



Quality property
management services

Business Plan

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APPENDICES

Appendix 1 Annual Budget 2025/2026

Section 1. INTRODUCTION

- 1.1 As a registered housing association and a charitable organisation, Rural Stirling Housing Association (RSHA) is somewhat limited in what it can do, mainly restricted to offering social rented housing. Venachar Ltd has been created to complement the work being done by RSHA and is able to deliver commercial services which lie out-with the scope of RSHA. By working together, both organisations will be able to make a greater and broader impact in the local area. Together we form the Rural Stirling Group (RSG).
- 1.2 This Business Plan and sets out our strategy and priorities for the next year. We review and update our plan annually and this version of our plan was approved by our Board in March 2025. Primarily, our Business Plan demonstrates the contribution that the subsidiary will make in achieving the RSG's strategic objectives and the value that it will add. The plan helps to:
- align our internal and external operating environment;
 - set out our strategic priorities and the key actions we will take to achieve these;
 - demonstrate we have the resources necessary to carry out these actions;
 - identify and mitigate any risks we may face;
 - provide a framework for monitoring our progress and measuring our success.
- 1.3 Our Business Plan takes account of the outcomes from an RSG Strategic Planning Session involving RSG Board and Senior Staff held in October 2024. The plan has also taken cognisance of the Scottish Housing Regulator (SHR) regulatory framework and the requirements of the statutory guidance on Group Structures (2024).
- 1.4 The Business Plan should be read in conjunction with the RSG Strategic Plan 2024-2027 which sets out the strategic direction and ambitions for the group over the next two years. Reference can also be made to the RSHA Business Plan.
- 1.5 We benefit enormously from having the clear support of our parent company (a parent company with a 30 - year plus track record) but we are also mindful that RSHA drives our strategic direction.

Section 2. ABOUT US

- 2.1 Venachar Ltd was established in 2013 and is a wholly owned subsidiary of RSHA and a company limited by shares. Although we are a separate company with our own Board, both organisations share a common desire to meet housing needs across rural Stirling. You can find out more about Venachar Ltd by following this link to RSHA's website. Here you will also find details of our Board members.
- 2.2 We have an Independence Agreement which sets out our relationship with RSHA. Venachar does not directly employ staff and has a Service Sharing Agreement with RSHA.
- 2.3 Our remit is to:
- provide management services to private owners in the local area

- enter into lease agreements with those owners to enable the property to be brought back into use as affordable housing
- manage other property owned, developed, or acquired by RSHA as agreed with the parent
- Carry out other activities as agreed with RSHA from time to time as part of the Business Plan

2.4 Through Venachar's role in meeting local housing and community needs we are currently:

- Letting a small number of Mid-Market Rent (MMR) properties in Callander and Strathyre that have been leased from our parent, RSHA. These were shared ownership properties where the Association has bought back the owners share, without grant.
- Offering property management services to private owners in the local area.

Section 3. CONTEXT

3.1 At the time of writing this Business Plan the UK is still struggling with the ongoing cost-of-living crisis. Factors including Brexit, the war in Ukraine and conflict in the Middle East, have resulted in economic turmoil in the UK.

3.2 The social and economic impact and the fall-out from the above for our communities cannot be underestimated. Rural communities are particularly disadvantaged due to challenges around affordable warmth and generally higher living costs, compared to the rest of Scotland. Our communities include some of the most vulnerable in society and our parent organisation continues to provide financial, health and wellbeing support and advice for tenants. Tenants of our subsidiary and others to whom we provide our services are also not immune to the impact of the cost-of-living crisis. Support from RSHA will be made available to our tenants where this is needed.

3.3 In producing our Business Plan, we have reviewed our current operating environment and identified the key internal and external drivers which will shape our strategy and priorities for the next year. Key themes are summarised below, which chime with the local and wider national UK environment;

- *the prevailing economic situation and uncertainties regarding funding and economic expectations/forecasts;*
- *challenges for tenants including the housing crisis, homelessness, rent affordability, fuel poverty, cost of living, welfare policy;*
- *pressures on our parent body such as cost pressures in repairs, maintenance and development, supply chain issues, investment in existing housing to meet net zero obligations and tackling homelessness.*

3.4 Another key theme emerging is concern about standards of management in the private rented sector which is likely to lead to greater regulation and the imposition of higher legal standards. Existing landlords are not always best placed to respond to new regulations. This may create potential new opportunities which RSHA, as a Registered Social Landlord (RSL) and charity is not able directly to take forward, but that Venachar could. However, the Scottish Government recently consulted on its strategy 'A new deal for tenants which will contribute to the Housing Bill scheduled for this parliamentary session. The consultation document set out that the Scottish Government is

considering what categories of housing might be exempt from rent controls, including 'rented property offered for social good where rents are controlled below market level'. Rent controls in the forthcoming legislation would impact the revenue Venachar could raise from its own activities and thus whether it would continue to need financial support from RSG.

- 3.5 Our operating context presents both challenges and opportunities for us in terms of the potential for existing tenants to fall into financial hardship and arrears and the potential for rent controls in the future, however there may also be new markets as people look for more affordable secure private renting opportunities of a higher standard.

Section 4. Strategy

- 4.1 As a member of the RSG we work alongside RSHA to support and complement the services that our parent organisation provides. We also rely on RSHA to provide us with the resource that we require to deliver our own service.
- 4.2 The RSG Strategic Plan 2024 -2027 identifies a key Strategic Objective ***Working with our communities to provide homes that meet their needs***. We believe that Venachar is well positioned to assist the RSG to achieve this ambition.

Our vision

- 4.3 We believe that with our support, RSHA can broaden its impact in the local area. Looking more specifically over the next year, our vision is that we will be able to:
- maintain our portfolio of exiting projects and build up a proven track record of successful delivery;
 - raise our profile to achieve a strong presence in the local area;
 - add value to the Rural Stirling Group
 - be financially viable and self-sustaining through our trading activities; and
 - have demonstrated a successful working relationship with RSHA.

Our values

- 4.4 As a subsidiary of a socially responsible, charitable organisation, our values are very important to us and drive our behaviours. We see ourselves as a social enterprise and thus seek to balance our social aims with a business-like approach. Our values in many ways become the standards of behaviour we wish to achieve. We value:
- being socially responsible – doing what's best for our communities
 - being focused on quality – ensuring our services are high quality, safe, trustworthy, and comply with regulations and the law
 - being entrepreneurial and commercially aware – creating opportunities to improve our impact and strengthen our business

- being inclusive – ensuring we do not, either intentionally or unintentionally, disadvantage anyone
- being open and honest – ensuring we are fair and transparent in how we conduct our business

4.5 This is an exciting time for our organisation as we will be looking to explore what more we can do to add value to the RSG and to support the aspirations of the communities within which we operate. We will do this with the support of our parent organisation, RSHA. During 2024-2025 a Working Group was set up by the Board of RSHA to carry out research to determine what this would look like and the resources that would be required. The outcomes from this exercise will be reported to our parent Board in during 2025/26.

4.6 We feel confident that with the support of RSHA this is the right time to explore how to grow our role and contribution to achieving the aims and objectives for the RSG and our communities.

Section 5. PRIORITIES

5.1 Our focus over the next year will be to continue to provide good quality management services to our mid-market rent tenants and offer quality management services to prospective clients. We will ensure that our services are competitive and offer good value for money.

5.2 We will grow our profile and reputation in our local communities.

5.3 We will manage our budgets and build our financial strength.

5.4 We will strengthen governance and succession planning to ensure that we have the skills and expertise to help our organisation to develop.

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

- increased choice for housing applicants
- alleviated pressure on RSHA's waiting list
- made a positive contribution to the strategic objectives of the RSG

Section 6. RISK

6.1 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.

6.2 To ensure resilience in uncertain times requires a robust approach to the identification and management of risks that we may face.

6.3 The RSG has a robust approach to risk and has a Risk Management Policy and Framework in place. Our Risk Management Framework was reviewed and updated in November 2024.

- 6.4 The RSG Risk Register and Business Continuity Plan are kept under constant review. The Risk Register has also been reviewed and updated in the context of the political, social, and economic impacts detailed above.

Our Risk Management Framework

- 6.5 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.
- 6.6 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*
- 6.7 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

- 6.8 The RSHA Board is responsible for overseeing risk management across the group. It is assisted by the Audit & Risk Committee, charged with reviewing the risk appetite, ensuring proper controls are in place and annually reviewing the organisation's approach to risk management.

Our Risk Register

- 6.9 Our Risk Register details all up-to-date risks where we set out their causes and potential impact, assign a named person to be responsible for their management, 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 will be kept under constant review to provide assurance to our Board that key risks are being managed effectively across the group and that tenants' interests are protected. Registered risks and risk change will be reviewed quarterly by RSHA Board and reviewed regularly by responsible risk owners to ensure that the register is maintained in a complete state and that all new risks are identified and tracked.

Our Risk Controls

- 6.10 Our Risk Framework gives us confidence that we have a robust approach to risk management and have effective controls in place. Our focus on risk applies across the RSG and we are embedding a culture of risk management 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 (2024).

7. RESOURCES

- 7.1 Venachar does not, for the foreseeable future expect to directly employ staff. RSHA staff, will deliver services in accordance with the agreed Service Sharing Agreement.
- 7.2 The budget for the year 2025/26 is reporting a profit and is attached at **Appendix 1**.
- 7.3 We recognise that there is little slack available in this business model and any unforeseen expenses or downturn in rental income received, for example through the imposition of rent controls, will have a noticeable impact on the financial outturn, albeit the numbers are small which reduces the overall risk. This will be closely monitored throughout the period of the plan.

8. MONITORING & REVIEW

- 8.1 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 business projections, operational plans, and operating environment.

Performance Management

- 8.2 Our Board will receive a regular review of performance against agreed priorities and plans and progress with delivery of the Business Plan including financial expenditure and performance against budgeted projections.

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Registered in Scotland No: 447415
Venachar Ltd is a wholly owned subsidiary of
Rural Stirling Housing Association