BUSINESS PLAN 2022/2027

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Business Plan 2022-2027

1.0 Introduction

Welcome to the Business Plan of Forth Housing Association.

The plan outlines our ambitions for the organisation and provides clarity on what we will do to fulfil those ambitions in an effective, efficient, and meaningful way that will make a difference in the lives of our tenants.

It ensures that we are compliant with all our statutory obligations and helps us to continually improve our customer services.

The focus is on ensuring the organisation is sustainable in the long term with the emphasis on excellent service delivery which supports our values and mission.

The Management Committee has considered the Association's strategic priorities and objectives as part of the planning process and the Business Plan process has been developed following extensive discussion at Committee meetings.
This will be supplemented by a series of Committee development sessions where each element of the plan will be discussed in its entirety.

In addition, the objectives of the plan and the first-year preferred priorities will then be subject to tenant consultation. (Appendix 1)

The plan takes cognisance of organisational priorities, resource requirements and identifies targets and actions to progress areas of work. It will serve as a benchmark for the Association's monitoring and evaluation of this work.

This plan is for a rolling 5 years and we will measure it on an annual basis and put a revised Internal Management Plan in place for each year.

The Plan was revised and updated in May 2022 as part of the Management Committee's review.

The plan is supported by a variety of internal activities, policies, procedures, and processes which are available to view on our website.

This plan is the one we shall use to measure how we do over the next five years. We have many other documents that will detail for staff and Committee members all activities we will undertake to ensure we will be successful.

All these supporting documents are available to view on our website.

Yearly Internal Management Plan Process

1.1 Background

Forth Housing Association is a not-for-profit housing provider, a "Registered Social Landlord" with the Scottish Housing Regulator (Registration No. 110) and a Registered Scottish Charity (No. SC003550).

Our origins date back to 1987, when a steering group called Stirling Single Housing Group, was established with the aim of increasing the provision of housing for single people in the Stirling area.

Since formal registration in 1988 we have continued to take on new challenges and the Association has a stock of general needs housing, suitable for a wide range of households, across Stirling City and various communities in the east of the Stirling Council area.

In 2010 the Association established StrathFor Housing Alliance, along with Rural Stirling and Ochil View Housing Associations. This informal Alliance seeks to secure benefits for the member Associations through collaboration and joint working.

We own 875 self-contained properties, and 2 houses of multiple occupation (HMO) which have a total of 8 individual bedspaces, we also own 3 commercial buildings, giving a total of 880 properties. Of the 875 properties 9 properties were acquired through the Mortgage to Rent (MTR) scheme.

In addition, we factor 58 privately owned properties and manage 10 shared ownership properties. Both factored properties and sharing owners are not counted in the table below.

Houses	4 in a Block	Flats	HMO	Commercial	Total
347	**381**	**147**	**2**	**3**	**880**

The properties that we are responsible for are situated around the Stirling District Council area.

1.2 Aim and Objectives

Aims:

Forth aims to develop and maintain quality affordable homes and services.

Objectives:

- Developing and maintaining quality homes within Stirling.
- Allocating homes to meet a range of housing needs.
- Delivering excellent customer services.
- Engaging with our communities and encouraging tenant involvement.
- Encouraging tenants to meet their responsibilities.
- Providing income maximisation and associated assistance.
- Ensuring robust governance and value for money.

During the early part of 2022 Committee took part in a series of themed business sessions from which the business priorities for the following 5 years will flow and be developed.
These have formed the basis for ongoing consultation with tenants. Appendix 1

1.3 Values

Values

At Forth our values have a tenant first focus with every business decision taken with integrity and fairness ensuring we are looking after tenants' interests in a caring and collaborative way.

We passionately believe in innovation while seeing efficiency, reliability, trustworthiness, and excellence as the norm.

Staff and Committee work as a team in an approachable, open, transparent, and honest way to empower tenants and enable them to be as resilient as they can be in their day to day lives.

Our values of dignity, respect and choice apply to tenants, staff, management committee and all our partners and we pride ourselves on valuing the diversity all around us.

We work hard at communicating in an approachable, friendly, and supportive way to gain the trust of our communities and make ourselves attractive as a current and future landlord and employer.

1.4 Mission

We see our primary mission to provide people with a well-maintained and affordable property they are proud to call home.

Our emphasis will be on sustainability with a goal of building integrated communities.

Services will be easy to use, and we will listen, engage and respond to tenants and partners to make a positive difference to the long-term wellbeing of tenants.

1.5 Vision

We will continue to build homes not houses, supporting and signposting tenants to sustain their tenancies and enabling them to live a rich, full life where their wellbeing is valued.

This involves having a robust governance structure that ensures we adhere to the basics of excellence in accountability and performance management and that facilitates and stretches us towards innovation.

Our core values are the tools that guide our decisions and actions, and we prioritise our resources in ways that inspire tenants and staff to have ambition for themselves and their futures.

1.6 Culture

The Association aims for a culture that has the welfare of people at its heart including tenants and staff.

We operate with integrity in an inclusive, honest, and open way with an emphasis on an enabling atmosphere rather than being process driven.

We have put in place a culture workshop with committee and staff and, from these, excellence improvement plans have been developed by smaller groups.

Our policies and processes include whistle blowing and code of conduct standards and we have conducted training on these for both committee and staff.
From April 2022 committee have received a quarterly whistleblowing report and a complaints report.

We have a well-developed strategic approach on consultation regarding new developments with tenants.

We engaged a consultant to develop equality action plans for us and from September 2022 we will have an equality strategy in place based on national strategy guidelines.

1.7 Main Activities and Services

The main activities and services are as follows:

Housing Management -	full range of housing management services to tenants and prospective tenants, delivered in a generic manner.
Property Management -	full range of property management services to tenants and factored owners involving reactive, planned, and cyclical works.
Development -	development of rented and low-cost home ownership properties, involving site procurement, scheme design and contract supervision.
Income Maximisation -	provide welfare benefits, budgeting, and debt advice to Forth tenants and other household members.
General Advice -	general housing related advice to Forth tenants, applicants and other household members.

1.8 Value for Money

Ethos

The Association aims to do the right things in the right way at the right cost to obtain value for money in terms of our fixed asset investments, our contractual commitments, and our day-to-day operational activities.

We will do this through adhering to social values of respect, community, and responsibility, reporting on procurement KPI's while complying with regulatory standards in all areas of our business.

The selection of an appropriate method of procurement, the use of open competitive tendering procedures, the selection of appropriate financing options, a balancing of quality and cost or other appropriate cost benefit analysis and robust appraisal will be undertaken by the Association in its decision-making processes.

We aim as much as possible to use local contractors with an emphasis on community benefits.

We have invested in additional resources that offer direct advice to tenants including fuel poverty and maximising benefits where necessary.

We are currently investing in a Digital Inclusion Strategy that will ensure more efficient and effective working and enable our tenants to engage in a proactive way in the Organisation.

The Association's Management Committee will monitor the effectiveness of value for money achieved by the Association, which will incorporate feedback from tenants, and consider this when making any major expenditure decisions.

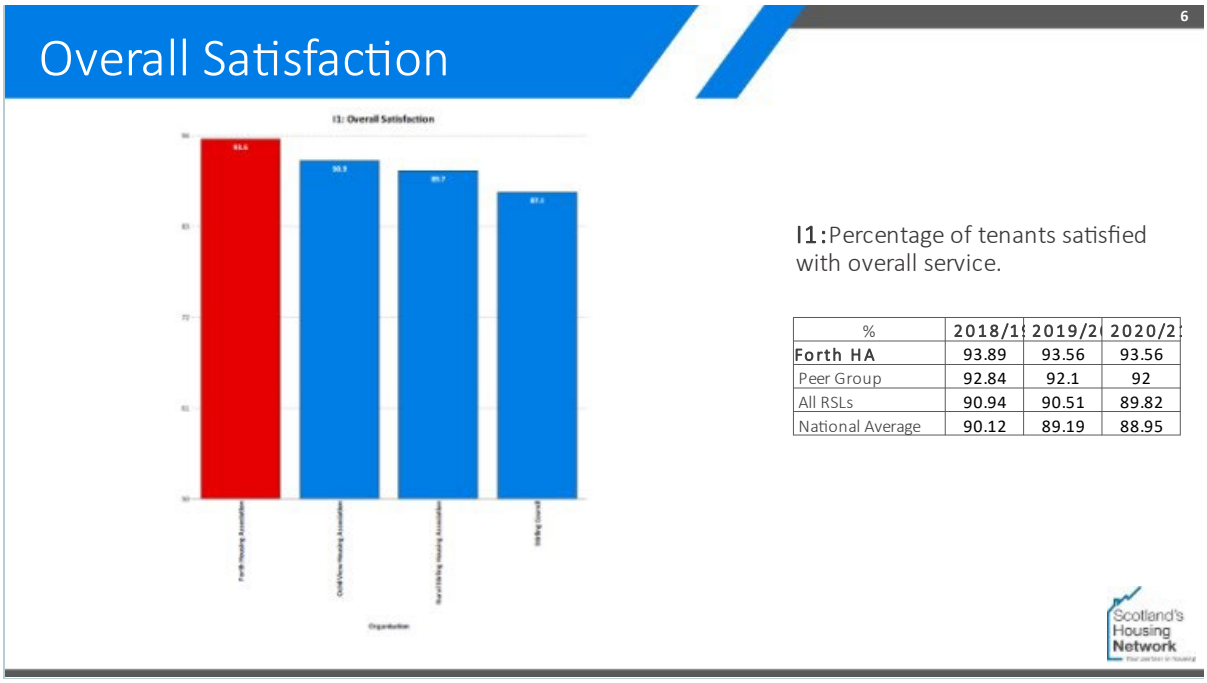
Benchmarking

In 2001 along with 17 other Organisations (14 Housing Associations and 3 Local Authorities) we participated in the Scottish Housing Network Value for Money Survey which showed our strengths to be;

Strengths

- ✓ Good satisfaction across overall satisfaction, being kept informed, opportunities to participate
- ✓ Strong repairs satisfaction compared to Peer Group (medium urban) and all RSLs
- ✓ Good Right First Time performance
- ✓ High proportion of properties meeting EESSH
- ✓ Gas safety – zero fails in context of significant national increase during pandemic
- ✓ High proportion of lets to homeless households
- ✓ Good performance in % of rent due collected
- ✓ Very quick relet times – although anticipate this will increase given national issues

The overall satisfaction indicated favourably comparisons both with peers and nationally.



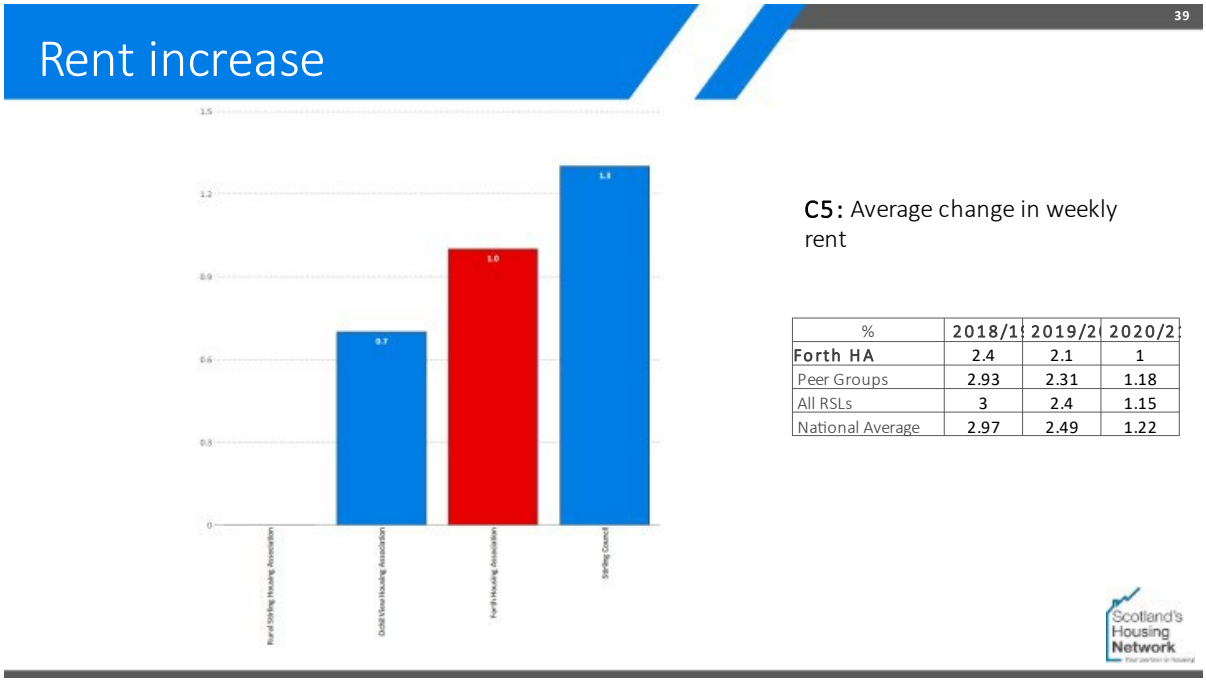
%	2018/1	2019/2	2020/2
Forth HA	93.89	93.56	93.56
Peer Group	92.84	92.1	92
All RSLs	90.94	90.51	89.82
National Average	90.12	89.19	88.95

Rents

The Organisation rent levels are calculated using the 5 affordability measures from the Housemark/SFHA rent affordability tool which enables us to be confident that we are offering best value and allows transparency for tenants in relation to how their rent levels are arrived at.

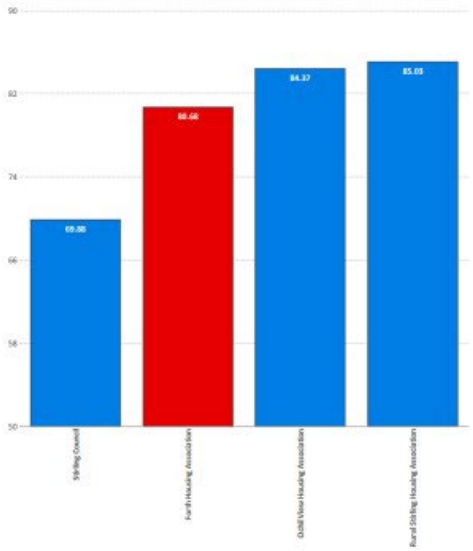
Information from the Value for Money survey indicated that we compared favourably both with peer groups and nationally for rent increase and weekly rents and we hope to see this replicated when the results of the updated survey for 2021/22 is known.

Comparisons for Rent SHN Survey



%	2018/1	2019/2	2020/2
Forth HA	2.4	2.1	1
Peer Groups	2.93	2.31	1.18
All RSLs	3	2.4	1.15
National Average	2.97	2.49	1.22

Average rent



C17: Average weekly rent

-3Apt

£	2018/1	2019/2	2020/2
Forth HA	78.24	79.91	80.68
Peer Groups	77.89	79.93	82.46
All RSLs	85.45	88.24	89.88
National Average	79.08	81.47	82.67

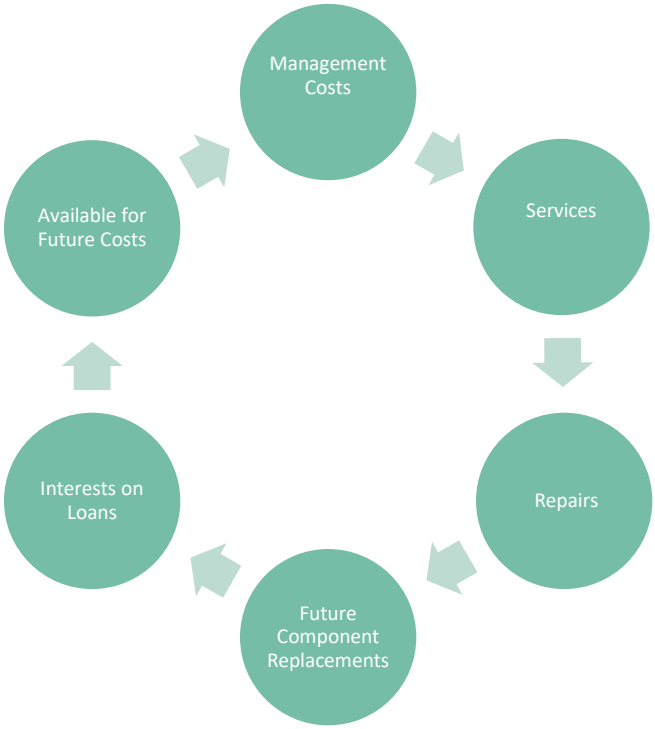
Our rent increase for 2022 is 3.9%. However the rent increase for Stirling Council was 1.1% on rents that are already lower than Forth's this is a recognised risk for the Association.

Business Costs

The survey indicated that our business cost per unit is £1,070 compared to an average of £1,626.

It is our intention in 2022/23 once the updated survey has been received to t interrogate this data further to enable us to share information with tenants on how each pound of their rent is spent.

We have indicated below the categories we will consider when analysing how each pound of tenants rent is spent.



Management Costs:

This will include staffing costs, costs of managing and maintaining business premises and equipment, and business administration costs.

Services:

This will include services provided to communal areas such as landscaping, lighting and cleaning services.

Repairs:

This will include routine, urgent and emergency repairs.

Future component replacement:

Funds for supporting new property development and planned maintenance for existing properties including new windows, doors, bathrooms and kitchens.

Interest on loans

Amount available to meet future costs:

Overall

Appendix 2 shows our further strengths not only in affordable rents, but also in all areas of tenant satisfaction including overall service; being kept informed and the opportunity to participate in decision making.

We also have extremely high compliance rates with Scottish Housing Quality Standards

1.9 Governance Structure

The Association has a current Management Committee of 10 as follows:

Name	Designation	Date of appointment
Ann Dickson	Chairperson	Elected September 2019 Elected Chairperson February 2022
Lynore MacLeod	Secretary	Elected 2019 Elected Secretary September 2021
James Bryce	Treasurer	Elected September 2019 Elected Treasurer 2021
Priscilla Maramba	Ordinary Member	Elected September 2019
John Jenkins	Ordinary Member	Elected September 2021
Alistair Hutton	Co-optee	Elected November 2021
Fiona Russell	Casual member	Elected February 2022
Kenny Hutton	Casual member	Elected February 2022
Andrea Finkle Gates	Casual Member	April 2022
Lyndsay Moffat	Casual Member	April 2022
Clair Quinn	Co-optee	April 2022

A full-time observer is appointed by Stirling Council and this post is currently filled by Councillor Jim Thomson, who has held the position since 2017.

Two members are tenants of Forth. All Management Committee members subscribe to Forth's Code of Conduct which is based on the SFHA's Model.

Management Committee Members are encouraged to undertake regular training and development and Forth's Committee Members' Training Policy outlines an expectation that each member will attend at least two training or briefing sessions each year. Annual appraisals (which reflect good practice advice) are undertaken to allow a discussion about any areas for personal development, and training and learning plans, are developed as necessary to facilitate training or development for individuals or groups.

Learning plans feature as a Standing Agenda item at each Committee meeting. (Appendix 3).

The annual appraisals are also used to inform succession planning and the Management Committee will make use of their capacity to co-opt to fill any identified 'gaps'. The Management Committee considers annual reports relating to both training and appraisals.

A Management Committee skills audit was introduced in April 2022 and a subsequent competency framework was developed from this

We are currently conducting an independent Governance review.

The full Committee meets monthly, normally on the last Monday evening of the month, at 7.00pm. The Committee normally meets 12 times per year and, in addition, holds an annual Away Day to consider Forth's strategy and performance and inform planning.

Ad hoc additional meetings are also held to consider matters of particular interest, such as policy developments, national consultations etc.

The constituted Sub Committees include.

- Audit and Risk
- Staffing
- Development

The Standing Orders for each Sub Committee are reviewed each year by the Committee and are based on ensuring a mix of professional expertise and interest in the Sub Committee remit. Standing orders allow for the formation of further Sub-Committees to carry out such functions as may be referred and delegated to them.

No such Sub Committees have been formed in recent times although informal working groups, comprising Committee and staff are formed from time to time to progress specific issues.

1.10 Tenants

Forth puts its tenants at the heart of its services and a key deliverable for October 2022 is a Tenant Engagement Strategy.

Internal Focus

Tenant Mapping

We will shortly appoint a Head of Tenancy Services who will conduct a tenant profile and insight exercise that will inform our services and development programme going forward.

Tenant Involvement

The Scottish Social Housing Charter, introduced in April 2012 and revised in 2017, established a stronger emphasis on tenant involvement in ensuring effective service delivery and monitoring.

The Association fully supports the principles of tenant involvement, as outlined in the Housing Charter, and will continue to seek to develop working practices which meet its purpose.

Forth has reported its performance against the Charter Outcomes to the Scottish Housing Regulator (SHR) since 2014, and, as required, produces an Annual Performance Report for tenants. The format of this report was discussed and agreed with tenants and is kept under review to ensure it meets their preferences and expectations.

Due to Covid-19, tenant engagement has been impacted and other mechanisms such as video calling are being used to engage with tenants to meet health and safety requirements.

There is one tenant group constituted in line with Section 53 of the Housing (Scotland) Act 2001. This was formed at De Moray Court in Cornton in 2009 and is called The De Moray Association.

Membership of the Association is actively encouraged, as is attendance at our annual general meetings.

Increased use has been made of newsletters and subject specific consultation exercises, including focus group meetings, with tenants being actively encouraged to take a more active stance. All policy reviews or new policies covering service delivery activities are subject to tenant consultation.

Forth attaches significant priority to communicating effectively with tenants, as demonstrated by the establishment of a specific post with a communications focus and our Charter performance at Appendix 2 indicates that this is successful.

A comprehensive series of satisfaction questionnaires are used to gather feedback from tenants at key stages during their tenancy, such as start and end of tenancy and following planned improvement works.
Further questionnaires are used to monitor service delivery, such as landscaping and close cleaning. The results of these surveys are reported to the Management Committee and drive service delivery and improvement.

Informal consultation exercises, regarding new or revised policies and potential service delivery changes, are carried out via email to individuals who have volunteered to take part in such surveys.

A Tenants' View Forum allows tenants to meet with staff several times a year and these meetings focus on performance reporting and briefings about key policy or practice issues. The structure of these meetings is designed to allow tenants to give opinions and feedback in an informal manner.

Tenant Communication

The Association recognises that the dissemination of accurate information can play an important part in informing tenants, members and the wider public about the organisation and its activities.

The Association acknowledges that as a Scottish public authority for the purposes of access to information legislation, the Association is accountable to the public and the public have a right to know about the Association and its work.

This can be facilitated through appropriate engagement with the media.

The following information is made available on our web site or via publications:

- Monthly Committee briefing
- Quarterly Complaints summary
- Annual performance information
- Quarterly newsletter update
- Tenants' View forum minutes

In 2021/22 we engaged with171 tenants including:

- 9 Development Strategy
- 1 Registered Tenants Organisation
- 103 tenants via E group participation
- 53 tenants via Tenants' View Forum
- 5 tenants via Management Committee membership

Tenancy Sustainment

- We will continue to provide intensive support to those who need it and adopt a problem-solving approach to issues tenants raise.
- Staff will have ongoing training to recognise issues regarding mental ill health, disability, drug and alcohol issues, child protection and domestic abuse, financial challenges, and literacy.
- We will implement the rapid rehousing strategy developed by the local authority.
- Our welfare team will continue to support financial challenges and social isolation our customers face.
- Our Income Maximisation service dealt with 624 referrals during 2021/22 and secured an estimated £581,869 for Forth households

External Focus

Benchmarked Tenant Satisfaction

A comprehensive independent Tenant Satisfaction Survey was carried out in 2019 by Research Resource in conjunction with Stirling and Clackmannanshire Councils and Rural Stirling Housing Association. This provided a unique benchmarking opportunity, and the following summarises key findings for the main Charter indicators.

Charter Indicator		Forth HA	RSHA	Stirling Council	Clacks Council
1	Percentage of tenants satisfied with the overall service provided by their landlord (% satisfied)	94%	90%	87%	91%
3	Percentage of tenants who feel their landlord is good at keeping them informed about services and decisions (% good)	98%	94%	92%	96%
6	Percentage of tenants satisfied with the opportunities given to them to participate in their landlord's decision making processes (% satisfied)	94%	91%	85%	88%
10	Percentage of existing tenants satisfied with the quality of their home (% satisfied)	90%	91%	84%	91%
16	Percentage of tenants who have had repairs or maintenance carried out in the last 12 months satisfied with the R & M service (% satisfied, for those who say they had a repair carried out in last 12 months)	90%	83%	80%	92%
17	Percentage of tenants satisfied with the management of the neighbourhood they live in (% satisfied)	91%	91%	84%	91%
29	Percentage of tenants who feel that the rent for their property represents good value for money (% good)	81%	86%	85%	86%

The most recent comparisons from the SHR website demonstrate that we have continued to maintain these high standards. Appendix 2

Future Plans

Tenant Insight

We will shortly appoint a Head of Tenancy Services who will carry out a tenant engagement exercise in 2022 to provide Forth with up to date and accurate profiling on needs and behavioural information on tenants.

This will provide us with an improved range and quality of customer data which we will use to ensure that the services we are delivering are what tenants want and need.

It will also ensure that tenants are at the heart of shaping and influencing the organisation going forward.

We will use this information and engagement to prioritise investment, shape services and make decisions that satisfy both tenants and the regulator and make sound business sense.

Improving the Customer Journey

By 2026 we intend to have completed a customer journey exercise of every interaction we have with customers so that we can gain a visual representation of what their experience is with us and give us actionable insights on how we can improve the service we deliver.

This will include; workshops with customers, one on one interviews with customers, shadowing housing staff; contractor analysis of the root cause behind complaints, and continuing our analysis of customer satisfaction surveys.

The mapping will be used to demonstrate which of our business processes are working well for customers, giving insight into “what good looks like” so we understand our customers and their expectations better.

Tenant Initiatives

The above tenant insight information and the lessons gleaned from the Customer Journey exercise will determine what partnership initiatives we will engage in with tenants/

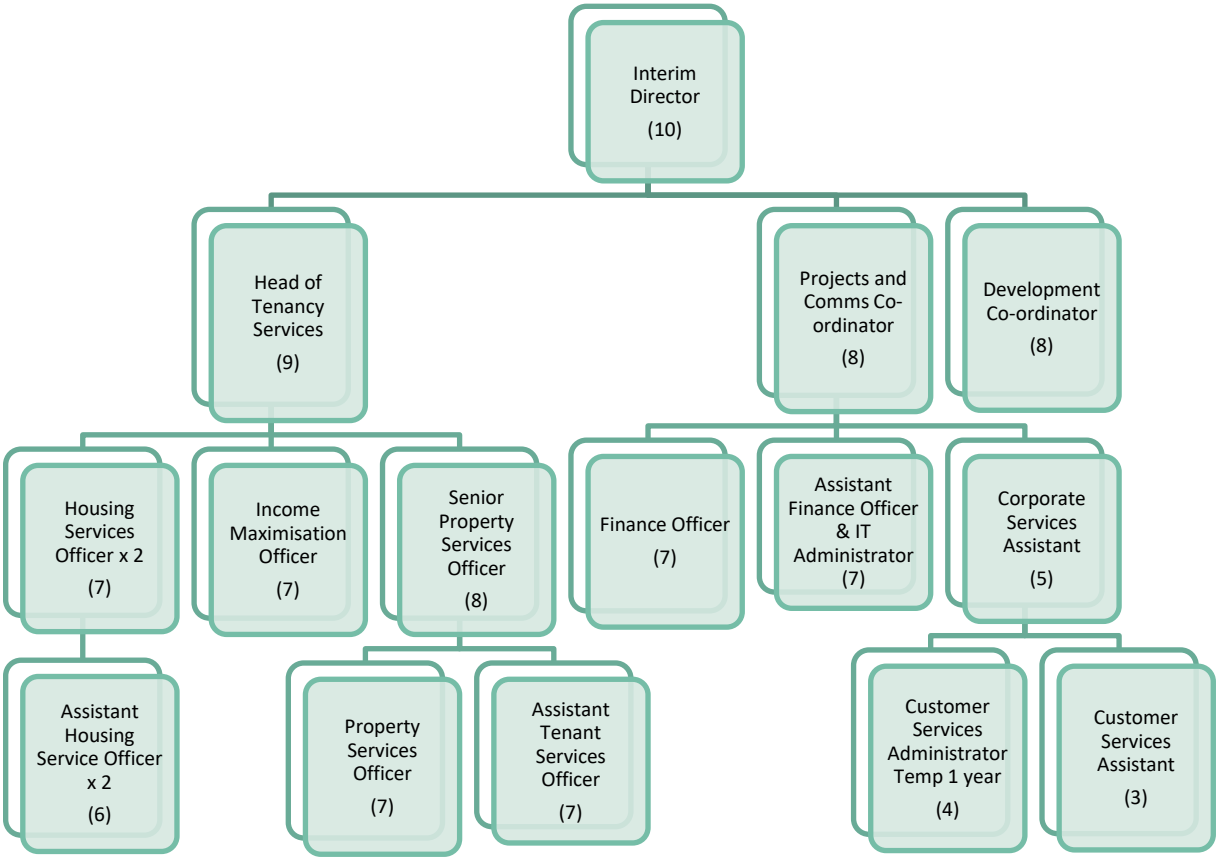
This will be underpinned by the aspirations in the Housing to 2040 strategy and the National Planning Framework with its ambitions for the potential of Place Making for the wider community.

We will also look to widen our partnership ambitions for tenants with potential examples being involvement of external intrapreneurial initiatives such as The Lens to link to Government plans for maximising social enterprises for tenants and communities.

This will involve staff in working directly with tenants on what matters and will make a difference to them and making them as self-sufficient as possible in their communities.

1.11 Operational Structure

The operational structure of the Association is as follows:



Details of staff main responsibilities and how they may be contacted are available at Appendix 4A.

All staff are encouraged to maintain and develop their knowledge and skills through training and an annual appraisal process allows the development of training plans which are discussed at Management Team, as required, to agree the funding of courses etc.

At present 12 staff have recognised membership of professional bodies which are attached as Appendix 4B

The Director's appraisal is carried out annually by the office-bearers and the outcomes and agreed priorities/objectives are reported to the Management Committee.

1.12 Stock Type and Distribution

The Association's current stock consists of 880 properties 2 of which are houses of multiple occupation (HMO) and 3 are commercial buildings. There are 9 properties that were acquired through the Mortgage to Rent (MTR) scheme.
In addition, we factor 58 privately owned properties and manage 10 shared ownership properties, all built or purchased between 1991 and February 2021 throughout the Stirling City and the eastern part of the Stirling Council area.

An overview of our stock and distribution can be found at Appendix 5.

Whilst the Association has concentrated on the delivery of general needs mainstream homes it does work in partnership with a range of agencies to provide supported and/or specialist housing. At present the following arrangements exist:

- Lease of properties to Stirling Women's Aid, for refuge provision
- Lease of properties to Stirling Council, for temporary homeless accommodation
- Lease of properties to Stirling Council, for supported housing for those with learning disabilities
- Management agreement with Enable, for supported housing for those with learning disabilities
- Management agreement with Richmond Fellowship, for supported housing for those with learning disabilities
- Management agreement with Stirling Council, for supported housing for those with mental health difficulties

Our continuing commitment to the Housing First agenda, includes being supportive of Stirling Council's Rapid Rehousing Transition Plan which is a commitment to deliver a housing led approach partnership approach to tackling and ending homelessness.

This initiative involves Stirling Council focusing on the early identification of those who may be at risk of losing their home and on young people who are particularly disadvantaged in finding affordable housing. The priority is to achieve a settled housing option for every homeless household as quickly as possible.

Previous commitments to the Housing First agenda involved Forth providing 10 tenancies, in conjunction with Wheatley Care, to individuals who required and wished to engage with intensive support services.

1.13 Development Programme

Our Development Strategy for 2022/27 was approved by Committee in January 2022 and is currently out for tenant consultation.

The Association knows its tenants and areas of operation well. We will work to develop a more robust understanding of the housing need and demand for the areas where we plan to develop and use this to ensure that we design and build sustainable homes. We will feed in tenants' views as well as those of prospective tenants and ensure these are included also in our asset management strategy.

The Association is consulted on, and contributes to, the Council's Local Housing Strategy, and its Housing Needs and Demand Assessment, as well as the Strategic Housing Investment Plan (SHIP) on a yearly basis. Through this we understand emerging needs, e.g., the local target for new provision of wheelchair accessible accommodation.

The current SHIP for Stirling Council has a £112 million budget aiming to deliver up to 1400 affordable homes to be provided primarily by Stirling Council, Forth Housing Association and Rural Stirling Housing Association.

Forth's involvement in this (see table below) will support the Council's aims of increasing economic activity, creating new jobs and training opportunities in the construction sector, reduce fuel poverty and help support overall regeneration in Raploch and Cornton.

The Association will assess local needs benefiting from its strong knowledge of its operational environment, which covers most of the urban Stirling area. Although the Association aims to meet the strong demand for socially rented housing, other forms of tenure for those on lower incomes may be considered if feasible.

Data on satisfaction levels, tenants' comments, staff experience, maintenance, housing management, asset management, financial and procurement will be used to build up a picture of what has gone well, not so well and a profile of an area and its outstanding needs – in housing terms but also about public health, community safety etc. The post-scheme audit process will be used to facilitate this.

The Association has an ongoing development programme to build additional properties and the following table summarises homes currently being built.

The following table outlines Forth's developments included in the Strategic Housing Investment Plan (SHIP) submitted by Stirling Council for the period 2021 to 2026.

Area	Development	Number of properties	Proposed completion date
Cornton	Johnston Ave 2	24	**2022/23**
Raploch	Site 8	37	**2022/23**
Bannockburn	Milnepark	10	**2022/23**
Raploch	Site 6	36	**2023/24**
South Stirling Gateway	Croftside	21	**2023/24**
Cambusbarron	Polmaise Road	48	**2024/25**
South Stirling Gateway	Brucefields	56	**2025/26**
Plean	Cushenquarter	29	**2025/26**

Further developments are proposed in the SHIP for East Fallin, Durieshill and a number of other sites to be identified.

Our current Development Programme is outlined at Appendix 6

2. PEST Environmental Assessment

Forth operates in an ever-changing environment in which political and social developments will influence its work and future. This section seeks to consider the current environment and known developments to identify significant risks and influences on the Association.

2.1 Political Environment

Collaborations and Partnerships

The Association operates in a wider political climate where the main source of influence and importance is the Scottish Government.

The Scottish Housing Regulator is the statutory regulator responsible for the continual performance assessment of the organisation.

Development funding is dealt with by the More Homes Division of the Housing and Social Justice Directorate in the Scottish Government.

Within the Stirling Council area strategic housing issues are coordinated by the Local Authority but the Association actively participates in a variety of forums which seek to develop and coordinate housing related activities. Local Council elections are due to occur in May 2022.

Forth are members of the Scottish Housing network (SHN), SHARE, Employers in Voluntary Housing (EVH) and the Scottish Federation of Housing Associations (SFHA)

The Association is an active member of the StrathFor Housing Alliance (StrathFor) which is a collaboration involving Forth, Ochil View and Rural Stirling Housing Associations. StrathFor seeks to identify and achieve improved efficiency and effectiveness in procurement and service delivery, through collaboration and co-operation.

To date examples of collaboration have included the following:

- Combined Strategic and Development Funding Plan
- Commissioning of shared Design Guide
- Shared Satisfaction Survey
- Shared Tenants Conference
- Sharing of benchmarking information
- Shared commissioning of cyclical and planned maintenance contracts
- Shared training and networking opportunities for tenants and staff

It is intended that StrathFor will continue to investigate and establish such collaborative ventures. However, the three Management Committees each see the preservation of their organisations' independence as being of paramount importance.

Current lease arrangements include:

- Lease of properties to Stirling Women's Aid, for refuge provision
- Lease of properties to Stirling Council, for temporary homeless accommodation
- Lease of properties to Stirling Council, for supported housing for those with learning disabilities
- Management agreement with Enable, for supported housing for those with learning disabilities
- Management agreement with Richmond Fellowship, for supported housing for those with learning disabilities
- Management agreement with Stirling Council, for supported housing for those with mental health difficulties

Options Appraisal

The last options appraisal was carried out independently in 2018 and following a variety of investigations and looking at different options and benchmarking, a decision was taken at that point to continue with the current constitutional arrangements as the appraisal concluded that the organisation was viable and robust at that point.

As part of our ongoing improvement plan, we will engage an external consultant to deliver a further options appraisal for the Organisation by January 2023.

Scottish Government

Bills and Legislation

Climate Change

Scotland has set an ambitious target, to become net zero by 2045, five years ahead of the rest of the UK. using £12.6 billion of annual public sector procurement.

This is endorsed in the Climate Change (Scotland) Act 2009 which was amended by the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019.

This requires all businesses to establish current emissions as fully as they can: consider the energy used, fuel put in vehicles and, if they can, the energy used by others on their behalf, including staff and suppliers.

Using this information targets and milestones are to be set in line with Scotland's net zero ambition, a plan of action agreed with subsequent monitoring and communication of plans and progress reports with employees, customers, and suppliers.

Alongside this the Scottish Government's twenty-year vision for housing, Housing to 2040, sets out the commitment to adapt and retrofit existing homes to improve their energy efficiency and decarbonise their heating, highlighting housing's contribution to ending climate change emissions.

The draft Heat in Buildings Strategy also sets out a consistent vision for zero emissions homes and near-term actions that can be taken to help drive forward progress.

It also stresses the need to decarbonise one million homes by 2030, to be achieved alongside tackling fuel poverty, keeping rents affordable and promoting equality.

We have outlined the role we will play in this in our Asset Management Strategy at Appendix 7.

Forth will also assess the recommendations of the Zero Emission Social Housing Taskforce (ZEST) to determine the role we will play in this ensuring it is reflected in strategic plans and resourced accordingly.

The recommendations of ZEST can be found in Appendix 8.

Housing to 2040

Following the impact of Covid on previous Scottish Government ambitions to deliver 50,000 new homes in the life of this parliament the government has re-confirmed its commitment to this and further set out a vision for housing in Scotland to 2040 and a route map of how to get there.

Housing to 2040 has ambitions to deliver 50,000 affordable homes by 2026/27 and a further 50,000 homes by 2031/32 with 70% earmarked for social rent.

This is underpinned by the new National Planning Framework**,** a planning system which will shift to be more directive about the quality of places, including guiding where new development should happen and how those developments can deliver more for new and existing communities.
The intention is to develop vacant and derelict land, repurposing existing properties and locating homes closer to services and facilities within 20-minute neighbourhoods to support the delivery of homes in town centres and at the heart of communities.

The Government intend to introduce a new Housing Bill early in the next parliament and will also introduce a new Housing Standard with an emphasis on Digital Connectivity.

By 2025/26 there will be a Scottish Accessible Homes Standard to future proof homes for lifelong accessibility.

Place Making

There is a strong push from the Scottish Government to develop the capacity and capability of communities and to enable them to take control of their destiny.

Place making forms a major strategy with a series of laws now in place to enable communities to gain access to land and assets and to get control of empty land. Government is asking all public agencies to actively engage with communities to support them in place making which it is hoped will translate into community businesses and social enterprises being actively encouraged.

It is centred around observing, listening to, and asking questions of the people who live, work, and play in a particular space in order to understand their needs and aspirations for that space and for their community as a whole.

This will underpin the engagement we have with tenants during our Customer Insight and Improving the Customer Journey involvement.

Fuel Efficient Homes Fit For Purpose

We continue to work to improve the heating systems we put into our existing homes, but there are still a large proportion of people who are fuel poor.
We are only too aware of how hard it is for many of our tenants to heat their homes and the negative impact that their living conditions, places on their physical and mental health.

We will put in the most effective system to suit the household and the house, and we will work with other organisations and our colleagues across the Stirling area to ensure our houses are well insulated and easy to heat.

Our zero-carbon strategy is incorporated into our Asset Management Strategy which is available at Appendix 7.

Further details on our approach to fuel efficient homes can be found in our asset management section below.

2.2 Economic Environment

Forth's acquisition and development of homes has been funded from two sources. Firstly, Social Housing Grant (SHG) and secondly, loans raised from Banks.

The Association refinanced its loans in 2008 and consolidated these with three lenders:

The Nationwide Building Society
The Scottish Building Society
Bank of Scotland

The total value of loans at 31 March 2022 is £14.9 million and repayment of this is a substantial part of the Association's cash outflow.

In accordance with Forth's Treasury Management Policy, a proportion of the loans are at a fixed rate of interest.

In 2020 the Association established a £5 million loan facility with the Nationwide Building Society which is available to finance new build housing development. We drew down an amount of £0.5m in April 2022 with the balance expected to be drawn in year 2022/23. All this will be dependent on the timescales of the development programme and the impact of the Covid -19 pandemic on projected development start and finish dates.

Pressure to control and reduce public expenditure in the light of the wider economic climate is likely to continue being a factor throughout the period of our plans. The Scottish Government's higher benchmark grant levels took effect from January 2016 and the commitment to complete the previous targets of 50,000 new homes and the ambitions in the new Housing to 2040 strategy means that Forth have been able to continue to develop new homes and increase supply for those in housing need.

Our Treasury Management Policy is available at Appendix 8.

2.3 Social Environment

Provision

The Association operates within the city of Stirling and the eastern part of the Stirling Council area. Whilst much of the area is prosperous and thriving there are a number of areas identified as being in need of regeneration. The social environment and relative needs of communities can therefore vary greatly across the area. Population projections indicate a growth in population of around 5,500 across the area by 2030.

In many areas the demand for housing can make it difficult for those with modest incomes to access owner occupation whilst in other communities' high rates of unemployment and the lack of opportunity result in increased demand for affordable rented housing. Current statistics show the level of owner occupation in the area is higher than the Scottish average whilst the availability of housing for rent from either the Council or another social landlord is lower. Forth therefore has an important role to play in contributing to an increased supply of affordable housing for rent in the area.

We will update our information on key statistics for the area once we have the details of the 2022 census particularly in relation to what the household information will mean for service delivery and turnover.

We already know that of the 6 key priorities agreed by Stirling Council priority C relates to creating more affordable housing and social housing in all of Stirling's' communities and Forth is well placed to play an active role in contributing to this priority.

Other than the Association itself the main social housing provision within its area of operation involves the following:

- Stirling Council (5800 homes)
- Rural Stirling Housing Association (564 homes)
- Ochil View Housing Association (1433 homes)
- Various Special Needs Associations x10 (approx.. 560)

2.4 Technological Environment.

The Association enjoys relatively high levels of computerisation covering word processing, rent accounting, allocations, maintenance, salaries etc., with spreadsheet and database packages available for financial and strategic planning.

These include the use of cloud-based Sage for finance; Docuware for document storage and Kelio for human resources.

A Local Area Network exists, ensuring full sharing of information. A support contract exists to provide specialist IT support and ensure business continuity.

An internet banking system is utilised to manage bank accounts and electronic downloading of rent payments via the All Pay system.

Increasingly the Internet is utilised for communications and purchasing and the Association's own web site www.forthha.org.uk provides a wide range of information and services to tenants, applicants, and others.
Tenants can self-serve and pay their rent online via the Association's website.

Specialist Housing Management, Repairs and Rent Accounting software is provided by SDM and in recent years additional modules have been purchased and established. Annual software updates and regular training are provided by SDM to ensure that the software and staff develop to meet needs.

All IT hardware is replaced on a regular basis to ensure that relatively up to date processing speeds, operating systems etc. are available. For example, the main server and all PCs were replaced in 2019.

We are always striving to improve and meet the needs of our tenants, and we recently introduced "My Home" which is a secure and confidential online tool for tenants to access information about their tenancy 24 hours a day, 365 days of the year.

A review of our Digital Strategy is included in our Improvement Plan for July 22.

3 Strengths and Weaknesses

To identify the effects that the various environmental factors may have on the Association a SWOT Analysis (looking at **S**trengths, **W**eaknesses, **O**pportunities and **T**hreats) was carried out in November 2020 with the following outcomes.
This is currently being reviewed in a number of development sessions with both staff and Committee.

3.1 Strengths

Tenants

- Good relationships with tenants
- Various “mechanisms” for tenants to be involved e.g. e-group, Tenants’ View Forum, surveys,2 tenants on Committee
- High level of customer satisfaction
- Good Income Maximisation Service to help tenants sustain their tenancies
- We are respected by tenants who perceive us as firm but fair

Excellent Customer Service

Housing

- Standard of housing stock(is relatively new
- Healthy development programme and still building
- Using local contractors thereby contributing to the local economy
- SHQS compliance is high meeting all 55 areas of compliance
- Revised Asset Management Strategy is building on already high quality building standards

Governance

- Well balanced Management Committee recently refreshed
- Governance review in progress
- Robust risk appraisal processes
- Revised Business Planning Strategy to 2027
- Robust Financial position
- Specific Strategic areas of business reviewed externally

Staff

- Staff team who are committed to Forth and its aims and objectives
- Variety of experience across the team

Partnerships

- Forth’s “can do” attitude/culture (eg Housing First)
- Good working relationships with other agencies- not afraid to ask/challenge
- Have a positive relationship with lenders
- Engagement with SHR is positive
- Good relations with Scottish Government
- Resilience
- Coping with the Pandemic effects and after effects robustly
- Mobilisation strategy in place post Covid

3.2 Weaknesses

- Dependent on local political landscape decisions

- Don’t promote our achievements as much as we could
- Lack of housing to meet demand
- Limited resources to compete with larger Housing Associations

3.3 Opportunities

- New build opportunities giving us financial flexibility
- Housing to 2040 ambitions
- StrathFor procurement and benchmarking agreements
- To make better use of regulatory data
- Work with Scotland’s Housing Network
- Digital development for tenants and customers
- Increased partnership working

3.4 Threats

- Welfare Reform
- Impact of the Pandemic
- Lack of funding available from Government
- Brexit (harsher economic climate possible)
- Data protection, hacking and viruses
- Political uncertainty affecting interest rates and funding
- Changes to procurement law
- Legislation changes
- Stirling Council low Rent levels

4.Risk Assessment

4.1 Strategic Risk Appraisal

The updated PEST and SWOT analyses allows us to identify what hazards may be posed for the Association (that is something that may cause injury, damage or loss) and to ascertain the possible risks that these might pose (that is the probability that they will occur and with what severity).

To ensure resilience in uncertain times requires a robust approach to the identification and management of risks that we may face. The Association carried out a comprehensive review of our approach, establishing a new Risk Management Policy and Framework in February 2021.

At this point we refreshed the strategic register risk ensuring it was linked to our strategic objectives and specific business areas; created operational risk registers across all departments and training was provided to Committee and staff responsible for the registers.

Our top key risks include the development of new homes; political changes; and regulatory requirements. In addition there is the risk of the cost of meeting the Scottish Governments Zero carbon targets to our stock.

Registered risks are reviewed formally and regularly by the responsible risk owners to ensure all new risks are identified and tracked.

A Business Continuity Plan reviewed in March 2021 outlines proposals to respond to and mitigate the main areas of risk to the Association's operational service delivery and a Business Continuity Agreement has been signed by all StrathFor associations, committing each organisation to provide support and assistance to partners in the event of disaster.

All Registered Social Landlords must comply with the SHR's Standards and Guidance and demonstrate effective governance and sound financial management. The production of an Annual Assurance Statement (AAS) is a mandatory requirement of the SHR regulatory framework.

We have prepared two AAS using toolkits developed by the Scottish Housing Network and SFHA. An internal audit undertook the detailed scrutiny of the first AAS.

The Internal Audit in 2021 evidenced that we were fully compliant and there were no recommendations.

The Association has in place an Audit and Risk Sub Committee who regularly audit all controls to ensure we are being properly managed, and each Committee report has a risk section relating to the item under discussion.

Our current overall risk assessment profile is attached at Appendix 8.

5.0 Strategic And Operational Objectives

5.1 Strategic Objectives

The following represent the Association's main strategic objectives for the period of this plan, and these will be incorporated going forward following consultation with tenants on their priorities.

- To consolidate current areas of strength and at the same time keep abreast of forthcoming changes (in funding, political, legislative, and economic world) so that the Association can be well placed to respond as required.

- To continue to ensure local control of any future housing developed for affordable rent in the Association's area of operation and to seek to further increase the Association's stock and range of housing.

- To continue to develop joint working initiatives with other Associations and partner agencies to provide new and/or more effective services for the Association, its tenants, and the communities it works in

- To identify every possible opportunity to improve the efficient running of the Association's operations and services.

We have put in place a robust business performance plan covering the year 2022-23 which will be reviewed and updated yearly taking into consideration the changing environments we operate in. (see below)

5.2 Operational Objectives

The operational objectives established for year one of this plan are set for each functional area of the Association and address the elements of improvement agreed with the SHR following our period of engagement in 2021/22. The resources to complete this plan have been considered and it is recognised that in addition to Forth's staff team the use of consultants will also be required.

The main areas of focus relate to

- Governance
- Tenant and Community Engagement
- Staffing
- Corporate Services
- Housing Management
- Maintenance
- Development
- Learning and Growth

6.0 Year 1 Delivery Plan 2022-2023
6.1 Governance

Objective	Anticipated output	Performance target	Lead Responsibility
Develop and maintain systematic reporting and policy review structure.	• Existing monitoring reports refined and expanded to increase effectiveness and policies reviewed and updated. • Joint Committee and staff planning session to be held Oct/Nov each year	• Committee Schedule and Policy review Schedule maintained *(Appendix 11)* • Joint Committee and staff planning session to be held Oct/Nov each year	**Interim Director**
Improve tenant influence on Committee decisions.	• All reviewed policies covering service delivery should reflect tenant's priorities/preferences where possible.	• All policy reviews covering service delivery issues to incorporate tenant feedback. • Committee reports to have section on tenants views where applicable	**Interim Director**
The Committee will be continually refreshed, supported, and trained to be effective Improve the skills and knowledge of Committee Members	• The Committee will drive the vision and will be committed to ongoing transformation All new Committee Members to receive induction training and information	• We will offer a rolling programme of recruitment to the Committee and maintain a waiting list • Information pack to be supplied to all new Committee Members. • All new Committee Members to participate in Induction	**Interim Director/Chair**

	• All Committee Members attend training and other events designed to improve their knowledge and understanding of the Association and its activities • Agree a schedule of training with the Chair/Committee at the first Committee meeting after the AGM	• Induction pack review to be completed by August 2022 • Training in accordance with Forth's policy • All Committee Members attend at least 2 training activities during the year. • Governance Portal in place by June 2022 • At least one Committee away day event to be held annually. • Briefing session on areas of new legislation, practice etc. as and when required (in collaboration with StrathFor when appropriate)	
Annual Committee Appraisal	• Committee appraisals carried out on an annual basis and tailored review and succession discussions established	• All Committee to receive annual appraisal in May/June.	**Chair/Office Bearers/Interim Director**
Maintain the StrathFor Housing Alliance	• Closer working relationships and joint working benefits achieved with StrathFor members	• Updates to Management Committee regarding ongoing work as it is carried out with StrathFor	**Interim Director**

Ensure compliance with Scottish Housing Regulator (SHR) requirements	• Policy, procedure, and practice to be amended as necessary in light of revised SHR requirements • Self-assessment to be conducted and action Plan developed and implemented	• Reports to Management Committee as new and revised guidance is published • Assurance Statement to be agreed and signed off by Committee before submission by October 2022	**Interim Director** **Interim Director**
Complete the Actions within the Governance Improvement Plan	• Compliance with all the regulatory standards • Evidence gathered for AAS • Audit of improvements	• Monthly update reports to Management committee • Quarterly reports on impact of improvements to Audit and Risk Sub committee	**Interim Director**
Options Appraisal	• Options appraisal to inform the review of business plan and 2023 and the future direction of the organisation	• Engage consultant October 2022 • Report to Management Committee January 2023 • Influence the review of business plan in 2023	**Interim Director**
Governance Portal	• New meetings module purchased • Managing risk and goals module considered • Annual budget provided	• Agreement to proceed by Management Committee June 2022 • Meetings installed and ready to use for meeting following AGM in September	**Interim Director**

		• Decision on other modules agreed for 23/24	

6.2 Tenant and Community Engagement

Objective	Anticipated output	Performance target	Lead Responsibility
Encourage information flow with tenants	• Tenants given opportunities to receive and provide feedback regarding Association's activities • Tenants' View Forum to meet to discuss performance and issues of interest	• Newsletters produced June, September, December & March. • Website reviewed & updated on at least a quarterly basis or as new decisions are taken at committee • Tenant feedback sought on all service delivery policy changes or developments. • Forum to meet at least 3 times per year, video conferencing (zoom), will be facilitated as required	**Project and Communications Co-ordinator**
Support the principles of effective community engagement	• Support Registered Tenant's Organisations and encourage their formation where the opportunity arises • Seek to ensure appropriate attendance at any public meetings, established community groups or community events when invited	• Provide ongoing support to RTOs. • Support and encourage any other interested tenants to establish RTO. • Appropriate staff attend any meeting or event where requested.	**Head of Tenancy Services** **Head of Tenancy Services/Director**

Obtain user feedback to influence service delivery	• Tenants and applicants are consulted on issues and services that they receive	• Ongoing and one off survey questionnaires are issued following key service delivery, with results and outcomes reported to Committee quarterly.	**P & C Co-ordinator**
Gain insight on tenants to inform our new housing developments and changes that may be necessary to internal processes	• Improve the range and quality of tenant information to ensure resources are focused in the right areas • Ensure the services provided are what tenants want and need	• A variety of communication methods are used to collect information • Tenants report a high level of satisfaction with the communication methods used • Feedback received can be evidenced in services, supports and processes being re-developed • Tenant forums evidence discussion and decision on shaping, influencing, and monitoring services they receive	**Head of Tenancy Services**
Tenant Engagement Strategy	• Improve the range of engagement methods and events • Profile raised not just in Stirling • Engagement with Applicants is part of strategy • Expand and widen current partnership	• To be presented to Management Committee in October 2022 • Tenants report a high level of satisfaction with levels of engagement • More wider action type activity	**P & C Co-ordinator**
Tenant Handbook	• Update Tenant's Handbook • Current and useful information	• To be presented to the Management Committee October 2022	**P & C Co-ordinator**

6.2 Staffing

Objective	Anticipated output	Performance target	Lead Responsibility
Complete annual staff appraisal and staff development programme.	Staff appraisals carried out on an annual basis and tailored objectives established and reviewed at work reviews.	All staff to receive annual appraisal in Jan/Feb. All staff to receive regular work review sessions (frequency dependant on role & duties) All agreed training needs to be addressed within the year.	**Interim Director**
New staff to receive comprehensive induction programme	• Tailored induction programme to be drawn up and implemented for all new staff.	• New staff to have completed induction programme within 1 month of starting	**Interim Director**
Maintain an appropriate staffing model to meet organisational requirements	• When vacancies occur the Staffing Sub Committee will review staffing structure/options prior to recruitment commencing.	• Management Team will informally review options prior to seeking any recruitment authorisation	**Interim Director**

6.4 Learning and Growth

Objective	Anticipated output	Performance target	Lead Responsibility
Undertake an online skills audit of staff and Management Committee	• Staff are freed up to deliver services to customers and spend more time with those who need it solving problems and issues more speedily • Staff satisfaction increases because of personal growth opportunities • Staff feel empowered to make decisions without unnecessary bureaucracy • Business plan objectives delivered in a targeted way • Management Committee Skills are acknowledged • Skills gap identified	• Skills Audit Complete • High levels of staff satisfaction at appraisal levels with their personal and professional growth opportunities • Business plan objectives delivered on time and within budget • Training Budget staff and management Committee spent	**Interim Director/Chair**
Organisation has clear outline of skills and knowledge of its staff team	• Services and resources can be targeted in the most efficient and effective way for tenants • The organisation develops a performance focused culture • Attract and retain high quality staff	• High levels of tenant satisfaction reported from engagement with staff	**Interim Director**

		• High performing teams evident	
Build an online learning portal	• Informed decisions taken based on best practise • Employees retained • Management Committee retained • Learning Plans for Staff and Committee	• Variety of training and skills programs delivered • % of programs accessed by staff	**Interim Director and Assistant finance and IT Officer**
Wellbeing Strategy	• Wellbeing of Management Committee, Tenants and Staff • Build resilience in Communities • Build resilience in Management Committee • Build resilience in Staff	• Retain MC members • Reduce time lost to sickness for staff • Thriving communities	**Interim Director**

6.5 Corporate Service

Objective	Anticipated output	Performance target	Lead Responsibility
Ensure monitoring of budgets	• Management Committee to regularly monitor spend against budget	• Management Accounts to be considered by Management Committee May, August, November, February • Spend against budget variances <10%	**Interim Director/Finance Officer**
Receive satisfactory audit report	• Annual audit undertaken with minimal concerns raised	• Annual audit to be completed by end July with no major concerns raised.	**Interim Director/Finance Officer**
Maintain satisfactory relationship with Regulator, Scottish Government & lenders	• Association to meet Regulators and lenders requirements regarding monitoring	• Copies of ARC, accounts, 5 year projections etc. to be submitted as required • Regulatory Self-assessment to be conducted in collaboration with Management Committee	**Finance Officer & interim Director**
Maintain appropriate monitoring of organisational functions	• Appropriate Internal Audit checks undertaken and acted on	• Areas for review to be agreed yearly by Committee • Internal audit visits to be carried out and action plans agreed by Audit and Risk Sub Committee.	**Interim Director**
Maximise any external funding opportunities	• Obtain external grant funding to support activities wherever possible	• Ensure that external funding for initiatives is considered and pursued whenever possible	**Interim Director**

		• Report on funding to be provided to Committee quarterly	
Maintain up to date 30 year projections	• Review and update the 30 year projections following any meaningful changes to key assumptions	• Updated 30 year projections to be reported to Management Committee and SHR as required	**Interim Director**

6.6 Housing Management

Objective	Anticipated output	Performance target	Lead Responsibility
Review housing list on annual rolling basis	• All applicants to be contacted to confirm continuing desire to remain on housing list	• Applicants to be annually contacted on anniversary of application	**Head of Tenancy Services**
Maintain effective housing management services	• Effective services and tenant satisfaction maintained within budgets	• All housing management tasks completed within agreed targets • Tenant satisfaction feedback maintained within agreed targets • Report to Committee quarterly on satisfaction including compliments and complaints	**Head of Tenancy Services**
Monitor the impact of the Welfare Reform changes	• Existing policy and practice to be reviewed and amended considering the impact of welfare reform changes and ongoing proposals	• Provide updates to the Management Committee as required via Housing Management reports	**Head of Tenancy Services**

		• Management Committee updates to include specific information about arrears levels attributable to Universal Credit claimants	
Maintain factoring services to owner occupiers	• Factoring services to existing owner occupier to be managed in line with written statements	• All factoring tasks completed within agreed targets • Factoring satisfaction feedback maintained within agreed targets • Report on factored owners to be provided to committee yearly	**Head of Tenancy Services**
Enhance digital opportunities for tenants	• Increase sign up to My Forth portal on our Housing Management System • Increase functionality of My Forth	• 30% of tenants to be signed up and visiting the portal by July 2022 • More documents added to system	**Head of Tenancy Services, Assistant Finance and IT Officer**

6.7 Maintenance

Objective	Anticipated Output	Performance Target	Lead Responsibility
Planned and cyclical works implemented	• Properties modernised or repaired to current standards	• All gas safety checks completed within 12-month period • 10% gas safety audit checks undertaken in year • Smoke detector & periodic inspection checks completed in parallel to Gas safety checks • Cyclical & planned spend maintained within budget • Electrical condition inspections	**Senior Property Officer (SPO)**
Maintain effective reactive maintenance service	• Reactive maintenance works carried out responsively and within budget	• All reactive works carried out within agreed response times • Tenant satisfaction feedback maintained within agreed targets • Reactive maintenance spend maintained within budget	**Head of Tenancy Services** **Head of Tenancy Services**
Provide effective adaptation service	• Adaptations carried out within effective timescales and within available budget	• All adaptations to be completed within 6 weeks of finalised referral • Adaptations to be completed within budget	**Head of Tenancy Services**

		• All work to be reported on in the Tenant Report • Proactive needs for adaptions for applications to be implemented from July 2022	
Planned maintenance projections and SHQS compliance to be maintained	• **30-year** plans to be maintained in light of works carried out and additional stock	• Regular reporting to Management Committee regarding progress of works	**SPO**
Actions identified in Asset Management Strategy	• Actions achieved within the timescales in the plan	• Regular reporting to Management Committee	**SPO and Interim Director**

6.8 Development

Objective	Anticipated output	Performance target	Lead Responsibility
Complete funded projects within budget	• Add new developments	• Regular reporting to Management Committee regarding progress of works	**Development Coordinator**
Fully participate with Stirling Council regarding housing strategy issues	• Active participation in joint discussions regarding housing strategy	• Staff attendance at all Housing Strategy and sub group meetings • Report on strategy at yearly Staff Development Day	**Director/ Development Coordinator**
Maximise development opportunities	• Agreed development programme achieved	• Contribute as appropriate to ongoing local discussions • Progress all new development opportunities (incl section 75s and regeneration areas) to establish ongoing development programme	**Development Coordinator** **Development Coordinator**
Plan for net zero carbon future	• Approved strategy linking to Asset Management Strategy	• Draft report to Management Committee August 22	**Development Coordinator**

7. Success Measures

The measures we will use to determine our success in meeting our strategic and operational objectives will include;

Governance

- Annual Return on the Charter
- Annual Assurance Statement
- Positive feedback from Regulator
- Quarterly performance reporting to Committee
- Benchmarking internal audit
- Performance Framework in place by June 2022
- Monthly reporting on more detailed operational and strategic KPI's with management team
- Standing Orders in place and adhered to
- Transparent Scheme of Delegation
- Quarterly reviews of risk register with reduction in risk exposure as a result of increased controls
- All Committee positions filled

Business

- All business objectives met on time and within budget
- Current Business Plan following SHR guidance
- Annual strategy day
- Options Appraisal every 5 years
- Equality impact carried out on all policies
- Equality strategy
- Flexible infrastructure that delivers on business objectives

Tenants

- Annual Tenants Satisfaction survey
- Tenant engagement plans

- Tenant insight information informing the business plan
- Transparent complaints policy
- Benchmarking satisfaction survey results through Scottish Housing Network

Development

- Contract feedback on satisfaction on new developments with lessons learned report to Committee
- Post completions lessons learned reports Business Continuity measures
- Procurement measures
- External Validation

Assets

- Asset management strategy in place that considers all assets including properties and staff
- Up to date stock condition survey

Staff

- Satisfaction surveys
- New staff appraisal system
- Workforce plan

Stakeholders

- Satisfaction returns
- Continued partnerships
- Growing partnerships

Innovation

- Dolphin Index participation

8. Financial Planning

8.1 Budget

The Association has total assets of £48.5 million with net assets of £16.3 million.

There was a surplus of £882k to March 2022 with overall operating costs being £2.9 million.

We have reserves of £17.2 million and a loans position with 3 lenders at the end of March 2022 of £14.9 million.

Rent was increased by 3.9%.

8.2 Long Term Financial Projections

A review of the 30-year projections was approved by Committee in September 2021. The long-term projections confirmed that Forth is in a healthy financial position showing healthy and growing revenue streams and surpluses.

The review showed the organisation to be viable over the 30 years both within the base model and even within the negative and combined sensitivity testing.

However, a combination of 3 negative assumptions affecting rent arrears, cyclical maintenance and rent freeze would bring a negative cashflow, though the assumptions are quite extreme with remote chances of occurrence.

The 30-year projection shows at year 30 an anticipated surplus of £1.7 million and a total anticipated asset position of £57.9 million.

The Association refinanced its loans in August 2020 with Nationwide Building Society making the total facility available then to be £16.52 million, of which £5 million was a new facility. The £5m loan drawdown is expected to commence in April 2022 and in the first year an amount of £3.7 million will be utilised.

Other loans exist with Scottish Building Society and the Bank of Scotland. The total value of loans on 31 March 2022 was £14.9 million and repayment of these is a substantial part of the Association's cash outflow. In accordance with Forth's Treasury Management Policy, a proportion of the loans is at a fixed rate of interest.

The Association has, through a tender process identified CAF Bank Limited to provide a further £5 million loan facility which is expected to be in place later in the year to allow the Association to commit to the new housing development projects already identified. The facility will be secured by existing stocks that will be charged to the Bank in the process.

The Association commissioned JLL Limited to carry out a valuation of its existing property stock in November 2021 to initially identify unsecured stocks and an updated valuation will be received in April 2022.

The Association has experienced development project slippage mainly due to the effects caused by Covid19 pandemic and Brexit and although there has been adverse effects due to inflation, the fixed contract sum on our projects has shielded the Association from increased development cost.

8.2.1 Current operating environment

In considering the main assumptions to be employed within the business planning model the Committee recognised the current financial and political climate which the Association is expecting to operate within.

Main factors include: -

- Global economic and political climate including Brexit
- The Covid-19 pandemic
- UK Government cuts
- Welfare reform
- EESH
- Pension deficits
- Low interest rates
- UK headline inflation
- Increased lender and SHR interest
- Expectation of service level improvements

The business plan and financial forecasts are based on the following assumptions:

- Continuing to develop until year four (additional 182 units)
- Inflation assumed at 6.5%, 3.5%, 3.0% in years 1, 2 & 3 respectively and 2.0% thereafter.
- Rent rises at inflation only.
- Bad Debts increasing at 0.8% over the 30 years.
- Staff structure increasing to reflect additional stock going forward
- Planned maintenance costs based on life cycle costings
- Real maintenance cost increases at 0.5% over 30 years
- Real increases of 0.10% in management costs over 30 years
- All staff to remain in their present pension scheme.
- SONIA/BASE rate increases annually up until a maximum of 4% by year 8
- Additional borrowing of £12.8 private finance to help fund the development programme of which £5m is being processed.
- Interest income assumed at a level of 0.50% per annum.

8.2.2 Assumptions and comment

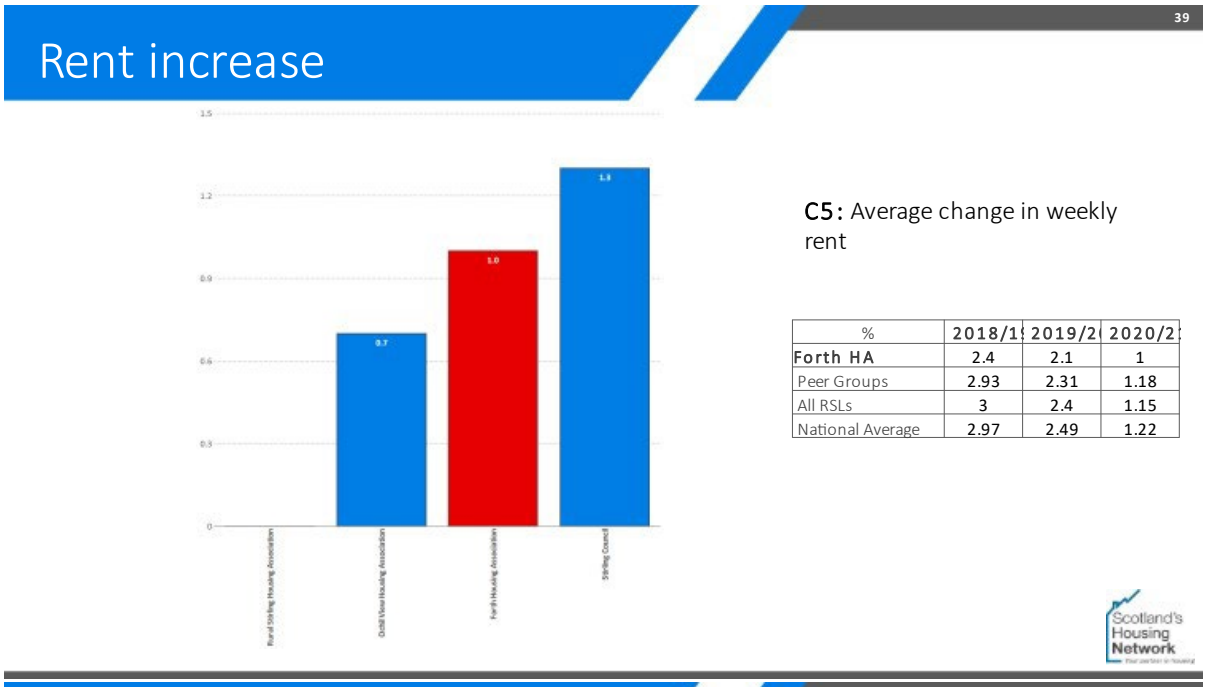
Base Data and Stock Levels

All financial information is based at 2021/2022 levels.

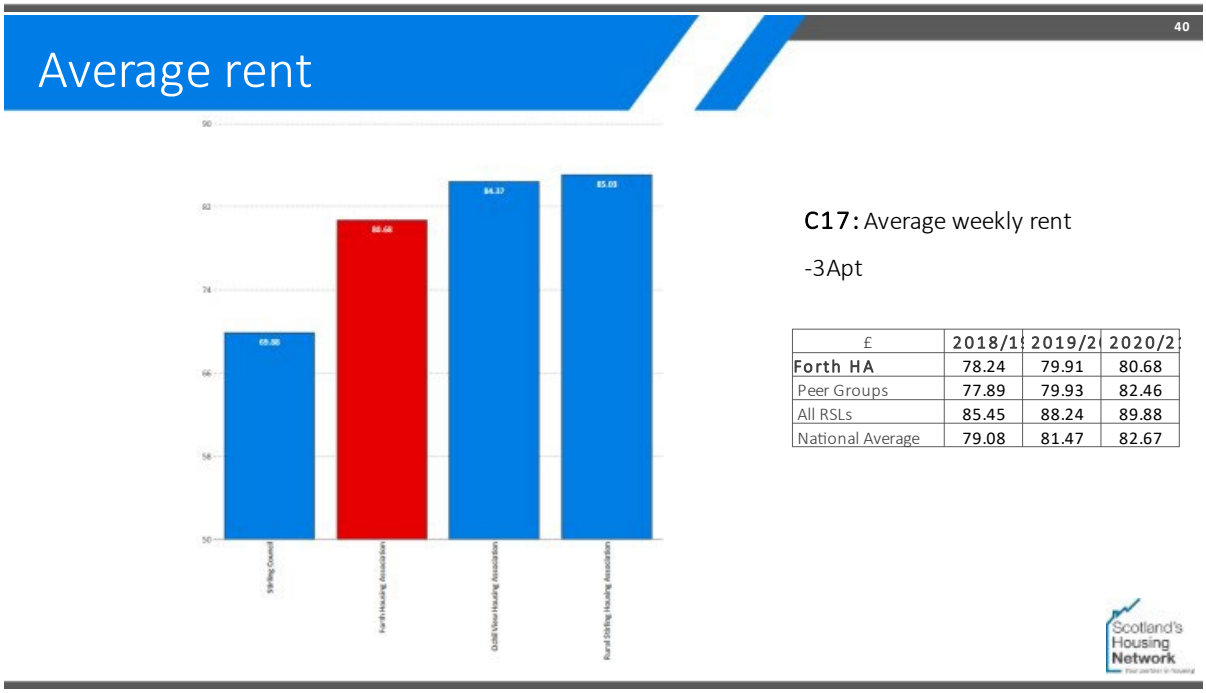
We own 892 properties 2 of which are houses of multiple occupation (HMO) and 3 are commercial buildings. There are 9 properties that were acquired through the Mortgage to Rent (MTR) scheme.

In addition, we factor 58 privately owned properties and manage 10 shared ownership properties.

Rental Policy



%	2018/1	2019/2	2020/2
Forth HA	2.4	2.1	1
Peer Groups	2.93	2.31	1.18
All RSLs	3	2.4	1.15
National Average	2.97	2.49	1.22



£	2018/1	2019/2	2020/2
Forth HA	78.24	79.91	80.68
Peer Groups	77.89	79.93	82.46
All RSLs	85.45	88.24	89.88
National Average	79.08	81.47	82.67

As can be seen from the table above Forth's rents for 3 apartments are generally slightly better than, those of peer groups, RSL's in general and the national average.

The 2022/2023 rent increase, after tenant consultation, was agreed at 3.9%.

The projections assume inflation (CPI) only rent rises. This is the current planning assumption but will be subject to review on an annual basis.

The Association recognises the potential for affordability issues with its tenants, but the SFHA affordability tool confirms no material concerns in terms of affordability. Combined with Forth's strong performance in terms of tenant satisfaction and the prudent assumptions contained in the financial projections in respect of rent increases, the Association is confident that services deliver value for money to tenants and service users.

Maintaining affordability will continue to be a key priority for Forth.

To ensure robust planning, sensitivity analyses were undertaken. If a 0.5% real rent increase is applied until year 5 only then this would increase the cash balance at year 30 by £5.3 million.

Conversely, a rent freeze in year two would have a negative impact of £7.1 million. Negative sensitivities were also calculated based on a two and three years rent freeze, giving a negative cash impact of £14.1 million and £17.1 million respectively. Whilst the latter two see cash remaining positive this would reduce the cash to unacceptably low levels.

The ability of the Association to apply continued restricted increases will depend upon changes in the economy and performance compared with the approved business plan.

Gross rent arrears for mainstream units at 31 March 2022 were £101,809. The base model assumes that due to welfare reform these will increase to 4.0% with immediate effect and remain at this level thereafter. This is felt to be a prudent assumption given that Welfare Reform has already been introduced for Forth tenants.

Voids and Bad Debts

For the year to 31 March 2022 voids and bad debts for the Association were 0.10% (2021 – 0.10%) and 0.06% (2021– 0.20%) respectively. In the base model voids have been set at 0.30% and bad debts at 0.80%, with sensitivity testing assuming both increase by 3% in years 1, 2 and 3 then by 1% thereafter. This represents an increase of rent losses over the long term to reflect prudent financial planning.

A 1% change in voids and bad debts has an overall negative impact of around £4.6 million over the 30-year period.

Major Repairs

The planned maintenance programme is based on life cycle costing estimates developed in-house. These costs have been inflated in the base model by 0.5% above inflation over the whole 30-year period.

Sensitivity testing was carried out to measure the impact of planned maintenance costs being at CPI only, this would increase cash levels at the end of year 30 by £3.8 million and a 5% reduction in costs would increase cash by £5.6 million by year 30.

Conversely, if planned maintenance costs were to increase by 10% there would be a negative impact on cash of £4.7 million.

The impact of future major repairs on the newly developed stock has been factored into both the base model and the sensitivities.

Reactive Maintenance (including Void Repairs)

Over the last three years reactive repair costs have been:

2019/2020	£397 per unit per annum
2020/2021	£393 per unit per annum
2021/2022	£430 per unit per annum

These projections start from an assumption of £393 per unit per annum and this figure is increased each year in the base model in line with inflation plus a real cost increase of 0.5% per annum over the whole period.

Taking account of our knowledge of the stock, the Association is satisfied that costs can be contained within sums provided for in the base financial model.

Management and Administration

The Association's management and administration costs cover all staff and overhead costs related to the running of the Association. Over recent years the Association has performed well in this area and, data from the Scottish Housing Network shows that we have one of the lowest management costs per unit at £1070 against an average across the sector of £1626.

The management costs going forward factor in two additional staff to allow for the growth in future stock levels. In addition, salary costs are ran out at a rate of 0.10% above CPI for the whole 30 year period.

Other Fixed Assets

The long-term projections have included replacement costs for furniture, fittings and equipment over the plan period. The total expenditure on these items over the 30-year period is around £0.5m. The largest part of this will be spent on maintaining and improving the Association's IT and communications systems.

Cash Management

As at 31 March 2022 the Association had £2.5 million in cash reserves. In the base model cash levels are shown to increase slowly over the years, increasing to £5.5 million by year 10, £7.6m by year 20 and £28.1 million by year 30. The Association will consider if they can use cash reserves for new builds other than sourcing for private finance already factored in year five.

This is consistent with the Association's objectives (as set out in the Treasury Management Policy) of maintaining sufficient cash reserves to meet its needs, ensuring that the properties are maintained to a high standard of repair, whilst ensuring that rents remain affordable for the Association's tenants.

Loan Finance

The 30-year projections show loan debt starting at £14.9 million, increasing to £29.1 million in year 5 and reducing thereafter, the increase during the first 5 years reflecting the proposed development programme.

Interest rate assumptions are felt to be prudent showing BASE rate, SONIA rates (i.e. loans excluding the margins) increasing to 4% over the period.

One very important measure that the Association has to monitor is that at all times it meets its loan covenants. These are measured within the 30-year projections to reflect the various loan agreements. The projections confirm that in the base model and within all the various sensitivities the loan covenants are met.

Development Activity

The Association has a planned development programme over the next 5 years totalling £28m producing an additional 182 units. This will be funded by £16m of housing grant and £12m of private finance. At this stage, only three sites over the next three years are committed.

Sensitivity Analysis

Sensitivities are modelled on varying rent levels, voids, bad debts, maintenance costs, management costs, inflation, interest rates and various combinations of these.

All of the sensitivities applied, including the combined negative sensitivities show positive cash levels throughout the 30-year period. However, a three-year rent freeze option, would reduce cash levels to an unacceptable level.

The sensitivity testing demonstrates that even within adverse trading situations the Association maintains positive cash levels. The impact can again be seen on the relevant cash charts.

Summary of Conclusions from Financial Projections Based on reasonable assumptions the Association's financial projections show annual surpluses and confirm more than adequate liquidity to allow implementation of the base financial model. No material concerns arise in respect of loan covenant compliance and the Association continues to operate in a satisfactory manner throughout the period of these projections.

9. Asset Management

In addition to the property assets, we also recognise financial resources, staff, systems, and processes as organisational assets and these are recognised as such on the above narrative.

In relation specifically to housing Forth Housing Association recognises that is essential to maintain its housing stock to an appropriate high standard for the following reasons:

- To ensure that there is continuing demand for housing of particular types and localities.
- To ensure that the existing stock meets the current and future needs and aspirations of tenants and their households.
- To maintain a high quality of environment.
- To comply with the Scottish Housing Quality Standard and other relevant standards including those relating to energy efficiency.

The association uses its stock condition survey as the basis for the Business Plan and the most recent survey was carried out in March 2022.

This was used to revise our asset management strategy, and this is included at Appendix 8.

The Covid-19 pandemic and Scottish Government restrictions has had a significant overall impact on the organisation.
This includes all forms of contracts being undertaken, including investment programmes, stock condition surveys and staffing levels.

However, moving forward, we are in a positive position in relation to asset management and investment over the next 5 years. Due to the pandemic investment plans for 2020 could not be complete resulting in the planned investment for 2020 and 2021 all taking place in the same year ie 2021/22.

As of 1st April 2022, the Association's housing and commercial stock totalled 886 dwellings. The stock consists of 883 Properties that we rent out or we lease out. These properties are predominantly houses and flats, in addition we have the three commercial buildings that are used as offices at Kildean and enterprise Hub. We have two properties that are Homes of Multiple Occupation (HMO)

Overall investment in Forth Housing properties amounts to over £2.3 million (includes VAT and excluding fees for our 5-year plan).

Strategic Objectives

The following represent the Association's main strategic objectives for the period of this plan, and these will be incorporated going forward following consultation with tenants on their priorities.

- To consolidate current areas of strength and at the same time keep abreast of forthcoming changes (in funding, political, legislative, and economic world) so that the Association can be well placed to respond as required.
- To continue to ensure local control of any future housing developed for affordable rent in the Association's area of operation and to seek to further increase the Association's stock and range of housing.
- To continue to develop joint working initiatives with other Associations and partner agencies to provide new and/or more effective services for the Association, its tenants, and the communities it works in

- To identify every possible opportunity to improve the efficient running of the Association's operations and services.

The Association's Asset Management Strategy will be reviewed every four years or more often if required.
An annual review will be carried out and reported to the Management Committee annually.

9.1 Assessment of demand

At the present time demand for the Association's homes is high with no housing types or locations being classified as hard to let. This is evidenced by the low void rent loss experienced over the last few years, indicating the very low level of rejections received when allocations are made.

The ongoing demand for housing is assessed through the monitoring and reporting of housing applications and void period information. Where trends indicate a reduction in demand for particular housing types or localities further analysis or research may be undertaken to identify causes and potential steps to address this.

9.2 Meeting needs and aspirations

The Association's homes have all been constructed to meet the relevant standards applying at the time of construction. The age profile of the stock means that all its new build homes are perceived as meeting current tenants' expectations. Where planned works are undertaken to homes, consideration is given to upgrading to modern standards wherever possible. This can be evidenced from the upgrading of insulation standards and the switching to gas heating undertaken in recent years.

Regular tenant satisfaction feedback from all new tenants and regular satisfaction surveys will be utilised to identify any changes in aspirations and expectations. These surveys will seek to gather information regarding tenants' homes and the wider environment.

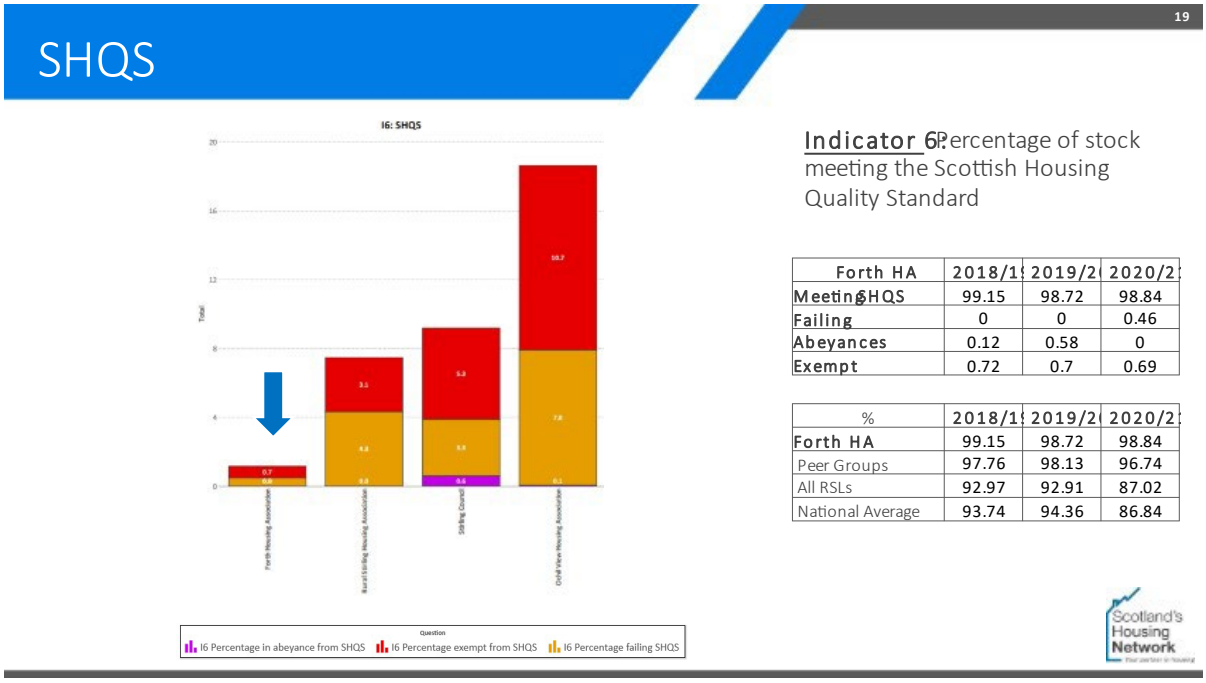
9.3 Wider environments

The Association recognises that the general environment surrounding tenants' homes has a major impact on the quality of life and resultant satisfaction. The maintenance and improvement of this wider environment is not the sole responsibility of the Association and where appropriate we will seek to liaise and work with others to address maintenance and improvement. This will include the following:

- Tenant and resident organisations, such as Community Councils.
- Other statutory and voluntary agencies.

9.4 Scottish Housing Quality Standard

All of the Association's homes surpassed the Scottish Housing Quality Standard by 2015 (except where exemptions applied) and comparisons below show we compare very favourably to peer groups, all other RSL's and at a national level.

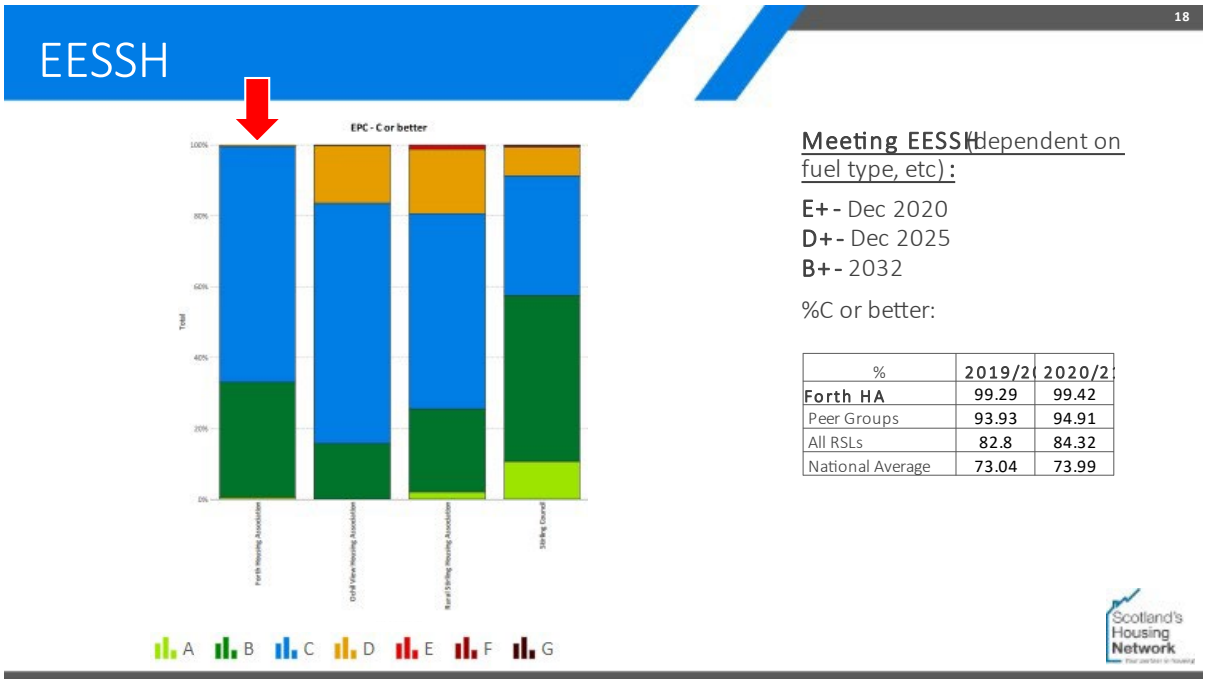


Ongoing property inspections are used to ensure that any deterioration in the standard of properties is identified and there are no difficulties envisaged regarding maintaining this standard in the longer term.

9.5 EESH 2 (Dec 2032)

The new Energy Efficiency Standard for Social Housing was published in 2020 and requires all Social rented properties to have an energy efficiency rating of Band B (81 and above). The Association will carry out internal modelling with energy assessors during home heating replacements to achieve the new standard. Properties are likely to meet this standard by installing modern HE gas boilers with smart controls.

The following chart shows our progress in relation to this and a favourable benchmark comparison with peers and nationally.



9.6 Stock remodelling/condition and components

Given the current demand for and satisfaction with the existing housing stock the Association has no plans to remodel any of its existing stock during the period of this plan. The Association will however seek to maintain stock in a condition which meets current standards and will continue to monitor demand for and satisfaction with the current stock.

This will be refreshed following each Stock Condition Survey with the latest one being carried out in April 2022 which provided data on component conditions and aided the decision-making process on modelling the planned maintenance system.
Modelling the system allows us to either push back or bring forward the replacement of components dependant on their condition. In general, we would not bring forward components unless we have absolute reason to do so.

The association appointed the James Martin Partnership (JMP) who specialise in stock condition surveys to undertake a 10% survey during 2017. We further appointed them during 2021 to undertake a 10% survey to compare our 30-year financial projection on component replacement. JMP advised their results concluded that our 30-year financial projection plan is in

line with their findings, however certain variation exist in terms of our chosen component life expectancies. The component life cycle for each Association can vary across associations. In addition, the association has undertaken its own 15% of stock condition surveys during 2021/22.

The Association recognises the short fall in surveys and plans to increase surveys by appointing JMP during 2022/23 to carry out a 30% stock condition survey. In addition, the Association will carry out its own 10% of its own surveys during 2022/23. This will be repeated during 2023/24 however the percentage will reduce slightly to achieve 100%. Moving forward once the 100% survey is achieved the Association will continue to carry out 10% each year by carrying out its own stock surveys and every third year appoint JMP to undertake a 10% survey for verification.

This approach is to ensure the Association always has 100% stock surveys.

The Association plans to carry out surveys to any void's properties and these inspections in addition can be used to model the existing planned maintenance component replacement plan.

9.7 Planned maintenance and improvement works

Forth will operate efficient and effective reactive and planned maintenance services. Procurement of the reactive and void maintenance contract is underway and should be complete by July 2022. This links to our value for money criteria above.

In order to maintain our investment requirements for our assets, we will maintain an accurate record of stock condition, based on the detailed stock condition survey of 40% for year one (2022) and increase to 85-90% over the next two-year period. Short-term (1–5 years), medium, and long-term (25–30 years), investment plans have been prepared for planned investment and improvements, and these have been incorporated into the association's budgets and financial plans.

This will ensure that:

- The condition of our assets is maintained through regular reactive and cyclical maintenance and component replacement including updating component costs to reflect current market prices.

- Our assets meet or exceed quality standards, such as the Scottish Housing Quality Standard and the Energy Efficiency Standard for Social Housing

- We begin to plan for future standards such as EESSH2

- We will meet or exceed all legislative and statutory requirements.

- Internal and external funding is in place and aligned to meet business needs

At present our planned maintenance system future projects component replacements based on the year the property was constructed and the appointed component life expectancy. This is set as the default on our system. Prior to any components being replaced sample inspections take place to confirm the replacements proceed. Our Housing Management system SDM can also be interrogated on the number of repairs taking place to maintain certain components.

9.8 Tenants Safety

We ensure our properties are safe for our tenants and we adhere to all relevant guidance and laws making sure we are compliant in the following safety requirements.

- Gas Safety- At present we have stringent policies and procedures in place and are currently 100% compliant.
- Fire safety- All properties are upgraded to LD2 fire detection, regular estates and close inspections checking for flammable materials. Fire risk assessments and training.
- Asbestos Management- We have policies and procedures in place and have an asbestos register. We have 2 rented properties that contain ACMs, and we have the relevant flags on our Housing Management system.
- Legionella management- We continue to manage the two properties that require legionella maintenance and water sampling. We carry this our regular for service users' safety. In addition, we provide information within our newsletters.
- Electrical Safety checks- We continue our annual rolling programme to ensure properties receive their Electrical Insulation Condition Reports (EICR) and carry our remedial works prior to the anniversary date.

9.9 Performance Management

The success of our asset management strategy is determined by a number of factors, but a crucial factor is monitoring performance and effecting improvements from the information obtained.
We utilise a number of review mechanisms including;

- An annual review of contractor's performance against KPI's and in line with the contractual protocols and monthly progress meetings.
- A quarterly review of the financial position.

- A tenant satisfaction survey for each contract.
- A five yearly full revaluation with a mid-term update at the 30-month period.
- An annual review of demand which will take into consideration, cultural and economic changes.
- An annual review of materials to ensure allowances for sustainability options and energy efficiency to help combat fuel poverty.
- A review of costs against the building price indices.
- A review of the local context in which the contracts are being delivered and monitored.
- A test against housing for varying needs disability legislation and sustainability guidance for all projects.
- An appraisal of the contractor's performance by staff.
- An overview of operational performance indicators (KPI's and OPI's) that link to targets and risks associated with the delivery objectives.

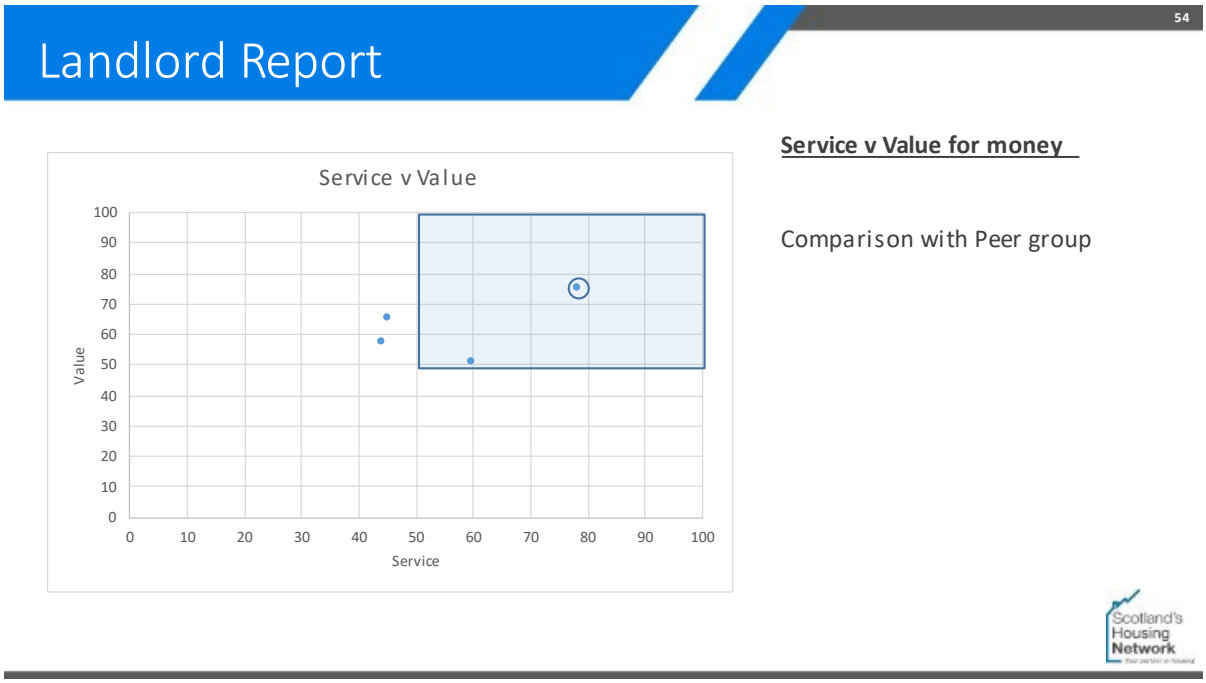
10.Performance

10.1 Comparisons

Until the establishment of the SHN benchmarking service, Forth participated in annual benchmarking with its StrathFor partners Rural Stirling and Ochil View.

Forth has participated in recent SHN benchmarking which, to date, has demonstrated that Forth performs very well in the context of the SHN peer group as is can be seen from the comparisons in sections above.

The results for 2021/22 include



10.2 Targets

Committee monitoring throughout the year will compare actual performance against target.

In order to manage performance, the Association will operate to the following targets.

Category	2021/22 target	2021/22 actual	2022/23 target
Governance			
Membership attendance at AGM	Ensure that the AGM is quorate	AGM Quorate	**AGM is quorate**
Elected Committee membership after AGM	15	9	**15**
Attendance at Committee meetings	>75%	82%	**>80%**
Percentage of meetings quorate	100%	100%	**100%**
Resolve complaints before ombudsman	100%	100%	**To be removed**
Review policies as per programme	100%	100%	**100%**
Staffing			
Annual appraisals carried out	100%	80%	**100%**

Percentage of days lost through staff sickness absence in the year	<5%	6%	**<5%**
Maintenance			
Emergency work dealt with within 4 hours	100%	100%	**100%**
Urgent works dealt within 2 working day	98%	99.5%	**98%**
Routine works dealt within 10 working days	98%	96.8%	**98%**
Average length of time for emergency repairs	4 hours	2.2 hours	**4 hours**
Average length of time for non-emergency repairs	<10 days	4.3 day	**<10 days**
Repairs carried out first right time	>95%	96.8%	**>95%**
Qualifying repairs within deadlines	100%	100%	**100%**
Void repairs complete within 7 working days	>90%	72%	**>90%**
Pre inspection of works	>10%	13.1%	**>10%**
Post inspection of works	>10%	10.4%	**>10%**
Planned works completed within period	100%	77.8%	**100%**
Gas safety checks completed within date	100%	100%	**100%**
% of gas safety checks post inspected	10%	11.7%	**10%**
Smoke/carbon monoxide detector safety checks completed within date	>80%	99.8%	**>80%**
Spend against Stage 3 award	100%	34.4%	**100%**
Development			
Spend against Grant Planning Target	100%	78.05%	**100%**
Units receiving tender approval	Subject to program me	10	**Subject to programme**
Post scheme reviews within 6 months of completion (Contractor/consultants/tenant satisfaction)	100%	100%	**100%**
Community Engagement			
Newsletters issued	4	4	**4**
Attend public meetings as requested	100%	none	**Remove**
Percentage of tenants who feel that FHA is good at keeping them informed about services and decisions	95%	98%	**95%**
Percentage of tenants satisfied with the opportunities given to them to participate in FHAs decision making	90%	94%	**90%**
SPSO Complaints			
The percentage of all complaints responded to in full at Stage 1	100%	100%	**100%**
The percentage of all complaints responded to in full at Stage 2	100%	100%	**100%**

The average time in working days for a full response at Stage 1	5	4	**5**
The average time in working days for a full response at Stage 2	20	20	**20**
Housing Management			
Applications processed within 10 working days	100%	98.5%	**100%**
Tenancy offers refused	<25%	10.09%	**<25%**
Voids re-let under 2 weeks	100%	64.7%	**100%**
Voids re-let 2 - 4 weeks	0%	88.2%	**0%**
Voids re-let 4 - 8 weeks	0%	94.1%	**0%**
Voids re-let over 8 weeks	0%	0%	**0%**
Average re-let time	<8 days	14	**<8 days**
Average new let time	0 days	0 days	**0 days**
Rent loss due to voids	<0.05%	0.01%	**<0.05%**
Total stock turnover	<10%	5.6%	**<10%**
% of lets to section 5 referrals and nominations	50% of net lets	47.5%	**50% of net lets**
% of lets to housing list	50% of net lets	52.5%	**50% of net lets**
% of housing list lets to threatened/homeless*	15%	16%	**15%**
% of housing list lets to Unsatisfactory housing*	15%	21%	**20%**
% of housing list lets to under-occupancy*	10%	7%	**5%**
% of housing list lets to general needs*	10%	8%	**10%**
New tenancy visit within 6 weeks	90%	100%	**90%**
Very serious complaints investigated within 1 day	100%	100%	**100%**
Serious complaints investigated within 3 days	100%	86%	**100%**
Other complaints investigated within 5 days	100%	99%	**100%**
Complaints resolved within targets	100%	100%	**100%**
Current tenant net rent arrears	<2.6%	2.03%	**<2.6%**
Current tenant gross arrears	<3.1%	2.09%	**<3.1%**
% of tenants owing >£1000	<2.5%	1.4%	**<2.5%**
% of court actions resulting in eviction	<20%	0%	**<20%**
% of potential rent collected	100%	99%	**100%**
Max number of abandoned homes	<5	5	**do you want this?**
One estate management inspections each two months	100%	100%	**100%**
Tenancies sustained for at least 12 months	>85%	100%	**>85%**
Finance			
Provide quarterly Management Accounts to Committee as programmed	100%	100%	**100%**
Interest cover ratio	>110%	577%	**>110%**
Staff cost/turnover	<25%	17%	**<25%**
Gearing ratio	>70%	76%	**>100%**

Total spend against budget	Within 10%	5%	**Within 10%**
Factoring			
Arrears on invoiced charges	**<10%**	2%	**<5%**

10.3 Measuring Success

An independent validity of the ARC data exercise will be completed in May 2022 and our new Performance Framework will be in place by June 2022.

11 Conclusion

This Business Plan is the overarching framework which sets out Forth Housing Association's strategic direction and objectives for 2022-2025.

The plan has examined changes in our operating environment, our strategic risks, and financial projections to reflect the emphasis that we place on the sustainability and wellbeing of the Organisation going forward.

The plan has been prepared in accordance with the Scottish Housing Regulator's Recommended Practice for Business Planning (December 2015) and the Supplementary Advice (August 2020).

The plan has been underpinned by a Governance refresh with the Committee informing the direction of the plan and the overall strategic context we are operating in.

While we acknowledge the 2-year crisis period we are slowly emerging from and the changes this brings in the workplace, we have remained focused in the plan on the challenges ahead with our specific focus to date being on revising our;

- Aims
- Objectives
- Vision
- Mission
- Values/Culture
- Value for Money

This has been done in collaboration with tenants, staff and committee with further joint work identified as a priority in the coming year.

We have spent a sizeable portion of the year on developing an Improvement Plan that has in the first instance a one-year focus, but has longer term ambitions built into it going forward.

Our financial stability has ensured that we can continue to be a developing organisation and in the next 5 years we will have expanded our housing portfolio by 261.

Work has been ongoing and will continue in areas of tenant involvement, partnership working and the internal strengths of the Organisation.

We see one of our main challenges as being our responsibility to face the climate emergency head on.

This will mean decarbonising our existing stock whilst continuing to incorporate the necessary changes in our new build programmes which we have reflected in our revised development and asset management strategies.

We are proud of our achievements and will always work to put our community first.

We are proud also of the standards that we have continued to maintain through a difficult period and we acknowledge the achievements of staff in continuing to provide a service that tenants tell us is consistent, fair, efficient, reliable and supportive.

We hope to maintain and exceed these standards going forward.

Appendix 1

Forth Housing Association (FHA) is currently reviewing its business plan for the next 5 years.

As part of the review the Management Committee want to hear from tenants to ensure the business plan reflects tenants priorities.

Below are a few questions that will help us to gather views, and we would appreciate if you could take the time to complete.

Question 1	What three words would you use to describe FHA?
Question 2	What do you think should be FHA priorities over the next 5 years?
Question 3	What are your priorities over the next 5 years?
Question 4	What do you want FHA to avoid?
Question 5	Are there any additional services you want FHA to consider?

Appendix 2

Benchmarked Comparison Information

Landlord Report

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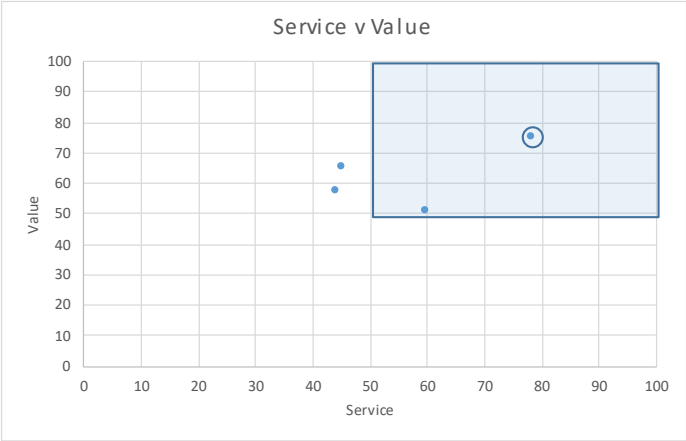

Service v Value for money

Comparison with Peer group

Scotland's Housing Network

Landlord Report

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	Overall satisfaction	Informed	Involved	SHQS	Emergency repairs	Non-emergency repair	Right first time	Repairs satisfaction	Anti-social behaviour	Rent increase	Average rent 3-apt	Average rent - all	Rent collected	Void rent loss	Re-let time
	-	-	-	↑	↓	↓	↑	↑	↑	↓	↑	↑	↑	↑	↑
Rural Stirling Housing Association	89.7	94.0	91.0	92.5	3.0	5.6	87.7	83.0	95.2	0	87.1	85.03	99.6	0.2	16
Forth Housing Association	**93.6**	**98.1**	**94.3**	**98.7**	**2.2**	**3.7**	**99.0**	**98.5**	**98.4**	**1**	**82.18**	**90.68**	**101.3**	**0.1**	**6**
Ochil View Housing Association	90.9	94.5	91.3	84.1	1.5	5.7	89.7	98.6	99.6	0.7	83.96	84.37	100.3	1.2	56
Stirling Council	87.1	92.0	84.6	90.8	8.1	3.2	95.3	90.7	79.0	1.3	69.34	69.88	99.2	0.8	67
Stirling Council	87.1	92.0	84.6	90.8	8.1	3.2	95.3	90.7	79.0	1.3	69.34	69.88	99.2	0.8	66.8

Appendix 3

Outline Committee Learning Plan

Theme	Specific Training	Target Dates
Planning and Strategy	Team Building for Committee	Oct 22
	Team Building Committee and Senior Staff	Oct 22
	Developing Common vision 23/24 Committee and Senior Staff	Nov 22
	Review and Update of Business Plan for 23/24	Nov 22
	Governance software	Aug 22
Housing Finance	Overview of Housing Finance	Dec 22
	Risk Management	Jan 23
	Key Regulatory and Legal requirements	Dec 22
Governance	Assurance Statement Process	Aug 22
	Key Regulatory returns	Aug 22
	Notifiable Events and Whistleblowing	Feb 23
	Code of conduct, Rules and Standing Orders	Mar 23
Regulatory and Legislative	FHA's complaints procedures including complaint against the Senior Officer	Apr 23
	Equalities Committee and Staff	Oct 22

Appendix 4A

Director	Jacqueline Norwood (Interim) Email jacqueline@forthha.org.uk
Responsibilities	Strategic and overall operational management, servicing Committee and operational management of corporate services function.
Development Coordinator	Niall Patterson Email niall@forthha.org.uk
Responsibilities	Operational management of development programme.
Tenant Services Manager	Vacant
Responsibilities	Operational management of housing management, maintenance and money advice functions.
Senior Maintenance Officer	Paul Fraser Email paul@forthha.org.uk
Responsibilities	Main focuses are planned and cyclical works and asset management planning
Maintenance Officer	Stephen Dougherty Email stephen@forthha.org.uk
Responsibilities	Inspections/voids and delivery of Reactive and Cyclical Maintenance Services
Asst Tenant Services Officer	Calum Carberry Email calum@forthha.org.uk
Responsibilities	Operational and administrative backup to Property Services
Housing Service Officers	Elaine Shepherd & Kelly Cadden Emails elaine@forthha.org.uk kelly@forthha.org.uk
Responsibilities	All generic housing management related activities for designated patches of stock.
Assistant Housing Service Officers	Ann Gordon & Kevin Milne Emails anngordon@forthha.org.uk kevin@forthha.org.uk

Responsibilities	Operational and administrative backup to Housing Officers.
Income Maximisation Officer	Tracy Doran Emails tracy@forthha.org.uk
Responsibilities	Provision of welfare benefits and other advice to maximise the income of tenants and household members.
Projects & Communications Coordinator	Angela Laley Email angela@forthha.org.uk
Responsibilities	Coordination of projects and initiatives, particularly focussing on communications issues.
Finance Officer	Elisha Kimani Email elisha@forthha.org.uk
Responsibilities	Coordination of finance functions.
Assistant Finance Officer & IT Administrator	Shona MacLeod Email shona@forthha.org.uk
Responsibilities	Administrative and operational support within finance and coordination of IT issues.
Corporate Services Assistant	Margaret Glencross Email margaret@forthha.org.uk
Responsibilities	Coordination of reception services and administrative support across all functions.
Customer Services Assistant	Becky Ramage Email becky@forthha.org.uk
Responsibilities	Provision of reception services and administrative support across all functions, whilst undertaking SVQ in Business Administration
Finance Agent	Mr Fettes McDonald FMD Financial Services Ltd KCEDG Commercial Centre Unit 29 Ladyloan Place Glasgow G15 8LB

Responsibilities	Strategic financial planning, budgeting and management accounts.
Data Protection Officer	Mr Daradjeet Jagpal Information Law Solutions Ltd 272 Bath Street Glasgow G2 4JR
Responsibilities	Ensuring the Association's compliance with Data Protection legislation, via the provision of advice and audit services.

Appendix 4B

STAFF MEMBERS NAME	QUALIFICATIONS
Angela Laley	Diploma in Housing Studies CIH (A)
Shona MacLeod	HNC in Computing and a Diploma in Accounting & Business.
Elisha Kimani	Certified Public Accountant ACCA Advanced Diploma in Accounting and Business (Part Qualified Accountant)
Tracy Doran	HND in Accounts
Elaine Shepherd	HNC in Housing Post Graduate Certificate in Housing ILM 3 (Institute of Leadership & Management)
Kevin Milne	HNC Business Admin CIH Level 4 Housing (Planning Framework Path)
Becky Ramage	SVQ Level 2 Business Administration SVQ Level 3 (SCQF Level 6) Business Administration Chartered Institute Housing Level 3 Housing Practice
Kelly Cadden	Housing Diploma & Business Admin
Calum Carberry	HNC Housing HNC Business Administration SVQ Level 3 Housing
Niall Patterson	M.Phil in Housing Studies and MBA
Stephen Dougherty	BTEC Advance Plumbing Gas safe (CCN1, CENWAT,CKR1 and HTR1) Fundamentals of Factoring (SHARE)
Margaret Glencross	SCOTBEC Shorthand & Typing

Appendix 5 Stock Type and Distribution

Development	Mainstream Properties				Ambulant Disabled				Wheelchair				Other	TOTAL
	Apartment Size				Apartment Size				Apartment Size					
	2	3	4	5	2	3	4	5	2	3	4	5		
Crosbies Court	6	9	3	-	-	-	-	-	-	-	-	-	-	18
Bogend Rd/ Milnepark Rd	11	-	-	-	-	-	-	-	1	1	-	-	-	13
Bruce Street	1	2	-	-	1	-	-	-	-	-	-	-	4	8
Colquhoun Street	12	-	-	-	-	-	-	-	-	-	-	-	-	12
Muirend Road	-	4	-	-	-	-	-	-	-	-	-	-	-	4
Auld School Wynd	-	13	2	-	-	-	-	-	-	2	-	-	-	17
Chapelcroft	-	-	-	-	2	-	-	-	-	-	-	-	4	6
Clayhills Drive	-	40	8	-	-	-	-	-	-	-	-	-	-	48
De Moray Court	5	24	2	6	1	-	-	-	-	1	1	-	-	40
Castlevale	-	1	-	-	-	-	-	-	-	-	-	-	-	1
Wallace Gardens	-	-	-	1	-	-	-	-	-	-	-	-	-	1
Vorlich Place	-	-	1	-	-	-	-	-	-	-	-	-	-	1
Fleurs Park	-	-	-	1	-	-	-	-	-	-	-	-	-	1
Adamson Place	12	4	-	-	-	-	-	-	-	-	-	-	-	16
Johnston Avenue/Ledi View/Edzell Drive	12	11	-	-	-	-	-	-	-	-	-	-		23
Flint Crescent	12	12	6	-	-	-	-	-	-	2	-	-	-	32
Hilton	-	-	1	-	-	-	-	-	-	-	-	-	-	1
Old Doune Rd/ Clement Loan	2	10	2	-	-	-	-	-	-	-	1	-	-	15
Thomas Brittain Court					6				1	1				8
Archie Bone Way	8	24	8	1	-	-	-	-	-	-	-	1	-	42
Colliers Road/ Hirst Crescent	12	13	8	-	-	1	-	-	-	1	1	-	-	36
Hilton Terrace	-	-	1	-	-	-	-	-	-	-	-	-	-	1
Stirling Road	-	-	1	-	-	-	-	-	-	-	-	-	-	1
Gillespie Terrace	20	-	3	-	-	-	-	-	-	3	-	-	-	26
Stirling Place	-	15	4	-	-	-	-	-	-	-	1	-	-	20
King Robert Court	10	4	3	1	-	-	-	-	-	-	-	-	-	18
Monument View	7	5	-	-	-	-	-	-	-	-	-	-	-	12
Craighall Street/ Raploch Road	6	2	2	1	2	-	-	-	-	-	-	-	-	13
Menzies Drive/ Thistle Place	5	5	-	-	1	-	-	-	-	-	-	-	-	11

Cordiner Close/ Huntly Cres/ Waulker Ave	10	22	8	5	2	-	-	-	-	-	1	-	-	48
Winchel Place/ Gordon Sq./ Fisher Row/ Drip Road	11	20	11	5	-	-	-	-	-	-	3	-	-	50
Craighall Court	5	5	2	-	-	-	-	-	1	1	-	-	-	14
Hope Street	11	12	-	-	-	-	-	-	-	1	-	-	-	24
Abbey Road/ Cask Cres/ Cooperage Quay	8	18	18	2	-	-	-	-	-	2	2	-	-	50
Forth Place/ Forth Street	-	6	-	-	-	-	-	-	-	-	-	-	-	6
Baker Street/ Morris Terrace	9	6	1	-	-	-	-	-	-	-	-	-	-	16
Barn Road	18	-	-	-	-	-	-	-	-	-	-	-	-	18
Cowane Street	8	-	-	-	-	-	-	-	-	-	-	-	-	8
Myles House, Irving Place	9	1	-	-	-	-	-	-	-	-	-	-	-	10
Queen Street/ Tannery Lane	12	12	-	-	-	-	-	-	-	-	-	-	-	24
Barnsdale Road	7	9	1	-	-	-	-	-	1	-	1	-	-	19
Earlsburn Avenue	8	13	6											27
Cultenhove Crescent	8	12	-	-	-	-	-	-	-	-	-	-	-	20
Cultenhove Road	8	2	1	-	-	-	-	-	-	-	-	-	-	11
Howlands Road	-	1	-	-	-	-	-	-	-	1	-	-	-	2
Mayfield Street	-	1	-	-	-	-	-	-	-	-	-	-	-	1
Gateside Rd/ Wordie Road	4	30	2	-	-	-	-	-	-	1	-	-	-	37
Bruce View	8	10	-	-	-	-	-	-	-	2	-	-	-	20
Gillespie Place	-	-	-	-	-	-	-	-	-	3	-	-	-	3
Bryden Road	-	7	5	-	-	-	-	-	-	-	-	-	-	12
Milton Brae	-	5	2	-	-	-	-	-	1	-	-	-	-	8
	285	**390**	**112**	**23**	**15**	**1**	**0**	**0**	**5**	**22**	**11**	**1**	**8**	**873**

The following Shared Ownership and Shared Equity properties were completed between 1993 and 2017

Area	Development	2apt	3apt	4apt	Total
Allan Park	Crosbies Court	2	1	-	**3**
Bannockburn	Bogend Road Milnepark Road	- -	1	-	**1**
Cowie	Flint Crescent	-	2	-	**2**
Dunblane	Anchorscross	-	10	4	**14**
Fallin	Colliers Road	-	1	-	**1**
Plean	Gillespie Terrace	-	-	1	**1**
	Stirling Place	-	2	-	**2**
Stirling Town	Baker Street	-	1	-	**1**
St. Ninians	Barnsdale Road	-	1	-	**1**
Whins of Milton	Bruce View	-	1	-	**1**
	Bryden Rd	-	4	-	**4**
TOTAL		**2**	**24**	**5**	**31**

In addition to the above properties the Association also provides a factoring service to the following owner occupiers:

Development	Properties
Various individual owners in Forth developments	56 flats & houses

Appendix 6

Forth Housing Association Ltd - Development Programme 2021- 2026

Committed				
	Number Of Properties	Property Sizes	Property Type	Date
Raploch Site 9 Stirling	16	6x 2person 2 Apt	Tenement Flat	Jan 20 – Mar 22
		6 X 4 Person 3 Apt	Semi Detached	
		4 X 5person 4 Apt	Semi Detached	
Raploch Site 8 Stirling	37	16 X 2 Person 2 Apt	Cottage Flat	Jan 20 – May 23
		3 X 4 Person 3 Apt	Terrace House	
		8 X 5 Person 4 Apt	Semi Detached	
		2 X 6 Person 4 Apt	Semi Detached	
Johnston Avenue Phase 2 Cornton Stirling	24	8 X 2 Person 2 Apt	Cottage Flat	Jul 21 – Oct 22
		6 X 4 Person 3 Apt	Cottage Flat	
		2 X 4 Person 3 Apt	Semi Detached	
		6 X 4 Person 3 Apt	Terrace House	
		2 X 6 Person 4 Apt	Semi Detached	
Proposed				
Milne Park Bannockburn Stirling	10	6 X 4 Person 3 Apt	Semi Detached	May 22 – Feb 23
		4 X 5 Person 4 Apt	Semi Detached	
Raploch Site 8 Stirling	36	16x 2 Person 2 Apr	Cottage Flat	Jul 22 – Dec 23
		8 X 4 Person 3 Apt	Cottage Flat	
		4 X 4 Person 3 Apt	End Terrace	
		2 X 4 Person 3 Apt	Mid Terrace	
		6 X 5 Person 4 Apt	Semi Detached	
Polmaise Road Cambusbarron Stirling	48	4 X 2 Person 2 Apt	Cottage Flat	Sep 22 – Jul 24
		4 X 4 Person **3 Apt	Cottage Flat	
		20 X 4 Person 3 Apt	Terrace	
		20 X 5 Person 4 Apt	Terrace	
Croftside Pirnhall Stirling	21	4 X 2 Person 2 Apt	Cottage Flat	Oct 22 – Oct 23
		4 X 4 Person 3 Apt	Cottage Flat	
		8 X 4 Person 3 Apt	Terrace	
		4 X 5 Person 4 Apt	Semi Detached	
		1 X 5 Person 4 Apt	End Terrace	
Potential				
East Fallin	21	Tbc		Jun 26
Durieshill Phase 4	50	Tbc		Mar 27
Brucefields Phase 2	28	Tbc		Nov 26
Cushenquarter Plean	29	Tbc		Nov 26

** 2 Will Be Wheelchair Accessible

Appendix 7

Summary of the ZEST recommendations

Recommendation 1: The Scottish Government and social landlords should develop a collective commitment to a just transition in the social housing sector with clear metrics and sufficient budgetary investment to ensure this is successfully realised.

Recommendation 2: The Scottish Government should promote a Fabric First approach as an essential first step towards decarbonisation, prioritising investment accordingly, and ensure that the promotion of a Fabric First approach is reflected appropriately in its review of EESSH2.

Recommendation 3: The Scottish Government should work with social landlords to ensure capital investment for social housing is adequate, structured, and designed in line with the needs of the sector and supports the social housing sector's aim for a Fabric First approach.

Recommendation 4: Social landlords and the Scottish Government must work together to plan with certainty, including to work with new partners to access and maximise funding opportunities.

Recommendation 5: Social landlords and the Scottish Government should commit to working together in partnership to understand the current condition and investment needs of the existing social housing stock and develop appropriate collaborative solutions.

Recommendation 6: Social landlords and both local and national government should work in partnership to ensure individuals and communities are fully engaged and supported in the net zero transition.

Recommendation 7: All partners must work together to ensure there is sufficient workforce capacity in Scotland to deliver high-quality retrofit works in the social housing sector.

Recommendation 8: Social housing providers should continue to evaluate their wider impacts and ongoing contribution to tackling the climate emergency, through systematic monitoring and measurement.

Appendix 8

FORTH HOUSING ASSOCIATION LIMITED

TREASURY MANAGEMENT POLICY

Code:	FIN03
Approved:	August 2020
Next review:	By August 2023
Cross reference:	FIN01 Financial Regulations FIN02 Financial Procedures

HAPPY TO TRANSLATE

This document can be made available in alternative languages or formats (such as large print, audio etc). Please contact staff as required.

FORTH HOUSING ASSOCIATION LIMITED

TREASURY MANAGEMENT POLICY

PAGE

1. Introduction

2. Treasury Management Policy Statement

3. Regulatory Standards of Governance and Financial Management

4. Risk Management

5. Treasury Management Approach

6. Operation of Treasury Management

7. Review

1. Introduction

1.1 This Treasury Management Policy is based upon the recommendations of the Code of Practice on Treasury in the Public Services issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) (2017 Edition).

1.2 The Code identifies three key principles-

- The Association should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of its treasury management activities.

- The policies and practices should make clear that the effective management and control of risk are prime objectives of the Association's treasury management activities and that responsibility for these lies clearly within the organisation. The appetite for risk should form a part of the annual strategy including any use of financial instruments for the prudent management of those risks and should ensure that priority is given to security and liquidity when investing funds.

- The Association should acknowledge that the pursuit of value for money in treasury management, and the use of suitable performance measures, are valid and important tools for responsible organisations to employ in support of their business and service objectives, and that, within the context of effective risk management, the treasury management policies and practices should reflect this.

1.3 The Association's Financial Regulations include the CIPFA Code recommended clauses in relation to treasury management.

1.4 Taking account of the large cash sums moving in and out of the Association it is important that appropriate Treasury Management procedures and practices are in place. Treasury Management is concerned with making appropriate use of surplus funds whilst meeting the overriding need to protect the capital sum and, in the case of borrowing, keeping costs to a minimum whilst ensuring the stability of the longer-term financial position.

1.5 Overall control of the Association's treasury management rests with the Board of Management. The Officers of the Association must not operate outside of the guidelines set out in this policy and are accountable at all times to the Board for their actions and decisions.

1.6 It is essential that Board Members are aware of and understand the decisions being made by the Association and their financial implications. The Board of Management is responsible for reviewing and monitoring the financial requirements of the Association in compliance with SHR Regulatory Standards, FHA's Financial Regulations and CIPFA's Code of Practice on Treasury Management. The Director shall ensure that Board and Staff Members will be briefed and receive appropriate training as requested or required.

2. Treasury Management Policy Statement.

2.1 The management of all money and capital market transactions in connection with cash and funding resources of the Association and the control of the associated risk.

2.2 Taking account of the large cash sums moving in and out of the Association it is important that appropriate Treasury Management procedures and practices are in place. Treasury Management is concerned with making appropriate use of surplus funds whilst meeting the overriding need to protect the capital sum and, in the case of borrowing, keeping costs to a minimum whilst ensuring the stability of the longer-term financial position.

2.3 The Association comprises of a number of different operations or cost centres. Treasury Management allows the organisation to deal with the combined position of each cost centre within the Association in the most advantageous way. All funds of the Association should be aggregated for Treasury Management purposes.

2.4 It is essential that Committee Members are aware of and understand the decisions being made by the Association and their financial implications. The Management Committee is responsible for reviewing and monitoring the financial requirements of the Association in compliance with SHR Regulatory Standards, Forth HA's Financial Regulations and CIPFA's Treasury Management Guide. Committee Members will be briefed and receive appropriate training as requested or required.

3. Regulatory Standards of Governance and Financial Management

3.1 The SHR Regulatory Standards which govern Treasury Management activities have been taken into account in this procedure:

- RS3.1: The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times.
- RS3.2: The governing body fully understands the implications of the treasury management strategy it adopts, ensures this is in the best interests of the RSL and that it understands the associated risks.
- RS3.5: The RSL monitors, reports on and complies with any covenants it has agreed with funders. The governing body assesses the risks of these not being complied with and takes appropriate action to mitigate and manage them.

3.2 Scottish Housing Regulator guidance (2017) contains the regulatory expectation that an RSL will comply with CIPFA Code.

4. Risk Management

4.1 The CIPFA (Chartered Institute of Public Finance and Accountancy) Treasury Management Guide for Housing Associations (January 2011) recognises that the management of the treasury function creates "additional risk" for an organisation. It states that "the Committee need to ensure that the risks are properly identified and evaluated; appropriate management strategies and financial risk management techniques are deployed to manage those risks; and that the Committee can gain assurance that through continued monitoring such controls remain effective."

4.2 The CIPFA Code of Practice details some of the key risks faced by a housing association's treasury operations and those considered relevant to Forth HA's operations are set out in this section.

4.3 The Association has considered the potential risks facing the Association should the Treasury Management procedures fail to be adhered to. Material additional interest costs or other charges and costs (potentially via loan covenant breaches) could arise from the failure to follow these procedures properly. Should it be deemed that the Association is not complying with the conditions contained within this document, the Regulator may comment adversely on such matters. This could have an adverse effect on confidence in the Association by lenders, other partners and members.

4.4 In order to minimise the risk, the Association ensures the Treasury Management procedures are reviewed regularly and that all Staff and Agents are aware of their contribution to compliance and to the efficient and effective running of the Association. Furthermore, methods of validation and ensuring probity include an annual external audit, regular internal audit and reports to members and The Scottish Housing Regulator.

4.5 The main areas of borrowing risk are:-

a. <u>Interest Rate Risks</u>
Interest rate risk exposure arises when a change in interest rates has the potential to affect the value of an RSL's assets and liabilities. Too much variable rate debt means increasing interest rates result in higher interest payments and repayment costs. Conversely, too much fixed debt can result in opportunity losses because the Association cannot benefit from improving rates.

The main danger of interest rate risk is that the Association could face liquidity problems servicing debt as well as breaching lenders' covenants on interest cover percentages.

b. <u>Inflation Risk</u>
Inflation risk can impact on the Association's Treasury Management activities through the link with interest rate management. If the rate of

inflation increases less than forecasted while fixed rate loan costs remain stable there is a real cost to the Association in terms of low inflation.

c. Liquidity Risk
This is a risk where the Association has insufficient cash to meet its liabilities as they fall due.

d. Funding and Refinancing Risk
This is the risk that loans falling due which the Association does not have the cash resources to repay cannot be replaced at an acceptable cost. In addition funding risk can cover overdependence on one lender in the market.

e. Counterparty or Credit Risk
This is the risk that a loss will be incurred by the Association if a counterparty / debtor defaults on an obligation. In simple terms this can be due to a risk in deposited funds not being repaid or in operational terms rent arrears not being collected which have a material effect on the overall finances of the Association.

f. Failure of Internal Control Systems
The risk of inadequate systems of control, reporting and performance measurement is not specific to Treasury Management. The Association is required to ensure that measures are in place to manage its overall exposure to risk in this area.

g. Soft covenants
It must be borne in mind that a loan agreement can be broken, not just by a breach of covenants, but also by failing to meet deadlines, clauses or by failing to provide documentary evidence. It is now usual for companies to set up a calendar with all loan requirements and trigger dates for compliance such as insurance schedules, 5-year stock condition survey, annual valuation and quarterly returns.

4.6 The main areas of investment risk are:-

a. Risk of default by an Institution
This is where funds are deposited in a financial institution and are subsequently defaulted upon. This risk would previously have been regarded as low given the regulation of this area by the Prudential Regulation Authority (PRA, replacing FSA) and Bank of England but an increased awareness is required given all issues attaching to the current economic climate.

b. Funds are invested for too long a term and liabilities fall due
This is where funds are invested in say a 6 month no access account and liabilities fall due, there will be no access by the Association which requires these funds to settle.

The inclusion of accurate detailed cash-flow projections within the annual budget document, quarterly cash flow updates with the Management Accounts,

appropriate budget monitoring and the regular updating of the long-term projections should assist in limiting this risk.

5. Treasury Management Approach

5.1 Responsibilities

a. Responsibility for implementing and monitoring rests with the Management Committee.

b. The Director, in consultation with the Finance Agents, shall be responsible for making recommendations to Management Committee on borrowing, investment and financing decisions.

c. It is recognised that the Association may have to execute a decision quickly, in relation to fixed interest or deposit opportunities, with no time available to refer the matter for Committee consideration. In all such instances the Director will consult with all available Office Bearers and a written report must be presented at the next available Management Committee meeting.

d. Management Committee will ensure that the day to day risk controls for Treasury Management are carried out by staff and will oversee the overall risk approach by the Association to ensure it remains up to date and relevant.

5.2 Approved Activities

a. Raising capital finance for development projects.
b. Raising capital finance for stock acquisitions.
c. Investment of surplus funds.
d. Arrangement of short-term overdraft facility.
e. Banking facilities.

5.3 Approved Methods of Raising Capital Finance

a. Borrowing for term loans must be on a standard capital and interest basis only unless the Management Committee approves an alternative method following a full written report outlining the nature of the borrowing arrangements and risks associated with it.
b. Appropriate use may be made of capital repayment holidays or interest free loans at any time during the term of the loan.
c. Borrowing for development or bridging funding may be by overdraft.
d. Borrowing may not exceed £100 million in accordance with the Association's rules (Rule 18.1).

5.4 Approved Sources of Finance

a. The following organisations are approved currently as sources of funding:

- Lloyds Banking Group (including - Bank of Scotland)
- Nationwide Building Society
- Natwest Group
- Santander
- The Scottish Building Society
- CAF Bank
- Clydesdale Bank

b. Any other source of funding must be investigated to determine its suitability and a full written report must be submitted to the Management Committee for approval. Any new lender will then be added to the above list.

5.5 Interest Rate Exposure

a. The Association shall ensure that an appropriate mix of fixed and variable rate finance is in place. Currently it is considered that fixed rate finance of 15% to 50% represents a suitable mix for the Association. Any fixed rate arrangements shall also consider the maturity of fixed interest loans over periods ranging from 5 to 25 years subject to no major variations in rates being achieved over the different interest periods.

b. The Annual Treasury Management Report (see section 5.7) should contain information on current interest rate trends for the short, medium and longer term.

5.6 Approved Organisations for Investment

a. The following organisations are approved currently for investment purposes:

- Lloyds Banking Group (including – Bank of Scotland)
- Nationwide Building Society
- Natwest Group
- Santander
- Clydesdale Bank PLC

b. Before any investment is made with a new organisation, the Association must satisfy itself, acting reasonably, that the organisation is financially stable. This will be the responsibility of the Director in conjunction with the Finance Agent and, where appropriate, a suitably qualified external Financial Investment Adviser. A written report will be submitted to the Management Committee advising of any new organisation that has been added to the above list.

c. Given current sums available for investment, there is no maximum sum, which can be invested with any one institution. However, consideration

should always be given to the reduction of risk by having surplus cash held with a number of different organisations.

5.7 Reporting

a. A report will be put to the Management Committee at least once a year on treasury management operations.

b. The annual report on Treasury Management operations must provide information on the following: -

- Details of current lenders
- Loan balances outstanding per lender
- Loan terms
- Expected settlement date
- Mix of fixed rate and variable rate finance
- Security cover provided, details of 'excess' security per lender and basis of valuation.
- Unencumbered stock.
- Future proposed borrowing for the financial year ahead
- Interest earnings from investment of surplus funds
- Covenant compliance.

c. Cash flow projections shall be discussed at the Management Committee as appropriate to allow the monitoring of income, deposits and other treasury management issues.

d. All recommendations to members on borrowing decisions must be provided in a written form and consider the following: -

- Borrowing requirements
- Sources
- Basis of interest rates
- Loan margin
- Borrowing period
- Repayment options and costs
- Assessment of documentation (including margin review and early repayment clauses)
- Security (including release of security provision)
- Arrangement fees
- Non utilisation fees
- Draw down arrangements
- Hedging requirements from lender
- Implication of fixed rate arrangements (including breakage costs)
- Changes in existing loan terms
- Fixed/capped rates
- Capital repayment details
- Compliance with policy

e. The report must contain a recommendation from the Finance Agent (and, where appropriate, a suitably qualified Financial Investment Adviser) in

consultation with the Director and provide costings etc. from all lenders approached.

6. Operation of Treasury Management Procedures

6.1 The Director, Finance Agent and Finance Officer will carry out the task of investing surplus funds.

6.2 Bank balances must be checked daily by the Finance Officer. In the event of holidays or other unavoidable reasons for the Finance Officer's absence, the Assistant Finance Officer will check the daily balances. The Finance Officer will undertake transfers of funds between accounts as required.

6.3 The Association, subject to working capital requirements, shall endeavour to maximise the use of term deposits. In this regard, consideration shall be given periodically to rates on offer from approved investment institutions.

6.4 The Finance Agents will undertake a regular check on the investment of surplus funds in liaison with the Finance Officer.

6.5 Responsibility for negotiating development project finance lies with the Director and Finance Agent who should liaise with the Management Committee at all stages in the process.

6.6 The period of borrowing must not normally exceed 25 years. The Association must consider in its written report the effect of borrowing for a period other than that assumed in the Scottish Government housing grant appraisal system.

6.7 In selecting an appropriate lender the Association must give consideration to its current loan portfolio with regard to previous providers of finance in order to ensure an appropriate mix of lenders. It is acceptable that the Association can opt to go with one lender, if justified.

6.8 Requests for funding shall normally be issued to a minimum of three lenders.

6.9 The Association should normally give due consideration to obtaining legal advice before agreeing loan documentation.

6.10 Whilst the Association shall seek to minimise the number of units on which security is granted at the outset, the terms of the overall funding package shall take precedence.

6.11 The Association must ensure that it has the permission (where required) of existing lenders to borrow additional funds and that any additional borrowing will not breach any existing covenants with existing lenders or increase the Association's risk exposure to a default situation where the lender will recall or re price existing loan finance.

6.12 The Association reserves the right, if it is considered appropriate, to fund from its own reserves the balance of any scheme costs after deduction of grants, or to make a partial contribution to the overall project.

6.13 The Association will at no time grant any lender a Floating Charge over its properties.

6.14 The Association shall maintain records of stock valuations and shall arrange revaluations of stock where required for funding purposes or to comply with loan documentation.

6.15 The Finance Officer is required to prepare Loan Returns in accordance with Scottish Housing Regulator guidance.

6.16 All budgets and management accounts must include relevant information in respect of covenant compliance and liquidity.

7. Review

7.1 Management Committee will review this policy at least every 3 years, and Staff are responsible for ensuring that it meets legal and good practice requirements.

Appendix 9

Category	Identify and note Stratecgic Objective (number) for each Risk in the boxes below	Risk Area/Specific Risk	Likelihood (without controls)	Impact (without controls)	Risk Score/ Priority (without controls)	Existing Control/Actions	Evidence	Further Action Required	Likelihood (with controls)	Impact (with controls)	Risk Score/ Priority (with controls)	Responsible Officers
STRATEGIC RISKS												
Asset Management	1	Asset Management - sustainability of stock; compliance with building standards, energy efficiency standards; changes in legislation impacting on planned maintenance programmes; component failure (unbudgeted); latent defects (disputes with contractors/consultants);	4	4	16	Current Asset Management Strategy; Stock condition surveys.	Stock condition surveys External stock condition surveys Review of Major Repairs Programme Stock valuation (within last 2 years) Reports to Board of Management	Review Asset Management Strategy. Review options for SHQS exempt stock; Review requirements of EESSH 2020 compliance and beyond, EESSH 2 - review and ensure new legislative requirements for fire safety February 2021. Continually review and improve stock condition details; Source grants for energy efficiency measures; Ensure viability of all stock, esp. supported accommodation.	3	3	9	SPSO
Customer Services/ Reputation	2	Maintaining business reputation with customers and stakeholders in line with our Customer Service Standards	4	3	12	Staff and Tenant awareness of Customer Service standards, adopted SPSO Complaints Management Independent tenant surveys every 3 years ARC return (satisfaction levels), Internal Surveys	Complaints reporting; Annual Return on the Charter. Reports to Board of Management	3 yearly review of Policy, Staff Appraisals/ workloads, Review of Complaints reported to Committee quarterly, to improve service	3	2	6	PCC/Dir
Demonstrating Value for Money	3	Ability to demonstrate VFM across all aspects of the organisation and our services; Procurement of contracts and services	4	4	16	Regular reports to the Board on performance, efficiencies, tenders, obtaining best price	Annual budget review exercise: Procurement policy implemented; Rent increase levels based on detailed budgets; Asset Management Strategy. Tenant satisfaction survey results high.	Look at developing a VFM strategy in the future.	3	3	9	Dir
Development of new homes	4	Available subsidy and loan facilities; Loan charges and covenants; Design and energy efficiency standards; Continued partnership with local authority	4	4	16	Development Strategy: Each potential project subjected to thorough financial review and risk assessment; Confirm demand with LA strategic partners; 30-year projections updated to incorporate and test impact;	Up to date Development Strategy, Financial review completed for all current projects; 30-year projections tested and confirmed; PFI in place; Government funding in place; Minutes of SHIP and other LA strategic development meetings; Quarterly reports from Development Coordinator	Regular review of Development Strategy; Analysis of Development costs; Continue to maintain strategic partnership with local authorities and Scottish Government;	4	3	12	DC
Impact of External Environment	5	Responding to Scottish and Central Government Policy and legislative changes	3	4	12	Awareness of changes in wider social housing landscape; Ensuring financial safeguards built into 30-year projections linked to significant changes to RSL regulatory compliance (i.e. fire safety/electrical standards)	Board to receive reports from Scottish Government/SFHA/SHR; monitor local elections; Senior Managers keeping up to date practice and networking contacts in specialist areas i.e. asset, finance, housing	Maintain existing sector knowledge in Senior Management Team via various media outlets	3	3	9	Dir
Pension	6	Cost of the Final Salary (DB) Pension Scheme – current and past service deficit contributions; value of the scheme; future costs of servicing deficits should recovery plan not succeed.	4	3	12	Closed DB scheme to new entrants. Review position of remaining members of DB scheme.	Annual Accounts detail the deficit to the Management Committee. Receive yearly TPT estimation of the deficit owed by the Association. Committee representative attends SHAP meetings	Committee to monitor deficit and agree if necessary any further actions. Potential extension to 2024	3	3	9	FO
Political	7	Changes at Holyrood 2025, Locally 2022. Change of political direction. Brexit/ Covid-19	5	4	20	Working arrangements with Scottish Government/Local authority. Review of Strategic Housing Investment Plan; Rapid Rehousing Programme/Housing First. Impact on the economic climate	Attending SHIP meetings, circulation of minutes. Finance reports, annual budget/ 5- and 30-years budgets. Financial modelling included in Business Plan, Risk register, Update business Plans-Covid-19	Reports provided by senior management, amended the risk policy/register(s), annual assurance statements, business continuity plan updated.	4	4	16	Dir/FO
Regulatory Requirements	8	Maintaining effective governance, scrutiny and challenge; Failure to comply with regulatory requirements and best practice;	4	4	16	Revised Governance arrangements; Regular review and update of Regulatory Standards Action Plan. Internal/External audit;	Changes in Committee; Assurance Statement submitted to the SHR; External verification; Committee Away Days planned; Working towards compliance with SHR. Comprehensive committee training timetable	Implementation of Improvement Plan Apr-22 to Sep-23	3	4	12	Dir/TSM
Rent Setting and Affordability	9	Rent income levels do not meet expenditure; Rent levels are not affordable resulting in void properties and household poverty. Rent comparison with Stirling Council make FHA homes less attractive	4	4	16	The Rent Setting Policy reflects the needs of the business. Reviewed in 2020.	SFHA Affordability Tool with rent levels checked and positive outcomes; Effective budgetary control Benchmark with other RSLs; Rent increase consultation every January reported to the Board, HM Reports and TP surveys. Comparison with other providers in Stirling	Rent Modelling with new Housing Brixx software.	3	3	9	TSM/FO
Social	10	Knowledge base of staff and committee reduced through personnel changes; Pockets of antisocial behaviour develops blighting areas affecting Organisational reputation.	3	4	12	Succession and recruitment policy of committee and staff, Induction programmes; reports on anti-social behaviour policy and void relet policy. Relationship with Police and local authority	A review report after the AGM carried out yearly: Reports to the Board about training (staff and committee); quarterly reports about ASB and Void relet times vs. KPI's.	Committee/staff training and appraisals carried out.	2	4	8	Dir/TSM
Technology/ Digital	11	IT advances become too advanced or too expensive. Not able to communicate effectively with our services (Covid-19); Data breaches	3	4	12	IT strategy; tenant surveys; investment in Cyber Security; External partners to provide support with IT and Data protection	Outcomes of Surveys report to Board, Data Protection annual report; Budget information; Development of Software and Website	Digital survey completed, Update Digital approach with tenants to reflect their preference	3	3	9	Dir/TSM
Welfare Reform	12	Impact of Universal Credit on rental income. Furlough/Covid- 19	4	4	16	Effective management of rent accounts; Housing Officer patch knowledge; Rent and Arrears Management Policy and procedures; Access to DWP portal for UC claimants	Current rent arrears performance; Tenancy sustainment levels; reports to Board; Benchmarking locally and nationally	Improved tenant demographic targeted campaigns; Effective management of rent/UC and HB payments; Provide staff support to the income Maximization Officer	3	3	9	TSM

Appendix 10 – 30 Year Projections

See separate document.

Appendix 11 – Management Committee Schedule 2022/23

Dates 2022/23
Monday 25th April 2022
Monday 30th May 2022
Monday 27th June 2022
Sub Committees 3rd week in July
Monday 25th July 2022
Monday 29th August 2022
Monday 12th September 22 – Additional Meeting for Annual Accounts
Thursday 22nd September 2022 - AGM
Tuesday 27th September 2022
Sub Committees 3rd week in October
Monday 31st October 2022
Monday 28th November 2022
Monday 19th December 2022
Sub Committees 3rd week in January
Monday 30th January 2023
Monday 27th February 2023
Monday 27th March 2023
Sub Committees 3rd week in April
24th April 2023

Appendix 12 – Policy Plan

Policy Code	Policy Name	Review Date	Consultation Date
HR 16	Staff Training	Aug-22	Staff Jul-22
HM 08	Factoring	Sep-22	Owners Aug-22
HR 20	Staff Safety	Sep-22	Staff Jul-22
GOV 06	Customer Care	Oct-22	Tenants Aug-22
GOV 07	Tenant Participation	Oct-22	Tenants Aug-22
HM 24	Tenants Handbook	Oct-22	Tenants Aug-22
GOV 29	Access to Information Policy-Freedom on Information (FOI)	Oct-22	
GOV 30	Records Management Policy-FOI	Oct-22	
M 11	Rechargeable Repairs	Oct-22	Tenants Aug-22
HM 10	Lodgers & Sub Letting	Jan-23	Tenants Nov-22
HM 03	Allocations	Jan-23	Tenants Nov-22
GOV 31	Anti-Bribery Policy	Feb-23	
GOV 32	Notifiable Events Protocol	Feb-23	
HM 31	Joint Tenancy	Feb-23	Tenants Nov-22
M 18	Asset Management Policy	Mar-23	Tenants Jan-23
HM11	Adaptations	Jun-23	Tenant and Applicants Mar-23
HR 28	Acceptable Use of Computer Resources	Jun-23	Staff Apr-23
HM 09	Harassment	Jul-23	Tenants Apr-23
HM 26	Voids Policy	Jul-23	Tenants and Applicants Apr-23
HM 14	Rent Arrears Policy and procedures	Aug-23	Tenants and Applicants Jun-23
HR31	Remote Access Policy	Aug-23	Staff Apr-23
FIN 01	Financial Regulations	Aug-23	
FIN 02	Financial Procedures	Aug-23	
FIN 03	Treasury Management	Aug-23	
GOV 02	Code of Governance for Committee Members	Aug-23	
GOV 03	Data Protection Policy	Aug-23	
GOV 18	Payments, Benefits & Corporate Accountability	Sep-23	
M 15	Right to Repair	Dec-23	Tenants Oct-23