE	ACHIEVABLE	REALISTIC	TIME BASED	Notes to help Completion
1.	<p>Establish a revised Operations staffing structure to support the delivery of the Operations Departments service objectives.</p> <p>SO 1, 2, 4. OO 1, 2, 10.</p>	<p>Staffing structure in place and operational by August 2014</p> <p>Improvement will be measured against previous performance indicators</p> <p>Tenant satisfaction surveys would indicate if remodel provides increased service satisfaction</p>	<p>Structure plan in place.</p> <p>Committee approval in place.</p> <p>Budgets for posts available</p> <p>Staff consulted and supportive of changes</p>	<p>Staff to deliver these improvements have the skill and knowledge and resources in order to do so.</p> <p>Staff are structured to work collectively in order to provide a holistic service to customers. This will be supported with the introduction of a Duty Officer rota to ensure customers are always attended to on first call/visit.</p>	<p>Complete recruitment to vacant or new posts by June 14</p> <p>Complete DLO options appraisal by June 2014</p> <p>Establish generic housing service model by August 14</p>	
2.	Deliver the Operational KPI	The KPI's and PI's are	Generic housing patches in place to	New staffing structure in place	Performance monitored monthly,	Key areas addressed here

	<p>and PI targets set out in the Operational Service Plan.</p> <p>SO 1, 2, 3. OO 1.</p>	<p>monitored regularly with monthly reports providing an overview of performance and quarterly reports being scrutinised by the Director of Operations and the Operations Sub Committee.</p>	<p>deliver greater ownership of service delivery.</p> <p>Performance management to be developed further to monitor progress and service gaps.</p>	<p>to provide greater accountability for the specific areas of the service.</p> <p>Structure and resources regularly reviewed through team and 1:2:1 discussion as required.</p>	<p>reported quarterly and submitted to ARC annually.</p>	<p>include;</p> <ul style="list-style-type: none"> - Income Management and arrears control. - Void management. - Allocations. - Estate Management and ASB. - Repairs. - Tenant satisfaction.
3.	<p>Minimise the negative impact of Welfare Reform on our tenants and business, whilst creating greater financial inclusion opportunities.</p> <p>SO 1, 2, 3, 4. OO 1, 2, 3, 4.</p>	<p>Monitor arrears performance and arrears caseload associated with households identified as experiencing difficulties as a result of welfare reform.</p> <p>Monitor tenancy sustainment cases where intervention has supported tenants and prevented homelessness.</p>	<p>Mitigate the risks to tenants by providing better advice and information delivered by a wider number of staff via the generic housing teams and the Tenancy Sustainment Officer.</p> <p>Continue to use and develop the partnership working with Money Matters and other partners working to support households subjected to financial difficulties.</p>	<p>Resources are in place in terms of:</p> <ul style="list-style-type: none"> - Staffing structure. - Money Matters. - Discretionary Housing Benefit. - Sensitive needs based housing transfers for under occupied households. 	<p>Universal credit rollout delay continues and provides an opportunity to continue managing existing cases experiencing hardship</p> <p>On-going strategy to support bedroom tax households</p>	
4.	<p>Manage and Implement the</p>	<p>The Associations Rent review</p>	<p>The process will be planned with a clear</p>	<p>The rent review is required to</p>	<p>Develop a timetable for the</p>	<p>Carry out a consultation</p>

	<p>Association's Annual Rent Review.</p> <p>SO 1, 2, 4, 5. OO 8.</p>	<p>policy makes provision for rents to be reviewed at RPI plus 1%.</p> <p>Business Plan assumptions are set in line with this provision.</p>	<p>timetable set out and deadlines met.</p> <p>The Association have the skill base to deliver this function.</p>	<p>support the Associations service delivery and future investment in its assets.</p> <p>The Association recognise the current economic challenges around rent increases and will work to mitigate any negative impact on tenants through quality information and advice and signposting to support services.</p>	<p>process in order to meet the objectives respective parts, including, consultation, processing and housing benefit liaison. To be completed and implemented by 28th April 2015</p>	<p>exercise with tenants for the 151 properties which currently experience a review every 28th March each year to reconfigure their review date to the majority of stock at 28th April each year. This will provide efficiencies for the Association and equality for tenants with no adverse impacts.</p>
5.	<p>Develop further the role of our Tenancy Sustainment Officer (TSO) in order to ensure our service provision is both proactive and reactive to inform future service development.</p> <p>SO 1, 2, 3, 4. OO 1, 2, 3, 4.</p>	<p>The Tenancy Sustainment Officer (TSO) will develop in partnership with out IT development a case management system to measure and monitor caseload and outputs.</p> <p>A data base of</p>	<p>Our IT system is currently under review and the TSO is contributing to this process.</p> <p>A number of new partners have indicated their interest in working with Govan HA.</p> <p>The TSO has established a tenant profile for our over</p>	<p>The development of this role is realistic as there are a large number of opportunities which the association can take advantage of. The TSO and DOO require determining what activities can be resourced and what require</p>	<p>The IT Housing Management system is currently being reviewed and funding approved for the development to begin January 2015.</p> <p>The survey/questionnaire for the over 65's should be completed by</p>	

		<p>tenants over 65 will be developed in order to proactively seek out and support our over 65's tenants with their future housing options.</p> <p>Further partnerships will be sought out in order for the Association to support the sustainment agenda with other skilled agencies.</p>	<p>65's and will work closely with the Director of Operations on how to develop our interaction and their future housing options.</p>	<p>further consideration, eg future housing supply for the elderly within our own stock.</p>	<p>March 2015.</p>	
6.	<p>Establish a goal for higher standards in our estates and open spaces and initiate the objective.</p> <p>SO 1, 3, 4. OO 1.</p>	<p>Develop and deliver "Govan Standards" for Close and Backcourt environmental maintenance.</p> <p>Put standards in place and create a culture of low tolerance to poor standards.</p> <p>Once established we can measure our success</p>	<p>Standards have been developed and rolled out to staff.</p> <p>Statutory services and some local residents will be required to change their behaviours in order for the standards to be met effectively and without the need for increased resources.</p> <p>Our Environmental Estates team will</p>	<p>Housing Teams and DLO (HOME) Team fully resources to deliver on standards. Housing estate patrols in place and estate caretaker in place.</p> <p>A soft launch being the preferred option prior to launching to tenants in order for the partner</p>	<p>Staff trained on new expectations on "Govan Standards".</p> <p>Negotiations on-going with Local elected members and GCC regarding the current poor cleansing service being delivered to a significant number of residents and the lack of a wheeled bin service</p>	

		through tenant satisfaction surveys.	work to planned programmes as well as reactive work to deliver on this. With improved Cleansing Services and Bin Capacity being provided by GCC, these standards can be met.	agencies and Govan HA to be in revised processes.	provision. Target date for completion March 2015.	
7.	Implement and further develop the remit of the Operations Sub Committee. SO 1, 2, 4, 5 OO 1, 6.	Support the Operations Sub Committee to deliver on its remit and to develop its sphere of influence and knowledge further. Ensure that quarterly statistical reports and supporting information is made available for the Subcommittee to scrutinise and monitor performance.	The subcommittee have been re-elected and have reviewed and approved a revised approach to the meetings format. To support the learning and development of both staff and sub-committee, the sub-committee approved the attendance of Operational Staff at the quarterly meetings on a rolling programme in order that staff and committee members can work closer together on operational issues create a greater	A programme has been created and approved which allows a significant number of operational staff to meet with the Sub-committee over the course of the year in order to build staff capacity and empowerment and reassure sub-committee members on the activities which underpins the statistics.	AGM September 2014 new Operations Sub Committee in place. Quarterly meetings established. Staff contributions programmed for each quarter and approved by subcommittee.	

			understanding of services on the ground.			
8.	<p>Carry out a review of Jim Stephen House (JSH Sheltered Complex) to assess financial viability and future service delivery model.</p> <p>SO 1, 2, 5.</p>	<p>Ensure that JSH remains a valuable resource in our housing stock provision further to the GCC 40% cuts in service funding.</p> <p>Assess if current Personal Support Providers, Loretto Care, will continue to provide a fundable and effective service.</p> <p>Carry out financial checks to satisfy JSH income supports the Associations outgoings.</p>	<p>The Executive Management Team has sufficient information to carry out a financial analysis.</p> <p>GCC have met with Govan HA to relay its intentions on funding cuts.</p> <p>Loretto Care has met with Govan HA to relay its on-going concerns and commitment to continue service provision.</p>	<p>The impact is likely to take effect April 2015.</p> <p>Govan HA and Loretto Care will plan the process together to reduce immediate impact on service users.</p>	<p>Funding cuts due July 2014. Introduction planned 2015.</p> <p>Ongoing.</p>	<p>Implementation on Loretto delayed to March 2015 due to complexities of the Wheatley Group.</p>
9.	<p>Manage, direct and support the maintenance technical team to achieve their objective of compliance, good service delivery,</p>	<p>To ensure that the technical team deliver on their respective service areas:</p> <ul style="list-style-type: none"> - Achieve SHQS compliance by 2015. 	<p>With the new HOME team fully established in June 2014 the scope for efficiencies and improved services have increased. The Association is in a state of change</p>	<p>Planning is in place and the current team are developing their strengths.</p> <p>Our current consultant Edwards</p>	<p>Targets set for March 2015 are in place.</p> <p>Long term investment is in progress subject to stock condition findings and</p>	

	<p>performance management, health and safety and stock and asset maintenance.</p> <p>SO 1,2,3,4,5.</p>	<ul style="list-style-type: none"> - Maintain and implement the current asset management strategy. - Review the current stock condition survey to support immediate investment requirements, - Monitor and review the Planned Investment programme for 2014/15, - Develop a five year planned maintenance programme, - Develop a five year cyclical maintenance programme, - Contribute to the revised Stock Condition Survey 2015, - Improve void property management, investment 	<p>relating to how we deliver many of our repairs and environmental works. Greater scrutiny on expenditure and quality is highlighting areas for improvement. More effective communications internally have been achieved in the past 6 months which is central to our outward communications with tenants around, gas safety checks and SHQS requirements.</p> <p>Inaccurate and missing data has been identified and subsequently addressed which is improving our ability to quantify and qualify what we need to do next with regards most of the measurable tasks identified.</p>	<p>McDowall is working closely with Head of Maintenance, Head of DLO and Director of Operations to move forward some immediate works required either to meet compliance or for health and safety measures in existing stock. An example of such is emergency stone repairs.</p> <p>The volume of activities is achievable and realistic.</p> <p>Budgets are in place to fund and deliver activities.</p> <p>Discussions are underway with CEO, Director of Finance and SMT on improving budget management for the repairs and</p>	<p>funding.</p>	
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		<p>and performance,</p> <ul style="list-style-type: none"> - Complete gas safety checks on time 100% target, - Build capacity and performance of DLO achieving efficiencies and value for money, - Ensure Health and Safety is at forefront at all times in DLO services, - Ensure contractors are delivering value for money and quality services. 		<p>maintenance services.</p> <p>Plans are in place as per CEO smart plans for stock condition survey and subsequent improvements investment.</p>		
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Under Review

GOVAN HOUSING ASSOCIATION: SMART PLANNING

Name: Arlene Robertson
Designation: Head of Corporate Services
Period: 2014-15

The purpose of this plan is to provide a monitoring framework for managers to ensure that their individual performance and priorities support the Strategic and Operational Objectives of Govan Housing Association as outlined within the IMP/Business Plan 2014 to 2017.

	SPECIFIC	MEASURABLE	ACHIEVABLE	REALISTIC	TIME BASED	Notes to help Completion
1.	Support the implementation of the action plan to meet TIAA recommendations following their internal audit of Association's complaints management SO1 Co-ordinate the complaints handling process, monitor and assess of trends and lessons to be learnt to improve performance	TIAA provided a series of recommendations to improve performance in relation to our current complaints processes. Intended that we provide monthly reports on the complaints received within the previous month together with possible lessons to be learnt to the Executive Team to help inform continuous learning and	Action Plan has already been drafted by the SMT and agreed with the Management Committee on 27 November 2014, with timescales to achieve each recommendation. A data base is in place to record details of complaints and lessons learned and quarterly progress reports to Management Committee.	The timescales have been spanned across a three month period to The Senior Management Team (SMT) will work hard to robustly review the basis of complaints to ensure continuous improvements	Delivery of each recommendation has been given a completion date and they have all been spread over a reasonable time frame to be achievable. On-going review and assessment will be undertaken.	Refresher training is needed to ensure complaints are recorded simply and correctly as well as to embed a more proactive approach to complaints to help staff to consistently regard complaints as a useful source of customer feedback to improve services as well as an opportunity to engage with customers (thus helping to comply with the Charter outcome 2).

	and service delivery. SO1	service improvement and mitigate risks to the organisation.		and risk to the reputation of the Association is minimised.		
2.	Support the EMT to meet the requirements of the Scottish Housing Regulator's Governance and Financial Framework SO1, SO2, SO4, SO5	The Association will ensure compliance with SFHA's model Rules with the adoption of the new 2013 Rules before 31 March 2015. Governance training and a training needs analysis of all Committee Members is scheduled to take place	Contact has been made with TC Young to identify the differences with the current Rules and the new ones from SFHA. A report identifying the changes and the purpose behind the amendments will be submitted to the Management Committee in January 2015 and thereafter submitted to SHR and FCA. Linda Ewart has already agreed a timeframe and proposal to conduct the training on governance and conduct the TNA.	The new Rules which have already been devised by SFHA have also been approved by SHR and FCA. They are relatively similar to the existing version and assistance from TCY will ensure accuracy within a realistic timeframe. Committee have agreed to the training needs analysis and have	A timeframe has been allocated to certain aspects within the framework, with which we are scheduled to comply and others are on-going. The SHR's framework requires compliance is required by the AGM following April 2015, which is scheduled for early	

		<p>January/February 2015 to ensure that Members are suitably skilled</p> <p>Coordinate the completion and submission of the Annual Report of the Charter 2015 which measures the extent to which the Association has met the Charter indicators identified by the SHR in the financial year 2014-15.</p>	<p>The Association has adapted business systems to record the necessary data for the ARC.</p>	<p>scheduled time to proactively engage with the process early in 2015 with a clear understanding that a training plan over the summer of 2015 will be the outcome of the analysis.</p> <p>Steps to set a timeframe to begin co-ordinating the data will be drafted early in 2015</p>	<p>September 2015.</p> <p>SST are fully prepared for the ARC and regularly review updates in relation to the Charter indicators and respective guidance notes from the SHR.</p>	
3.	<p>Governance Policy Reviews and Equality Impact Assessment action planning and implementation.</p> <p>SO1, SO5</p>	<p>The policy review schedule keeps track of the agreed review timeframe for each policy</p>	<p>A policy review schedule is reviewed regularly to ensure that adequate time is included to realistically research and review good practice and current legislation in respect of the respective policy due to be reviewed.</p>	<p>Time has already been planned to complete the policy reviews required.</p>	<p>A deadline for completion is given in the policy review schedule. Where new legislation or good practice is due to be published, policy reviews will be postponed to suit.</p>	
4.	<p>Support the EMT with the development and the practical</p>	<p>The CEO has planned for a full risk register to be delivered 1 month</p>	<p>The EMT has scheduled time to review the risk register and submit a</p>	<p>The EMT will work hard to review the risk register and</p>	<p>Time has been allocated and commitment given by the EMT to</p>	

	<p>application of the risk management strategy</p> <p>SO1, SO5</p>	<p>after the Business Plan 2015 has been approved in April 2015 to allow consideration of possible risks to the business and time to implement control measures to mitigate the impact of the respective risks.</p>	<p>report to Management Committee for consideration and approval in April 2015.</p>	<p>identify measures to mitigate risks identified.</p>	<p>robustly scrutinise the risks to the organisation and the submit details to the committee.</p>	
<p>5.</p>	<p>Co-ordination of quarterly newsletter.</p> <p>SO2</p>	<p>Our newsletter schedule keeps track of the steps and timescales for us to liaise with staff, tenants and external agencies in relation to articles, liaison with the graphic designer and printer.</p> <p>Good partnership working means that community organisations pro-actively engage with the Association and use our newsletter to engage with our 2000 tenants and factored owners.</p>	<p>Good working relations already exist with the staff at Print Brokers to design and print within an agreed timeframe.</p>	<p>The staff team work closely to supply appropriate and current articles to keep tenants and owners informed of Association and community news.</p>	<p>A running order has been established to ensure delivery of each newsletter, each quarter</p>	

<p>6.</p>	<p>Support the EMT to devise and implement an action plan to improve performance following the recent Residents Satisfaction Survey</p> <p>SO1, SO2, SO4</p>	<p>Provide assistance to analyse the statistics available in the raw data provided by the RSS consultant to inform the feedback and improvement process</p>	<p>The CEO has already presented the outcomes of the RSS to Committee and identified steps to inform an action plan of improvement</p>	<p>The RSS provides information on the satisfaction levels of our tenants and residents with our services. It mainly confirms our general understanding about our performance and justifies steps already identified or in place to improve performance.</p>	<p>An action plan will be pulled together early 2015 with an on-going rolling programme to deliver results.</p>	<p>Add an article to the Spring newsletter of “you said, we did” to inform residents of the survey outcomes and steps taken/planned</p>
<p>7.</p>	<p>Deliver high standards in the implementation of HR services to ensure compliance with legislation and good practice and maintain the reputation of the Association as a good employer</p> <p>SO5</p>	<p>All aspects of HR are delivered to high standards and are reviewed on a regular basis to ensure compliance with best practice. Records are maintained to allow review and assessment in relation to all aspects of HR</p>	<p>As a business we are required to deliver all aspects of HR as an employer and to ensure high standards are maintained. We are members of EVH and use solicitors BTO and TC Young which provide guidance and assistance in relation to employment law. ACAS websites are regularly reviewed to keep abreast of free advice and good</p>	<p>The SST are robust in their delivery of good work practices and committed to ensuring that resources are provided and structures are in place to deliver good HR practices.</p>	<p>On-ong rolling practices to support the delivery of HR for the Association</p>	

			practice.			
8.	Support staff preparation, implementation and development to achieve Investors In People silver accreditation SO1, SO5	IIP assessor will meet with selected staff on 16 and 17 December 2014 to assess the level at which the association complies with the IIP indicator standards.	We have agreed a timeframe for the IIP assessments to take place in December 2014 and a resultant report will inform the current level of the Association in relation to the IIP indicators.	The Association has already arranged for the initial IIP assessment stage which will inform the current stage of also provide an improvement plan for the Association to achieve gold standard over time.	The initial assessment will be concluded before the end of December 2014 and an action plan will following in January 2015 to inform the action plan for improvement	
9.	Co-ordinate the collation and submission of bench marking statistics and support analysis of data to improve performance. SO5	We are members of two bench marking clubs that request statistics on a regular basis which are published to members.	We currently record key performance indicators and use this data to inform the bench marking statistics and are looking at ways to enhance our record keeping of the data to support wider analysis.	The Association is reviewing its business systems and performance monitoring measures with a view to streamlining tools to record and analyse data.	On-going process of performance reviews and assessment.	
10.	Support the further development and enhancement of the Association's Service Scrutiny Panel	The SSP identified a list of topics that they are keen to consider or scrutinise at the November 2014 meeting. This provides a basis for developing an	The SSP has been operating since April 2013 and has agreed a Terms of Reference, code of conduct in place with a newly appointed Chairperson and minutes are taken of	The SSP is a small but committed group with confident members. The culture and environment within the Association is	The process is a rolling programme of support and development.	The SSP was offered the services of TIS at the November meeting but want to establish links with Elderpark and other local SSPs first without formal involvement

	SO1, SO2, SO4, SO5	action plan for 2015-16.	the meetings held.	conducive to learning from residents' scrutiny and shaping service delivery to suit aspirations as well as enhancing performance.	of TIS at this time. We will set a training budget for 2015-16 to allow attendance at TIS courses or conferences to develop skills and provide mutual support from other SSP members.
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Under Review