



Ore Valley Housing Association

3 Year Business Plan

2018 / 2019

to

2020/2021

Ore Valley Housing Association Limited

Business Plan 2017/18 to 2019/20

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SECTION 1 – EXECUTIVE SUMMARY

1.1 Introduction

This Plan's purpose is to present our vision and our mission for the three years from April 2017 and takes account of the Business Planning Guidance issued by the Scottish Housing Regulator in December 2015.

The plan is aimed at our tenants, staff, service users, the Board, as well as other interested partners, stakeholders and regulatory bodies. The Plan has been developed in conjunction with staff; and the Board through their regular meetings and a dedicated Strategy Day held in January 2017.

Ore Valley HA, was registered in 1991 by a voluntary committee all of whom were resident in Cardenden, with the aim of achieving the transfer of housing stock in Cardenden from Scottish Homes. That aim was successfully achieved with stock transfers taking place in 1995 and 1997 totaling 411 homes.

From 2000 onwards we have developed and managed additional new housing designed to a high standard to meet local housing needs, adding 235 new build homes in the Cardenden, Lochgelly and Lochore areas of Central Fife. We have also participated in the Scottish Government's Mortgage to Rent Scheme which has prevented 75 families from becoming homeless bringing the same number of properties into the Association's rented stock.

As at 31st March 2016, Ore Valley Housing Association owns and manages 674 social rented housing properties.

Over the past 2-3 years new housing development has become more challenging, we completed only one new build scheme of 15 units in Lochgelly during the past year. There are several other projects which are at feasibility stage and have been included in the Strategic Housing Investment Plan (SHIP) approved by Fife Council and Scottish Government, we continue to play an active part in the Fife Housing Association Alliance (FHAA) through which new housing projects are delivered. and we will continue to consider and promote future viable projects.

We are now in our 21st year of operation, since the first homes transferred and we continue to perform as a vibrant and ambitious organisation, with a good reputation locally and within the Housing Association sector across Scotland.

We have been assessed as an organisation appropriate for **'Low Engagement'** by the Scottish Housing Regulator following a 3 year period of medium engagement, mainly in relation to the range and complexity of the activities carried out by our three subsidiary

companies, one of those subsidiaries has a further two subsidiaries which operate as 'special purpose companies'. We will ensure that we continue to provide the Regulator with information and reports as required by an organisation on low engagement.

Our performance monitoring reports demonstrate that we are a stable and good performing organisation, although we are not complacent about our performance and we are keenly aware of the specific challenges we will face in relation to e.g. EESSH (Energy Efficiency Standard for Social Housing), Welfare Reform - in particular the roll out of full service universal credit in Fife which took place in December 2017, pension provision liabilities and other factors which may impact on our business. The SWOT and PEST analysis contained in this Business Plan set out some of the challenges and our strategic risk assessments set out what we intend to do to mitigate the impact of the challenges we face.

Providing excellent value for money is vital to our strategy, ensuring we continually look for efficiencies and more effective ways to deliver services. We intend to continue to introduce new ICT systems to support updated business processes throughout the period 2018-2021.

We are full members of HouseMark, and participate in annual benchmarking with the intention of having more robust cost and performance assessment across all areas of work, which will feed into a process for review of our progress in producing value for money. We participate in a range of HouseMark events aimed at business improvement. In addition we are one of the original members of the Haymarket Group (supported within HouseMark) which is developing a performance scorecard based on an enhanced range of comparable performance indicators.

1.2 Respecting Equality & Diversity

We are committed to creating safe and inclusive neighbourhoods along with an environment where people can live and work without experiencing any form of discrimination or harassment.

Our overarching Policy, backed by procedures on Equality & Diversity, Equal Opportunities, Dignity at Work and our Customer Charter Standards, outlines the following commitments:

- As a service provider and employer we recognise the requirements of the Equality Act 2010; oppose any form of discrimination and will treat all customers, internal and external, with dignity and respect.
- We recognise diversity and will ensure that all of our actions ensure accessibility and reduce barriers to employment and the services we provide.

SECTION 2 – OUR MISSION, VISION, AIMS AND VALUES

2.1 Our Vision

For everyone to have the opportunity to lead healthy fulfilling lives.

2.2 Our Mission Statement

Working to provide good quality homes, and supporting communities.

2.3 Our Values

Values underpin the way we behave and work. In pursuing our vision, the following values are at the heart of everything we do:

- 2.3.1 We will be a responsible & caring landlord & employer.
- 2.3.2 We will be open & accountable for everything that we do.
- 2.3.3 We will be proactive & innovative in dealing with opportunities & problems.
- 2.3.4 We will be honest, approachable & reliable.
- 2.3.5 We will be respectful and will give fair treatment to everyone.
- 2.3.6 We will listen to & learn from our customers and wider networks.

2.4 Our Aims

- 2.4.1 Be financially secure based on the delivery of 'value for money' activities.
- 2.4.2 Maintain the highest standards of governance and probity.
- 2.4.3 Become a top performing Housing Association, built on internal and external alliance.
- 2.4.4 Be a top employer; aligning employer and employee in a common purpose.
- 2.4.5 Promote, support and deliver non-housing community benefit projects.
- 2.4.6 Deliver a programme of continuous improvement for our houses, opens spaces & services.
- 2.4.7 Meet, maintain and exceed the requirement of SHQS and EESSH.
- 2.4.8 Minimising waste through development and implementation of effective/efficient processes.
- 2.4.9 Continue to develop new housing where it's needed.

SECTION 3: AN OVERVIEW OF ORE VALLEY HOUSING ASSOCIATION

3.1 Status

We are a non-profit making voluntary organisation, registered as an Industrial & Provident Society with the Financial Conduct Authority, Reg. No. 2382(S).

We are registered with the Scottish Housing Regulator as a Registered Social Landlord, (RSL) under the Housing (Scotland) Act 2010, Reg. No. HCB236.

We are a registered Scottish Charity, Reg No. SCO31773.

We are a registered Property Factor Reg. PF000639

We are therefore, an independent housing organisation, which has limited liability and will use any surpluses for the benefit of our tenants and the communities we work within. We are accountable to our Members of which there were 77 at 31 March 2018.

Our financial year is 1 April to 31 March with an Annual General Meeting being held within six months of the end of the financial year. All Members are invited to attend and receive reports on the previous year's activities, adopt the audited Annual Accounts, elect Members to serve on our Board of Management and to appoint the Association's external auditors.

3.2 Board Governance

We are governed by a Board which can have up to 15 Members and requires a minimum of 7 and normally meets calendar monthly. There is currently one functional Sub-Committee – the Finance, Audit and Risk Management (FARM) Committee. As at the 31st March 2018 the Board had 10 members.

The Board has members from a broad range of backgrounds bringing complementary knowledge and skills. The skills mix within the Board is kept under review.

The Scottish Housing Regulator's Framework requires that the Board is assessed annually to confirm continuing effectiveness. The Association carries out an annual appraisal process for the board each year.

Our current Internal Audit services commenced in 2016, we will make use of a programme of internal Audits to provide assurance to the Board that the business plan is on track and that internal controls are functioning effectively.

3.3 Management Team

Our Management Team consists of the CEO, Housing Manager, and Business Development Manager with additional contribution from the Senior

Corporate Support Officer and the Senior Housing Officer. The Association also receives external financial services from Chiene + Tait, who support and contribute to the Management Team.

3.4 Performance and Benchmarking

We have a robust system of governance and internal controls in place which are reviewed regularly by an externally appointed auditor. The internal controls are also subject to a further review as part of the internal audit service.

We maintain a culture of self-assessment and continual improvement throughout the organisation, putting in place key systems that assist in setting, monitoring and measurement of performance, they are:

Self-Assessment Tool - Linked to the requirements of the Scottish Social Housing Charter and the SHR's Regulatory Framework, all areas are individually assessed by the management team, in order to identify areas that require further attention. The outcomes from self assessment are reported to and discussed with the Board on a 6 monthly basis.

Annual Return on the Charter (ARC) - The Scottish Social Housing Charter (known as The Charter), creates a way that the Scottish Housing Regulator (SHR) can monitor how we are performing and meeting our customer expectations. We have, in conjunction with tenants, developed a landlord's report on the charter, in addition to this the SHR issues their own report on the Charter in August of each year.

Benchmarking - We participate in a Benchmarking Group, which assists us to ensure that we are keeping up to date with best practice and in the monitoring of performance. The benchmarking group is operated by HouseMark, we will participate in the submission of quarterly performance information in addition to the annual data submission exercise.

Performance Scorecard - The Scorecard is based on Key Performance Indicators (KPI's) some of which are set by SHR and others that are agreed locally and others defined by HouseMark. Performance targets are set by the Management Team and the Board, ensuring that they are SMART and that we continually review areas where weaknesses have been identified.

Our overall performance is subject to continuing assessment against our peers. In our continuing quest to be a top performing association, we will develop ways of improving our services and will set challenging, achievable targets.

3.5 Our Stakeholders

- Tenants and Service Users
- Board members
- Staff Members
- Community Members
- Funders and Lenders
- Scottish Housing Regulator and other Regulatory Organisations
- Scottish Government
- Fife based Housing Associations

- Fife Council
- Partners, Consultants, Contractors and Suppliers

3.6 Our Past 3 Years

Within our previous 3 year plan we have contributed to meeting our objectives in the following ways :-

- Within the last year we carried out a programme of planned maintenance and improvement which included the completion through replacement, installation or maintenance of kitchens, heating systems, showers, paintwork, electrical testing and upgrades. During the last 3 years we have invested over one and a quarter million pounds in planned maintenance and improvement of the housing stock. We also provided 15 new homes at a cost of approximately £1.7 million.
- Involved tenants in the implementation of the tenant participation strategy including training provided by TPAS.
- Developed and hosted a wide range of successful tenant information events.
- Reconfigured the public areas of our offices to incorporate free to access computers for public use.
- Established the tenant estate management group which provides tenant perspectives on a range of services.
- Continued to provide enhanced communications to tenants and the wider community through a range of media.
- Continued to develop our approach to the results from the recent stock condition and energy survey as part of our overall asset management strategy.
- Continued to promote Ore Valley HA information to the public on Social Media platforms.
- Successfully embedded and developed the role of our Tenancy Support and Wellbeing Officer.
- Continued to review and consider opportunities to develop and promote good governance, including the provision of opportunities for the community to become involved.
- We have continued to invest time and resources in our non-housing initiatives including the Ore Valley Business Centre, Cardenden Heat and Power, Retail Units working in partnership with others including our own subsidiary companies.
- Continued to implement the rent setting structure.

3.7 Our Present Position

We are the parent company of three subsidiaries, forming the Ore Valley Group. Our group structure consists of the following: (a diagram is given in Appendix 1)

- Ore Valley Community Initiatives Ltd. which owns and manages Lochgelly Miners Institute and Ore Valley Business Centre.
- Ore Valley Enterprises Ltd., which is a registered private landlord leasing 55 properties in Lochore, Kirkcaldy, Lochgelly and Kelty which are available for let, for mid-market rent. Agreement has been reached on the lease 21 new build units from Fife Council in Dysart, handover is anticipated on the 1st of May 2018.
- CHAP Ltd., which is currently engaged in renewable energy projects.
- Work is currently underway on securing development sites in Lochgelly, Cowdenbeath, Burntisland and Cardenden which is being taken forward through the Fife Housing Association Alliance.

We have a varied and diverse stock profile, some details of our stock are provided below.

OVHA properties by year of build

Year of Build	Pre 1919	1919-1944	1945 - 1964	1965 – 1982	1983 – 2002	Post 2002	Total
Property numbers	2	10	330	19	77	236	674

OVHA properties by size and type

Type, Apt size and Rent	Property numbers	Average weekly rent 2018/19
2 Apt	75	£66.74
3 Apt	398	£78.78
4 Apt	184	£85.88
5+ Apt	17	£92.58
TOTAL Properties	674	£79.73

3.8 Our Future

It is likely that we will build fewer properties during the term of this plan than we have in previous years; however we make a commitment within this plan to continue to look for potentially viable sites and development projects. The current Scottish Government has set a target for the delivery of 50,000 new affordable homes over the period of the parliament, 35,000 of these are to be for social rent, this presents a significant opportunity for OVHA to participate in providing much needed new affordable housing units in our main areas of operation. There are also emerging opportunities that may enable our subsidiary, Ore Valley Enterprises to engage with partners to further develop within the Mid-Market rented sector.

We are very aware of the risk posed by the Welfare Reform Act, which will bring radical changes, most notably the roll out of Universal Credit. The combined and cumulative impact of these changes is likely to have a negative impact to the income of some of the poorest members of our communities; whilst also having a significant impact on OVHA's cash flow, income collection and resource requirements. We have created a new role within OVHA to provide a tenancy support and wellbeing service to our tenants to help to mitigate, amongst other things, the impact of welfare reform changes.

In addition we are mindful of our pension provision liability We did move all staff from a final salary to a less risky career average option six years ago, and then to a defined contribution option from January 2017 further reducing future risk.

Our overall strategy going forward will be to ensure that there is continual examination of our financial capacity, including the ability to take on more developments and risks up front, the financial projections for the next five years in particular offer further insight into this. We will also include key actions needed in order to mitigate the effects of Welfare Reform and pension liabilities, to the best of our ability.

Ore Valley HA working with HouseMark initiated a pilot for Small Housing Association to carry out a Value For Money benchmarking exercise in 2014/2015; overall 9 housing associations took part, and the pilot produced some interesting and useful results. OVHA has now joined HouseMark and continues participation in the Value for Money Club and its involvement as one of the original member of the Haymarket Group which includes a number of HouseMark Scotland members working on establishing value for money reports which can be used to provide our tenants and other stakeholders with good comparable information on how we are performing. We are keen that this work will culminate in the development of a comprehensive Value for Money strategy over the period of this Plan.

We will continue the program of works to our properties to ensure that they meet the continuing and emerging requirements of SHQS and EESSH, whilst maintaining high levels of service in relation to reactive and void maintenance. In addition we have in the past year completed a full stock condition and energy survey as part of our development of a comprehensive approach to Asset Management and the development of our Asset Management Strategy. In the coming year we will evaluate all of the information gathered and will use this to develop our approach to property maintenance and improvement in order to ensure that we continue to meet the requirements of SHQS and EESSH into the future.

We will also continue to deliver a programme of kitchen replacements, shower installations and other improvements within our properties,

OVHA has recently registered as a property factor and will work with owners to ensure the delivery of high quality, value for money services in respect of the common areas we factor.

We are further developing our information technology systems to deliver efficiencies and cost savings. We continue to utilise our thin client system to deliver our internal computing services and have begun the transition to more cloud-based systems such as email and off-site data storage, we will continue to roll this out in the future and will investigate the potential to move all systems to a cloud based approach. We also continue to integrate the use of mobile devices into our day-to-day activities for staff and board members.

Finally, we are critically aware of the need to further increase the ways in which our tenants and service users can engage with and influence our decision making process, and are consulted in matters that affect them. Work will continue on the ongoing engagement with our tenants in a strategic and structured way as well as providing more informal opportunities, through which tenants will be encouraged to be instrumental in developing services, across all areas of the organisation.

SECTION 4: OUR DRIVERS, PRIORITIES AND KPI's FOR 2018/2019 to 2020/2021

4.1 Business Drivers

There are currently a range of drivers which are having significant impact on Ore Valley HA's business priorities during 2017/18 to 2019/20, these derive from both internal and external sources and are outlined below:

External

1. The role out of full service Universal Credit in Fife from December 2017 - we are experiencing increased demand as an organisation to support our tenants as they transition on to Universal Credit.
2. Tenant participation arrangements - work will continue on the development and implementation of our Tenant Participation Strategy being implemented throughout the life of this plan.
3. Failure to maintain SHQS and EESSH - the main issue relates to the age of our housing stock and the ease or otherwise with which final measures required to increase the RdSAP rating to a level which will meet EESSH, can be achieved.
4. Factoring - we have registered as a factor and are developing services in relation to 198 homeowners in Cardenden, the completion of this work will be taken forward as a priority in year 1 of this plan.
5. Changes to Data Protection - we are in the final stages of preparation for changes to Data Protection regulations which come into effect from May 2018 and continue to undertake staff training which will assist us to comply with the new regulations.
6. The Scottish Government's target to develop 50,000 new affordable homes.

Internal

1. Possibility that the number of Mid-Market rented properties will increase over the duration of this plan and the need for OVHA group resources to service these additional homes. This will be considered alongside the development of our factoring service.
2. Asset Management Strategy - This is an issue which has been discussed with the Scottish Housing Regulator and we commissioned the support of external specialists to assist in the development of our Asset Management Strategy and related arrangements. This has improved the information available for the assessment of new housing projects as well as the retention, maintenance and improvement of our existing stock. A project plan has to be developed to appraise and then develop a strategy and systems to support well informed asset management decisions in the future. Our Asset Management Work also involved completion and analysis of a comprehensive stock condition survey of our housing stock including an energy survey to provide well informed and accurate SAP ratings which will in turn assist us in developing a programme of work to support our compliance with EESSH.
3. Ongoing and continual review of staffing and resources, i.e. impact of ongoing work on diversification & wider role projects, and delivery of the maintenance & finance functions.
4. Budget - the financial projections show that OVHA faces several years where cash flows are tight, we can demonstrate compliance with covenants. Assumptions generally and on the rent increase in particular may be subject to challenge, financial control will be subject to continuous monitoring.

4.2 Key Priorities

The drivers outlined at 4.1 above, determine that the keys priorities for staff over and above the normal customer service provision for period of this plan, will be as follows :-

These link directly to our key visions/aims:

- To promote engagement on a wide range of issues aimed at improving the quality of life and sense of wellbeing amongst our tenants and the wider community.
- To consider the most efficient use of IT systems to allow more time to be spent supporting tenants who are stuck with complex issues.
- Maintain new build development within the Ore Valley Group and identify new opportunities to take full advantage of available funding, subject to robust financial appraisal.
- To procure and deliver projects within the Ore Valley Group, whilst developing a robust financial and asset management approach.
- To ensure that our people resource is used in the most efficient way using effective working practices developed through continual review.
- To continue to obtain greater functionality from the in-house IT system (SDM), specifically bringing the planned maintenance property module into full use, following completion of the asset management/stock condition survey work.
- To further develop and continually improve customer service and tenant participation through the use of IT systems, websites, newsletters, texting, e-mailing, social media platforms, meetings and one to one interaction.
- To ensure that appropriate mechanisms are in place to minimise the risk of rent arrears accumulating to higher levels, or for more tenants to find themselves in arrears as a result of Welfare Reform changes. To provide support to tenants to overcome barriers to get into training and employment.

4.3 Other Priorities

- Develop highly skilled, performing and motivated staff team through the continuing emphasis on OVHA's talent management strategy – Common Purpose. Process mapping and performance monitoring to improve our customer service and business management processes to delivering a programme of continuous improvement.
- Maintain the Silver Award and work towards the Gold Award from Healthy Working Lives,
- Complete a full review of the organisations compliance with Equality & Diversity Management good practice standards to ensure that we continue to meet all requirements of the Equalities Act 2010.
- Complete a full review of our customer complaints handling policy and processes.
- Assess the ongoing requirements and continue to develop our IT and Media strategies.

4.4 KPI's

Performance measurement and target-setting are important to our growth process; we are committed to measuring performance to allow us to examine the triggers for any changes in performance.

We have therefore identified the key areas that are core to our business performance and are key to us achieving our top level priorities. Some are locally agreed with our stakeholders where applicable and others are set by our Board and Management Team.

Where there are locally agreed targets we will also measure if there are appropriate structures in place to engage communities and whether these locally agreed targets are being achieved.

<p>Customer Service</p> <ul style="list-style-type: none"> ● Overall tenant satisfaction levels ● Number of customer complaints 	<p>Number of properties passing/failing</p> <ul style="list-style-type: none"> ● SHQS ● EESSH & EESSH2
<p>Repairs Performance</p> <ul style="list-style-type: none"> ● Tenant satisfaction levels ● Repairs completed right first time ● Repairs completed on time ● Repairs average time ● Gas services completed in time ● Voids 	<p>Arrears</p> <ul style="list-style-type: none"> ● Current rent ● Former rent ● Rechargeable repairs ● Rechargeable court costs
<p>Relets</p> <ul style="list-style-type: none"> ● Number of days ● Number of offers ● Costs of voids/rent loss 	<p>Staffing</p> <ul style="list-style-type: none"> ● Turnover ● Absence ● Staff development and training
<p>Finance</p> <ul style="list-style-type: none"> ● Financial Ratios ● Operating surplus ● Net surplus ● Minimum net surplus ● Debt per unit ● Actual costs against budgeted ● Unit Costs <ul style="list-style-type: none"> ○ Rent per property per week ○ Reactive maintenance ○ Cyclical maintenance ○ Major repairs including capitalized ○ Management costs per unit ● Loan Covenants <ul style="list-style-type: none"> ○ Gearing - Maximum ○ Interest cover - Minimum ● Financial reports <ul style="list-style-type: none"> ○ Produced on time 	<p>Possible areas for locally agreed targets, engaging tenants and others</p> <ul style="list-style-type: none"> ● Tenancy management/conditions of tenancy ● Physical environment – improvement of open spaces ● Management of open spaces <ul style="list-style-type: none"> ○ Grass cutting ○ Dog fouling ○ Maintenance of landscaping ○ Tree planting ● Anti-Social behaviour complaint response times and community safety issues ● Void turnaround times

Governance	
<ul style="list-style-type: none"> Numbers attending Board and committee meetings. 	

4.5 ACTION PLAN FOR OUR AIMS

- Be financially secure.

What we will do	How will we measure achievement	Who will be the Lead Officer	Target Date
Have in place proactive supportive measures in relation to the impact of welfare reforms, in particular target resources before during and after the transition to universal credit full service roll out.	<ul style="list-style-type: none"> Report the number of tenants in receipt of UC Report the number of Alternative Payment Arrangements Report the number of Managed Payments to Landlord Report the number paying full rent by Direct Debit Report the % of UC tenants in arrears Report the % of non UC tenants in arrears Report the average arrear for UC tenants in arrears Report the average arrear for non UC tenants in arrears Report the number of tenants receiving support Report the average arrear for tenants in receipt of support Report the associated outcome for tenants receiving support 	Colin McInnes	Ongoing
Ensure that we are maximising OVHA's income through the implementation of robust and positive void property and arrears management processes.	<p>We will monitor void turnaround times at each stage of the process and consider trends over time.</p> <p>We will measure current and former tenant arrears levels and will monitor performance trends over time.</p>	Colin McInnes	Ongoing
Pensions	<ul style="list-style-type: none"> Maintain awareness of issues and prepare financial and legal requirements. 	Andrew Saunders	Ongoing
Effective project management reporting	<ul style="list-style-type: none"> Review and update of Project Management arrangements. Ongoing regular review by C+T and OVHA 	Andrew Saunders	Ongoing
Cash flow monitoring and corrective action	<ul style="list-style-type: none"> Continuous review by C+T and OVHA 	Andrew Saunders	Ongoing
Develop and deliver a high quality factoring service for owner occupiers	<ul style="list-style-type: none"> Completion of engagement process with owners. Collection of factoring fees. Satisfaction of owners with the service provided. 	Andrew Saunders	September 2017

The development of a Value for Money Strategy	- Board approves Value for Money Strategy	Andrew Saunders/Maryjane Elder	December 2017
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• **Maintain the Highest standard of Governance and Probity**

What we will do	How will we measure achievement	Who will be the Lead Officer	Target Date
Ensure the Group structure remains fit for purpose	<ul style="list-style-type: none"> - Review the requirement to retain OVCI as a separate entity. - Develop the reporting arrangements between subsidiaries and OVHA. - Measure the outputs from activities against business plans/models. 	Andrew/Nick/Dave	March 2018
Ensure internal controls and risk management, underpinned by thorough assurance reviews, remain comprehensive and robust	<ul style="list-style-type: none"> - Effective internal audit plan - Regular risk management assessments 	Andrew / Management Team	Ongoing
Ensure that Group Boards review their own performance.	<ul style="list-style-type: none"> - Board Appraisals - Nine year rule assessments - Complete recruitment of additional Board members 	Andrew	June 2017 2018 2019
Policies and Procedures	<ul style="list-style-type: none"> Ensure Policies and Procedures are current Ensure consistency flows between relevant Policies 	Maryjane Elder	Dec 2018
Comply with the Letting Agent Code of Practice	<ul style="list-style-type: none"> - Develop a service standard agreement for MMR properties - Register as a Letting Agent 	Colin McInnes	October 2018

- **Become a top performing Housing Association.**

What we will do	How will we measure achievement	Who will be the Lead Officer	Target Date
Benchmark against other top performing Housing Associations.	<ul style="list-style-type: none"> - Peer comparison using HouseMark and SHR reports. - Participate in HouseMark VfM club - Develop a Value for Money Strategy and Scorecard (through the Haymarket Group) - Compliance with SHR Guidance. - Comparing examples of good practice with high performing peers in order to improve services. 	Andrew Saunders/Maryjane Elder	Ongoing
Provide high quality housing information and advice for service users	<ul style="list-style-type: none"> - Work with partners to measure and improve outcomes. - Develop Prevention First role with support of partners - Delivers HOI interviews - Update training for frontline and housing staff. 	Colin McInnes	March 2020
Monitor renewable energy projects	<ul style="list-style-type: none"> - Outcomes reported to the Board. - Completion of a lessons learned report to the Board. - Implement wind project Community Investment Fund 	Andrew Saunders / Nick Clark	April 2018
Collect tenant views on an ongoing basis.	<ul style="list-style-type: none"> - Peer comparison using benchmarking reports. - Report to tenants on outcomes. - Agree action plan with Board and Estate Management Group. . - Report to Board on survey methodology and develop a programme of annual survey work. 	Colin McInnes	March 2019

- **Be a top employer; aligning employer and employee in a common purpose**

What we will do	How will we measure achievement	Who will be the Lead Officer	Target Date
Develop and implement a Succession Planning and talent management strategy within OVHA's 'Common Purpose' approach.		Andrew Saunders	March 2018
Equality and Diversity Project (no progress)	<ul style="list-style-type: none"> - Train all staff - Have E&D 'Champions' - Project completed 	Maryjane Elder	December 2017
Participate in the Healthy Working Lives scheme	<ul style="list-style-type: none"> - Maintain Silver Accreditation - Work towards Gold Accreditation - Raise Health and Wellbeing awareness through campaigns and promotions. 	Healthy Working Lives Group	Ongoing

- **Promote, support and deliver non-housing community benefit projects.**

What we will do	How will we measure achievement	Who will be the Lead Officer	Target Date
Develop a wider role and diversification strategy	<ul style="list-style-type: none"> - Document presented to the Board. 	Nick Clark	October 2018
Develop performance monitoring systems and reports for Subsidiaries.	<ul style="list-style-type: none"> - Reports presented regularly to subsidiary Boards and shared with OVHA Board. 	Nick Clark	Ongoing
Consider options for future sustainability projects and other Wider Role activities	<ul style="list-style-type: none"> - presentation of options to the Board. 	Nick Clark	Ongoing

- Delivering a programme of continuous improvement for our houses, opens spaces & services

What we will do	How will we measure achievement	Who will be the Lead Officer	Target Date
Consult and engage with tenants and residents in relation to service delivery	<ul style="list-style-type: none"> - Increase consultation register (50 – 100 tenants) - Carry out a minimum of 3 x transactional surveys per year - Promote regular estate inspections and report the number of tenants and residents involved. - Develop a communication strategy for factored owners. 	Colin McInnes	March 2020
Performance Management and Improvement and Value for Money across OV Group	<ul style="list-style-type: none"> - Review trends over time to inform improvement programmes 	Maryjane Elder/Andrew Saunders	Ongoing
Customer Service development and improvement.	<ul style="list-style-type: none"> - Development of Customer Service Advisor Role - Customer service levels reviewed against agreed KPI's. (KPI's have not yet been set) - Completion of a comprehensive customer service manual (this is a working document) 	Maryjane Elder	March 2018
Improve Performance across all areas of service.	<ul style="list-style-type: none"> - KPI's covering each part of the business. - Monitoring customer satisfaction levels. 	All	Ongoing
Develop and implement a factoring service for identified local areas	<ul style="list-style-type: none"> - Develop and deliver factoring service standards - Develop and deliver a costed programme of work 	Andrew Saunders +Colin McInnes	March 2019
Ensure the maintenance of open spaces is carried out regularly	<ul style="list-style-type: none"> - Regular meetings with contractors to review site visit reports 	Colin McInnes	Ongoing
Devolve estate management budgets to frontline service providers	<ul style="list-style-type: none"> - Quarterly review meetings with senior manager and Estate Management Group 	Colin McInnes	March 2019
Set agreed standards and budgets with tenants and local residents	<ul style="list-style-type: none"> - Measure satisfaction levels with tenants and residents - Review void performance and costs - Consult tenants about planned estate improvements 	Colin McInnes	Ongoing
Continue development of	<ul style="list-style-type: none"> - Conclude community consultation and outreach 	Nick Clark	April 2018

Community Growing Space project	works - Submit Stage 2 Aspiring Communities Fund application and other capital grants options		
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- **Meet maintain and exceed the requirement of SHQS and EESSH.**

What we will do	How will we measure achievement	Who will be the Lead Officer	Target Date
Develop the overall approach to Asset Management.	<ul style="list-style-type: none"> - Continue to develop and update our stock condition information. - Review the suitability of SDM (Housing IT system) to continue to meet SHQS - Agree a programme of works required to comply with EESSH by December 2020 - Consider the implications of EESSH2 	Andrew Saunders	Ongoing
Complete comprehensive Asbestos survey and develop register for asbestos content within our stock.	<ul style="list-style-type: none"> - Fully functioning H&S asbestos register for use in all aspects of maintenance and repair. 	Andrew Saunders	September 2017

- **Minimising waste through development and implementation of effective/efficient processes.**

What we will do	How will we measure achievement	Who will be the Lead Officer	Target Date
Data and record Management	<ul style="list-style-type: none"> - Reorganise archive filing - Develop use of SDM to its fullest potential. - Become familiar with Freedom of Information Act details assuming that this will be extended to include Housing Associations. - Develop and roll out process for management of e-mails. - Consider implications of GDPR 	Maryjane Elder	October 2017
GDPR	Implement all aspects of GDPR:	Maryjane Elder	May 2018

	Ensure Policies are compliant with GDPR Introduce Privacy Policy and Notices for staff and employees Staff training on any changes/new procedures		
	-		
ICT Support Review	- Review of IT service provision, tendering exercise undertaken and reported to Board	Nick Clark	July 2018
Integration of cloud-based IT services	- Further review completed in relation to Housing Management software system and report to Board	Nick Clark	October 2018
Review of the Energy Management Strategy	- Report to Board on the following areas :- Effective deployment of utilities, carbon savings etc. (electricity/gas/water/paper stock) with measurable reduction in use in line with stated targets	Nick Clark	July 2018
	-		

- Continue to develop new housing where it's needed.

What we will do	How will we measure achievement	Who will be the Lead Officer	Target Date
Maximise revenue from non-core activities to support Group core activities (OVBC/LMI/Retail units/wind/solar projects)	- Maximise revenue and profit generation to support new housing development activity	Nick Clark	Ongoing
Assess housing need levels for RSL and mid-market rent properties	- High demand for social rented and mid-market rent stock available for let.	Andrew Saunders	Ongoing
Work with Kingdom HA through the Fife Housing Association Alliance to identify and develop new potential housing sites and participate in the development process.	- New sites identified and developed.	Andrew Saunders	Ongoing

Section 5 – Financial plan/Forecasts

5.1 Financial Projections and Key Assumptions

5.1.1 Financial forecast

The forecasts have been prepared on a prudent basis. We have provided for interest rates to rise steadily over the period to 4% for 2020/21 and to 4.5% for 2022/23 and thereafter, bad debts increasing from approximately 0.75% currently to 2.5% by 2022/23, rent arrears increasing by £100k in the next five years and voids increasing from 0.6% to 2.5% by 2022/23. Rental increase for the next two years have been maintained at only 0.5% above inflation.

We have budgeted to spend over £1m on component replacements in the next five years.

The Board have stated the aim is to continue their strategy of developing new social housing as and when financially viable. The projections include developing 40 new units each year from 2019/20 to 2023/24, a total of 200 new units. Average unit costs of £138k have been assumed, with grants of £79k per unit and the remainder being funded by new finance.

A summary of the results for the Association for the next five years is shown in the tables below. Full budgets and 30 year projections have been prepared and are available.

5.1.2 Income and expenditure

Year Ending 31 st . March	2018	2019	2020	2021	2022	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	3,231	3,277	3,590	3,927	4,275	18,300
Operating costs	2,275	2,339	2,552	2,748	2,958	12,872
Operating surplus	956	938	1,038	1,179	1,317	5,428

Net interest charges	731	754	874	1,024	1,213	4,596
Net surplus	225	184	164	155	104	832

Over the five years the income rises by over £1m to £4,275k Surpluses have reduced due to the prudent interest rate assumptions used but remain above £100k.

5.1.3 Balance sheet

Year Ending 31 st . March	2018	2019	2020	2021	2022
	£'000	£'000	£'000	£'000	£'000
Property	32,418	31,891	36,878	41,860	46,835
Other assets	2,941	2,915	2,899	2,885	2,875
Cash	1,271	1,213	1,163	1,133	588
Loans	14,802	14,419	16,430	18,470	20,041
Grant	20,378	20,021	22,824	25,626	28,426
Other creditors	575	520	463	403	348
Reserves	875	1,059	1,223	1,379	1,483

The property, loans and grant figures increase in 2020 and the following two years due to the additional 40 units each year. These will be acquired on a turnkey basis and we will not be developing the properties ourselves. Total reserves increase to nearly £1.5m by 2022. As previously stated, over £1m will be expended on component replacements in the five year period.

5.1.4 Cash flow

The cash flow throughout the first four years remains above £1.1m. This reduces in 2022 by £545k as a loan of £500k is repaid in full during the year. The forecast shows that no refinancing of this loan is required and hence the loan is repaid in full, although the option of refinancing is available to maintain the bank balance at over £1m.

5.1.5 Loan covenants

Year Ending 31 st . March	2018	2019	2020	2021	2022
Gearing	59.9%	57.9%	58.1%	58.23%	56.97%
Maximum	70%	70%	70%	70%	70%
Interest cover	159%	136%	134%	133%	128%
Minimum	110%	110%	110%	110%	110%

Both covenants are met throughout the period.

5.1.6 Unit costs

Year Ending 31 st . March	2018	2019	2020	2021	2022
	£	£	£	£	£
Rent per unit per week	79.34	81.33	83.44	85.92	88.40
Reactive maintenance	364	372	386	401	415
Cyclical maintenance	172	175	179	183	187
Management costs	926	945	910	879	851

5.1.7 Key assumptions

Year Ending 31 st . March	2018	2019	2020	2021	2022
RPI inflation	2%	2%	2%	2%	2%
LIBOR	1.0%	1.75%	2.5%	3.25%	4.0%
Rent increase above inflation	0.5%	0.5%	0.5%	1.0%	1.0%
Voids	0.6%	1.0%	1.0%	1.0%	1.0%
Bad debts	0.75%	1.1%	1.25%	1.5%	2.0%

5.2 Scenario planning

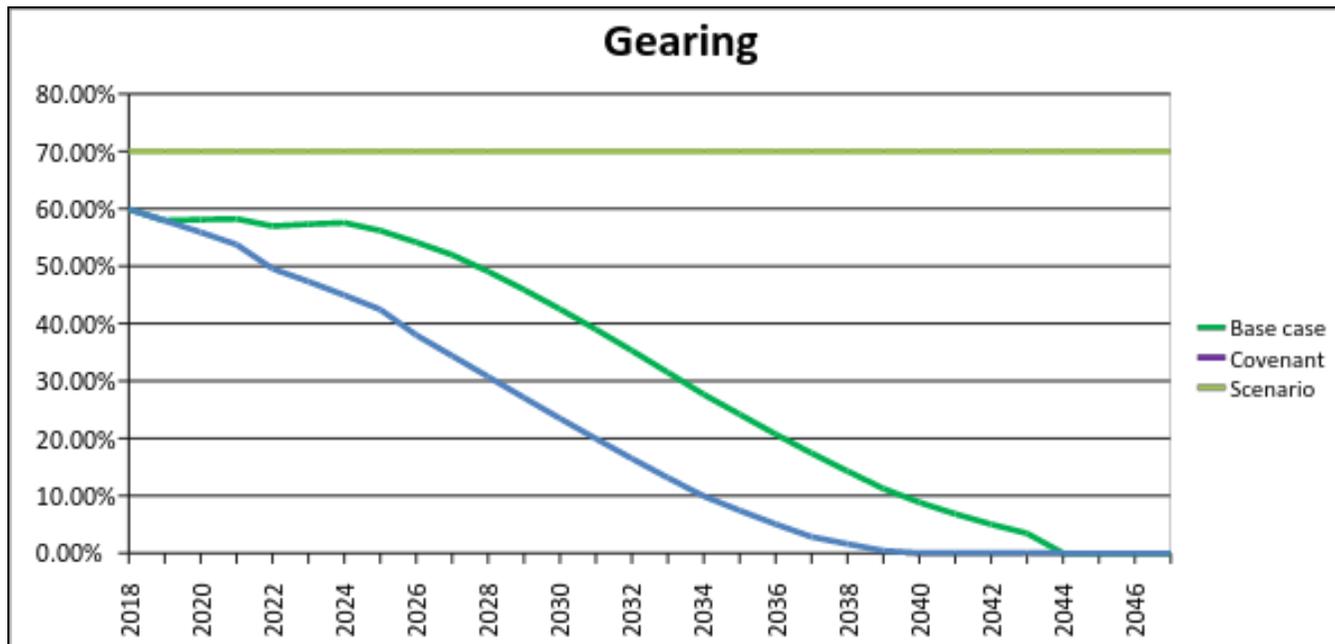
One of the main aims of the Association to continue to develop new housing where it's needed. This will only be done when finances permit and opportunities arise which fit with our strategic priorities. The base case plan therefore has been amended to show the acquisition of 40 new units per year from 2020 to 2024.

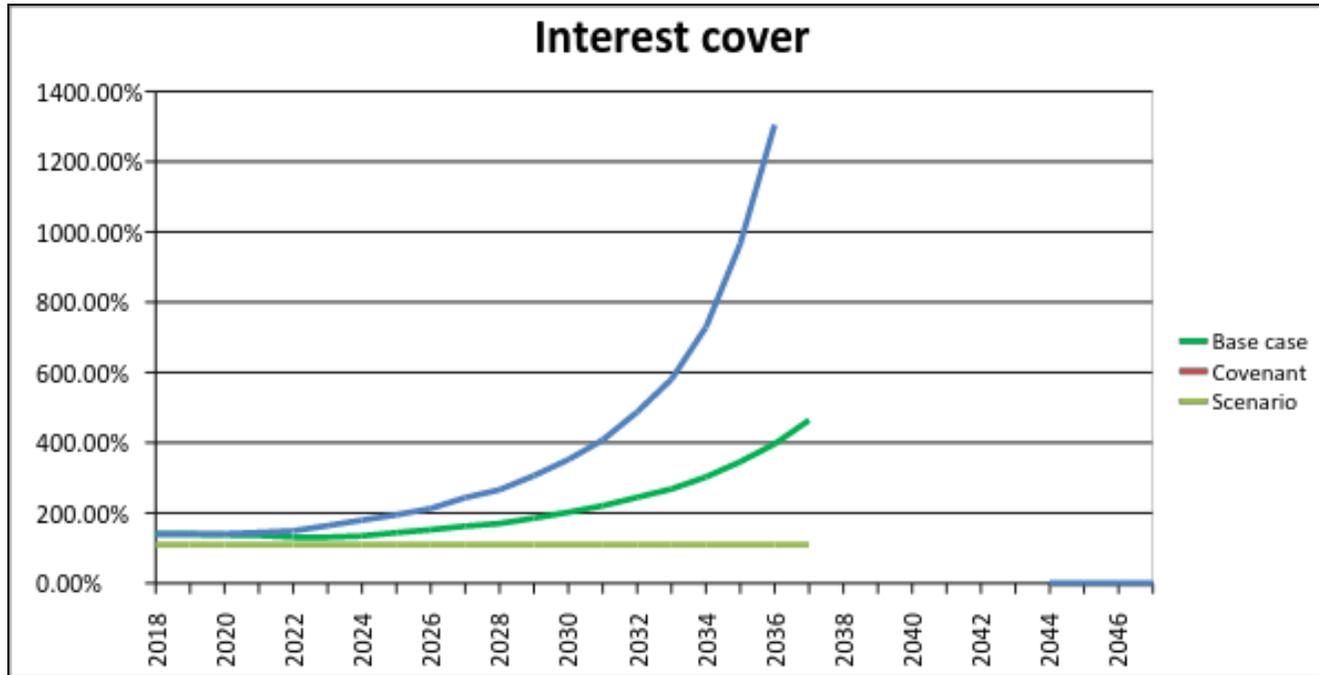
The scenario of not developing/acquiring any new units for the foreseeable future has been prepared.

The same assumptions of rental income, bank interest rates and inflation have been used.

The scenario shows that the association is in a stronger financial position where no development is undertaken.

The graphs below compare the gearing and the interest cover for the base case and the scenario for the 30 year period.





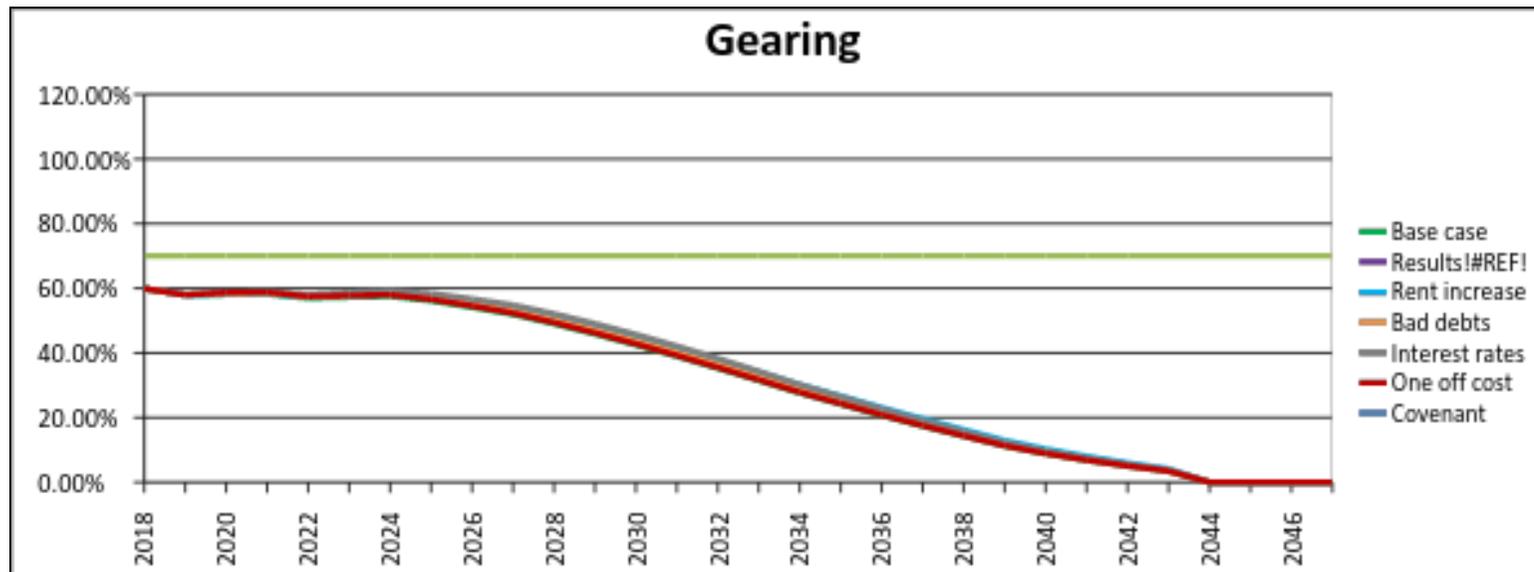
The results show that both covenants will be met at all times in this scenario.

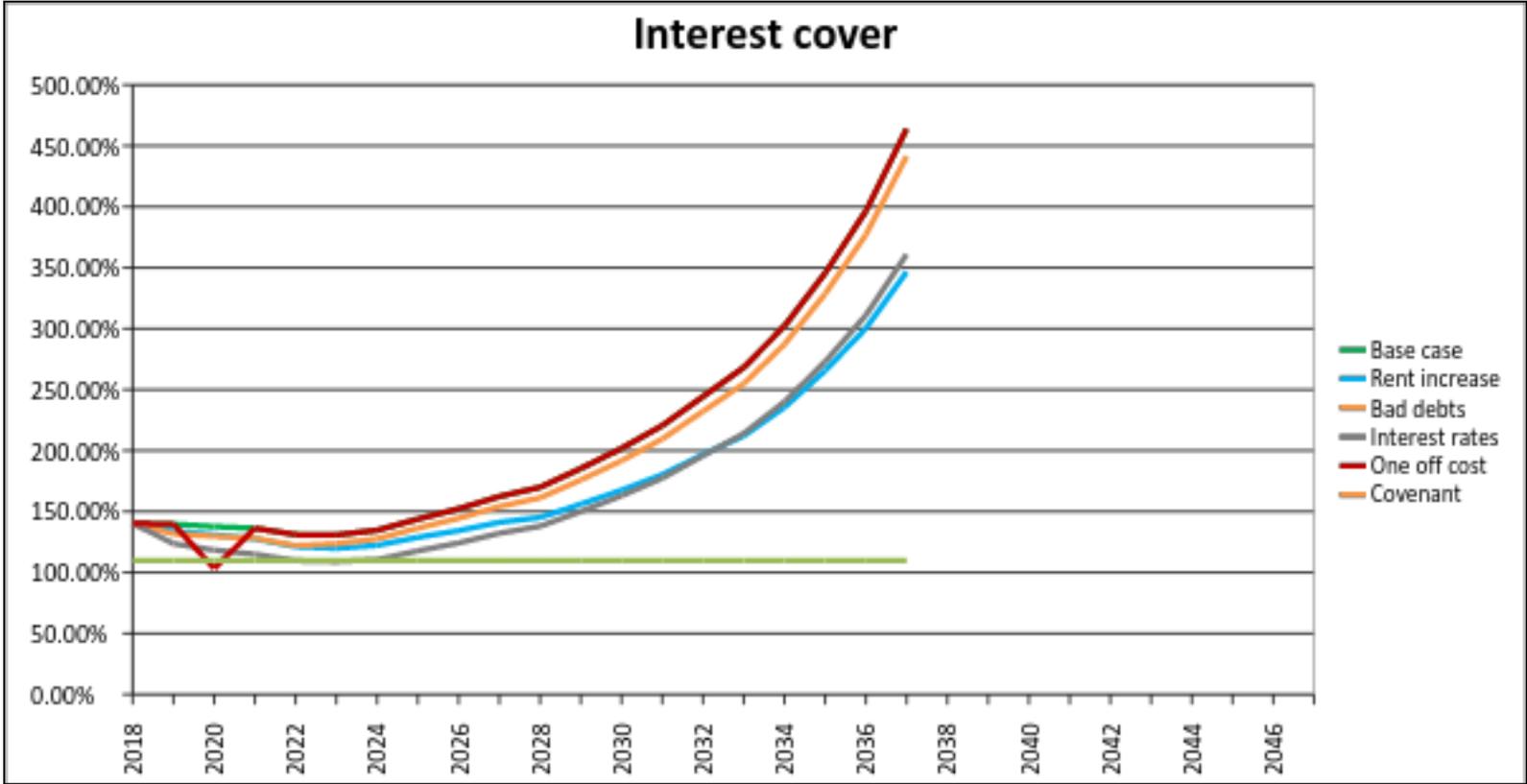
5.3 Sensitivity analysis

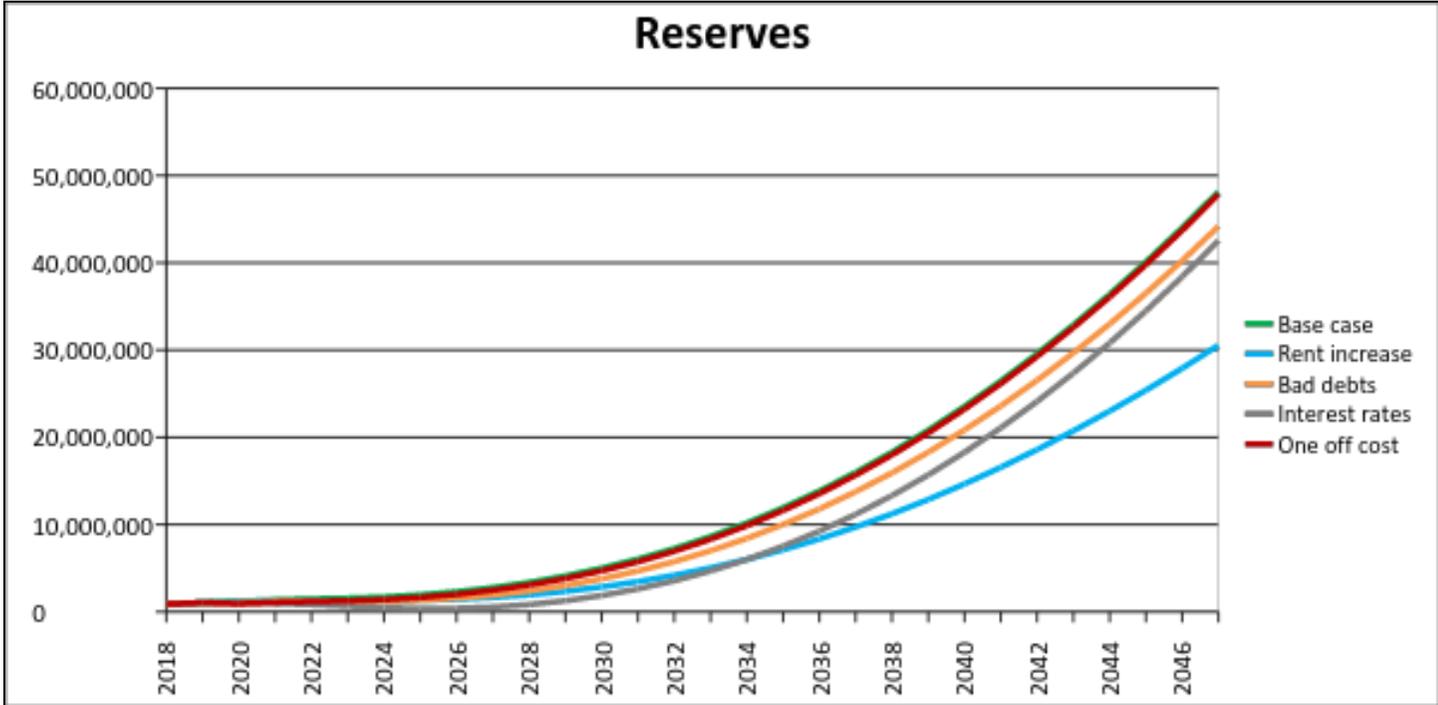
Sensitivity analysis has been performed on the following:-

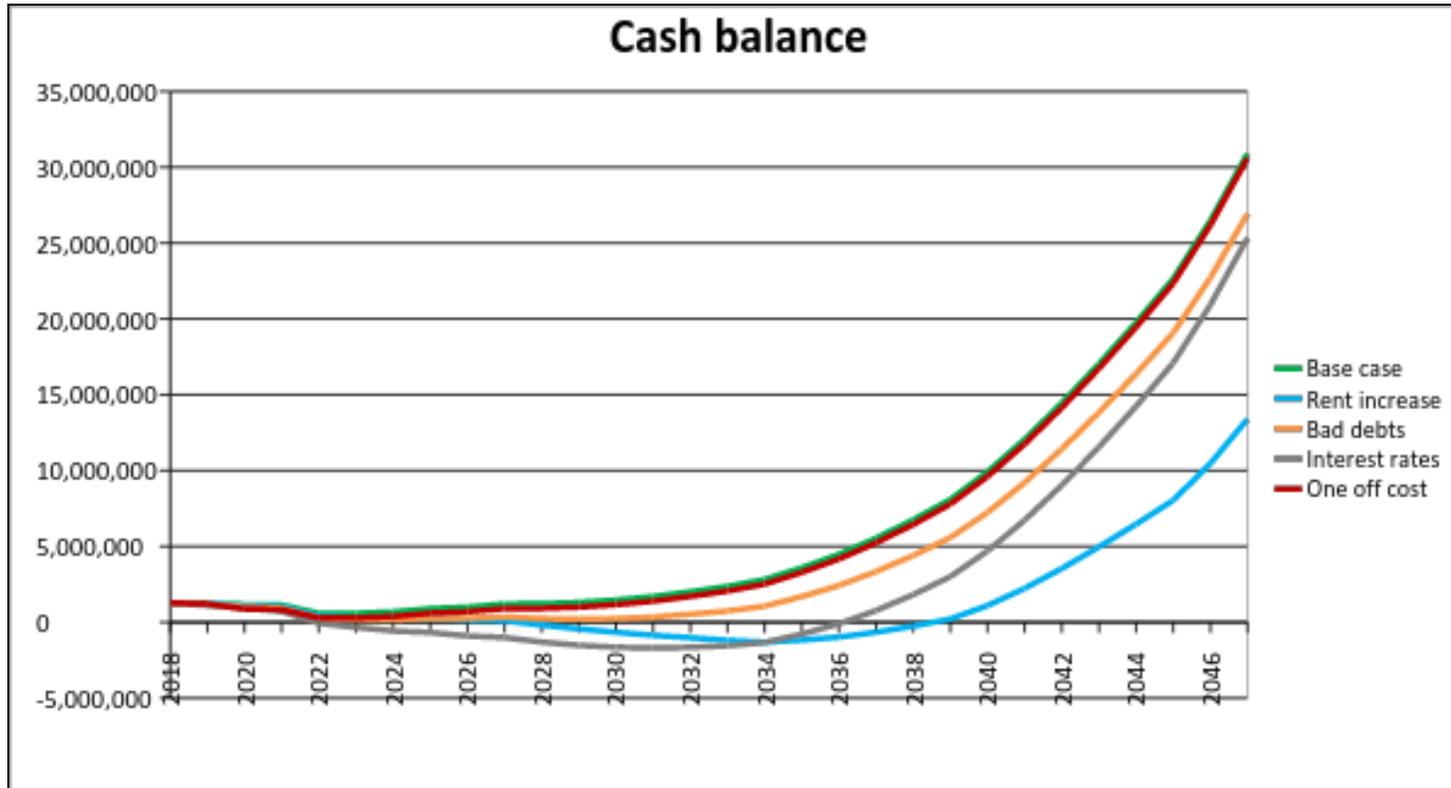
- a) Rent increase limited to inflation only
- b) Interest rates increase by 2% above base case
- c) Bad debts/voids double over the base case (bad debts to 2.5% and voids to 2%)
- d) There is a one off additional cost of £300k (we have assumed year 3)

The results of the sensitivity analysis are set out below in the graphs of interest cover, gearing, reserves and cash balance covering a 30 year period.









Conclusion

As can be seen by the results of the sensitivity analysis, the Association meets both its gearing ratio covenant in all sensitivities. The interest rate cover covenant is met in all cases except for the one off cost of £300k in year 3, where the covenant calculation is 103%. If this scenario were to happen, mitigation action could be taken to reduce other costs in the year to ensure the covenant is met.

The cash flow is tight and based on the sensitivities, with no mitigating action taken, then the cash flow goes overdrawn in 2021/22 by £68k and increases to £1.7m by 2030 for the scenario where interest rates increase by an additional 2% to 6.5%.

In the sensitivity where rent increase are maintained at inflation only for the whole thirty year period, the cash flow becomes overdrawn by March

2029 by £187k to a maximum of £1.3m by March 2034. If rents were maintained at inflation on, cost saving measures would need to be introduced.

Our assessment is that the sensitivities where this is a possible outcome are very unlikely to occur, however if any of these sensitivities do appear to be emerging, mitigating action will be taken to ensure that no overdraft situation arises.

One mitigation factor could be a reduction in the number of new units developed/acquired. The same sensitivities have been performed on the scenario where there is no new development in the thirty year period. In all these sensitivities, the only covenant breach is the additional one off cost of £300k in year 3. For the sensitivity where rent rises are maintained at inflation only, the cash balance becomes overdrawn by a maximum of £166k.

SECTION 6 – ASSET MANAGEMENT

During 2016/17 we commissioned Docherty Consulting Ltd. to assist us with the development of our Asset Management Strategy a significant amount of work has been undertaken to 'cleanse' our data and gather information on newly identified asset groups, covering void turnover and condition, rent levels & arrears, anti-social behaviour, estate management, all of which feeds into a calculation of the cost in relation to each asset group.

In addition a comprehensive stock condition and energy survey has been completed. All but 22 properties were accessed by the surveyors resulting in a 100% external survey and 97% internal survey providing us with high quality data from a very significant sample of our stock. During the coming months OVHA technical staff will receive training and input documents to allow the remaining 22 properties to be surveyed whenever access can be gained. In addition staff are being trained to carry out energy performance survey to calculate RdSAP and produce EPC's if required.

Further data evaluation and analysis is being undertaken and the asset management strategy was approved by the Board of OVHA during the summer of 2017.

The Asset Management Strategy is an important strategic document which will stand alone alongside this business plan.

SECTION 7 – MANAGING RISK

We are aware that there are a significant number of risks currently facing Housing Associations and an extensive Risk Management Plan has been developed and is reviewed regularly. As part of the plan we have highlighted mitigation strategies and activities which assist in reduce either/both the likelihood and impact of the identified risk. We have recently appointed new internal auditors, with whom we are working to review organisational risk and to assist with the development of approaches to identify and address both emerging and existing risks. In this Plan, we have highlighted what we have termed to be the Imminent Risks below.

Imminent Risks

Risk	Mitigation
The measures required to deal with the serious deficit in public finances, the impact the measures will have on Scotland and on social housing services in particular	We monitor the impact of changes and outcomes from Central and Local Government budget announcements etc. Where these have either a direct or indirect impact on our tenants, our services and projects, or on the communities we work within we consider and take whatever action we can.
The impact of Welfare Reform plans.	We monitor changes to welfare reform proposals continuously. We have undertaken a project to identify our tenants who are most likely to be at risk and have created a post within the organisation the main focus of which is tenancy support and wellbeing.

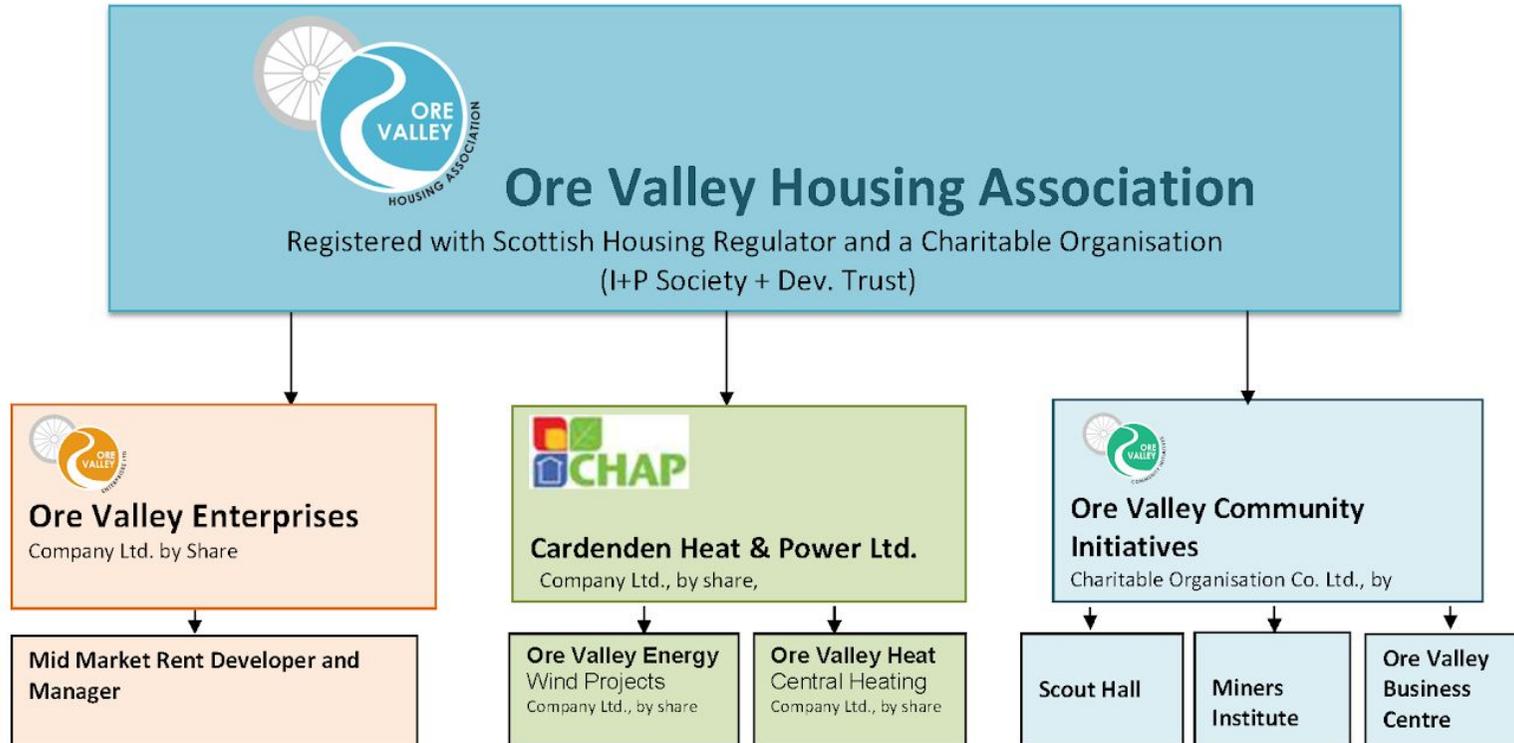
The financial impact due to our Pension deficit level together with the impact of Auto Enrolment	We have arrangements in place and have implemented the latest changes to auto-enrolment. We have also moved all existing members and will offer new members a defined contribution pension option. In so doing this has reduced the risk of further past service deficit liabilities accruing.
The impact of the new grant funding levels for future housing developments.	There is a risk in that the increased level of grant funding available may make marginal schemes slightly more attractive. We will review our project assessment and management arrangements to ensure that new developments are on brought forward following a robust and thorough appraisal process.
Fife Council's future plans for its own new-build programme.	The Council's ambitions to carry out more new development in their own right may limit the availability of new sites and may dilute the amount of funding available for Housing Association development projects in Fife.
Asset management strategy and processes being inadequate	Action is currently underway to address any inadequacies in the current arrangements. Ongoing action is required to continue the development of new asset management arrangements, work will continue throughout the course of the year.
Failure to maintain SHQS and EESSH	The work undertaken in relation to the asset management arrangements has helped to address this risk. The stock condition and energy survey undertaken has enabled us to develop robust work programmes to ensure that we continue to meet SHQS and can work toward EESSH.
EEEF (European Energy efficiency Fund) technical assistance funding is not paid/reclaimed in relation to the CHAP Project.	The contractual technical assistance period has now concluded. Given that the project is not proceeding as planned there is a very significant risk that the final tranche of TA will not be paid. Operating on a prudent basis this income has not been assumed in current cash flow projections. EEEF have been kept up to date and provided with a report on all of the unforeseeable events leading up to the decision not to proceed with the project and an ongoing and dialogue is being maintained with EEEF.
Factoring	We have registered as a Factor under the factoring (Scotland) Act as we are responsible for the maintenance of a number of communal areas. We are developing this service which is new to us. We will review good practice advice and will engage with others who are already providing this service.
Rent affordability	This is an issue of concern in that the economic capacity of our tenants, many of whom are not receiving real increases in earnings, current and future recipients of Universal Credit, may not be able to meet the costs of rising rents. We have recently carried out a rent restructuring exercise supported by Arneil Johnston which included a test of affordability. We will review this annually, using the SFHA rent affordability tool, when preparing budgets. We will also consider ways of both ensuring that our tenants are maximising their income, supported with budgeting and also that we are managing our costs effectively.
Financial sustainability	Monthly management accounts are prepared by Chiene + Tait and quarterly accounts

	are reviewed by the Finance Audit and Risk Management Committee before being presented to the Board. During the past year work has been undertaken on Project Management which will introduce a range of further financial controls and we will continue to look at ways of reducing our costs through effective procurement, more efficient working and areas of work which do not add value.
Governance of OVHA and subsidiaries	A review of the membership of the OVHA Board is undertaken annually through an appraisal process. Steps have previously been undertaken to recruit additional Board members. The composition of the subsidiary Boards is also kept under review and further steps will be taken to strengthen the Boards of the subsidiaries during the first year of the plan.
Brexit	There are a range of issues relating to Brexit which are currently unknown. To mitigate these we will attempt to keep up to date with developments and respond in order to limit risk as far as possible.

Ore Valley continues to demonstrate a high number of strengths, especially with regard to the depth and breadth of experience within the Board, managers and key staff, and our reputation amongst our tenants and other key stakeholders. However it is noted that due to recent departures from the board, number are now at a level that requires attention, therefore recruitment of Board members will be a priority within the first 6 months of this plan.

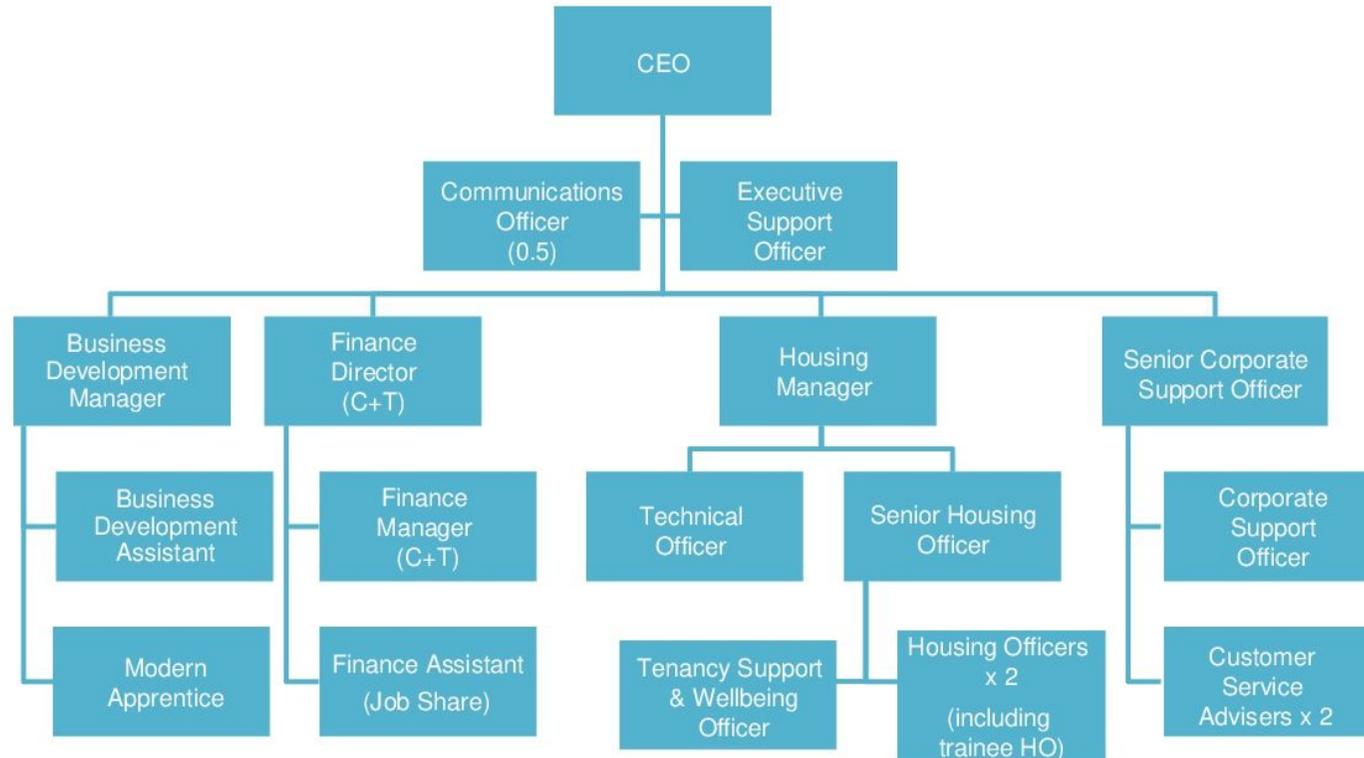
Appendix 1 – Ore Valley Group Structure

Ore Valley Group Structure



Staff Structure

From 1st April 2017



Appendix 3 – PEST Analysis

Ore Valley Housing Association: PEST Analysis.	Ore Valley Housing Association's 3 Year Business Plan:
<p style="text-align: center;"><u>POLITICAL</u></p> <p>UK Government</p> <ul style="list-style-type: none"> - Welfare Reform; Universal Credit, LHA Cap, Bedroom Tax. - General Austerity Measures - Sustained calculated attack on renewable energy subsidies - Reclassification by ONS - Brexit Uncertainty - Westminster hung parliament - Possibility of a further general election during 2017. <p>Scottish Parliament/Government</p> <ul style="list-style-type: none"> - The Housing (Scotland) Act 2010 - The Housing (Scotland) Act 2014 - Scottish Social Housing Charter - Classification of Medium engagement with Scottish Housing Regulator. - Increased government target & funding for the supply of affordable housing over the next 4-5 years. - Local Authority – council house building - Outcome of Scottish Parliament Election, Local Authority political makeup. - SHQS Standards - EESSH Standards - Any new building standards - Implications of potential Freedom of Information legislation <p>Fife Council</p> <ul style="list-style-type: none"> - Coalition Council - Council Housing Service considering an ALEO (Arms Length External Organisation) to take on mid-market rent properties currently leased to HA's. - Ever increasing requirements/requests to participate in regeneration projects. 	<p style="text-align: center;"><u>ECONOMIC</u></p> <ul style="list-style-type: none"> - Pensions Liability/affordability and Auto Enrolment - Ensuring that rents are affordable without compromising the service we provide and that new rent structure does not adversely impact on required rental income. - Impact of economic climate – lower level of disposable income; fewer people affording to buy their home – increased housing lists. - Welfare Reform and impact in rent collection. - Impact of Economic landscape of provisions of all maintenance. - Inflation increasing - impact on costs. - Labour shortages as a result of Brexit and consequent impact on building construction and maintenance costs. - Restricted stage 3 adaptation funding. - Inflation, Impact on future rent increase/rental income. - Maintenance of SHQS Standards - Achievement of EESSH Standards - Any New building standards
<p style="text-align: center;"><u>SOCIAL</u></p> <ul style="list-style-type: none"> - Impact of Welfare Reforms and limitation on incomes generally on affordability of rents - Impact of Welfare Reforms on incomes of tenants and prospective tenants - Impact of Welfare Reforms on the need for tenancy support and Management - Potential mismatch of house sizes to smaller households in relation to bedroom tax - More young single people seeking housing - Aging population and the need for more amenity housing and adaptations - Increased benefits dependency and poverty, fewer jobs, area of high levels of multiple deprivation - Fewer people able to buy their own home, adding pressures on social landlords 	<p style="text-align: center;"><u>TECHNOLOGICAL</u></p> <ul style="list-style-type: none"> - With rapid changes in technology and public expectations, need to keep up with the latest developments with IT - Communications – consider extending the use of social networking platforms and alternative personal communication channels eg. text/whatsapp etc. - Make best use of the Association's website - Consider costs vs. benefits of new technologies - Contribute to addressing climate change agenda - Access funding for energy efficiency measures - New Energy Efficiency Standards (EESSH)

Appendix 4 – SWOT Analysis

Ore Valley Housing Association: SWOT Analysis.	Ore Valley Housing Association's 3 Year Business Plan
<p style="text-align: center;"><u>STRENGTHS</u></p> <ul style="list-style-type: none"> - Culture, Ethos and Values of the Association - Experienced and skilled Board members with strong support for staff - Experienced Management Team and skilled staff, with a mix of experience - Positive encouragement of staff development - Positive profile with the SHR ? - Recently completed self assessment against SHR standards and action plan - Relationship within the Fife Housing Association Alliance - Good external relations and networking with other organisations - Innovative and forward thinking organisation - Continuing high level of tenant satisfaction - Positive encouragement of tenant participation - Relatively good condition of major stock elements - Comprehensive up to date knowledge of stock through regular condition surveys - Office location close to majority of stock/tenants - Continuing innovative work of subsidiary companies - Accessing funding opportunities for energy projects - Tackling fuel poverty and climate change issues - Risk Management Strategy in place - Financial management, supported by Finance Agents - On-going 'self-assessment' and continuous improvement - Member of HouseMark - Office sharing with Fife Council encourages a one stop approach - Membership of Fife Housing Register - Rent structure delivers a fair and consistent approach across stock profile - Good promotion and proactive approach to publicising what we do - Experience in dealing with renewable technologies 	<p style="text-align: center;"><u>WEAKNESSES</u></p> <ul style="list-style-type: none"> - Still some room for improvement in meeting internal deadlines in some areas - Board member numbers are low with only 2 tenant member. - Further work is required to strengthen the Governance of the Housing Association and the subsidiary companies - Management and Board reporting to be developed and improved in some areas - There is further work required in the appraisal of wider role and diversification projects - There is further work required in developing post project analysis for each completed project. - Governance review has highlighted the Group structure and in particular how the Boards report to one another as an area that requires attention. - Asset Management Strategy in its infancy.
<p style="text-align: center;"><u>OPPORTUNITIES</u></p> <ul style="list-style-type: none"> - To further gain from the experience and knowledge of Board members - To develop Housing Management Traineeship - Develop our approach to succession planning 	<p style="text-align: center;"><u>THREATS</u></p> <ul style="list-style-type: none"> - The roll out of full service Universal Credit in December 2017 resulting in increased arrears and reduced cash flow - Capacity/resources to manage challenges

<ul style="list-style-type: none"> - To develop innovative ways within which to deliver maintenance service - To develop working with others: shared services, joint developments, partnerships - Consider establishing a small landbank for future new build development - Expansion of Mid-Market rental market for Subsidiary - New development opportunities - To tackle fuel poverty and climate change issues - Community development work and initiatives - To consider the development of further energy projects with the intention that the Association share profits with Local Community chest, which in turn will fund a number of community projects that will assist in the social, environmental and economic development of their respective communities. - To develop new housing models appropriate to the changing environment. - The opportunity to develop partnership working and service sharing with other Housing Associations. - On-going commitment from staff to take a continual view of organisational change to assist the Association in becoming more effective and efficient. 	<ul style="list-style-type: none"> - Breakdown of FHR partnership - Loss of 'preferred development partner' status with Fife Council. - Severe public expenditure and service cuts. - Potential of reduced availability of private finance - Banking covenant breach - Increasing interest rates and general increasing costs - Pension deficit liabilities or Pension liability becomes payable - Changes in Welfare Reform - Association fails to meet requirements of the Regulation Plan. - Uncertainty of funding for aids and adaptations. - LA's own social housing building programme - Failure of the Affordable Housing Policy in Fife. - Possibility of private developers receiving HAG - Costs of developing small, challenging sites. - Demographics lead to increased requirement for tenancy support/sustainability - Not maintaining SHQS standards - Not achieving EESSH standards within timescales - New areas of work impacting adversely on the existing staff - New projects fail leading to financial and reputational loss - Loss of experienced Board Members and/or experienced key staff - Difficulties in recruiting to the Board of OVHA and its subsidiary companies - Governance review highlights weaknesses within the Board - Resource challenges presented by FOI requests - Reclassification of HA's as Public Bodies by ONS - Role out of Freedom of Information to cover HA's from may 2019. - Introduction of rent control by Government
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Appendix 5 – The Association Business Planning Process

Date	Activity
October	<ul style="list-style-type: none"> ● Financial Planning – preparation of next annual budget proposals, review of financial forecasts and scenario plans ● Commence updating of Business Plan document for parent and subsidiary companies ● Board strategy day
November	<ul style="list-style-type: none"> ● Consultation and development with teams on Business Plan and budgets ● Draft budgets to the Board
January	<ul style="list-style-type: none"> ● Approve rent and salary increase ● Approve budgets
February	<ul style="list-style-type: none"> ● Approve draft business plan
March	<ul style="list-style-type: none"> ● Staff away day ● Complete update of Business Plan content and budget forecast for following year
April	<ul style="list-style-type: none"> ● Final Board sign off of Business Plan content and budget for following Year.