

**Interim Business Plan**

**2021-2022**

(Unapproved Draft 16th March 2021)

**Section 1:** **Introduction**

***This business plan is our core strategic document and sets out our objectives for the next year. We review and update our plan annually and this version of our plan was approved by our Board in March 2021.***

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**Purpose of the Business Plan**

The plan is primarily an internal document, serving several functions:

* helping us align with our internal and external operating environment;
* confirming our strategic priorities and setting out the key actions we will take to achieve these;
* demonstrating we have the resources necessary to carry out these actions;
* identifying and mitigating any risks we may face;
* providing a strategic overview for our other strategies and plans; and
* providing a framework with which we can monitor our progress and measure our success.

**Why an Interim Plan?**

In our previous 3-year business plan (2019-2022) we signalled our intention to embark on a new journey with the goal of protecting the interests of our current and future tenants and enhancing our Group’s performance. We have since made significant progress and our Board are now proposing a transfer of engagements to Cairn Housing Association by April 2022; after which we will cease to exist. Given our decision, we have taken the opportunity to sharpen our strategic focus through the remaining year of our business plan; hence this updated and interim business plan.

**Informing our Plan**

In updating our business plan, we have taken account of the latest business planning guidance published by the Scottish Housing Regulator (Jan 2021) as well as the findings from a series of business planning workshops with our Board members, our staff, and our subsidiary’s Board and staff.

**Section 2: About Us**

***Pentland Housing Association (PHA) is the leading provider of social housing in Caithness. We own 492 homes in Wick and Thurso and have an annual turnover of over £2.5m.***

**Our Structure**

We are a registered social landlord, regulated by the Scottish Housing Regulator. We are also a registered charity, regulated by the Office of the Scottish Charity Regulator. We currently employ 17 FTE staff and are governed by a Board of 10 independent volunteers.

We act as the parent organisation in the Pentland Housing Group of companies. We have one subsidiary, Pentland Community Enterprises Ltd (PCE), which was established in 2006 to provide us with opportunities to enhance our social impact beyond core housing services.

We have a formal intra-group agreement which sets out our relationship with our subsidiary and reinforces our responsibility for overall strategic direction and control for the Group. We each employ our own staff and have a service-sharing agreement which allows PCE to draw on our staff in accordance with agreed workplans.

**Our History**

We were was first established in 1993 by a steering group of tenants and residents of the Pennyland and Mount Vernon Estates in Thurso when the then owners, the UK Atomic Energy Authority, decided to put the estates up for sale on the open market. The newly formed housing association took ownership of 350 homes on 24 January 1994.

Since then, we have shaped the organisation through the continual investment in, and development of, our homes and services in response to changing local needs and demand. Some of our highlights over the past 28 years include:

* building almost 200 new homes to meet local housing needs, some of which introduced new shared ownership and shared equity tenures;
* investing almost £1m each year into our homes to improve quality standards;
* working in partnership to develop the Highland Housing Register and introduce choice base lettings in Caithness;
* acquiring a local energy advice business and bringing it into our Group structure as Pentland Energy Advice (later merged with PCE);
* securing and maintaining contracts with Highland Council and the NHS to deliver and administer Care and Repair and Handy Person Services in Caithness; and
* collaborating to deliver local projects with a wide range of partners such as Ormlie Community Association, Pulteneytown People’s Project, Albyn Housing Association, Cairn Housing Association and Orkney Housing Association.

**Section 3: Partnership**

***We are now proposing a Transfer of Engagements to Cairn Housing Association. We are working to conclude this by April 2022, after which, Pentland HA will cease to exist.***

**Strategic Option Appraisal**

Following a full strategic option appraisal process in late 2018, we made the decision to explore the potential to form a partnership with another RSL in order to protect the interests of our current and future tenants and enhance our Group’s performance (e.g. improve our value for money, access a wider range of skills and expertise, modernise our approach, maximise our social impact, etc).

**Our Preferred Partner**

Following a lengthy process of advertising and assessment, we identified Cairn Housing Association as our preferred partner. Cairn Housing Association is a national registered social landlord with offices in Edinburgh, Inverness, Irvine, Bellshill, and Thurso. It currently has two subsidiaries; ANCHO (an RSL operating in north Ayrshire) and Cairn Homes & Services (a commercial organisation trading as Cairn Living).

**Transfer of Engagements**

Working alongside our preferred partner, we have developed a proposal which would mean that we transfer into Cairn Housing Association and our subsidiary PCE transfers into Cairn’s own commercial subsidiary, Cairn Homes & Services. The transfer will be subject to tenant consultation and our ability to demonstrate compliance with Regulatory Standard 7 of the Scottish Housing Regulator’s statutory guidance.

**Transition Process**

While the transfer of engagement process is set out clearly in statutory guidance, our own internal preparation for this will be guided by our Transition Project Plan. This includes several key milestones. So far, we have agreed Heads of Terms with Cairn HA, are currently drafting the business case for approval in June 2021 and consulting with key stakeholders with a tenants’ ballot planned for October 2021.

**Section 4:** **Context**

*In producing this interim business plan, we reviewed our current operating environment and identified the key internal and external drivers which have shaped our strategy and priorities for the next year.*

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| Availability of finance  Local economic regeneration strategy  Recent uplift in housing market  **OPPORTUNITIES**  Aging population with specific housing needs  Zero carbon policy & funds  Transfer to Cairn HA | | |
| Straightforward business model  Clear and agreed strategy  Strong financial position  History of acquisition & mergers  **STRENGTHS**  Strong focus on governance  Refreshed, stronger Board  Up to date tenants survey  Up to date stock condition survey | **PENTLAND**  **HOUSING ASSOCIATION** | Homes require significant investment  House types don’t match demand  Rents no longer lowest  Outstanding loan to subsidiary  **WEAKNESSES**  High staff turnover  Sustainability of the Board  Performance management  Out of date ICT |
| Pressure on rents  Tenant dissatisfaction  Demographic changes  Impact of Covid-19  **THREATS**  Impact of Brexit  Increasing regulation  Climate change targets  Transfer to Cairn HA | | |

**Section 5: Strategy**

***Our strategy has been developed within the context of the wider Pentland Housing Group, the key influences in our operating environment and our current proposal to transfer to Cairn Housing Association.***

**Group Strategic Framework**

Both organisations in our Group share the same goal:

“*To enhance our social impact across our communities.”*

**Strategic Direction**

Like any organisation, we have gone through many phases, including growth, service development, and then consolidation. This next and final phase is one of transition and has the potential to be the most transformative phase in our 28 years’ history.

**Strategic Objectives**

In our previous business plan (2019-22) we set out our six strategic objectives as follows:

1. ***To be a well-respected and well-connected housing association.***
2. ***To deliver high-quality homes and services.***
3. ***To work with partners to enhance our effectiveness.***
4. ***To develop a skilled, professional and committed team.***
5. ***To be an efficient and modern organisation.***
6. ***To enhance our value for money.***

These objectives remain just as relevant today as they did when we first agreed them. What has changed, is the progress we have made in pursuing our partnership with Cairn HA and how the proposed transfer will deliver on these objectives well into the future.

**Priority Workstreams**

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| Clipboard Checked with solid fill | **WORKSTREAM 1: Preparing for Transfer.**  This workstream is about ensuring our Group is well-prepared to transfer to Cairn HA and that all key milestones in our Transition Project Plan are achieved. |
| Bullseye with solid fill | **WORKSTREAM 2: Delivering Services.**  This workstream is about ensuring we continue to deliver high quality customer services and deliver on our agreed performance targets. |

We have now taken the opportunity to review and sharpen our strategic priorities to ensure we stay focused throughout these next 12 months. To help maintain this focus, we have structured our activities into two priority workstreams:

**Section 6: Priorities**

***We have identified 7 inter-connecting, strategic priorities for the next year. We set these set out below and in our strategic delivery plan (see Appendix) and how these will contribute to our strategic objectives and our two priority workstreams.***

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| **1. Transfer Preparations** | *Contributing towards*  Clipboard Checked with solid fill |

Ensuring that we are well-prepared for the proposed transfer to Cairn HA by April 2022 is a strategic priority and will be a key workstream throughout these next 12 months. Our priority will be to complete the negotiations with Cairn HA on behalf of the Group and to engage effectively with our tenants, staff and other key stakeholders. We have a Transition Project Plan in place which will guide our work programme and have already achieved some of the key milestones such as agreed the Heads of Terms with the Board of Cairn HA.

In preparation for this year, we took the opportunity to strengthen our Board at our AGM last year with the appointment of highly experienced and skilled individuals, most of whom with direct experience of negotiating transfers of engagements. We have also commissioned an experienced Partnership Manager to support the Board through the transfer preparation process. We have reviewed our capacity and agreed a resourcing plan which has included a re-allocation of the staffing resource across our Group structure. We have also taken the decision not to fill our current staff vacancies (we have 3) but rather to commission external, temporary support where essential.

With PCE, our subsidiary, we will explore the feasibility of undertaking one or two additional activities which could help give the new combined subsidiary the best possible start post-transfer. One of these tasks is to review PCE’s outstanding loan from ourselves and assess the options to vary the terms or perhaps unwind the loan.

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| **2. Customer Engagement** | *Contributing towards*  Clipboard Checked with solid fill |

Our transfer to Cairn HA is subject to extensive tenant consultation which will include issuing formal notices and conducting a ballot. We will be guided by the timetable set out in our Transition Project Plan. To support our tenants through this process, we have appointed TPAS as the independent tenant advisor.

Working with Cairn HA and TPAS, one of our first steps will be to establish a Pentland Customer Panel as the main tenant body for consultation on the transfer and in particular, the development of the Services & Investment Plan. After transfer, this Panel will monitor the delivery of the Transfer Promises and the intention thereafter is that this Panel will be expanded to include Cairn’s own tenants, thus becoming the main consultation body for Cairn HA in Caithness.

We have a track record of effective communication with 91% of tenants agreeing we keep them well informed. We also have relatively high levels of customers with digital access, with 86% already having, or were planning to acquire, internet access in 2019. We expect that this has increased in the last year as we have all learned to communicate more online during the pandemic. We therefore see our website being an important tool in how we engage with our customers as well as the wider community. However we remain mindful that not all our tenants will wish to engage digitally and so we will take additional steps to enable effective consultation with all tenants.

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| **3. Service Quality** | *Contributing towards*  Bullseye with solid fill |

As part of the transfer process, we will agree a Service & Investment Plan with Cairn HA which will set out how services will be developed and delivered in Caithness after transfer. In the meantime, and while we prepare for transfer, continuing to provide a high standard of service to our customers is vitally important.

For the most part, we will focus our efforts over these next 12 months on maintaining service quality. However we are keen to introduce service improvements where this is both affordable and practical. We have considered the feedback from our most recent tenant’s survey and feel we have a good understanding of tenants’ priorities and concerns. Consequently, we will focus our service quality improvements this year on tenants’ top priorities, including:

* Continuing to support our tenants through the pandemic, responding to their specific circumstances and helping them to maintain their tenancies;
* Carrying out any catch-up repairs delayed due to the pandemic;
* Delivering our planned maintenance programme on time and on budget (which includes boiler replacements, central heating improvements, window repairs, external paintwork, smoke detectors, etc);
* Monitoring closely how long it takes us to complete non-urgent repairs and how many repairs we get right first time to ensure we meet out targets;
* Monitoring closely the time it takes for us to relet our properties after they become vacant, ensuring that people are housed as quickly as possible;
* Making sure we maximise our value for money by minimizing void periods and robustly pursuing rent arrears; and
* Continuing to support the Highland Housing Register and choice based lettings.

As part of our focus on service quality, we are keen to strengthen our approach to managing performance to ensure service performance drives all our activities. We will ensure there is a clear link between this business plan and individual staff targets with regular support and supervision in place. We will introduce service plans for each department which will align to this business plan and are agreed and monitored by our senior team. We will also streamline our performance reporting to ensure we remain focused on our agreed key performance indicators.

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| **4. Asset Management** | *Contributing towards*  Bullseye with solid fill |

Over this past year, we have worked hard to update and test the validity of the information we hold on the condition of our homes and now have a good understanding of the investment required to meet recommended standards. This has allowed us to update our 30 year financial plan and to work with Cairn HA to model the financial implications post transfer.

We have a detailed programme of works for this next year which will see us invest just over £1m in our homes. On top of this, we know our tenants are keen to see early improvements to their local environment, and so we will review our budgets and capacity to see whether some of these improvements can also be accommodated in this next year. These additional priorities include:

* Working with PCE to review parking provision;
* Maintenance of gutters and external pipes; and
* Maintenance of garden fences.

We know that further work will be required to ensure our homes remain fit for the future. We know, for example, that demographic changes mean that some of our homes no longer match customer demand. For example, households are now generally smaller and many of our tenants may soon require adaptations to make their homes more accessible. We also know that fuel poverty is a significant issue for many of our tenants. We will work with Cairn HA to develop a Service & Investment Plan which will make commitments to our tenants in terms of the future asset management strategy for their homes.

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| **5. Employee Wellbeing** | *Contributing towards*  Clipboard Checked with solid fillBullseye with solid fill |

We take our responsibilities as an employer very seriously. We appreciate that the past year or so has been an unsettling time for our staff what with the global pandemic and our decision to transfer. We are therefore keen to ensure we are as transparent as possible as we work to conclude the transfer process and support our staff to carry out their roles whilst also preparing them to transfer to a new employer.

For the past few years, in consultation with our staff, we have set out our priorities in our Staff Action Plan. This has been recently reviewed and reshaped in the context of our proposed transfer and service delivery targets. Specific outcomes and targets have now been agreed in terms of communication, performance management, support & wellbeing and training & development.

In addition, we will develop a formal staff communication and consultation plan to ensure we are effective in engaging staff with the transfer process. This plan will form a key part of our new employee support strategy. This strategy will also include regular staff wellbeing surveys to allow us to monitor the effectiveness of our support.

We also consider it vital that our staff continue to participate in appropriate local and regional networks where they can continue to share good practice, access informal peer support and maintain a wider, forward-looking perspective.

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| **6. Early Integration** | *Contributing towards*  Clipboard Checked with solid fillBullseye with solid fill |

Where we know we have critical gaps in our capacity or skills and are keen to secure additional support, then where it makes sense, and is practical to do so, we will buy these services from Cairn HA. One such example, has been the oversight of our Care and Repair and Handy Person Services. Due to a staff vacancy, and our decision not to appoint anyone to this post on a permanent basis, we have commissioned additional management support from Cairn HA based on their experience of running similar services.

This gives both organisations (and staff) an opportunity to familiarise themselves with how the other manages such services and assuming the transfer proceeds as plans, should allow for early integration of our services with those of Cairn.

We are also open to discussing, once social distancing has eased, how Cairn’s staff could make use of our office in Thurso. This again would allow introductions to be made and ease the future integration of offices.

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| **7. Streamlined Workload** | *Contributing towards*  Clipboard Checked with solid fillBullseye with solid fill |

This next year will be a busy year as we prepare for transfer at the same time as ensuring our customers and stakeholders continue to receive a high quality service from us. In order to do this, given our limited capacity, we have reviewed our business-as-usual activities and where possible, have removed all non-priority activities.

Like most organisations, we have regular, ongoing workplans which until recently have included the likes of a staff action plan, an equalities action plan, an internal audit action plan, a tenant survey action plan, etc. In addition to this, we have a large number of policies which require regular review and updating. Given that upon transfer to Cairn HA, we will start to integrate with Cairn’s workplans and policies, we are keen to avoid unnecessary or abortive work at this stage.

We have therefore embarked on a programme to streamline our work and focus on our two main workstreams. We have simplified our staff action plan to align it with the priorities set out in this business plan. We have also reviewed the action plan flowing out of our most recent tenant’s survey in the context of our proposed transfer of engagements. We have prioritised performance improvement activities which align with tenants’ own priorities and this business plan, and will refrain from engaging in wider role projects at this time. We are also working to simplify our reporting systems, appreciating that our Board will require a more focused approach.

**Section 7: Risk**

***We understand the importance and value of managing risk and see our risk management policy and framework as an essential element of good governance, improving our decision-making and enhancing our outcomes and accountability.***

**Approach**

We take a comprehensive approach to risk management to ensure that we:

* are more flexible and responsive to new internal and external demands;
* are able to make informed decisions;
* can provide assurance to our Board;
* reduce incidents and control failures; and
* are able to achieve our key targets and priorities.

**Risk Management Framework**

A few years ago, we strengthened our risk management framework across the Group and introduced a process in which risks are identified, assessed, controlled, monitored and reviewed. The framework is designed to:

* integrate risk management into the culture of the Group;
* 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.

**Group Audit Committee**

Our Board is responsible for overseeing risk management across our Group. It is assisted by the Group Audit Committee, charged with monitoring the management of high-level risks, reviewing the risk appetite, ensuring proper controls are in place and reviewing the Group’s approach to risk management.

**Section 8: Resources**

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

**Financial Health**

Pentland Housing Association has always held a strong financial base having generated operating surpluses for successive years. In this year’s budget, financial planning assumptions have been incorporated to reflect our full business operations and related partnership costs which has impacted our operating surplus for the year to March 2022.

**Financial Planning**

We have taken a robust approach to financial planning and have taken into account the results of annual rent consultation, updated investment programme, property valuation, projected salary increases, reviews of overheads and intercompany charges and our pension liability.

Our facility with the Nationwide Building Society and an interest-free loan from Highland Council total our loans as just over £4.0m. Our loan facility with the Nationwide Building Society carries financial covenants which are closely monitored to ensure compliance.

Our financial planning includes setting an annual budget together with 5 and 30-year projections which are subject to comprehensive scenario planning and sensitivity testing. Our long-term projections continue to demonstrate viability over the short, medium and long term. We have gauged that only if there is a change to the surplus in the year moving to a significant deficit level would our loan covenant compliance be tested. There is prudent provision for the above factors and through risk management, we have ensured that there are sufficient controls in place to mitigate the effects of adverse risks. Based on reasonable assumptions, our financial projections show positive surpluses and confirm more than adequate liquidity in order to allow the full implementation of this business plan.

**Key Financial Assumptions**

* Annual rent increases are based on rent increases of RPI + 0.5% in 2021/22
* Voids 5.00% - contingency for Covid 19.
* Bad Debts 5.00% - contingency for Covid 19
* Repairs and maintenance investment spend of approx £1m in 2021/2
* Staff Costs applied in line with EVH agreement for 21/22
* A contingency for Staff Costs to meet capacity resources for 21/22 in line with the TOE process have been incorporated
* Care & Repair and Handy Persons, no change in funding levels anticipated - rollover contracts with HC for 2021/2022.
* Overheads have been reassessed for an ongoing COVID19 effect and to normal office working later in year.
* Professional fees include provision for Partnership process, HR, Legal and Senior Staff Support.
* Variable rate loans all assumed based on a LIBOR rate of 0.25%, to reflect COVID19 cuts to base rate in March 2020.
* No fixed rate finance put in place in 21/22 in line with our current treasury strategy.
* PCE intercompany charges for relevant items.

**Our Board**

Our Board members are voluntary member and show resilience and dedication to the association. In 2020 we followed through a board recruitment exercise to increase our board membership over the period to Transfer of Engagement. We currently have 9 board members in place covering the PHA board and its various committees.

**Our Staff**

PHA have 15 members of staff working on a fulltime/part-time basis. Our staff structure includes:

* **Acting Chief Executive**
* **Housing Services** – Housing Manager and 2 Housing Officers
* **Estates and Ancillary Services**  - Senior Estates & Ancillary Services Officer, Maintenance Officer, Maintenance Administration Assistant, 2 Handy Person Officers and 1 Care and Repair Officer
* **Corporate Services –** Corporate Officer, Customer Service Assistant, and Customer Services Trainees
* **Finance –** Finance Officer and Finance Assistant

The challenge for us, is identifying and effectively delivering the needs of the Board and staff both conveniently and cost effectively. Due to our geography this is sometimes difficult to achieve. We therefore try to deliver training locally or via MS Teams on issues where knowledge is important to the staff and Board.

Over the remaining term of this business plan we will continue to develop a strong team of talented and committed people. This will include a review of our Board/Staff training plan and strengthen our staff appraisal processes and use these to introduce and support new procedures in service delivery.

**Consultancy**

As part of our focus on service quality, we outsource consultancy services as required to ensure quality information and support is in place to allow informed decisions in line with our business plan objectives.

**Our Systems**

We are committed to improve our productivity, efficiency, response rates, and communication. Our focus in this business plan is on upgrades and improvements, including making better use of existing IT systems.

Our current systems include key housing management, maintenance and finance processes:

* SDM Housing Software – module base and used for housing, rent and assets.
* ACT – software system used by Care & Repair to retain client information on projects
* ELMS – software used on behalf of NHS to record delivery and pickup of stock for clients
* PTIX – software used for direct debit collection

In addition, we are members of Highland Housing Register and use the associated system to manage applications and the allocations of our properties.

Financial information highlighting where we spend money is contained within the PHG Health Check/Annual Report which is issued to all our tenants and members and available to all stakeholders.

**Section 9: Monitoring & Review**

***We have streamlined our approach to monitoring and review to reflect our focus on preparing for transfer and delivering services. We will separate strategic monitoring from operational monitoring.***

**Strategic Performance**

As our core strategic document, this business plan lies at the heart of our performance management framework. We will report our performance against our business plan strategic objectives to our Board on a quarterly basis and have set out our key actions together with our key performance indicators and targets in the strategic delivery plan attached as an appendix to this business plan.

**Transition Project Plan**

Sitting between strategy and operations is our Transition Project Plan which includes key milestones in the transfer process which must be met according to specific timescales. Our Partnership Manager is charged with reporting progress against the Plan to our Board on a monthly basis.

**Operational Performance**

Our operational activities will be monitored and reviewed against our new departmental service plans with monthly reporting to our senior management team. Our senior team will only report progress to our Board on an exceptional basis.

**Board Assurance**

In our previous annual assurance statement (2019/20) our Board confirmed that we complied with the regulatory requirements but that there were three areas where they wished to make improvements to assurance levels:

* 30 Year Projections/5YFP
* Asset Management
* EESSH/SHQS

We have since strengthened all three areas considerably through our work to update and validate our stock condition information.

**Appendix A: Strategic Delivery Plan**

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| **Workstreams** | | | **Strategic Priorities** | **Key Performance Indicators** | **Targets** |
|  | | | | | |
| **STRATEGIC OBJECTIVE 1: TO BE A WELL-RESPECTED AND WELL-CONNECTED RSL.** | | | | | |
| 1. | Clipboard Checked with solid fill | Bullseye with solid fill | Continue to participate in local & regional networks. | No. of meetings | 9 |
| 2. | Clipboard Checked with solid fill |  | With Cairn HA, develop a comprehensive tenant engagement & external communication plan. | Turnout at Ballot | 65% |
| 3. | Clipboard Checked with solid fill |  | Establish a Customer Panel | Panel established. | By May 2021 |
| **STRATEGIC OBJECTIVE 2: TO DELIVER HIGH-QUALITY HOMES AND SERVICES.** | | | | | |
| 4. |  | Bullseye with solid fill | Deliver planned maintenance programme | Programme approved | By May 2021 |
| 5. |  | Bullseye with solid fill | Develop departmental service plans | 4 plans in place | By April 2021 |
| 6. |  | Bullseye with solid fill | Maintain key service performance levels | * % gas safety inspections * % repairs right first time * Time to complete non-emergency repairs * Average time to relet properties | 100%  92%  6 days  20 days |
| **STRATEGIC OBJECTIVE 3: TO WORK WITH PARTNERS TO ENHANCE OUR SERVICES.** | | | | | |
| 7. | Clipboard Checked with solid fill |  | Deliver the Transition Project Plan | % milestones achieved | 100% |
| 8. | Clipboard Checked with solid fill | Bullseye with solid fill | Work with Cairn HA to oversee Care & Repair and Handyperson services | % contractual performance standards and targets achieved | 100% |
| **STRATEGIC OBJECTIVE 4: TO DEVELOP A SKILLED, PROFESSIONAL AND COMMITTED TEAM.** | | | | | |
| 9. | Clipboard Checked with solid fill | Bullseye with solid fill | Deliver Staff Action Plan | % agreed targets achieved | 100% |
| 10. | Clipboard Checked with solid fill | Bullseye with solid fill | Develop an employee support strategy. | * % staff satisfied with measures taken * % days lost due to sickness absence | 80%  5% |
| 11. |  | Bullseye with solid fill | Deliver active Board engagement and sound governance | % Board member attendance at meetings | 80% |
| **STRATEGIC OBJECTIVE 5: TO BE AN EFFICIENT AND MODERN ORGANISATION.** | | | | | |
| 12. |  | Bullseye with solid fill | Update essential policies | % essential policies updated | 100% |
| 13. | Clipboard Checked with solid fill |  | Provide effective oversight of PCE | Business Plan, delivery targets & budget approved | By May 2021 |
| **STRATEGIC OBJECTIVE 6: TO ENHANCE OUR VALUE FOR MONEY.** | | | | | |
| 14. | Clipboard Checked with solid fill |  | With Cairn, develop a Service & Investment Plan | Service & Investment plan agreed | By May 2021 |
| 15. | Clipboard Checked with solid fill |  | Work with PCE to review inter-company loan. | Review complete | By May 2021 |
| 16. |  | Bullseye with solid fill | Robustly pursue rent arrears | Gross Rent Arrears as a % of Gross Income | 4.5% |
| 17. |  | Bullseye with solid fill | Minimise void periods | % of rent lost through void properties | 3% |

**Appendix B: Our Budget**

**Statement of Comprehensive Income**

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| **For the Year Ended 31 March 22** | **Final Budget 2021/22**  **£** |
| Turnover | 2,550,731 |
| Less; Operating Costs | (2,321,176 |
| **Operating Surplus** | **229,555** |
| Interest Receivable | 21,904 |
| Interest Payable | (68,791) |
| Other Finance Costs | (6,544) |
| **Retained in Revenue Reserve** | **176,125** |

**Statement of Financial Position**

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|  | **Final Budget 31/03/22**  **£** |
| Tangible Assets  Other Fixed Assets  Other Investments | 15,089,491  41,176  100,002 |
| **Current Assets** | **15,230,668** |
| Debtors | 721,725 |
| Cash at Bank and in Hand | 815,715 |
|  | 1,537,444 |
| **Creditors**: amounts falling due within one year | (833,907) |
| **Net Current Assets** | **703,537** |
| **Total Assets less Current Liabilities** | **15,934,205** |
| **Creditors**: amounts falling due after one year  Loan  HAG | (3,589,092)  (437,772) |
| **Provisions for liabilities:**  Net Pension Liability | (9,866) |
| **Total Net Assets** | **11,897,475** |
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| **Equity**  Share Capital  Revenue Reserves | 148  11,897,327 |
|  | **11,897,475** |

**Cash Flow**

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| **CASH BAL. b/f 1/4/21** | **TOTAL**  **952,656** |
| Rental Income | 2,314,755 |
| Other Income | 222,833 |
| Interest Receivable | 5,404 |
| **Total Income** | **2,542,992** |
|  |  |
| **EXPENDITURE** |  |
| STAFF COSTS | 633,167 |
| ESTATE COSTS | 677,123 |
| OVERHEADS | 513,369 |
| LOAN | 289,389 |
| MAJOR REPLACEMENT COSTS | 402,502 |
| OTHER FIXED ASSETS | 18,000 |
| OTHER COSTS | 146,734 |
| **TOTAL EXPENDITURE** | **2,679,933** |
| CASH BAL c/f 31/3/22 | **815,715** |