Business Plan

2020 to 2024

(Updated March 2023)

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1. INTRODUCTION

1.1 This Business Plan is our core planning document which sets out our business priorities for the next three years. It is approved by our Board before the start of each new financial year and should be read alongside our Rural Stirling Group (RSG) Strategic Plan 2020 - 2024. We review and update this plan annually and this version was approved by our Board in March 2023.

The Purpose of the Business Plan

1.2 This Business Plan aims to ensure that we achieve our strategic objectives and the long-term financial health and viability of the organisation. The Business Plan is primarily an internal document. Its purpose is to:

- help us understand our operating environment and place the work we do in context;
- clarify our strategic objectives and priorities and the actions we will take to achieve them;
- provide a framework for action and targets to be achieved and communicated to our staff;
- demonstrate that we have the required resources to deliver these actions;
- help us to identify and mitigate the risks we may face;
- provide a framework for monitoring our progress and measuring our success;
- provide an overview of our other strategic strategies and plans and show the linkages between them.

The Business Planning Process

1.3 In developing this business plan we have taken account of the following:

- our annual Business Planning cycle approved and adopted in April 2018;
- the requirements of the Scottish Housing Regulator's (SHR) Recommended Practice for Business Planning (RPBP) of December 2015;
- the Regulatory Standards of Governance and Financial Management reviewed and published in 2019;
- Stirling Council current Local Housing Strategy (LHS) 2012-17 (under review) and the Strategic Housing Investment Plan (SHIP) 2022/23 to 2026/27 published in November 2021;
- Loch Lomond and Trossachs National Park Local Development Plan 2017-2021 (LLTNP have revised timescales for the next plan and the current plan will remain in place until 2024);
- our Tenant Satisfaction Survey June 2019 (our new TSS is currently being carried out);
- Board and Staff Strategic Planning Review Session September 2022;
- Key stakeholder views of the Rural Stirling Group February 2021;
- Rural Stirling Group Strategic Plan 2020-2024;
- Staff Strategic Plan Workshop Session February 2020;
- Staff Planning Workshop March 2023
- Rural Stirling Group Strategic Plan 2020-24: Tenant Consultation Exercise February 2020.

1.4 Our Board meet to review strategy and future direction between August and September each year.

1.5   The business planning process is led by our Board and supported by senior staff ensuring a whole organisation approach. This allows our Business Plan to be owned by the Board and staff team and reflects the needs and aspirations of our customers and key stakeholders.

2.   ABOUT US

Our Story

2.1   RSHA was established in 1990 with the support of Stirling Council, Scottish Homes, and local Community /Councils to develop new homes to meet an established shortfall of affordable housing. Nearly all our homes have been developed directly by us and we remain the main provider of new affordable homes within the rural Stirling area with a healthy ongoing new build development programme.

2.2   Our area of operation is defined as north and west rural Stirling Council area, stretching from Tyndrum in the north, to Strathblane and Killearn in the west and Doune in the south. The two Multi Member Wards, Trossachs & Teith and Forth & Endrick cover much of the area, with a large part falling within the boundary of Loch Lomond & the Trossachs National Park (LL&TNP).

2.3   Using the Scottish Government rural community classifications, the area is predominantly "accessible rural" but with areas of "remote rural", especially to the north of Callander and around Aberfoyle. Callander itself, at the heart of the area, is now classed as an "accessible small town."

2.4   In 2013, we established a wholly owned non-charitable trading subsidiary, Venachar Ltd., to carry out activities that deliver our objectives, but which we are unable to carry out ourselves. Together we form the Rural Stirling Group (RSG). RSHA acts as the parent in the Rural Stirling Group. Our subsidiary operates in accordance with an Independence Agreement and a Service Sharing Agreement. Staff support to Venachar activities is undertaken by RSHA employees. A review of our subsidiary and a full Options Appraisal was carried out in 2019.

2.5   We currently own and manage 686 homes. The majority of these are social rented, with 11 shared ownership houses also remaining in management. 6 of these homes are leased to our subsidiary Venachar Limited, for letting on a mid-market rent basis. We provide a factoring service to 38 homeowners within our area.

Our Structure

2.6   We are registered under the Co-operative and Community Benefit Societies Act 2014, a Scottish Registered Charity and registered with the Financial Conduct Authority (FCA). We are also a Registered Social Landlord (RSL) registered with the Scottish Housing Regulator and in accordance with the Housing (Scotland) Act 2001 and a registered Property Factor and Letting Agent. We registered as a social landlord in November 1990.

2.7   We are led by a voluntary Management Board. The governing body is made up of tenants and other individuals from a variety of different backgrounds. Our Board of management come from a wide range of backgrounds and bring a wealth of varied skills and experience to our organisation. We carry out an annual programme of training needs assessment and have a Board Learning and Development programme to address any skills gaps. Details of our current Board members can be found by visiting the About Us area of our website

2.8   Our Board make the key decisions about the organisation and provide challenge, scrutiny, and oversight over our senior staff team to ensure that all decisions and activity are in the best interests of our tenants. We have one Sub Committee, Audit & Risk which provides assurance to the Board that risk management, robust internal control and legal and regulatory compliance are embedded within the culture of RSHA. The role of the Committee is also to deal with any disciplinary or grievance matter, in accordance with the agreed terms and conditions of employment and related procedures.

2.9   We currently employ 16.7 Full Time Equivalent (FTE) staff. Details of our current staff team can be found by visiting the About Us area of our website Our current Organisation Structure chart is also available here.

Our Track Record

2.10   We have grown considerably in size through acquisitions and new house building since we were originally established in late 1990. In 2020 we celebrated our 30th Anniversary. Our subsidiary organisation meets the unmet needs of members of our community that RSHA cannot provide due to its' Charitable Status, and we continue to buy back Shared Ownership properties where such housing is no longer suited to the occupants needs. We have enhanced our services by responding to the needs of our communities e.g., establishing an Income Maximisation service.

2.11   We are a key development partner of Stirling Council and the Loch Lomond and Trossachs National Park. Our strategic aim "to increase the supply of new affordable homes across rural Stirlingshire" supports the objectives and priorities identified within Stirling Council's Local Housing Strategy and Strategic Housing Investment Plan and the Loch Lomond and Trossachs National Park Local Development Plan. Our continued status as a developing housing association has enabled us to contribute to the Scottish Government 50,000 homes target for new housing supply, 35,000 of which are identified for affordable housing to be delivered through RSLs. During the life of this business plan and the next year of our current Strategic Plan period, we anticipate receiving over £9.7m in Scottish Government Housing Association Grant and have a further requirement for private finance of c£3m to deliver our investment programme .

2.12   We have a close (but non-constitutional) relationship with our partners in the StrathFor Housing Alliance – Forth HA and Ochil View HA. The StrathFor alliance meets on a Quarterly basis to explore opportunities to work together, benchmark activities and share best practice. The StrathFor alliance has allowed a number of collaborative activities to be undertaken and others are being explored.

2.13   We are an outward looking organisation, and our Board and staff are encouraged to network and share experiences with others and learn from them. We are a full member of EVH and a member of the Scottish Federation of Housing Associations (SFHA). We have been invited by the SFHA to host the Rural Island and Highland Housing Association Forum (RIHAF) Annual Conference in 2023 and look forward to showcasing our portfolio of new housing development and new development proposals.

2.14   We report our performance on an ongoing basis to our Board and publish our performance against the Scottish Social Housing Charter (SSHC) Standards and Outcomes for tenants through our Annual Report and Annual Assurance Statement to the SHR. Our Board, leadership and staff team are focussed on the future to ensure that we design services with our customers, deliver what they need both now, and in the future and in a way that reduces waste and inefficiencies and offers value for

money. Our small size and geographical spread do however create challenges in keeping our relative costs per unit and value for money, competitive.

Our Strengths and Weaknesses

2.15   As part of each review of the Business Plan we examine our current strengths and weaknesses through a strengths, opportunities, weaknesses, and threats (SWOT) analysis. The complete analyses are included at Appendix 1. A summary of the SWOT analysis is highlighted in Table 1 below.

Table 1: SWOT highlights

Strengths	Weaknesses	Opportunities	Threats
Strong sustainable Board and effective leadership	Staff recruitment and retention Board recruitment and retention Board and Senior staff succession	Funding and development opportunities for new build and green funding	Cost of living crisis and uncertainty regarding Economy, Society, and tenants
Staff Team	Capacity and level of ambition	Value for money and opportunities to outsource or share services	Political Change: elections, Independence, new Housing Bill, Rent Controls
Strong financial position	Scale of new build	High demand	Climate Change challenging building standards and /targets and limited resources

Source: RSG Strategic Planning Session February 2021- updated by the Board February 2023

2.16   Consistent strengths are our people (staff and Board), good local knowledge and a strong financial position. Our staff know our customers well and have built up good, trusted relationships. We have worked closely with our communities and have good relationships with other stakeholders. Our stock is of good quality and in high demand. In addition to this, the Association has a financially sound and robust business plan. Our 30-year financial projections indicate that we can meet all our financial commitments and necessary investment in our current stock, whilst continuing to deliver new affordable housing to those that need it.

2.17   A concern identified during the SWOT analysis was our ability to attract and retain Board and staff due to our rural location, size, our capacity to deliver our ambitions and whether we can continue to develop new housing as well as investing in our existing stock.

2.18   Whilst our rents are comparable with those of other RSLs, feedback from our most recent Tenant Satisfaction Survey carried out in 2019 tenants suggests that we need to do more to demonstrate that our rents are affordable and represent value from money. Our three yearly Tenant satisfaction Survey is currently being updated and we will develop an action plan to address any weaknesses in satisfaction identified The SWOT analysis highlighted opportunities that exist for closer collaboration with partners to share costs and achieve economies

of scale.

2.19   Overall tenant satisfaction levels have improved, and we will continue to focus on improving satisfaction with the quality of our repairs service, how we communicate and engage with our customers and the quality of the environment around our estates. Complaints performance and getting things done right first time will also be an area of focus for improvement. Whilst our stock is already largely EESSH1 compliant we also know that, with a current reliance on older electric heating systems, there is still significant scope for improvement in the energy efficiency of many of our homes to reduce the fuel bills of our tenants. We need to address the Climate Change emergency and reduce the impact of our activities on the environment. We also need to meet EESSH2 targets, which include upgrading any EESSH1 exemptions, and this will require significant investment. Increasing requirements and standards place additional pressures on our tenants' rents.

2.20   The Business Plan has been produced in the context of the ongoing cost of living crisis. The crisis seems to be relentless, making every aspect of the lives of our tenants much more difficult. This crisis has presented challenges for our tenants across our communities. Our number one priority has been to support our tenants to cope with the rising costs of living and to maximise grant funding to mitigate the worst of the impacts for our most vulnerable tenants. We have kept our resources, KPIs and targets under constant review to ensure that these are still realistic and achievable in the current circumstances.

3.   CONTEXT

3.1   A key influence on our Business Plan is the environment in which we operate. The Business Plan includes both SWOT and PESTLE analyses. The SWOT was updated in February 2023. The results from the updated SWOT and the full PESTLE analyses are included at Appendix 1.

3.1.1 The last year has been another extremely challenging one for everyone. We have experienced great uncertainty and we have had to continue to plan and make decisions in the face of the unknown, and this has not been easy. The Cost of Living, (Tenant Protection) (Scotland) Act December 2022 threw our sector into turmoil with the introduction of a temporary rent freeze and moratorium on evictions and the threat of rent controls to come. The timing of the Scottish Government's legislation could not have been any worse. Like many other RSLs, we had already commenced our budget planning and rent setting process for 2023/24 and the legislation diverted our attention and resources at a crucial time. Our aim, and the aim of our sector as always is to remain resilient in the face of adversity. The Scottish Government announced in January that there will be no extension of the legislation beyond the 31 March 2023. However, we are not complacent and our priority going forward will be to support our tenants to mitigate the worst impacts of the continuing cost of living crisis whilst remaining as financially secure and strong as possible.

The National Context

Political

3.2   The General Election in December 2019 resulted in a Conservative landslide majority, the party's largest since 1987. The result of the election saw the Conservatives strengthening their position on Brexit, securing the mandate which ensured the UK's departure from the European Union (EU) on 31 December 2020. The SNP formed the next Scottish Government, a historic fourth consecutive win, following the Holyrood election held in May 2021. The Nationalists fell one seat short of a majority. The shock resignation of Scotland's First Minister, on 15 February 2023 no doubt came as

a surprise to everyone. We have had the same First Minister for 8 years, and after such a long time there is likely to be a period of instability ahead which means more uncertainty and troubled times ahead for our country.

The Scottish Government *A New Deal for Tenants – Draft Strategy for Consultation* https://www.gov.scot/publications/new-deal-tenants-draft-strategy-consultation-paper/ was launched in 2021. The consultation response was published in the autumn of 2022 and the Scottish Government will undertake further discussions with key stakeholders to inform and shape the final rented sector strategy and legislation.

The strategy seeks to improve accessibility, affordability, choices, and standards across the whole rented sector in Scotland. The strategy will be a key element of Housing to 2040. Housing to 2040 is Scotland's first long-term housing plan which sets out how homes and communities should look and feel in 2040. The strategy specifically addresses private and social rent and agricultural tenancies, to ensure the sector offers good quality affordable homes, and a choice of housing to meet people's needs. Housing to 2040 also includes a proposal for a new Housing Bill, to be introduced early in the next parliament, to take forward further reforms in the rented sector and increase the rights of tenants.

3.3   The government has continued the pursuit of the welfare reform programme. Whilst the Scottish Government is committed to mitigating the changes for those most in need in Scotland, welfare reform will continue to impact on the poorest in society who will commonly be social housing tenants. We must ensure that we fully understand our tenant base and their changing needs and help them prepare for the future including how they will pay their rent. We must also proactively counsel prospective tenants in the same way and work to keep rents affordable. The housing crisis to be tackled is evident in the new approach to Homelessness and the introduction of Rapid Rehousing Transition Plans (RRTP) and the Housing First approach. Investment in housing and a focus on building affordable homes beyond the current parliament will be essential to meet the demands of housing for homeless households and future shortfalls.

3.4   There has been a raft of legislative and regulatory change including: the Cost of Living (Tenant Protection (Scotland) Act, Welfare Reform and continued roll out of Universal Credit; the Commencement Order from the Scottish Government on the new guidance issued on the Housing Scotland Act 2014 in relation to allocations, succession, eviction, and assignation. New fire safety regulations, following the Grenfell tragedy, and Freedom of Information legislation. We are required to comply with government regulations to ensure our housing stock meets specified energy efficiency standards and new building regulations. The Scottish Government Heat in Buildings Strategy, published in October 2021, sets out the Scottish Government's vision for the future of heat in buildings, and the actions being taken in the building sector to deliver climate change commitments, maximise economic opportunities, and ensure a just transition, including helping to address fuel poverty.. The Heat in Building Strategy confirms that, in addition to improved standards for new homes, the path to net-zero by 2045 will require significant improvements in energy efficiency in existing stock. Climate change, community empowerment, the ambition for 20-minute neighbourhoods, infrastructure investment, and sustainable economic development are key Scottish Government priorities.

3.5   From October 2019, all RSLs are required to submit an Annual Assurance Statement.   All RSLs have an Engagement Plan with the SHR. We will comply with the terms of our Engagement Plan and make this available to our tenants. We anticipate that during 2023/24 the SHR will issue consultation guidance on a review of the SHR Regulatory Framework first introduced in 2019.

Economic

3.6   The UK Budget followed a year of economic challenge as a result of the ongoing pandemic. The UK economy has been weakened, by the effects of the virus and the measures necessary to control it, leading to an unprecedented fall in output and higher unemployment. The events in Ukraine will have far reaching economic impacts with sanctions being imposed in relation to oil and gas imports. This will undoubtedly further impact on the fuel and cost of living increases and is predicted to push inflation levels even higher pushing the UK economy into recession.

3.7   The Scottish Government's draft budget for 2023/24 was published on the 15 December 2022. The budget has three key priority areas – eradicating child poverty, strengthening public services and moving towards a net zero economy. However, the overall housing budget has been reduced and there is a reduction in the More Homes budget by over £200m, threatening the supply of affordable housing and reducing housing need. At the time of writing the Scottish Parliament was holding the second debate on the draft budget with MSPs being briefed ahead of the debate on the key issues facing the social housing sector., The challenges in terms of significant cost of living increases, soaring energy costs and supply chain labour and material shortages look set to continue.

3.8   The Affordable Housing Supply Programme has seen a significant investment, in recent years, but is likely to see a reduction in real terms in 2023/24.Wage growth has not matched house price increases and rises in inflation in 2022. This will still affect the ability of low-income families to access a mortgage which means that the demand for social housing will still remain strong amid a potential reduction in supply.

3.9   Based on our current knowledge of our stock, most of our homes already meet the Energy Efficiency Standard for Social Housing (EESSH) but this still leaves many of our tenants facing relatively high fuel bills and dependent on older electric heating systems. Shifts in energy usage and costing are inevitable. This will continue to increase demands for improvements to energy efficiency and fuel poverty advice.

Social

3.10   The big social challenges going forward for us in common with the whole of society is the lasting impacts of the global pandemic and the changing demographic landscape and the fallout from the current cost of living crisis.

3.11   Across Scotland and the UK, there is a growing and ageing population, more people are living alone, more people are struggling to heat their homes and more struggling to buy food and becoming reliant on Food Banks. Loneliness and isolation caused by the restriction in social interaction during the pandemic is likely to have long term impacts on health and mental well-being.

3.12   Our customer base will get older and generate new demands as the model of care changes with a greater emphasis on keeping people at home. We will need to address the accessibility and adaptability of our homes. We will also need to consider developing new relationships with health and voluntary agencies and what new services are required to support people to stay longer in their homes. Our rural locations mean additional challenges for our tenants in terms of accessibility and availability of support services and transport to allow independent living at home.

3.13   A legacy of the global health pandemic has been the shift to more mobile working. Homes have become our places of work and are likely to continue to be as our workplaces become more agile

and flexible. We need to consider the adaptability of our existing homes and design in home office spaces for our new homes.

Technological

3.14 There has been a monumental shift to digital working methods using new technology for organisations and their staff. This acceleration in the pace of change, which would normally have taken years, happened in the space of just a few months as a result of the global health pandemic. We are now more reliant on digital technology than ever before, and this has now become a priority. More and more services have moved online, there is an increased expectation for self-service options online with people of all ages using an array of IT devices and happy to do business in this way. Telephone contact and face to face may still be required for some and it is important that we know and understand our tenants' preference when engaging with us. We must therefore be adaptable and flexible in our approach to respond to a variety of needs.

3.15 We have moved forward and widened our online offering, but still need to do more. We are also aware that social tenants are still the most digitally excluded in society. Despite this, more and more public and commercial services are being designed as "digital by default" including the Universal Credit system on which so many of our tenants will rely on going forward. There are also the proven benefits of being able to access services online to get cheaper products and service, to learn and to access jobs and training. The technology needed to get our services online will be important to meet consumer needs, however, can also be a cost reduction driver. Digital transformation is not just about the services that we offer, we also need to exploit digital opportunities to make our houses smarter and more intuitive, advancements in technology allow for smart metering and diagnostic tools to allow for preventative maintenance to be carried out before problems occur. We should be exploring all opportunities to make sure that our homes are fit for purpose and fit for the future. As we develop our services, we need to ensure our staff team are comfortable and adept at using modern technology to help consumers, but also to be more mobile e.g., home working and handheld devices to take the service into the customers' home.

3.16 We must play our part and make it easier for tenants to get online confidently to engage and carry out business with us and others. How we engage and communicate with our tenants and other customers is important. However perhaps more crucial is understanding how they wish to be engaged with. This will be an essential part of our transition process if it is to be successful. In 2019 we signed up to the Scottish Council of Voluntary Organisations (SCVO) Digital Charter. In signing the charter, we have agreed to five key pledges to ensure we are helping to build the essential digital skills of the people in our communities and our organisation.

Opportunities

3.17 When we look at our operating environment, these external influences reveal some potential opportunities for us. There are opportunities to further explore collaborative working with others, such as the delivery of the development function and procurement, through to procurement clubs and alliances.

3.18 Our positive relationships with Stirling Council, the National Park and communities means that there will be opportunities to increase development activity and grow. Feedback received, from our stakeholders indicates that they view the organisation as a key partner for increasing access to affordable housing locally. There is strong support from our partner stakeholders for us to continue to develop new affordable homes. This not only meets local demand but helps key stakeholders

such as the Loch Lomond and Trossachs National Park, Stirling Council and the Scottish Government meet their objectives.

3.19   The community empowerment agenda also opens new possibilities for joint working with communities. There is also scope for us to make better use of IT and digital services to improve efficiency of working and service delivery to tenants and communities.

Threats

3.20   We recognise that there are also a number of known challenges, or external threats, that we will need to prepare for. Economic and political uncertainty, and the potential for Scottish Independence open up the possibility of more adverse economic change with possible consequences for interest rates and loan costs; inflation costs (of building materials and others) and at the same time economic downturn reduced income and rent paying ability for tenants. Whilst hard to predict, this will need to be carefully watched and fed into key strategic considerations and plans going forward.

3.21   Development is a potential opportunity however, it is also a potential threat, and we face particular challenges given the nature of our programme and site opportunities. We operate in a local authority area with one other locally based RSL, Forth HA, whose area of operation is the urban Stirling and eastern villages area. We have built good working relationships and co-operative working arrangements with the Council. Whilst there are some other RSLs with a small stockholding locally, past practice has been for the bulk of development monies to be shared between the Council and the two locally based providers. Whilst this arrangement still meets the Council's objectives it cannot be assumed that this will continue indefinitely and the Association must be alive to the possibility of change and an increased role for other providers in the area, opening scope for both increased competition and possibly new opportunities for joint working.

3.22   We, like every other modern business have a huge reliance on IT for effective operations, however we are not immune to the risks of cyber-attack or service interruptions/failure and must protect the data we hold and manage. We therefore need to regularly review arrangements around IT to ensure we are resilient.

3.23   We are facing a global climate emergency and need to take action to ensure that our stock is resilient to the impacts of Climate Change. We need to consider our standards of specification and the materials we use and reduce our impact on our environment and protect future generations. More stringent energy targets and standards will have a knock-on impact for our tenants, and we need to work with our partners, the Scottish Government, Stirling Council, and others to minimise the impacts of climate change.

3.24   We are working in an extremely complex, fast paced, and demanding environment. The increased regulatory burden and our limited capacity poses the threat of losing staff and board members. We must not take our eyes off the impacts of welfare reform. This is set against the cost-of-living crisis, growing poverty and inequality, homelessness and a continually evolving political environment that presents huge challenges. Our aim is to align the organisation with the changing environment so that we manage threats and take advantage of opportunities that further our Strategic Objectives.

The Local Context

3.25   The Scottish Index of Multiple Deprivation (SIMD) (2020) categorises Balfron, Buchlyvie & Strathblane as being within 10% of the least deprived areas in Scotland. Tyndrum, Lochearnhead, Strathyre and Callander have the greatest levels of deprivation in the rural Stirling area but are categorised as having medium levels of deprivation in Scotland. There are, however, some significant pockets of deprivation which can be overlooked if only a general view is taken. Areas within Aberfoyle, Callander and Doune have notable levels of housing deprivation, likely due to relatively high house prices and low proportions of affordable housing. Tyndrum also has significant levels of housing deprivation predominantly due to the high numbers employed in low paid seasonal work. Most notably, almost 50% of areas have some of the highest levels of deprivation in Scotland for access to services and public transport.

3.26   2011 Census figures state the population of the rural Stirling area is 24,000 – 26% of the population of the Stirling Council area.   The highest proportion, over 32% are within the 45 to 64 age range, 27% are under 24 and 20% are 25 to 44. 18% of the population are within the 65 to 84 age bracket. This is generally in line with Stirling Council in total with exception of the 45 + age group, which is approximately 5% higher in the rural area. This mirrors the profile of an ageing population across the country. Life expectancy and good health are slightly better in rural Stirling and there is a lower percentage of ethnic minority households.

3.27   Whilst unemployment rates are slightly lower than for the rest of Stirling and Scotland, many of those living locally are in relatively low paid seasonal work or are self-employed often working part time hours. There are approximately 7% more self-employed in the Trossachs & Teith Ward and a 7% higher rate of employment in the accommodation and food services industry compared to the rest of Stirling. The Joseph Rowntree Foundation report ("A Minimum Income Standard for Remote Rural Scotland" Policy - Update 2016) highlights "In 2016, a minimum acceptable standard of living in remote rural Scotland typically requires between a tenth and a third more household spending than in urban parts of the UK" with the costs of travelling, heating one's home and paying for goods and their delivery being much higher.

3.28   Looking to the future, we will continue to take account of the demographic profile and associated issues in rural Stirling to plan and deliver affordable homes and housing services that reflect the needs and priorities of the communities.

3.29   Home ownership is the principal tenure in the rural Stirling area. Census 2011 figures profile owner occupation rates at 69% (Trossachs & Teith ward) and 78% (Forth & Endrick ward), both higher than Stirling at 66.2% and the Scottish average of 62%. Fewer households are renting social housing in rural Stirling than the Scottish average of 24%. The Forth & Endrick ward is well below the average with 11% of households renting from the social housing sector and 16.5% in Trossachs & Teith. There are currently 724 applicants on our waiting list. This would suggest the reason for below average levels of social housing tenure in rural Stirling is the lack of social housing stock rather than demand for it.

Our Customers

3.30   We have a total of 877 sole and joint tenants. Our tenant profile consists of 480females (55%) and 397 males (44% 45%). Just under 25% of our customers are over the age of 65 (retirement age). Under 35's makes up 16% of our customer profile, 39% are between 36 and 54 and 20% are between 55 and 64.This data is important for asset and housing management purposes, indicating an ageing

customer profile with the potential need for increases in adaptation work and additional support to assist customers to be able to live independently at home.

3.31   The majority of our tenants are white Scottish. This reflects the picture across the rural Stirling area, where 99% of the population identify themselves as white, with a majority of those being Scottish. We comply with the SHR requirements to Collect and Monitor Equalities information from tenants and applicants and will design and deliver our services to meet tenants and applicants' needs.

Welfare Reform Impacts

3.32   We receive direct housing cost payments for 42% of our customers. A further 9% have received Universal Credit housing cost payments, paid to themselves.   This figure has remained steady over the last two years. We employ an Income Maximisation Officer (IMO) who works alongside our Housing Officers assisting tenants to maximise their income.

3.33   At present all tenants who are in receipt of housing costs and under occupy their home, are contacted on an annual basis, and reminded to reapply for Discretionary Housing Payments (DHP) which covers the under-occupation charge. To date loss of income has not materialised. Scottish Social Security now fund DHP and there is no indication from the Scottish Government that funding for the under-occupation charge will decrease or cease at this stage.

3.34   The number of tenants under occupying has remained at 16 in the last year. Two households who were under occupying their homes were transferred to smaller properties. However, changes in personal circumstances to two other households has meant the figure remains the same.

3.35   An objective of our Allocations Policy is to make the best use of social rented housing in the rural Stirling area. To meet this objective, and the requirements of the 2014 Act, an Allocations Review was carried out in 2019   As part of this review priority points for social housing tenants under occupying their home were increased so that anyone wishing to downsize would have reasonable preference to do so.

3.36   It is almost six years since the roll out of Universal Credit (UC) took place in Stirling.   There has been a steady increase in the migration of working age tenants claiming means tested benefits, onto UC. Arrears for those on UC have decreased from 1.9% of rent due at the end of 2021/22 to 0.96% at the end of Q3 2022/23. This is partly due to a change in the way UC arrears figures are being calculated. We now only calculate arrears for those who have received a payment within the previous two months.   It is unclear at present when the managed migration of claimants on legacy benefits to Universal Credit s will be carried out in the Stirling area. There has been a reduction in the number of people claiming Housing Benefit. 27% of our tenants who claim help with housing costs still currently claim Housing Benefit, compared to 55% in 2021/22. As people's circumstances change, they are moved on to Universal Credit from Housing Benefit and this explains the reduction.

3.37   The roll out of UC included a fully digital claim process. We are aware that not every household is digitally inclusive, and some may find it difficult to claim benefits on-line. To ensure digital support continues our Housing Services Officers are trained Digital Champions and encourage tenants to engage through digital formats.

Our Rents

3.38   We are committed to setting social rents that are affordable and represent value for money. In 2019, our last tenant satisfaction survey showed a decline in the number of people who felt that their rent

represented value for money. .Through engagement with our customers we addressed aspects of our service that needed to improve. We use the Scottish Federation of Housing Associations & Scottish Housing Network's Affordability Tool along with, offer refusals, tenancy sustainment and benchmarking to assess the affordability of our rents, which continue to remain affordable and competitive.

3.39 The table below compares 2021/22 average rent levels with neighbouring housing associations, our local authority and peer group (rural housing associations of similar size). Scottish social landlord average rents are also included for comparison. All of our average rents in 2021/22 were lower than our peer group. Our one-bedroom rents are lower than the Scottish average.   Our two-bedroom rents are   higher than the Scottish average and that of our neighbouring housing associations. Our stock has a high proportion of houses with additional facilities such as driveways, and therefore higher rents. Three-bedroom rents are on a par with our neighbouring housing associations. Four-bedroom rents are on a par with the Scottish average and neighbouring landlords Stirling Council has significantly lower rents than all landlords used for these comparisons and the Scottish average.

Table 2 – 2020/2021 Rent Level Comparisons

	RSHA	Forth HA	Ochil View	Stirling Council	Peer Group HA's average	Scottish Average 2020/21
Average Weekly Rent - 2 apartment (1 bdrm)	£77.81	£75.93	£79.49	£67.86	£80.12	£81.32
Average Weekly Rent - 3 apartment (2 bdrm)	£87.60	£84.06	£86.73	£70.24	£92.91	£84.18
Average Weekly Rent - 4 apartment (3 bdrm)	£94.57	£92.77	£94.32	£73.08	£100.53	£91.48
Average Weekly Rent – 5 apartment (4 bdrm)	£100.57	£98.60	£98.99	£74.98	£111.28	£100.74

Source: ARC 2021/22

Asset Strategy

3.40 We undertake a Stock Condition Survey (SCS) every 5 years and our current independent stock condition survey was last carried out in late 2020.

This data has been used to update our 30-year life cycle costing projections. The projections feed into the Business Plan model and influence a 3 - 5 year programme of component renewals.

In preparing the 2021/22 Charter Return we discovered that 151 properties did not meet the Scottish Housing Quality Standard[1] (SHQS), 13 properties did not meet the EESSH 1 Standard and

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[1] *The Scottish Housing Quality Standard (SHQS) is the Scottish Government's principal measure of housing quality in Scotland.*

134 properties did not have a valid EICR for electrical safety. The requirement for a an EICR to be undertaken within the last 5 years came into effect on 31 March 2022. This has seen sharp rises in fails from SHQS across the sector. A plan was put in place to address this, and all properties will have a valid EICR by the end of 22/23.

The Stock Condition Survey highlighted that 39 properties failed SHQS standards in terms of kitchen storage area provided. 19 of these will be classed as exemptions. Of the remaining 20 that could be improved with the installation of an additional kitchen unit, 11 were brought up to standard. Those kitchens not included in the ongoing programme of kitchen replacements will be addressed in due course to ensure SHQS compliance.

3.41   The deadline for Energy Efficiency Standard for Social Housing (EESSH1)[1] was 31 December 2020 so as we work towards compliance with EESSH2 by 2032 the Board appointed Energy Consultants to provide the expertise to steer them through this process and consider all options available. This report was finalised in 2022, with the findings reported to Board and will inform an energy strategy for stock improvements.

3.42   Replacement heating systems alone may not achieve the standards of energy efficiency required. We will consider a fabric first, and whole house approach to maximise the energy efficiency of our homes. The Consultant's report identified the most appropriate type of heating per development, costs involved and highlight what other fabric improvement measures we can undertake to improve the thermal efficiency of our homes.

3.43   At 31 March 2022, the types of heating systems installed in our homes is as follows:

	RSHA Units	% of stock	Venachar Units	% of stock
Gas Heating	325	49%	3	50%
Electric Storage Heating	238	36%	3	50%
Ground Source & Air Source Heat Pumps	103	15%		
Solid Fuel	3	>1%		
	669*		**6**	

Excludes 11 Shared Ownership Units

3.44   The renewal of inefficient, aging electric storage heating remains a key target of the current 5-year component renewal programme. A new air source heat pump was installed in one home which used solid fuel. We completed a more detailed energy review of the stock midway through 2022 with the objective of informing our EESSH2 projections with viable and affordable efficiency measures and, critically, providing tenants with more comfortable, affordable homes. EESSH2 is the most recent phase of the government's energy efficiency strategy with compliance due in 2032.

3.45   The 30-year life cycle costing figure included in this Business Plan is £44m (inflated).

3.46   The objectives set out within this section are contained within our Asset Management Strategy (AMS) which was approved by the Board in November 2021, thereby providing clear direction through prioritised objectives in the short, medium, and long term. This will be reviewed and updated in November 2024. Beyond the foregoing objectives the current AMS included such priorities as the development of an EESSH2 Strategy, development of an assessment tool for ranking

stock, exploring and producing a strategy for how we provide housing for an aging population and undertaking an options appraisal for the Repairs Service.

Development Strategy

3.47   Our Asset Management Strategy also details our commitment and the support of our Board, customers, and partner stakeholders towards growing the organisation by continuing to build new homes or land and property acquisitions. This will strengthen the organisation to deliver improved value for money for tenants.

3.48   Whilst newbuild development represents potential opportunity it also carries potentially significant risks. The Association will continue to have regard to SHR's general Business Planning and Asset Management Guidance (2015). Also, more particularly to the recommendations from its (March 2017) thematic inquiry into "Development of affordable housing in Scotland" and the ten principles it identifies: Strategy, Risk, Product, Capacity, Governance, Appraisal, Funding, Project Management, Procurement and Stakeholders.

3.49   We work closely with Stirling Council, Loch Lomond and Trossachs National Park and other local providers as part of the Stirling Strategic Housing Forum and the Stirling Strategic Housing Investment Plan (SHIP) Working Group.

3.50   There is continuing evidence of strong need and demand for affordable housing in many parts of our area – particularly in South, Callander. The area has been categorised as "pressured" and a key investment priority within the Stirling Strategic Housing Investment Plan (SHIP). The Stirling Council and National Park Local Development Plans have both identified new housing development sites with a significant affordable housing requirement.

3.51   The main priority is the development of social rented housing however there is also demand in certain locations for other tenures including Low-Cost Home Ownership (LCHO) and Mid-Market Rent (MMR) and the Stirling SHIP now also recognises this.

3.52   The current Stirling SHIP (2022/23 – 2026/27) provides for Grant funding for circa 105 units for RSHA in the remaining year of this Business Plan (2023/2024).

   Our 30-year business plan model assumes the following development programme for the duration of this business plan:

Development	Social Rent No of Units	Other No of Units	Total	Completion
Burnside, Kippen	**9**		**9**	**22/23**
Balmaha	**10**	**10**	**20**	**24/25**
Buchanan Crescent Croftamie	**14**		**14**	**24/25**
Gartness Road, Drymen	**30**		**30**	**23/24**
Lampson Road, Killearn	**9**	**2**	**11**	**24/25**
Strathblane	**4**		**4**	**22/23**
Tyndrum	**12**	**5**	**17**	**24/25**
Total	**88**	**17**	**105**	

Sites that are live or currently being progressed are included in the business model. Various sensitivity analysis surrounding the development programme going forward are prepared to assess the financial impact including future funding requirements.

3.53 Development sites in the rural area have traditionally been scarce and often relatively expensive to develop due to site conditions and infrastructure costs. The business case for development was however much strengthened by the significant increase in social housing grant per unit and overall grant availability as part of the Scottish Government's drive to meet its 110,000 affordable homes target.

3.54 All schemes are risk assessed and financially appraised to assess when they will start generating net surpluses and their longer-term impact on our finances. The current target is for private finance per unit for new homes to be on average £60k. This figure is being driven upwards as we face increased tender costs and the tightening of HAG benchmark subsidies. New tenures potentially bring benefits in terms of funding viability but also additional risks and there will be a need for vigilance in this regard.

3.55 We will also consider adding to our stock incrementally through small scale purchase of existing homes. In the past we have bought back shared ownership property where this makes sense, in areas of high demand. Several of our remaining sharing owners have indicated a desire to sell but stay in their home as tenants, as they do not have the income to tranche up and are worried about the prospect of meeting future maintenance costs.

3.56 Following a review of the resourcing of our development function carried out in 2022 we will continue to buy-in expertise from specialist development service providers. A new Framework for Development Consultants Services is currently being procured. The new framework will be in place by May 2023.

4.   STRATEGY

4.1 The RSG Strategic Plan sets the framework for both RSHA and Venachar Ltd. The governing bodies of both organisations came together in August 2019 to review and refresh the Vision, Mission and Values and the future Strategic Direction of the Rural Stirling Group. This led to the development of the Rural Stirling Group Strategic Plan 2020-2023. The Board have held annual planning sessions throughout the period of the plan meeting most recently in September 2022. With respect to strategic direction, it was felt that overall, the strategic direction remained fit for purpose. In terms of the work due to commence on the next strategic plan it was agreed that in the current climate, with so many unknowns, it would not be the best time to be embarking on this. A more cautious approach has therefore been adopted. The Board have agreed to defer a comprehensive review of the Group Strategic Plan extending the current plan period to 2020-2024 and will carry out an interim update only as we move into 2023/2024.

Our Vision

4.2 The vision of the RSG is for *Strong and attractive rural communities.* Our vision highlights the geographical area in which the RSG operates, it does not serve one local community, but many communities spread throughout a large rural area.

Our Mission

4.3   Supporting the vision is the Group's mission statement, *to provide affordable, quality housing and support community aspirations.* The mission emphasises that we want to not only build new homes, but we also want to help the people who live in and around our homes. The development programme is large compared to the size of the organisation and so by building new homes, there is an acknowledgement that the organisation will grow, potentially by as much as twenty five percent over the next three years.

Our Values

4.4   The values of the Rural Stirling Group were reviewed at the group strategy day last autumn by the Board of RSHA and Venachar and senior staff. We have developed a set of guiding values that will steer our behaviours and help us to achieve our mission. The values that we hold dear include:

- **Accountable -** our Board, as the governing body, and our leadership team will provide strong strategic leadership and oversight, ensuring tenant and other service users' priorities are protected and at the forefront of all that we do. We will ensure that all our staff and others that work for us are accountable, and that our actions are always transparent.

- **Ambitious -** we are committed to striving for excellence, and maximising opportunity for our people and the customers that we are here to serve. An example of RSG's ambition is its development programme, which is significant for an RSL of its size but will have a very positive impact on the communities in which it operates.

- **Caring -** the services that we deliver will meet the needs of our customers and be delivered by professional and caring staff. We are here for the long-term, so we care deeply about the design, life-long quality and cost of our homes, and their impact on the physical and social environment. We believe that a healthy community is a socially inclusive one and, through our landlord and other services, we will meet local needs, provide ongoing support, and help tackle rural disadvantage. We also want to build a happy healthy and engaged team, and we value and care for everyone that works for us.

- **Collaborative -** we will work collaboratively with all sections of the local community. This includes working collectively and individually with our customers and with other housing associations, statutory, public, and voluntary sector partners to improve the lives of our residents. We will be a proactive member of our local communities, seeking out new, innovative ways to address issues that impact our residents. We will work with communities and explore ways of maximising opportunity through community empowerment to ensure local voices are heard in the planning and delivery of services.

- **Inclusive -** the Scottish Social Housing Charter (SSHC) requires Registered Social Landlords (RSLs) to ensure that every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services. We recognise that the communities in which we operate have a diverse mixture of people and we are committed to reflect that by having a diverse and inclusive staff and board. More than that, we value the perspectives and contributions of everyone connected to the RSG.

- **Respectful -** RSG will treat everyone with respect: we will be polite and treat others as we would wish to be treated, we will be helpful, we will listen, we will not make excuses and we will be willing to change when this is necessary. This is equally important for those outside the organisation as it is our employees and Board members.

Our Strategic Objectives

4.5   Building on the values are RSG's seven key strategic objectives. Our strategic objectives are a set of interlinked objectives, underpinned by a delivery plan for the coming year. These fully reflect the opportunities and threats in the evolving external environment in which we operate and our current internal strengths and weaknesses. Each objective has an agreed outcome which will be used to help us to demonstrate success. Each objective is described below, together with the outcome we expect to achieve.

- *Strategic Objective 1: Delivering excellent services to our tenants and other service users: this means being the best social landlord we can be, delivering a high standard of service, resourcing our activities well and meeting our regulatory requirements.* **Outcome:** *We will know we have achieved this through high levels of customer satisfaction, strong performance results and positive engagement with the SHR.*

- *Strategic Objective 2: Developing new homes to meet our communities' needs: This means continuing to develop and build new homes to meet the needs of our rural communities where this makes financial sense to do so. We will develop new housing that responds to needs of all members of our communities, including developing accessible housing and supporting inclusive communities which meet people's needs as they change. We will also work with our partners to prevent rural homelessness. This will enable us to grow and strengthen the organisation, the communities in which we operate and in so doing deliver improved value for money for our tenants.* **Outcome:** *We will know we have achieved this objective through an increase in the houses that we own and through improved quality and choice for tenants.*

- *Strategic Objective 3: Providing safe, high quality energy efficient homes: This means keeping our existing stock safe, warm, and attractive and meeting EESSH, Fire Safety and other regulatory and government standards.* **Outcome:** *We will know we have achieved this objective by meeting Scottish Housing Standards, our housing is safe and secure, and tenants are happy with the repairs service.*

- *Strategic Objective 4: Supporting and sustaining our communities: This means delivering excellent services which place the customer at the heart of everything we do. We will develop our knowledge and understanding of customer needs, wants and expectations, and use this information to improve our performance. We will also work with our partners to address the needs of homeless applicants.* **Outcome:** *We will know that this is achieved through an increased level of sustained tenancies, reduced turnover of our homes and demand for our housing remains high.*

- *Strategic Objective 5: Achieving meaningful participation and scrutiny: This means working collaboratively with our tenants and other customers in the design, delivery and improvement of our services and moving from* **consultation** *to* **co-creation**. *When we improve the way in which we deliver services, we will not only use our understanding of our tenants and our communities,*

*but we will actively seek the views of our tenants. We will also exploit digital opportunities for service delivery where appropriate for our tenants using digital technology to support engagement and participation and easy access to our services. We will extend our reach and improve how we consult and engage with our tenants. **Outcome:** We will know that we have achieved this through more tenants and service users being happy with the services we provide, and the profile of our organisation is increased across our communities.*

- ***Strategic Objective 6: Taking action to address climate change and promoting sustainability****: This means minimising the impact of our activities on our environment, promoting our initiatives, and working with funders and partners towards a carbon neutral position. **Outcome**: Our success in achieving this objective will be that our stock is resilient to the potential impact of climate change. We have reduced waste, energy consumption and a reduced carbon footprint.*

- ***Strategic Objective 7: Working with partners effectively:*** *This means working with partners to deliver more homes and services and working alongside communities to help them to help themselves. **Outcome:** We will know that this has been achieved through an increased awareness and openness to partnership opportunities, through access to new funding streams and involvement in community projects and being seen as the 'go to partner for housing' by our rural stakeholders.*

4.6 We reviewed our strategic direction and objectives at the Group Strategy Sessions held in February and September 2021 and in September 2022 to ensure that we stay focused on working towards our vision over the next year It was agreed that all our activities will be aligned to delivering these specific objectives and that agreed outcomes and targets will help us to measure our performance.

4.7 The next year will focus on financial stability, health and safety, complying with SHR requirements, digital transformation, improving the quality of our existing homes and services that we deliver, reducing our impact on the environment and demonstrating value for money. We will continue to build new homes over the period of the plan but will also make significant investment to preserve the quality and attractiveness of our existing homes and environments. We understand our operating environment has changed dramatically and we understand that there will be challenges for us as an organisation. We have grown and diversified over the years since we were initially established, and our response to the recent global health pandemic and cost of living crisis demonstrates that we are agile and resilient and can adapt quickly to change.

4.8 Our Strategic direction and priorities have been informed by an independent Options Appraisal Exercise of our subsidiary Venachar Ltd. The RSG Board decided that, given the limited staff capacity, the best option for the Venachar subsidiary was to 'park it' but to allow it to 'tick over' by continuing to meet its Mid-Market Rent (MMR) commitments. The emphasis for the subsidiary over the period of the plan has changed and the key outcomes will be for Venachar to continue to operate but with an acceptance that it has limited operations and minimum governance burden. This will allow us to prioritise the delivery of improvement and investment in our core housing service and the planned growth through new build housing.

5. STRATEGIC PRIORITIES

5.1 The RSG Board set the strategic direction and ambition for the group, and this is set out in our Strategic Plan 2020-2024. The plan is due to be fully reviewed by the Spring of 2024.

5.2 The Group Strategy sessions in 2021 and 2022 gave the Board the opportunity to review our strategic objectives against the backdrop of our operating environment and whether their level of ambition for the organisation had changed. The outcome from these sessions was that overall, we remain just as ambitious. However, our Board also remain cautious about trying to take on too much at once.

5.3 We have developed a set of priority themes and actions which will be our focus for the remaining period of the plan. Our areas of focus and our priorities align with our Vision, Mission, and Values and our seven Strategic Objectives. We also involve our staff team in reviewing the above outcomes which will be used to set team objectives and individual targets for the year ahead.

5.4 A Strategic Delivery Plan has been developed to allow us to report by exception on progress to the Board. We have set SMART (Specific, Measurable, Achievable, Realistic and Time-bound) targets for each of the activities to be carried out. These will be cascaded down into operational workplans and personal responsibilities and targets that can then be used to set targets at annual appraisal reviews and to monitor performance. Our Strategic Delivery Plan and annual targets over the period of the plan are set out in Appendix 2. Our key priority themes underpinning the business plan actions and activities are outlined below.

Tenant Safety

5.5 Our primary concern is to keep our homes and the environment around them safe and secure for our tenants and to provide a safe working environment for our staff, contractors, and others with whom we work.

- We will streamline and improve the quality of Health and Safety reporting to Board introducing a new quarterly report and improved annual report.
- We will review and update our approach to damp and mould, and ensure our processes are fit for purpose, compliant and in line with best practice. We will invest in improved technology to help diagnose problems e.g., thermal imaging camera.
- We will continue to promote the importance of health and safety to our people and to our tenants and signpost to sources of information and support through Rural Matters and our Website (e.g., gas, electrical, fire safety, legionella, asbestos, damp and mould, and health and wellbeing)
- We will work with independent experts to ensure resolution to complex and difficult cases.
- We will provide Health and Safety Training to our people in line with our Training Needs Analysis (TNA) to be adopted in April 2022.
- We will appoint a Mental Health First Aider and provide appropriate training and provide Mental Health Awareness training for our staff team.

Housing Quality

5.6 The provision of high-quality affordable homes across our communities and increasing the supply of homes is fundamentally our reason for being and is what we are passionate about. Given our rural location and the inclement weather that can adversely affect our communities and customers, we are determined to play our part in improving thermal efficiency and addressing fuel poverty. We recognise the importance of investing in our homes to ensure they remain attractive and desirable and meet modern standards and the need to build new homes to meet unmet needs.

- We will set a realistic new build supply target on an annual basis. We will make sure our approach to new supply is strategic, evidenced based and balances need with our capacity and resources.

- Implement our Energy Strategy and obtain advice on the most appropriate heating replacement including Quantum heaters and renewable energy solutions in reducing fuel poverty and the phasing out of gas boilers. We will implement the audit recommendations and develop our approach to meeting EESSH2/Net Zero.
- We will explore alternative tenures to increase the supply of affordable homes in rural areas.
- We will take advantage of Scottish Government and other funding sources to maximise energy efficiency investment in our homes. We will identify any cause for concern stock and carry out options appraisal and assess the implications of an ageing stock portfolio.
- We will explore the introduction of Stock Performance tools and Environmental Sensors to provide better quality data on stock condition as part of our Asset Management Strategy.
- We will explore funding opportunities to reduce energy costs for our tenants and deliver training on energy efficiency for our staff team.
- We will look for quick wins to show that we are listening to feedback from tenants and caring for our estates e.g., *"You Said, We Did"* to show how we have reacted to comments, suggestions, and feedback.
- We will host an annual stock tour for Board and Senior Staff and ensure that all our estates are visited.

Excellent Customer Service

5.7 Our Tenant Satisfaction Survey carried out in 2023, told us that customer satisfaction has improved since the last survey carried out in 2019. Our aim is to deliver excellent customer focused services, which place the customer right at the heart of everything that we do. We will continue to develop our knowledge and understanding of our customers' wants, needs and expectations, and use the feedback we receive to improve what we do and how we do it. Our front-line staff will be encouraged to support and advocate for our tenants and other service users and will be accountable for the services we provide. In this Business Plan period we will:

- Develop our Digital Strategy and improve our online and social media offer to customers, promoting the idea of customer self-service through development of *My Home* and make things like reporting repairs, checking rent accounts etc., easier on-line.
- Carry out regular estate management inspections and annual tenant visits, which we know are so important to our tenants.
- Continue to communicate with customers in their preferred ways – we continue to promote *Near Me* video consultation but also increase opportunities for face-to-face communication, provide regular newsletters, increased use of SMS texting Service.
- Develop an Action Plan based on the outcomes of the 2023 Tenant and Owners Satisfaction Surveys.
- Carry out a three yearly review of factored owners Written Statements.
- Continue to benchmark our performance against the Scottish Social Housing Charter Standards and Outcomes to help us improve and become the best we can be. We also have a Strategic Delivery Plan which sets out our Key Performance Targets and we will report on this quarterly to our Board.
- We will improve repairs satisfaction, track repairs, and follow up jobs to completion and aim for right first time.
- We will improve communication to all customers and make sure our customer contact data base is up to date including SDM.
- We will carry out smarter (to prevent survey fatigue) shorter/specific targeted surveys in a variety of formats: using CX Feedback Surveys, by post, website, text, facebook and social media posts and out of hours to catch views of working tenants.

Leadership and Governance

5.8   We recognise the vital importance of strong and visionary leadership from the Board and senior team to develop our staff to be the best they can be. We also recognise the importance of having the right culture in place to ensure success. We will maintain the solid financial base of the organisation now and in the future and demonstrate that we provide value for money to our customers and other key stakeholders.   We will continue to strengthen our governance arrangements to ensure the continuing effectiveness of our Board. To this end in the coming year, we will:

- Launch our new three-year Group Strategic Plan by April 2024.
- Carry out an Options Appraisal for our subsidiary.
- Review our Schedule of Delegation in line with the SFHA standard model.
- Update our Board and Senior Staff Succession Plans and carry out Exit Interviews when people leave our organisation.
- Review our Board Appraisal and Induction Documentation.
- Deliver training and development to ensure that our governing body members and staff team have the skills and knowledge that they need to be effective.
- Reduce the quantity and improve the quality of reporting to our Board using more info graphics.
- Develop our approach to Ethical and Social Governance (ESG).
- Carry out a Board recruitment campaign and widen our advertising to include community publications and newsletters.

Procurement and Contract Management

5.9   We understand that efficient procurement and management of contracts is essential to ensure value for money and will use procurement as a strategic tool to improve our performance, increase satisfaction and deliver value for money. We have developed an internal procurement policy and procedure that is based on Scottish Government Procurement Regulations and good practice. We need to ensure that we manage contractor's and consultant's performance effectively and will ensure that our staff have the appropriate skills and training to ensure the effective management of contracts. As a client it is essential that we prepare comprehensive briefs and specifications and hold those we appoint to deliver on our behalf to account. We have access to several procurement frameworks and will use these to maximise opportunities to make efficiencies in procurement exercises and reduce costs. Our priority focus over the period of the plan will be to:

- Set Key Performance Indicators (KPIs) for contractors and consultants in line with internal audit recommendations to improve contract and performance management.
- Prepare a centralised contracts register in line with internal audit recommendations.
- Achieve target spend and programmes with respect to or new build and planned investment programmes.
- Arrange refresher procurement training for all staff and project management training for those that would benefit from this.
- Strengthen links with local contractors and encourage and support them to work with us.
- Maintain access to various frameworks including SPA and Procurement for Housing.
- Maximise community benefits through procurement.
- Seek opportunities to procure collaboratively with our StrathFor Alliance partners and others.

- Procure a number of contracts including:

  o Legal Services, contracts across all service areas.
  o IT support services, following the development of a Digital Strategy.
  o Our Development Services Framework.

Rent Affordability and Value for Money

5.10 It has never been more important to ensure that we are providing and receiving value for money. It is crucial that the services we provide are as good as they can be to ensure that every pound spent by our customers and ourselves can be accounted for and has added value. We will focus on new strategies and good practice for reviewing services on a value for money basis, looking at where we spend money, how much we spend and whether we can make efficiencies across our business on the delivery of services. Rental income from our tenants is our main source of income and it must be sufficient to meet all our costs including operational overheads, investment in our stock, and repayment of our private loans. Our rent levels are assessed annually, we consult with our tenants on the issues, plans and costs before our Board make a final decision. There is regulatory pressure to move to the lower Consumer Price Index (CPI) over recent years when producing long term financial forecasts and when assessing our rent increases. Not all our costs rise by CPI and often many are associated with Retail Price Index (RPI) higher increases. This is a difficult process for us to manage when we are also trying to keep rents affordable. For tenants facing increasing financial pressures, we know that changes to the UK welfare reform and the cost-of-living crisis has increased these pressures. We have been using rent affordability assessment tools developed by our sector to assess incomes against our rents, so we are aware of the impact of our tenant's income against the need to keep rents affordable. We will be doing more work on rent affordability over the business plan period and our priority focus will include:

- Increased oversight and management of spend and internal cost control to ensure we eliminate waste and drive forward efficiencies.
- Improve void management to reduce rent loss.
- Carrying out a review of service charges to ensure that income covers expenditure.
- A new Value for Money Strategy including a review of affordability tools and the affordability of our rents.
- Continuing to benchmark our rents and management costs per unit with our peer group to ensure we remain comparable and carrying out further analyses of variance.
- Reducing arrears for current and former tenants and factored owners and reduce recharges.
- Producing an annual value for money statement to confirm what we are doing and how we are doing things.
- Review our Mid-Market Rent (MMR) offer to ensure that we can demonstrate value for money.
- Continuing our Income Maximisation Service to support our tenants to deal with welfare reform impacts and maximising funding opportunities to support our tenants with the cost-of-living crisis.

Human Rights and Equalities

5.11 All RSLs are required to meet equal opportunities legislation in the provision of housing and services as well as recruitment of staff and contractors and consultants. The main provision for equality and diversity is contained within the Equality Act 2010 and this describes the main protected characteristics relating to landlords' services for age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. The

Scottish Social Housing Charter (SSHC) sets out the requirements for landlords to find ways of understanding the rights and needs of different customers and delivering services that meet these needs. We report on this standard by collating equal opportunities monitoring. The SHR Framework requires social landlords to have assurance and evidence that it considers equality and human rights issues properly when making all its decisions, in the design and review of internal and external policies, and in its day-to-day service delivery. To comply with these duties, landlords must collect data relating to each of the protected characteristics for their existing tenants, new tenants, people on waiting lists, governing body members and staff and report on this requirement from April 2022. We must therefore maintain a strong focus on Human Rights and Equalities during the period of this plan. We will:

- Implement the findings from our Equalities Audit and Equality, Diversity & Human Rights Strategy and Action Plan.
- Develop our Human Rights approach.
- Report annually to our Board to provide assurance that we use equalities data to inform service delivery.

Communication, Engagement and Participation

5.12   We want our tenants to be, and to be seen to be, at the centre of everything that we do. We recognise that to ensure greater involvement and scrutiny from tenants and other service users we need to revitalise our approach and consider best practice from across the sector. To do this we need to develop effective Customer Engagement and Communication strategies which exploit digital opportunities and recognise and respond to our tenant profile. We have already identified in house Digital Champions who have received training to help our tenants develop digital skills and the confidence to get the most out of being online and to be Digital by Default. However, we will also continue to provide a good customer experience for those not digitally aware or who may be digitally excluded. We need to continue to be visible in our communities by working closely with Community Councils and attending community events. We will seek every opportunity to gain insight, knowledge and understanding of our customer needs, wants and aspirations. Our focus in this plan period will be:

- Implementing the Customer Engagement Strategy Action Plan.
- We will encourage membership of the association and ask our tenants about communication preferences at tenancy sign up, settling in visits and annual tenant visits.
- Getting better insight and knowledge about our customers: at sign up, settling in visits, estate walkabouts. Streamlining *About You* visits to improve quality of information on responsibilities e.g., landscape areas to reduce enquires/complaints.
- Supporting our landscape representatives across our estates and developing joint action plans.
- Developing closer links with tenant advocates e.g., Stirling Tenant Assembly, TIS and TPAS.
- Developing our approach to Scrutiny involving tenants in a review of our void procedure and aiming for Scrutiny Accreditation 2024/2025.

Climate Change

5.13   We are facing a global climate emergency and there is growing awareness of climate change and its impact on our communities. We will minimise the environmental damage our activities cause, promote sustainability, and provide details of the initiatives we can take in response. We will

mitigate the impacts of climate change and shape our services to protect the planet and future generations. We will create as small a level of environmental impact as possible, and we will plan to achieve a carbon neutral position through an organisation wide approach. Our focus will be:

- Promoting flood awareness and prevention campaigns and signposting to sources of support.
- Work with our partners and funders to explore funding opportunities to take steps towards mitigation of our impact and future proofing where we can e.g., Electric Charging opportunities for staff vehicles and our housing developments.
- Maximising recycling and reuse opportunities and encourage our contractors to recycle waste.
- Developing our approach to Building Performance Evaluation and Post Occupancy Evaluation (POE) in our new build developments to capture learning and real-life performance for future homes.

Happy, Healthy and Engaged People

5.14   Our people are our greatest asset and essential to our future success. We want everyone who works for us to feel valued and supported and to enjoy working with us. We will promote the RSG as an employer where staff can build a career in housing. We were reaccredited through Investors in People (IIP) in 2021. IIP measures our commitment to empowering our staff team to develop our business, by being fully part of celebrating the successes we have achieved and allowing our staff team to collectively plan our future direction. We developed new ways of working remotely from home during the pandemic and wish to develop more agile working arrangements. We are striving to reduce the amount of paperwork we hold by investing in electronic storage and have introduced mobile technologies for our staff and our Board to make us more efficient. We need to continue this investment and improve the way we work when we are also out and about dealing with our customers. We believe that a happy, healthy engaged and outward looking team will deliver the best results and ultimately benefit our tenants and other service users. In the coming year, we will:

- Carry out an HR "health check" to ensure that our policies and procedures are compliant and in line with best practice.
- Support the Strathclyde University Work Based Project scheme to carry out a review of Induction and Exit procedures.
- Develop a Strategic HR People Plan and review our People Development framework in consultation with our team.
- Focus on improving communication and team building and have an annual Staff Away Day. We will also implement the findings from the IIP Engagement and Annual Staff Stress Survey.
- Review our team values and how we are with each other when we come to work. Our values will be ones that we all share. We want our people to enjoy coming to work for us and will encourage a sense of fun. We will embed new values and behaviours through a team building event designed with our staff.
- Foster a coaching culture to encourage and motivate our team to give of their best to successfully deliver our objectives and a culture that puts the customer at the heart of everything we do.
- Promote a happy, healthy, and engaged team with a focus on healthy working lives and a work life balance.
- Explore the benefits of an employer sponsored health insurance scheme.
- Explore the benefits of a 4 Day Week.
- Pilot a programme of office-based wellness therapies.
- Review the recruitment of a Modern Apprentice.

Be the "Go To" Partner for Rural Housing

5.15   We want to work with our partner agencies and communities to be a key part of the fabric of support and opportunity-making in our area. We will continue to work with Stirling Council to deliver their Rapid Rehousing Transition Plan (RRTP) to alleviate the impact of and reduce homelessness. We will also work with our partners to help maintain services and develop sustainable vibrant communities. We will give priority to exploring funding opportunities to assist our tenants out of poverty including fuel, food, and child poverty, including how we can collaborate with other partners to help to resource this. Our focus will be on the following activities:

- Carrying out a Stakeholder Engagement Survey and using the feedback to inform the development our new Group Strategic Plan and build stronger relationships.
- Working in partnership with Stirling Council Rapid Rehousing Transition Programme to reduce rural homelessness.
- Establishing Community Panels for new build developments.
- Strengthening our relationship with the Loch Lomond and Trossachs National Park
- Developing the StrathFor Housing Alliance
- Contributing to the work of the Callander Partnership to help sustain our investment in this community.
- Promoting an outward looking team, encouraging networking with SFHA, SHN, benchmarking performance and best practice forums, CEO Forum etc.
- Strengthening links with Stirling Health and Social Care partnership, other rural RSLs and partners on our doorstep who provide support services in our communities e.g., Action in Mind Rural Outreach to assist with tenancy sustainment.
- Working in partnership with SFHA to be the host RSL for the RIHAF Conference in 2023

6.   RESOURCES

6.1   We are fully committed to making the best use of our resources - money, people, and systems, to ensure we remain a strong, successful, and sustainable organisation.

Our Finances

6.2   Our long-term projections continue to demonstrate viability over the short, medium, and long term. Our financial projections show annual surpluses and positive cash balances throughout. Covenant compliance is achieved over years 2 to 30 of the business plan. Year 1 is problematic due to the low covenant headroom space brought about mainly due to the significantly lower than inflation rent increase against costs which increased above this. The covenant is complied with and will be monitored during the year to ensure that the loan terms are met.

6.3   Net surpluses over the 30 years of the plan are stable at an average figure of just over £0.67m per annum in the first 5 years of the plan, moving to an average of just under £1.30m per annum in the following 5 years. Years 11 to 20 report average surpluses of just under £1.99m with years 21 to 30 increasing to an average of just over £2.9m per annum. Surpluses average just over £1.9m over the 30-year business plan period.

6.4   A full review of all management and overhead costs were undertaken as part of this business plan update. All cost assumptions are prudent. Inflation and interest rate assumptions are in line with the Bank of England forecasts.

6.5   The development programme assumes a further 105 new units for social rent to be delivered over the course of the plan period, requiring private finance/cash reserves of circa £4.9m from Year 0. The Association has already agreed £3.7m of funding with the Bank of Scotland, leaving a further £1.2m of loan funding to be procured to support the development and planned maintenance programmes. Note that the base model assumes no further units beyond the current programme as presented in December 2022 and any further pipeline projects have been omitted to counter the uncertainties surrounding future funding.

6.6   We are continuing to plan for future investment in our stock with the total spend of £44m (inflated) expected over the 30-year period. £3.8m of this will be delivered during the first five years of the plan. Additional loan finance of £1.8m has been assumed in year 1 of the plan to cover the estimated investment required to existing stock, including an estimate to comply with the new EESSH2 requirements. It is assumed that this finance will be procured along with the £1.2m requirement to fund the remainder of the development programme as noted above; this will equate to a new £3.0m loan facility. A further £1.0m of funding is required in year 5 to repay a £800k bullet repayment loan and also help with the component renewal and major repairs investment programme, with a further £1.0m requirement in years 9 and 13 to also help with planned investment costs. This second tranche of £3.0m loan funding has been treated as a revolving credit facility; it may be that this finance takes a different form, and this would be determined based on business need and market conditions nearer the time.

6.7   The value of loans outstanding at the start of the plan is £14.9m and is expected to peak at £17.3m in year 1, reducing thereafter until fully repaid by year 26. Cash reserves are available at various points throughout the 30-year business plan to opt for early payment of some loan balances, however business need and loan terms will dictate if this could be a suitable option.

6.8   Cash resources over the 30 years of the plan are stable and average £1.4m per annum in the first 5 years of the plan, £0.7m per annum in the following 5 years, £1.4m per annum in years 11 to 20 and finally, £8.4m per annum over years 21 to 30. Cash resources average £3.6m over the 30-year period.

6.9   The year 30 cash balance is projected at £14.8m. Note that this has increased by £2.2m since last year's business plan. This is due to a variety of factors and includes revised assumptions on rent levels, interest rates, inflation rates, planned maintenance programme funding requirement and the updated timing of the development programme.

6.10   The net surpluses mentioned above translate into reserves increasing from £6.8m at the end of the first year to £9.9m by the end of year five, and to £65.3m by Year 30.

Financial Planning

6.11   The achievement of our strategic objectives requires the ability to understand and control costs. This is important to maintain an affordable rent structure, invest in the development of the business and have the strength and flexibility to adapt to external challenge. Achieving this is vital if we are to achieve our purpose and make a difference in the community.

6.12   As a business which currently holds 686 (including 6 MMR) properties to maintain over the long term and a significant portfolio of long-term borrowing the Association needs a robust business plan underpinned by a 30-year financial model. Our long-term financial forecasts include comprehensive

scenario planning and stress testing, assessing the impact of different assumptions and identifying alternative strategies to manage risk.

6.13   An annual budget is prepared each year and the 30-year financial model is updated to reflect the new budget, being the year 1 position and future assumptions are updated where required to reflect current economic conditions and known changes to the operating environment that the Association operates in.

6.14   Following the annual budget preparation, performance is monitored throughout the year through quarterly management accounts reporting, variance analysis, regular cash forecasts, and loan covenant monitoring.

6.15   The Association also measures its performance against a range of key performance indicators on a quarterly basis. Based on its 30-year financial projections the following are a sample of the KPIs monitored.

KPI	2023/24	2024/25	2025/26
Management Costs Per Unit (Real)	£1,821	£1,634	£1,587
Staff Costs as a % of Turnover	20%	17%	17%
Overheads as a % of Turnover	6%	5%	5%
Net Debt Per Unit	£20,023	£20,907	£20,269
Voids as a % of Rental Income	0.75%	0.75%	0.75%

If the KPIs vary from expectation an explanation is provided to the Board.

6.16   We are still aware that we could make better use of the financial data that is available to us, both internally and externally, for benchmarking, tracking our financial performance and forward planning. We could also better present our financial performance with the use of visual aids and diagrams rather just figures, to make it easier for non-finance professionals to understand, and this is something that we hope to take forward over the course of this business plan period.

Key Financial Assumptions

6.17   A robust business plan model needs a set of prudent and realistic cost assumptions. The assumptions must also address how costs are likely to increase over the lifetime of the plan. Inflation along with real cost increases need to be considered. The following table sets out the key assumptions used in this business plan.

Business Plan Assumptions

Year	1	2	3	4-30
Assumption	2023/24	2024/25	2025/26	2026/53
Inflation*	11.1%	6%	3.0%	2.0%
Voids	0.75%	0.75%	0.75%	0.75%
Bad Debts	1.25%	1.5%	1.5%	1.25%
Rent policy *	Infl -5.5%	Infl +2%	Infl +2%	Infl +2%
Real Cost Increase	0.25%	0.25%	0.25%	0.25%
Base Rate **	4.25%	4.0%	3.75%	3.75%

* Rent Policy – 2% above inflation rent increases applied in year 2 of the plan, 2% above inflation in years 3-5, 1% above inflation rent increase in year 6 followed by inflation only rent increases for the remaining 24 years of the plan.

** Base Rate –assumed to increase to 4.25% for year 1 then drop to 3.75% in year 3 for the duration of the plan.

6.18   These assumptions along with estimates for development of new units, planned investment in stock and management and overhead costs are factored in to the 30- year business model. The output allows the Association to plan over the short, medium, and longer term.

6.19   The Associations 5-year cashflow, taken from the 30-year business plan model, is presented at Appendix 3. This shows cash decreasing from £3.0m at the start of year one to £0.6m at the end of year five. Loan finance of £3.0m has been drawn down over the period to fund the development programme (£1.2m) and planned investment in current stock (£1.8m). Cash surpluses generated are from normal operating activities less investment, and the reduction in cash over this period reflects the substantial investment in our existing housing stock of £3.8m, £1.8m of which is being funded through new loan finance.

6.20   The 5-year cashflow provides a positive outlook with average cash balances of £1.4m over the 5-year period.

6.21   The Association prepares sensitivity analyses to review the impact of various risks and external factors out with its control. Our analysis shows that should the adverse scenarios arise as single events, they are manageable. This could be through increasing rent levels, reducing staffing costs, refinancing, reprogramming the planned maintenance and component renewals contracts etc.

6.22   Where adverse scenarios are combined, they require more consideration and can become more difficult to manage. The key is to ensure a proactive approach is taken to both short, medium, and long-term planning. The Association regularly assesses the impact of known changes to its financial circumstances throughout the year, on both its annual budget and 30-year projections. This could be changes in interest rates, a delay in our development programme or higher tender costs than expected.

6.23   We are confident that our financial position and monitoring is robust and fit for purpose. Our 30-year cashflow can be provided on request.

Our People

6.24   Our people include our Board members and our staff team and are crucial to our success. We currently have 16.7 Full Time Equivalent Posts (FTE) posts reducing to 15.7 in Year 2.

6.25   Our team ensure that our tenants and other service users receive a friendly, efficient, and responsive service. The team provide housing, repairs, investment and new build, welfare/money advice, factoring, finance, governance, and back-office support. All staff are experienced in their different areas of expertise with appropriate professional qualifications. We are committed to the development of all our people and have a robust approach to appraisal reviews and learning and development plans in place. We carried out a light touch review of our structure in 2022/2023 following some staff changes to ensure that it is fit for purpose, and we have made some improvements to strengthen our services at the front line and maximise income.

6.26   We will continue to invest in Learning and Development to make sure that our organisation is resilient to turnover, that our programmes are people centred and that everyone has the tools and skills that they need to deliver in this fast paced ever changing environment. We achieved IIP Silver recognition in 2021 and we intend to focus on further consolidating and strengthening our team during 2023/2024. We will refresh our team values and focus on health and wellbeing to ensure that everyone when they come to work with us is happy, healthy, and engaged.

6.27   In addition to our staff team, we engage third parties to deliver specialist elements of our service, e.g., Data Protection, Development and Project Management, Procurement, Human Resources, IT, internal/external audit services. We feel that buying in additional help and support as and when we need it is the most cost-effective way of obtaining such specific expertise.

6.28   Further information on our people and our organisation structure can be found on our website.

Our Systems

6.29   We have two main computer systems. These are the Microsoft office systems, and our telephones and hardware, which are maintained by our IT Consultants and the software for our housing, rent, asset management and complaints which are provided and maintained by SDM. We are committed to investing in our systems to improve our productivity and efficiency. We invest annually in SDM our Property Management System and fully exploit the capabilities of this software.

6.30   Our focus in this business plan will be developing a Digital Strategy to ensure that we have the right systems which are fit for purpose for the future. We will develop and use our strategy to help us to make the right decisions, the right investment at the right time.

7.   RISK

7.1   Managing risk is fundamental to any successful business and reduces the chance of having to deal with unexpected surprises. We understand the importance and value of managing risk and that a Risk Management Policy and Framework is an essential element of good governance, improving our decision-making and enhancing our outcomes and accountability.

7.2   To ensure resilience in uncertain times requires a robust approach to the identification and management of risks that we may face. We carried out a comprehensive review of our approach to risk, putting in place a new Risk Management Policy and Framework in November 2019. Our Risk Framework is reviewed and updated annually, and the last update was carried out in November 2022.

Our Risk Management Framework

7.3   Our approach provides a framework for managing risk across the RSG. The framework allows us to identify and assess all the risks to the group, identifying their owner and existing controls, and, if the level of risk is assessed to be unacceptable, to provide additional mitigation to remove or reduce the risk.

7.4   The risk management framework presents the strategy and methodology for managing risks identified and is based on eight steps:

- *Identify and register all risks relating to the Group's business;*

- *Categorise, analyse, and quantify the impact of each risk;*
- *Appoint appropriate owners to manage each risk;*
- *Remove risks or reduce risks to an acceptable level;*
- *Create increased efficiency of resources, costs and protect income sources;*
- *Create increased risk awareness at all levels within the Group;*
- *Propose risk appetite levels for adoption by the organisation to ensure the most cost-effective means of managing risk are achieved;*
- *Monitor and review risks.*

7.5 Our framework is designed to: integrate risk management into the culture of the organisation; raise awareness of the need for risk management; encourage a positive approach to risk management; support improved decision making, innovation and performance through a good understanding of risks and their likely impact; and manage risk in accordance with good practice.

Our Audit & Risk Committee

7.6 The Board is responsible for overseeing risk management in the organisation. It is assisted by the Audit & Risk Committee, charged with monitoring the management of high-level risks, reviewing the risk appetite, ensuring proper controls are in place and annually reviewing the organisation's approach to risk management.

Our Risk Register

7.7 Our Risk Register details all up-to-date risks including strategic and operational risk. We set out the causes of risk and potential impact, assign a named person to be responsible for their management, identify the controls we have in place together with a scoring system to help us to understand their seriousness. We use this proactively to identify, assess, control, monitor and review the risks to our organisation. The risk register is kept under constant review to provide assurance to our Board that key risks are being managed effectively and that our tenants' interests are protected. Registered risks are reviewed annually and reported on a quarterly basis to our Board. Responsible risk owners ensure that the register is maintained in a complete state and that all new risks are identified and tracked. Our annual review of risk, with our Board and senior staff, took place in March 2022. The following strategic risk themes were identified from this workshop session.

1. **Recruitment & Retention:** Inability to recruit, retain and respond to the loss of strong strategic leaders & staff that promote & represent our values
2. **Confidence & Trust in RSG**: Fail to maintain the continuity, quality, and security of operations to ensure the delivery of efficient, effective, and excellent service to all stakeholders
3. **Safety & Security**: Fail to build on and maintain the confidence and trust of our tenants and staff in regard to all aspects of safety and security
4. **Economy & Finance:** Fail to ensure RSG has the ability to manage our finances appropriately, sustainably, and transparently in the face of external financial uncertainty
5. **Investments:** Fail to ensure RSG is always positioned to both maximise all opportunities to develop and sustainably deliver key projects
6. **Environmental Social Governance**: Fail to ensure RSG can appropriately and sustainably implement effective, innovative, and compliant approaches to Environmental Social Governance

7. **Partnership & Collaboration:** Inability to identify and maximise opportunities for Collaboration & Partnership with key stakeholders across all sections of the local community, our tenants and service users

During 2022/2023 we developed our approach to risk further using the Risk Module on Decision Time, our electronic Board portal. We have moved away from an excel data base and have migrated this information to the Risk Module. This will allow dashboard reporting to our Board on the key risks within the Risk Register to help increase understanding and focus.

Our Risk Controls

7.8 Our Risk Framework gives us confidence that we have strengthened our approach to risk and have robust controls in place. Our focus on risk applies across the RSG and a culture of risk management is embedded within our organisation. Our Risk Management Framework is based on the Institute of Risk Management's recommended process, and we have taken account of the Scottish Housing Regulator's Regulatory Standards of Governance and Financial Management (2019).

7.9 During 2022/2023 we engaged external Risk Consultants to provide annual Risk Management Support. We have delivered training for Board and Staff on Risk Management, Internal Audit and Controls and Business Continuity. The above support also has also assisted with an annual review of strategic risk and risk appetite.

Assurance Reporting

7.10 All RSLs must comply with the SHR's Standards and Guidance and demonstrate effective governance and sound financial management. This protects tenants' interests and the delivery of good outcomes for tenants and other service users.

7.11 The production of an Annual Assurance Statement is a mandatory requirement of the SHR Regulatory Framework from April 2019. The statement must be based on a robust Self-Assessment exercise which has tested compliance against the standards and the Board must be satisfied that evidence can be produced that provides the assurance of compliance.

7.12 The Assurance Statement provides assurance that our organisation complies with the regulatory requirements that apply to all social landlords and the Standards of Governance and Financial Management that apply to Registered Social Landlords (RSLs).

7.13 We prepare our Assurance Statement using the Toolkit developed by the Scottish Housing Network and refer to the Toolkit developed by the SFHA. The Board undertake the detailed scrutiny and approval of the Annual Assurance Statement prior to the final Assurance Statement being submitted.

7.14 Our Annual Assurance Statement was submitted to the SHR in October 2022. We will take cognisance of best practice, the outcome of lessons learned and any recommended changes from the round of Annual Assurance Statements submitted in 2022.

8. MONITORING & REVIEW

8.1 Our Business Plan will be subject to a comprehensive review to coincide with the next 3-year RSG Strategic Planning Cycle.

8.2 We will review and update this Business Plan every year as part of our annual Business Planning process. This will include an update of our financial projections, operational plans, and operating environment. Although this is primarily an internal process, we are keen to widen the scope to include our tenants and other key stakeholders and will make sure that this informs each annual update and 3-year review.

8.3 We have set out our intended outcomes together with our key performance indicators and targets in the Strategic Delivery Plan attached as Appendix 2 to this Business Plan.

Performance Management

8.4 In 2019/20 we developed a new performance framework as part of a review of our governance structure. The aim of the new framework was to provide assurance and give our Board confidence that:

- officers are operating within delegated authority;
- exception based reporting is embedded in operational KPIs and risk management reporting;
- that Board members receive the necessary strategic information on new development in accordance with the agreed '*Governance of the Development Process.*'

Performance Management Framework

8.5 Our Performance Management Framework (PMF) includes our Strategic Delivery Plan and Scottish Social Housing Charter (SSHC) Key Performance Indicators (KPIs) reports. The PMF sets out the strategic areas in which RSG officers report to the Board. The focus of the PMF is reporting on progress in achieving the key strategic objectives outlined in the RSG Strategic Plan and performance against the SSHC indicators. Our Strategic Delivery Plan outlines the KPIs and targets to be achieved over the period of the plan and is attached at Appendix 2.

8.6 Our Board will receive a quarterly review of performance against targets and progress with delivery of the Business Plan including:

- Strategic Delivery Plan Progress linked to our Objectives and Priorities;
- Performance Report on Key Performance Indicators linked to the Scottish Social Housing Charter (SSHC) Standards and Outcomes;
- Investment & development programme;
- Complaints Performance;
- Management Accounts.

8.7 Operational performance is monitored through the Operational Delivery Plan. Operational matters are delegated to officers and reported to the Board on an exception basis. Information is required to be presented to the Board on operational matters only when actual performance has deviated significantly from expectations.

8.8 We have developed a performance management framework which sets out formally how individuals within RSHA can contribute towards achieving organisational goals, and how they will be held accountable for their performance. Staff will continue to be fully engaged in drawing up annual

delivery plans to move forward the strategic objectives and key priorities identified within the business plan.

8.9   Following Board approval of the business plan for the year ahead, the staff appraisal process will be used to cascade delivery plans and targets down to individual staff objectives and targets. These will be confirmed through the annual and mid-year appraisals held in April and October each year. The appraisal process will measure progress and performance relating to the previous year and on-going one-to-one meetings will maintain the focus throughout the year ahead.

8.10   Due to the level of priority attached to some of our objectives, we may require short-term external consultancy support to deliver the requirements in the necessary timescales and this has been budgeted for in our annual budget for 2023/24. Delivery of the business plan is resource dependent and will be subject to ongoing internal review and reporting to the Board.

Evidence Base

8.11   As part of the process to support the production of our annual assurance statement, we have strengthened our evidence base and assurance levels. We have also developed our Performance Management framework to assist reporting to the Board on an exception basis. We carried out a full stock condition survey in 2020 to improve the accuracy of our property database. We will continue to benchmark our performance with our peer group. We launched a new Customer Engagement Strategy in 2021 and strengthened how we communicate and engage with our customers and are developing our approach to scrutiny. We hope that this will give us a better understanding of our tenants' needs and expectations. All this evidence will be used to underpin future business plans.

INTERNAL STRENGTHS	INTERNAL WEAKNESSES
Staff – Skilled, experienced, committed, hard-working and flexible. **Governance** – strong, sustainable Board and effective leadership. **Capacity** – recently strengthened with changes to staff structure. **Resilience –** past few years has demonstrated ability to deal with challenges. **Strategic clarity** – ambitious Board with clear vision & strategy. **Financial position – has** remained strong during the pandemic and cost of living crisis but we are not complacent. **Use of digital** – effective use of ICT and CX feedback system. **Stock condition** – relatively young and in good condition. **Newbuild programme** – significant programme for our size. **Service performance – reputation** for good performance. **Good partner** – considered to be responsive and trustworthy partner. **Ability to attract funding** – effective track record of securing resources.	**Stock data –** cost of meeting EESSH2. **Future-proofing stock** – ability to predict & meet future needs & standards is challenging. **Board retention –** ability to attract & retain Board members is challenging **Staff retention –** ability to attract & retain staff is challenging. **Staff changes –** time required to embed new staff. **Capacity –** level of ambition not matched by available capacity. **Customer data –** limited data on changing needs & expectations. **Tenant engagement –** implementation of Customer Engagement Strategy slower than anticipated. **Scale of newbuild –** generally too small to offer economies of scale. **Territory –** housing stock spread across large geographical area. **Procurement –** too small to offer economies of scale.
EXTERNAL OPPORTUNITIES	EXTERNAL THREATS
Housing demand – high level of demand for housing. **New Build –** funding and development opportunities available**.** **Technology –** new technologies for smart, healthy homes. **StrathFor –** foundations for enhanced partnership already in place and being strengthened. **Value for money –** financial pressures may mean other RSLs looking to merge, share services, out-source, etc. **Green funding –** new funders and funds available for research & projects. **Tenants –** needs, demands, expectations are likely to have changed this past year. **Collaboration –** working more closely with partners and other rural RSLs.	**Cost of Living Crisis–** full impact on economy, society & tenants remains uncertain. **Funding cuts –** reductions in grants for newbuild, adaptations, etc. **Political change –** elections, new First Minister, Scottish independence, new housing legislation/rent controls etc. **Climate change –** challenging targets and limited resources. **Service disruption –** impact of climate change on infrastructure. **Competition –** between RSLs for resources and customers. **Building standards–** increasing requirements and rising costs. **Rapid rehousing –** increasing incidence of antisocial behaviour.

PESTLE analysis	
Political	• Housing Bill and the threat of rent control • Building Standards and EESSH2 • New First Minister for Scotland • Independence Referendum 2 • Current SG support for social housing weakens • Reduction in grant funding levels • Universal credit • Rapid rehousing changes • Continued austerity • Change of government at Westminster • Continued financial pressures on Stirling Council • Changes to SHR/OSCR remit • Change of control at SC • Political response to climate emergency
Economic	• Cost of Living Crisis • Economic uncertainty • Global economic slow down • Increase in inflation • More difficult/expensive to raise finance for new development • Interest rates rise • Reduced availability of private finance • The impact of Universal Credit on tenants and RSHA • Fluctuations in oil prices • Greater involvement from tenants in VfM scrutiny • Reduction in level of housing subsidy impacts on ability to develop.
Social	• Rents increase due to greater compliance requirements • Increase in tenant needs • Changing demographics and changing expectations of next generation • Increase in inequality and increasing polarisation of society • Ageing population • Lack of community cohesion leading to increasing isolation and loneliness • Increased demand for transparency and ethics in those providing public and social services • Changing expectations of RSHA's communities and customers • Changing requirements for community engagement.

Technological	• Smaller organisations unable to maximise use of technology due to scale
	• Burden of maintaining systems to keep safe
	• Keeping pace with technological opportunities
	• Not being left behind technologically
	• Development of a digital strategy for service delivery
	• Use of social media
	• Finding new ways to work and communicate
	• Engaging with tenants in new technological ways
	• Using technology to be able to design and build adaptable housing to respond to the needs of an ageing population
	• Increase in customer expectations about 24/7 service and self-service.
Legal	• Understanding our legal requirements and how to meet them
	• Increasing focus on health and wellbeing, and responsibilities as employer and landlord
	• Increasing regulatory burden
	• Risk of non-compliance with some regulatory standards
	• Increasing governance requirements
	• Rapid rehousing
	• A move to renationalise public services e.g., housing.

RURAL STIRLING HOUSING ASSOCIATION LTD					
Cashflow - Current Development Programme Only					
14-Mar-23	Year	Year	Year	Year	Year
03:57 PM	1	2	3	4	5
INCOME					
Rental Income - Basic	3,321,882	3,818,697	4,149,159	4,327,304	4,500,396
Rental Income - Excess	-	-	-	-	-
Less : Voids & Bad Debts	66,638	86,161	93,605	86,773	90,240
	3,255,244	3,732,536	4,055,554	4,240,531	4,410,156
Other Rents-Shared Owners	32,427	34,696	36,431	37,889	39,404
Total Rental Income	3,287,671	3,767,232	4,091,985	4,278,420	4,449,560
Right to Buy - Net Receipts	0	0	0	0	0
Interest Earned	0	0	0	0	0
Service Charge Income	10,030	10,685	11,060	11,338	11,623
Other Income	54,000	57,346	59,066	60,248	61,453
TOTAL INCOME	**3,351,700**	**3,835,263**	**4,162,112**	**4,350,005**	**4,522,635**
EXPENDITURE					
CAPITAL					
Fixed Assets	10,000	5,300	5,459	5,568	22,718
Fixed Asset Sales	-	-	-	-	-
Improvements and retentions	-	-	-	-	-
Major Component Replacement	613,000	250,239	1,131,112	676,342	1,087,599
REVENUE					
Non-Component Planned	52,000	-	-	33,913	-
Cyclical Maintenance	127,500	273,676	251,426	300,693	264,206
Reactive Maintenance	378,000	424,060	454,515	465,923	477,618
Service Costs	93,011	102,667	108,734	110,909	113,127
Management & Administration - Salaries	911,622	905,051	943,993	955,480	974,589
Management & Administration - Office Overheads	357,743	366,186	380,682	384,180	423,534
Other costs	-	-	-	-	-
Loan Repayments	1,185,943	1,334,203	1,379,999	1,381,026	2,208,330
Inter-Co Loan Repayments	-	-	-	-	-
TOTAL EXPENDITURE	**3,728,819**	**3,661,381**	**4,655,920**	**4,314,034**	**5,571,722**
NET SURPLUS / DEFICIT IN THE YEAR	**-377,119**	**173,883**	**-493,808**	**35,971**	**-1,049,087**
CUMULATIVE SURPLUS / DEFICIT	-377,119	-203,236	-697,045	-661,073	-1,710,160
	1,832,256	*1,479,768*	*2,485,694*		
FUNDING					
Opening Balance	3,037,371	3,414,887	1,446,835	728,477	783,328
Drawdown	3,000,000	0	0	0	1,000,000
Drawdown - Legal Fees to SOFP	-30,000				
Debtors received	-9,311	-12,735	168,947	-5,133	-4,991
Creditors paid	0	-637,307	-86,697	7,195	-188,383
Land and Buildings additions	-11,925,200	-3,553,846	-331,000	0	0
HAG & Other Government Grants	9,703,846	2,007,868	0	0	0
	3,776,706	1,218,866	1,198,085	730,539	1,589,955
	3,399,587	1,392,749	704,277	766,510	540,868
INTEREST RECEIVABLE	15,300	54,086	24,200	16,819	14,897
INTEREST PAYABLE ON OVERDRAFTS	0	0	0	0	0
CUMULATIVE SURPLUS / (DEFICIT)	**3,414,887**	**1,446,835**	**728,477**	**783,328**	**555,765**

Term/Acronym	Meaning
Annual Assurance Statement	An annual return to the Scottish Housing Regulator required of all RSLs from April 2019. Provides assurance on compliance with the standards of Governance and Financial Management.
Asset Management	Ensuring that current and future assets (houses, land, garages, shops etc) fully support the organisation's objectives – working towards having the right assets, of the right quality, in the right place, at the right time generating appropriate value to the business plan and 30-year cashflows.
Business Plan	A document setting out aims and objectives and its financial plans and resources for a specific period.
Cash flows	An accounting term that refers to the amounts of cash being received and spent by an organisation during a defined period.
Consumer Price Index (CPI)	A measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them.
Domestic Abuse Housing Alliance (DAHA)	An organisation providing support on housing issues for people experiencing domestic violence.
Energy Efficiency Standard for Social Housing (EESSH)	A minimum quality standard for all of Scotland's social homes. Landlords should achieve the standard by 2020.
Energy Efficiency Standard for Social Housing (EESSH) #2	A minimum quality standard for all of Scotland's social homes. Landlords should achieve the standard by 2032.
Housing Association Grant (HAG)	Scottish Government grant subsidy for affordable housing.
Investors in People (IIP)	A standard for people management, offering accreditation to organisations that adhere to the **Investors in People** Standard.
Key performance indicator (KPI)	A measure of how an organisation is achieving its objectives and performing activities. Performance indicators can be compared with a pre-set standard (a benchmark) or with other organisations.
Lending Covenant	Agreement between an organisation and its creditors that the organisation will work within certain limits, for example in relation to its debt

	levels, asset sales and financial ratios. If these limits are broken the consequences can be serious.
Life Cycle Costing (LCC)	Whole life cost associated with owning or using an asset including maintenance and the costs associated with eventual replacement.
Local Housing Allowance (LHA)	An allowance based on how much housing benefit or universal credit would be eligible when renting from a private landlord.
Loch Lomond and Trossachs National Park (LL&TNP)	The national park centred in Loch Lomond and the Trossachs. The planning authority has the remit to protect and preserve the natural and cultural heritage of the park.
Low-Cost Home Ownership (LCHO)	A form of home ownership sometimes referred to as **shared ownership** (part-rent, part-buy) or **shared** equity. It offers those eligible the opportunity to purchase part of their **home** and begin building their own equity.
Multi Agency Public Protection Arrangements (MAPPA)	A set of arrangements established by Police, Local Authorities, National Health Service and Health Boards and the Scottish Prison Service (SPS) (known as responsible authorities) to assess and manage the risk posed by sexual and violent offenders.
Mid-Market Rent (MMR)	Homes for rent to households on low to middle incomes. Rent for mid-market homes are generally set lower than private rent but higher than the Council or housing association rent.
Mission	A formal short written statement of the purpose of an organisation which has been approved by the governing body.
Options Appraisal	A structured process of considering alternative choices against appropriate evaluation criteria to optimise the achievement of strategic objectives.
Performance Management Framework	The activity and set of processes that aim to maintain and improve organisation performance and the systems of monitoring.
PESTLE	An investigation of Political, Economic, Social, Technological, Legal and Environmental influences on a business.
Private Finance	Funding borrowed from a private sector lender such as a bank or building society.
Procurement	The way an organisation obtains goods, works, and services from other organisations or agents.
Rapid Rehousing Transition Plan (RRTP)	A new planning framework for local authorities and their partners to transition homeless people from temporary accommodation into permanent homes.

Registered Social Landlord (RSL)	A landlord providing or managing social rented housing that is registered and regulated by the Scottish Housing Regulator.
Retail Price Index (RPI)	A measure of inflation published monthly by the Office for National Statistics. It measures the change in the cost of a representative sample of retail goods and services.
Risk Management	The process of identifying and analysing risks and deciding the most appropriate action to minimise and mitigate these risks.
Rural and Islands Housing Association Forum (RIHAF)	A forum of members from the Scottish Federation of Housing Associations (SFHA) with a particular focus on issues and challenges facing remote rural and island communities in Scotland.
Rural Stirling Group (RSG)	The members of the RSG comprise the parent body Rural Stirling Housing Association and its' subsidiary Venachar Ltd
Scenario Modelling	A process of examining and determining possible events that can take place in the future.
Scottish Federation of Housing Associations (SFHA)	The representative organisation for Scotland's' Housing Association sector.
SHARE	A learning and development organisation for Scotland's housing associations and co-operatives.
Scottish Housing Quality Standard (SHQS)	A minimum quality standard for all of Scotland's social homes which RSLs were to have achieved by 2015.
Scottish Housing Network (SHN)	A consortium of local authority and housing association landlords working together to drive up performance and deliver quality services by means of benchmarking, self-assessment, and practice exchange.
Scottish Housing Regulator (SHR)	The regulatory body for Registered Social Landlords in Scotland.
Scottish Index of Multiple Deprivation (SIMD)	The Scottish Government's official statistical tool to identify areas of multiple deprivation in Scotland.
Scottish Procurement Alliance (SPA)	Free-to-use procurement framework agreements used by Local Authorities, Housing Associations, Social Landlords, and other Public Sector Bodies.
Scottish Public Services Ombudsman (SPSO)	The final stage for complaints about public service organisations in Scotland.
Scottish Social Housing Charter (SSHC)	The Scottish Social Housing Charter (SSHC) sets out the outcomes and standards that all social landlords should achieve for their customers. It includes a set of standards and outcomes that encourages landlords to work closely with their tenants and other customers to deliver high quality services.

Sensitivity Analysis	Investigation into how projected performance varies along with changes in the key assumptions on which the projections are based
Single Procurement Document	The Single Procurement Document or SPD contains questions used at the selection stage of a procurement exercise i.e. it allows procurement officers to ask questions to identify suitably qualified and experienced bidders for their procurement. This is to ensure that public money is spent with lawful, capable, and stable suppliers.
Stakeholder	Any person or organisation using or affected by our services or actions or having an interest in our activities - an interested party.
Strategic Housing Investment Plan (SHIP)	Plans prepared by local authorities to set out strategic investment priorities for affordable housing over a 5-year period to achieve the outcomes set out in the local housing strategy.
Strategy	A solution to move from where you are now to where you want to be including a plan of action
Strategic Objective	A target that an organisation should achieve to make its strategy work.
Stress Test	A test that looks at the impact on an organisation's business plan of a major change in one or more variables to see what impact this would have.
SWOT	An analytical tool used to identify and categorise internal and external factors.
Target	A standard aimed for that will help to achieve objectives.
Tenant Information Service (TIS)	TIS provides independent advice, training, and support to tenants, communities, and housing organisations to work together more effectively.
Tenant Participation Advisory Service (TPAS)	The national tenant and landlord participation advisory service for Scotland.
Value for Money (VfM)	Obtaining the maximum benefit with resources available.
Vision	An aspirational description of what our organisation would like to achieve in the mid to long-term future. It provides us with a clear road map or guide for choosing current and future courses of action.