



**BUSINESS PLAN
2015**



Quality property
management services

Introduction

Venachar Ltd was established in 2013 and is a wholly-owned subsidiary of Rural Stirling Housing Association (RSHA) and a company limited by shares. Although we are a separate company with our own Board, both organisations share a common desire to meet housing needs in rural Stirlingshire. As a registered housing association and a charitable organisation, RSHA is somewhat limited in what it can do, mainly restricted to offering social rented housing. Venachar has been created to complement the work being done by RSHA and is able to deliver commercial services which lie out-with the scope of RSHA. By working together, both organisations will be able to make a greater and broader impact in the local area



Our first business plan

This is our first plan and should be read in this context. We are a start-up company and, whilst we are ambitious, we are also realistic. We benefit enormously from having the clear support of our parent company (a parent company with a 20 year track record) but we are also mindful that RSHA drives our strategic direction.

We have an independence agreement which sets out our relationship with RSHA.

This business plan is intended to set out how we plan to establish and develop the company whilst recognising that our plans are likely to change as we respond to the needs of our parent company and receive feedback from our customers. Our intention is to test our services and to use the feedback to shape and improve them. Whilst we have carried out some invaluable market research we also know that customer feedback is the most important research we can do. For this reason, we expect our move into trading to be careful, measured

and responsive to our customer's experience of working with us.

Our purpose

Our purpose is to provide services which complement the work of RSHA and offer value to RSHA's current or future tenants and the wider community. How we focus our activities and design our services is likely to change over time as we respond to the needs of the housing association and our local communities. In the future these services may include employability, environmental, or even arts projects. However, over the next few years, we expect our focus to be on the private rented sector and in particular providing management services to property owners and helping owners to bring vacant property back into use. In this way, we will be able to offer more choice to RSHA's housing applicants.

Our vision

Ultimately our ambition is that with our support, RSHA can broaden its impact in the local area.

Looking more specifically over the next 5 years, our vision is that we will:

- have built up a proven track record of successful delivery;
- have raised our profile to achieve a strong presence in the local area;

- hold a diverse portfolio of projects;
- be financially viable and self-sustaining through our trading activities; and
- have demonstrated a successful working relationship with RSHA.

Our values

As a subsidiary of a socially responsible, charitable organisation, our values are very important to us and drive our behaviours. We see ourselves as a social enterprise and thus seek to balance our social aims with a business-like approach. Our values in many ways become the standards of behaviour we wish to achieve.

We value:

- **being socially responsible** – doing what’s best for our communities
- **being focused on quality** – ensuring our services are high quality, safe, trustworthy, and comply with regulations and the law
- **being entrepreneurial and commercially aware** – creating opportunities to improve our impact and strengthen our business
- **being inclusive** – ensuring we do not, either intentionally or unintentionally, disadvantage anyone
- **being open and honest** – ensuring we are fair and transparent in how we conduct our business

The national context

In recent years, against the background of a continuing squeeze on public finances,

housing associations have been encouraged to explore innovative ways of funding new housing provision. This has created potential new opportunities which RSHA, as a Registered Social Landlord (RSL) and charity is not able to directly take forward.

At the same time the private rented sector has grown considerably throughout Scotland and the UK. Concern about standards of management in the private rented sector has, and is likely to continue to lead, to greater regulation and the imposition of higher legal standards. Existing landlords are not always best placed to meet these challenges.

There has also been a strong focus by the Scottish Government on empty homes, and initiatives established to help bring these back into use.

The local context

We have spent the last year researching the local context and building the business case to establish this new company. Our conclusions were:

- severe restrictions on the availability of funding for new build social rented housing mean that other solutions to addressing rising waiting lists need to be found.
- around 40% of RSHA housing applicants are currently living in the private rented sector with many dissatisfied with the quality, price or both.
- the supply of good quality privately rented accommodation in the rural Stirling area is limited
- many landlords with rural properties do not use letting agents

- Stirling Council research suggests that landlords need support to bring empty properties back into use
- the current sluggishness of the local housing market means some homeowners are struggling to sell their properties and may consider renting them out in the meantime
- most local letting agencies focus on the more urban areas and many do not accept tenants who are either students or receiving benefits.

Our challenges

We face the same challenges as any other start-up company – finding customers, creating a market for our services, building a brand and reputation and managing the business.

We do not underestimate the risks. However unlike most other start-ups we do have the support and resources of a successful parent company behind us. This means we have access to a team of highly skilled and experienced staff, essential business processes and infrastructure, a network of contacts and a well-respected track record and brand. We feel confident that with the support of RSHA we shall be able to overcome these challenges.

We are also conscious however that our relationship with RSHA – a Registered Social Landlord and a charity – means that there are some added considerations in terms of compliance with legal, regulatory and tax requirements.

Our priorities

We are still very much in the start-up phase and will be for the next two or three years. This is reflected in our priorities for the next year, which are to:

- provide property management services to private owners in the local area
- operate the Rural Stirling Empty Homes project
- manage any other property which helps to further the aims of RSHA
- promote our organisation and our services in the local area
- build relationships with local landlords, local employers, social enterprises, and community development organisations
- develop our business systems and processes
- manage our budgets and build our financial strength
- review and develop the skills of our Board
- seek accreditations which demonstrate our commitment to quality.

Our Impact

We hope that by successfully delivering our priorities, we will make a demonstrable social impact as follows:

- increased choice for housing applicants

- alleviated pressure on RSHA's waiting list
- brought empty properties back into use
- positively contributed to RSHA's impact

RESOURCES

Venachar does not, for the foreseeable future expect to directly employ staff. RSHA staff, all based in the Association's Doune office, will deliver services in accordance with an agreed Service Sharing Agreement.

It has also been agreed with the parent that RSHA will provide initial financial support in:

- Meeting initial set up costs.
- Carrying out the work and covering the costs involved in assessing properties for loan under the Empty Homes Loans Fund Scheme (Note that RSHA applied to the Scottish Government for an allocation of £90,000 from the Empty Homes Loan Fund and has now agreed to on-lend this to Venachar).
- Where necessary, providing a small level of financial support (up to and no more than a defined financial limit of £2000 per year for the first 5 years).

Business projections

It has been envisaged that the main focus of activity in the early years will be the provision of management services to individual property owners. It is anticipated that the scale of such activity will be initially modest – with up to 10 properties in management by the end of year 3 and with two Empty Home loan and lease arrangements also in place. On this basis a small surplus is projected.

However, other possible initiatives are being, and will continue to be actively explored. These currently include:

- Sale of serviced self-build plots in conjunction with the development of affordable homes for rent.
- Management services in respect of a small housing development owned by a national RSL.

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Venachar Ltd is a wholly owned subsidiary of
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