



**Craigdale**  
HOUSING ASSOCIATION

**BUSINESS PLAN**  
2021-2024

# CONTENTS

1. EXECUTIVE SUMMARY	2-3
2. OUR PURPOSE	4-5
3. BACKGROUND	6-8
4. ANALYSIS OF OUR OPERATING ENVIRONMENT	9-15
5. OUR STAKEHOLDER MANAGEMENT	16
6. ASSET MANAGEMENT	17
7. STRATEGIC OBJECTIVES	18-27
8. FINANCING OUR PLAN	28-35
9. REVIEWING THE PLAN	36-59

## 1. EXECUTIVE SUMMARY

**This Business Plan (the Plan) covers the three years from 2021 to 2024. It is a key strategic document, which communicates our mission statement, vision and values, together with the overall strategic direction and ambition of the Association.**

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

- helping us to understand the opportunities and threats inherent in our operating environment as well as our own internal strengths and weaknesses;
- clarifying and communicating our strategic objectives and priorities and setting out the key actions we will take to achieve these objectives;
- demonstrating that we have the resources necessary to carry out these actions and helping us to identify and mitigate any risks we face in delivering these actions;
- providing a strategic overview for our plans;
- providing a strategic objective framework with which we can monitor our progress and measure our success; and
- providing a framework for action, which communicates to staff, tenants, customers and other key stakeholders what the Association aims to achieve over the 3 years of the Plan.



*Birgidale Road, 1956*

Much has changed since our last business plan was agreed. We all recognise the challenges we have faced together over the past year caused by the Covid 19 pandemic and the future remains very uncertain. One thing we can assure tenants is that the Board and staff at Craigdale will always endeavour to put tenant's safety first and work tirelessly to protect the well-being of our tenants.

Since formation in 1988, Craigdale has built a solid tradition of driving positive change in the Castlemilk community through housing led regeneration and excellent service provision. This will continue throughout the duration of this Business Plan as we celebrate our 35<sup>th</sup> year since Craigdale was formed in 2023.

The Business Plan focuses on providing first class housing management services and maintaining properties to a high standard in line

with targets set by the Scottish Government. Our focus remains on the long-term financial health, governance, independence and viability of the Association ensuring strong leadership, cultural values and value for money are key factors in our service delivery.

The Board continues to drive forward and further develop a positive change culture. The Business Plan aims to ensure this programme of change and improvement is implemented

effectively to support excellent and sustainable services to our tenants.

To achieve this, an updated set of interlinked strategic objectives have been set; underpinned by clear delivery plans. The Strategic Objectives reflect the opportunities and threats we face in the evolving external environment in which we operate and the current internal strengths and weaknesses of the Association.





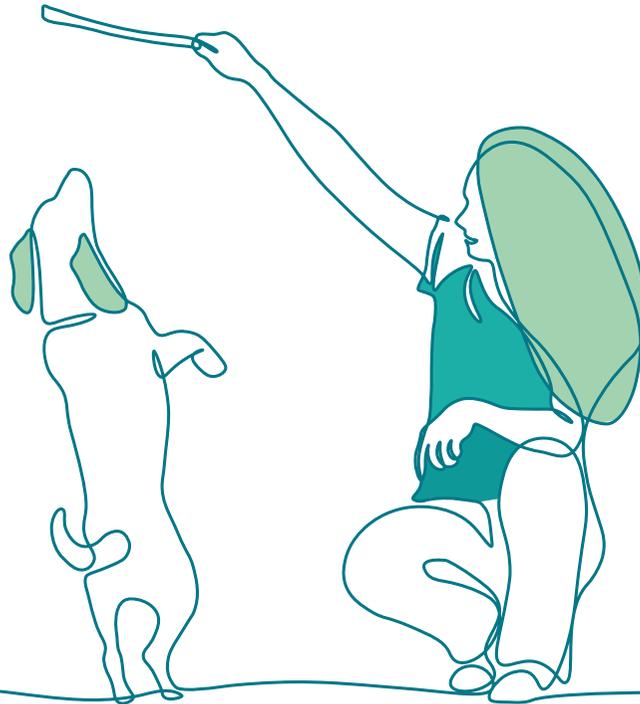


# 3. BACKGROUND

## 3.1 Brief History

**Craigdale is registered under the Co-operative and Community Benefit Societies Act 2014, is a Scottish Registered Charity (OSCR) and registered with the Financial Conduct Authority (FCA) and a Registered Social Landlord (RSL) with the Scottish Housing Regulator (SHR) in accordance with the Housing (Scotland) Act 2001. Our services are provided for the benefit of our tenants and customers.**

Craigdale was originally formed to receive the transfer of 66 houses from Glasgow City Council in 1988. The first task was to improve the quality of the stock and this was achieved through a programme of comprehensive tenemental improvements. Upon completion, we then embarked on demolitions, site acquisitions and new build developments, which led to an increase in stock to the current level all within the community of Castlemilk West. The last new build development was completed in 2007.



Our asset base is made up of 369 self-contained houses and three shared ownership properties. The stock was acquired through 9 phases of new build development and the refurbishment of existing tenement buildings. A small number of privately owned properties are factored. The office is in the heart of the community and is fully accessible to visitors following a comprehensive upgrade, completed in 2020 and is owned outright.



Of the 369 rented properties, 150 are unencumbered meaning that there is the ability to raise private finance on these properties in the future to either add to or improve our properties.

In terms of performance, Craigdale is one of the top performing Housing Associations in Scotland. Craigdale delivers a highly successful Welfare Benefit and Money Advice service in partnership with Southside Housing Association, with an overall aim to support our tenants by maximising income and ensuring our tenants access benefits and receive good financial advice.

Craigdale's reputation as a caring social landlord has been enhanced over the years within the community through an annual programme of community events, which are highly popular and enjoyed by our tenants, the wider community, board members and staff.

The Association retains Investors in People Gold status, with an aim to achieve Platinum status within the period of this business plan.

## 3.2 Our Board

Craigdale is led by a Board made up of local tenants and other individuals with an interest in the aims of the Association. Each Board member brings particular skills and experience to the governing body. The Board are tasked with making the key decisions about the Association's direction and provide challenge and oversight of the staff team to ensure that all decisions and services are provided and delivered in the best interests of our tenants and customers.



The Board is supported in its work by three committees:

**Operational Services Committee** meets quarterly and has the remit of overseeing the Association's housing management, maintenance, wider role services and also factoring services to home owners.

**Staffing Committee** meets when required with the remit of overseeing the Association's role in relation to staffing issues.

**Audit & Assurance Committee** meets quarterly and has the remit of providing validation to the Board that management systems and controls in place are effective for internal and external audit. The Audit and Assurance Committee also has responsibility for organisational development, health and safety management, risk management, finance and the promotion of equal opportunities in its role as an employer.



### 3.3 Our Staff

Our small staff team of 7 is led by the Association's most senior officer; the Chief Executive Officer who is responsible for supporting the Board and inspiring and leading the staff team, to deliver our services and improvement plans, as we move into an exciting and challenging few years and beyond. All members of staff are passionate about their roles and we are committed to staff development.

The staff team provide housing, factoring, maintenance, wider role and environmental services. Our team also lead on a wide range of annual community events and have an excellent relationship with tenants as demonstrated through our tenant satisfaction surveys.

Our team were recognised for their efforts in 2020/21, when they were awarded a Chartered Institute of Housing Award for our Craigdale Cares initiative, demonstrating excellence within the wider housing sector.



### 3.4 Our Operating Area

The Association's properties are all located in Castlemilk, which shows features of multiple deprivations as detailed within the Scottish Index of Multiple Deprivation (SIMD) 2020. This Index identifies areas of greater need for support and intervention. Despite this, Craigdale has an excellent record on performance and participation within the community.



As of 31 March 2021 Craigdale had a turnover of 4% of voids for our lettable properties for the year. There are currently no low demand properties within our stock profile however in the past we have had issues with refusals in of some 3 apartment tenement properties. This will continue to be closely monitored.

# 4. ANALYSIS OF OUR OPERATING ENVIRONMENT

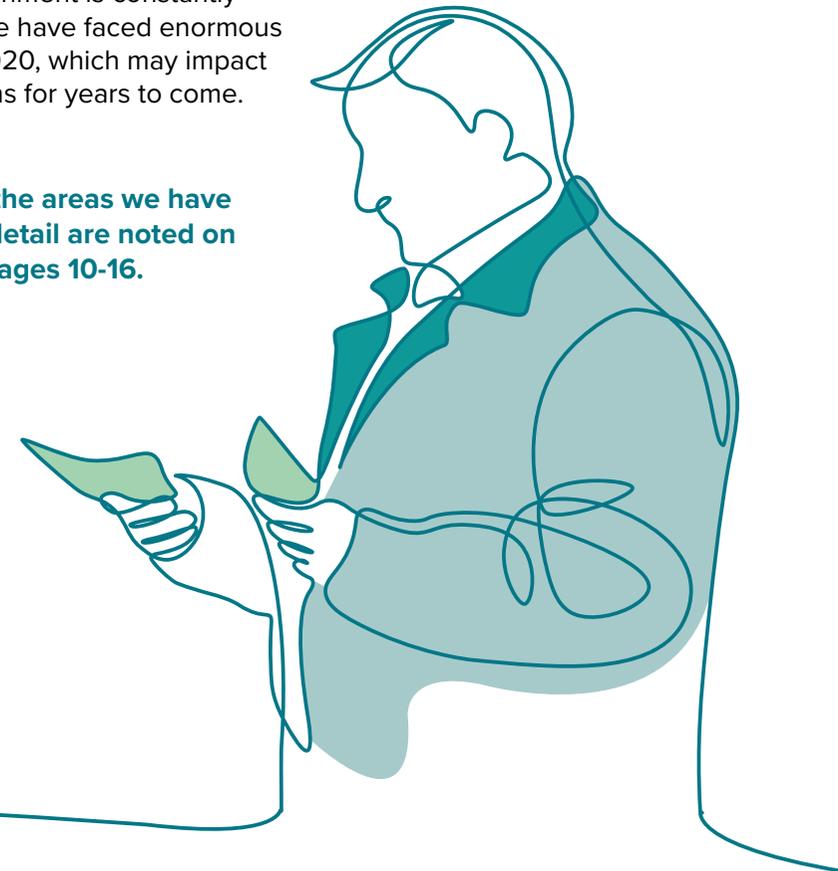


To assist us in the setting of this Business Plan we have to take cognisance of the environment in which we operate. We have considered:

- the current and future issues relating to our external operating environment and implications;
- the current and potential impact of COVID 19 on our operating environment;
- our strengths and weaknesses and how we can build on these strengths and deal with areas for improvement; and
- the risks we face and how best to address these in terms of being able to avoid, mitigate or manage each risk

The purpose of doing this is to align the Association to the changing environment; to manage threats and take advantage of opportunities that further our Strategic Objectives. Our operating environment is constantly changing and we have faced enormous challenges in 2020, which may impact on our operations for years to come.

**A summary of the areas we have considered in detail are noted on the following pages 10-16.**



## 4.1 Political, Economic, Social, Technical, Legal & Environmental (PESTLE) Analysis



Political/Legal	Social
<ul style="list-style-type: none"> <li>• Scottish Government target of 100,000 new homes by 2032</li> <li>• Welfare Reform</li> <li>• EESSH 2</li> <li>• Scottish Housing Regulator (SHR) Regulatory Framework</li> <li>• BREXIT</li> <li>• IndyRef2</li> <li>• Living wage</li> <li>• Procurement Regulations</li> <li>• Data Protection Regulations</li> <li>• Restrictions in Local Government budgets</li> </ul>	<ul style="list-style-type: none"> <li>• Demographic changes</li> <li>• Operating in one of the most disadvantaged Scottish Index of Multiple Deprivation area's</li> <li>• Growth of older &amp; very old population</li> <li>• Health inequalities</li> <li>• Isolation and Mental Health issues</li> <li>• Youth profile in Castlemilk</li> <li>• Rising tenant &amp; customer expectations</li> <li>• Reputation of neighbourhood</li> <li>• Need for greater partnership working</li> <li>• Demand for social and affordable housing</li> </ul>
Economic/Environmental	Technological
<ul style="list-style-type: none"> <li>• Uncertainty caused by Covid 19</li> <li>• Austerity cuts (UK, Scottish Government and impact on Council funding)</li> <li>• Unemployment</li> <li>• Inequality and poverty</li> <li>• Fuel poverty</li> <li>• SHAPS pension valuation</li> <li>• House price inflation</li> <li>• Climate change</li> <li>• Rising Energy Prices</li> <li>• Green agenda</li> </ul>	<ul style="list-style-type: none"> <li>• Home/ mobile working for staff</li> <li>• Information Communications Technology (ICT) requirements for on-line services</li> <li>• Digital Inclusion</li> <li>• Innovations in energy efficiency</li> <li>• Improved performance management systems</li> <li>• Increased use of mobile technology &amp; social media</li> <li>• Better use of SDM</li> <li>• ICT support for Board members</li> </ul>

**The Scottish Government has produced a new 2040 vision for housing. Many of the challenges identified by the Scottish Government are relevant to Craigdale and our tenants.**

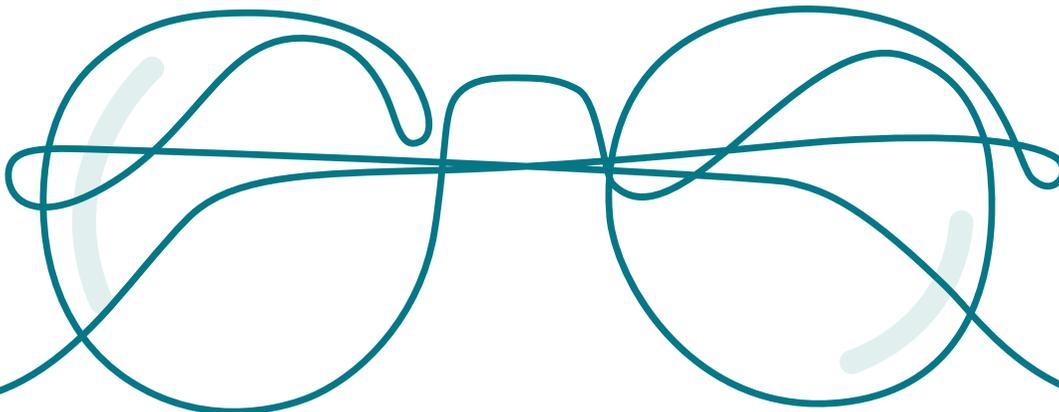


Scottish Government  
Riaghaltas na h-Alba  
gov.scot

**Key challenges include:**

- Providing more affordable housing and reduce running costs;
- Reducing homelessness in Glasgow;
- Addressing the needs of an older population where life expectancy is becoming higher;
- Responding to the growing number of households and people who live alone; and
- Mitigating against climate change and reducing carbon footprint

Our Business plan recognises these challenges, and we will participate fully in further discussions with the Scottish Government about the future issues facing housing until 2040.

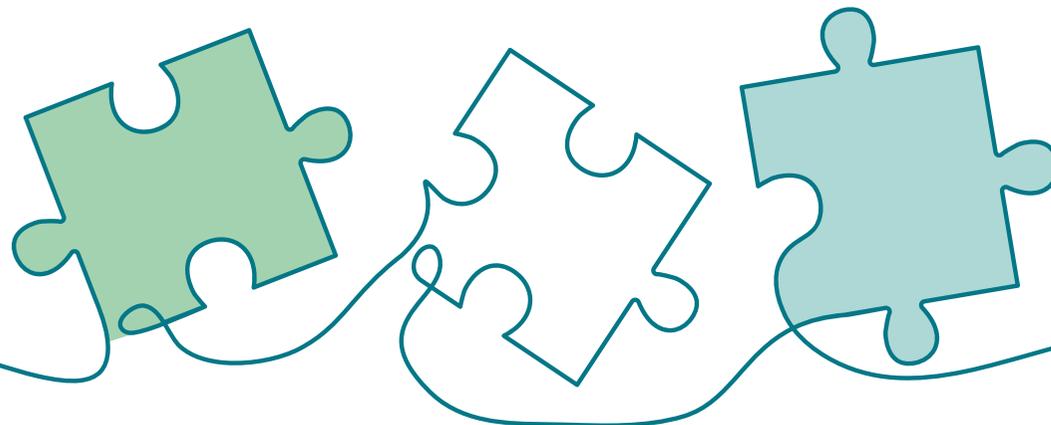


## 4.2 Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

The following is a summary of our SWOT analysis and consideration has been taken on the impact of the COVID 19 pandemic:

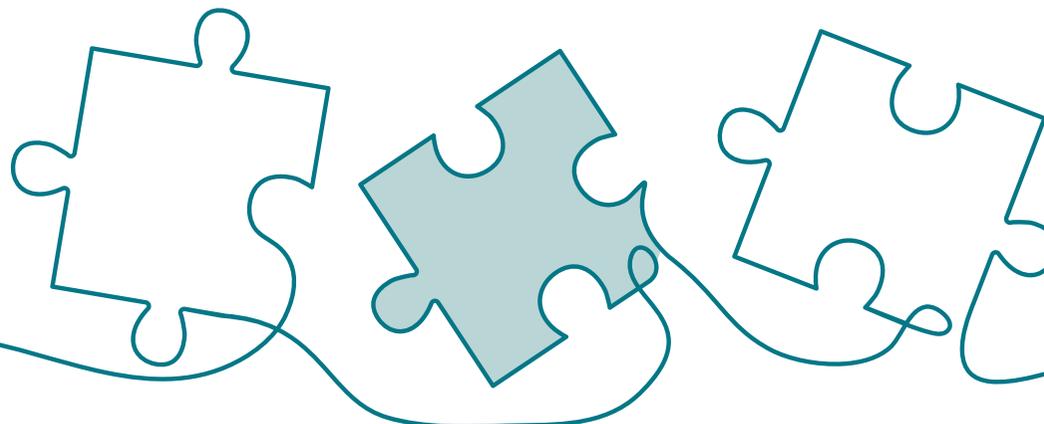
### SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"><li>• Excellent financial position</li><li>• High performance in service delivery</li><li>• High levels of tenant satisfaction</li><li>• Local knowledge, skills &amp; commitment of voluntary Board</li><li>• Stable, highly motivated experienced staff</li><li>• Clear vision, mission &amp; values</li><li>• Stable community in which we operate</li><li>• Strong, affordable asset base</li><li>• Adaptable to the changing environment</li><li>• Self-awareness</li><li>• Commitment to on-going learning</li><li>• Full Scottish Housing Quality Standards (SHQS) / Energy, Efficiency Standards for Social Housing (EESH) compliance</li><li>• Welfare and Money Advice Service</li><li>• Ability to buy-in specialist services</li></ul>	<ul style="list-style-type: none"><li>• Land availability in Castlemilk</li><li>• Low level engagement with factored owners</li><li>• Limited strategy to embrace 'green/climate change agenda'</li><li>• Limited activities of Tenants Panel (impacted by COVID 19 restrictions)</li><li>• Development of wider action strategy</li><li>• Number of procedures which need to be updated</li><li>• Large number of tenants who are not digitally enabled</li></ul>





OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Develop partnerships with Glasgow City Council &amp; other RSLs - smarter working</li> <li>• Purchase ‘one-off’ properties</li> <li>• Economic downturn - leading to increasingly competitive prices from customers</li> <li>• Attract new Board members with key skills</li> <li>• Work with Glasgow City Council (GCC) on neighbourhood management issues e.g. environment, recycling</li> <li>• Tackling social exclusion, create employment &amp; training opportunities for local residents through wider role projects</li> <li>• On-line services &amp; digital inclusion</li> <li>• Work with tenants on developing innovation ideas</li> <li>• Innovations to help address fuel poverty</li> </ul>	<ul style="list-style-type: none"> <li>• Welfare reform</li> <li>• Increased rent arrears &amp; void loss</li> <li>• &lt;50% of income from benefits</li> <li>• Brexit implications</li> <li>• Economic downturn</li> <li>• Demographics/stock profile may mismatch with profile of demand</li> <li>• Owners within estates not contributing to works</li> <li>• Compliance requirements regarding fire safety</li> <li>• Regulation - Homelessness</li> <li>• Tenancy sustainment</li> <li>• Regulation – impact on Board members</li> <li>• Apathy of tenants</li> <li>• Certain types of properties no longer popular</li> <li>• SHAPS performance</li> <li>• Staff &amp; Board retention</li> <li>• IT security/integrity</li> </ul>



## 4.3 Risk Analysis

**The management of risk is vital to our success and we acknowledge that not all risks can be eliminated. Risk management is an integral part of all the functions and activities of the Association and the services we deliver. Our Audit and Assurance Committee considers the management of risk on a quarterly basis and takes into consideration new or emerging issues that require to be mitigated against and monitored. Our Risk Management Action Plan (MAP) is updated with emerging issues and risk ratings are reviewed through our Audit and Assurance Committee.**

When carrying out this review we took account of the SHR's December 2015 publication: Business Planning – recommended practice and ensured we reviewed each of the risk areas. This document was supplemented in 2020 due to the COVID 19 pandemic with the SHR making suggestions on areas, which Board's should consider, when agreeing their Business Plans.

Our approach to risk management extends to our culture, processes and organisational structures, which contribute to the effective management of potential opportunities, threats and weaknesses.

Risk awareness and management will be an integral part of our strategic planning and decision-making processes. For new initiatives and projects, risk analysis shall also be used to inform our decision-making process.

The table below details the four key strategic risks facing the Association and how these will be managed:

Risk Area	How we will manage risk
Welfare Reform	<ul style="list-style-type: none"> <li>Promotion and use of our Welfare Advice and Money advice service</li> <li>Identify and work with other partner agencies</li> <li>Implement our communication strategy to improve how we inform customers about welfare reform issues</li> <li>Consider rent affordability</li> <li>Ensure Value for Money in everything we do</li> </ul>
Succession Planning – Board and staff	<ul style="list-style-type: none"> <li>Carry out a skills audit</li> <li>Fill gaps identified</li> <li>Implement training needs assessment</li> <li>Develop our corporate training plan</li> <li>Review staffing levels</li> <li>Develop a succession planning policy</li> </ul>
Asset Management	<ul style="list-style-type: none"> <li>Complete stock condition survey</li> <li>Incorporate outcomes into long term financial plans</li> <li>Ensure compliance with EESSH</li> <li>Determine fuel efficiency of our stock</li> <li>Assess sustainability of all stock</li> </ul>
Regulatory Intervention	<ul style="list-style-type: none"> <li>Implement governance improvement plans</li> <li>Complete Annual Assurance Statement and demonstrate compliance with Regulatory Standards</li> <li>Monitor our performance against others</li> <li>Complete review of policies and procedures</li> <li>Annual Return on the Charter (ARC) compliance review</li> <li>Attain low engagement during period of Business Plan</li> </ul>

We have identified some areas where we consider we still have some weaknesses to address. These include:

**Tenant Engagement** - Despite the fact that 100% of our tenants report that they are very satisfied with the opportunities we offer them to participate in our decision-making processes, we feel that we should still be able to do more. Over recent years we have increasingly found it difficult to systematically engage with our tenants and suspect that this is largely due to the high tenant satisfaction levels we experience. Nonetheless, as a community-controlled Housing Association we are keen to see our tenants actively and genuinely participate in shaping the Association and our services. Our aim is to allow tenants to influence our decisions and shape outcomes.

**Procedures** – We will ensure that all of our core suite of procedures are fully updated within year 2 of this Business Plan. This will largely involve reflecting on good practice within the sector and understanding changes to legislation across core business areas.

**Wider Action** – We have built up an excellent relationship with our tenants and have a great track-record of arranging a wide range of community events spread across the year. Our aim within this Business Plan is to go further and fully implement and review a wider action strategy to address a number of key issues within our areas.

**Digital Connectivity** – We know that many of our tenants still do not have basic access to internet services and this has been highlighted by the COVID pandemic. Our aim during this Business Plan is to increase the numbers of our tenants who can access internet services and we will do this by working with others to create opportunities for our tenants to become more digitally enabled.

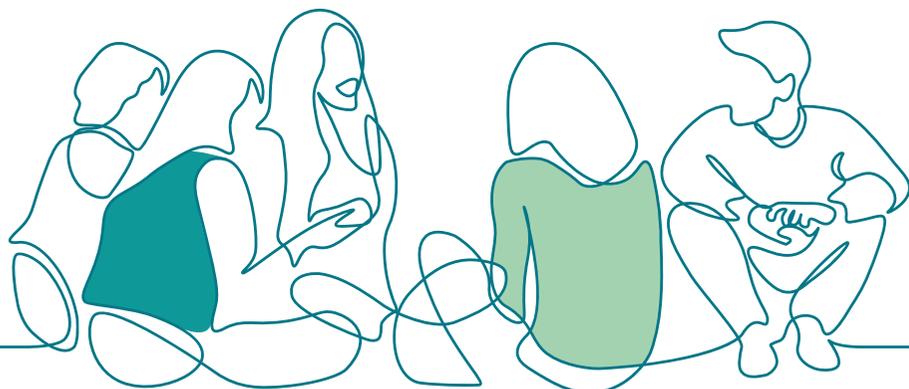


# 5. OUR STAKEHOLDER MANAGEMENT

The Association has a range of key stakeholders who are individuals or organisations who are interested in or have influence over the activities of the Association.

The Association pays considerable attention to the management and development of its relationships with its stakeholders, as their support can play a key part in the Association being able to achieve its strategic objectives. The following table summarises the nature of these relationships and how we will interact with each based on their power and interest.

<p><b>High Power and High Interest</b>  <b>Key group: engage, focus on this group, consult and involve in governance and decision making</b></p>	<p><b>High Power and Low Interest</b>  <b>Meet their needs; engage and consult</b></p>
<ul style="list-style-type: none"> <li>• Tenants and Service Users</li> <li>• Scottish Housing Regulator</li> <li>• Glasgow City Council</li> <li>• Financial Institutions/Lenders</li> <li>• Scottish Government</li> <li>• Solicitors and Auditors</li> </ul>	<ul style="list-style-type: none"> <li>• TPAS (Tenant Participation Advisory Service)</li> <li>• The Pensions Trust</li> <li>• The Accounting Standards Board</li> <li>• SFHA (Scottish Federation of Housing Associations)</li> <li>• Chartered Institute of Housing</li> <li>• Glasgow &amp; West of Scotland Forum (GWSF)</li> <li>• EVH (Employers in Voluntary Housing)</li> </ul>
<p><b>Low Power and High Interest</b>  <b>Show consideration, involve in low risk areas</b></p>	<p><b>Low Power and Low Interest</b>  <b>Monitor: Keep informed</b></p>
<ul style="list-style-type: none"> <li>• Welfare Benefit and Money Advice Services</li> <li>• Woman’s Aid</li> <li>• Council Equalities Unit</li> <li>• Property Developers</li> <li>• Glasgow South HSPC</li> </ul>	<ul style="list-style-type: none"> <li>• Positive Action on Housing</li> <li>• Glasgow Centre for Inclusive Living</li> <li>• Wider Local Community in which the Association operates</li> </ul>





## 6. ASSET MANAGEMENT

**A full life cycle costing exercise was completed in 2020 and the impact of this fed into the financial models. A strategic approach to Asset Management is key to the future viability of the Association. An Asset Management Strategy was agreed in 2020 and is regularly updated taking into consideration new compliance issues, informed from the SHR and the Scottish Government.**

As at 31 March 2021, our stock was 100% compliant with Scottish Housing Quality Standards (SHQS) and with the Energy Efficiency Standard for Social Housing (ESSH).

A detailed programme of works is included within our Asset Management Strategy and this will be updated, as we assess our budgets and plans on a yearly basis.

During the period of this business plan, we will continue to assess emerging issues and consider improvements to homes and

the external environment. This will also aim to reduce our carbon footprint and make homes more energy efficient, saving tenant's money.

We also carry out cyclical maintenance programmes every year to ensure that our properties remain safe and protected for the future. Typically, our programme involves yearly gas safety checks, gutter cleaning, roof checks, controlled entry maintenance and general building maintenance.

# 7. STRATEGIC OBJECTIVES

## 7.1 Strategic Analysis

At our recent strategic planning sessions the Board and Staff agreed the following 6 Strategic Objectives for the coming 3 years;

- 1. Investing in our homes for a sustainable future**
- 2. Providing excellent customer services**
- 3. Working with partners to improve communities and tenants lives**
- 4. Deliver excellence in Governance, Risk Management and Assurance**
- 5. Demonstrate value for money and strong financial management**
- 6. Value our people**

For each objective we state what we will do; how we will do it, the Business Plan timeframe and importantly how we will know if we have achieved each objective at the end of the three-year period.

We considered the following key strategic issues;

- 1. To limit the adverse impact of Covid-19 on our tenants, service delivery, financial and non-financial resources and general business operations.**
- 2. To mitigate current risks to tenants and other customers in relation to fuel poverty and to promote digital and social inclusion agendas whilst taking cognisance of our environmental impact.**
- 3. To mitigate current risks in relation to welfare reform and maximising tenancy sustainment through provision of support and advice, digitalisation and welfare benefit and money advice services.**
- 4. To ensure continued SHR governance compliance and provide opportunities for self-assessment of our activities in an open and transparent manner.**
- 5. Development of the Craigdale tenants panel to ensure service improvement and scrutiny of our activities.**
- 6. To protect cash flows by exploring new investment opportunities relating to sustainability and closely monitoring impact of increasing costs in relation to new energy efficiency standards, arrears, bad debts and Covid-19 issues.**
- 7. We will also ensure value for money from our business, especially our Major Repairs Programme through appropriate procurement practices.**
- 8. Participate in Investors in People (IIP) assessments and enhance customer service standards.**
- 9. Encourage innovation through our Lens Programme and wider action activities.**

## 7.2 Strategic Objectives

### EXTERNAL FOCUS

#### Strategic Objective 1: Investing in our homes for a sustainable future

	Operational Objective	Actions/Controls	Timeline/Monitoring	Financial Implication	Risk Register Reference	Outcomes
1	<b>Maintain and improve our high performance levels</b>	<ul style="list-style-type: none"> <li>Achieve KPIs and improve performance</li> <li>Compare ourselves against others</li> <li>Review our lettable standard for voids</li> <li>Ensure repairs and maintenance timeframes are maintained</li> </ul>	Quarterly to Board Yearly through ARC returns 2023 Quarterly to Board	Bad debts impact on viability of BP	1.3 Performance against peers	<b>We will be a high performing RSL with high levels of satisfaction in all areas of our operation</b>
2	<b>Develop &amp; support excellent &amp; sustainable services for our tenants &amp; others</b>	<ul style="list-style-type: none"> <li>Develop a sustainability strategy for our stock</li> <li>Review our approach to fuel poverty and reducing our overall carbon footprint</li> <li>Work in partnership with others to develop services, tackling fuel poverty</li> </ul>	2021 2021 2021-2024	Costs of meeting EESH 2 unknown at present	1.1 Asset Management	
3	<b>Develop the knowledge of our stock</b>	<ul style="list-style-type: none"> <li>Interrogate Stock Condition Survey results and feed survey results into our Asset Management Strategy</li> <li>Implement Asset Management Strategy</li> <li>SHQS/ESSH continue to demonstrate current compliance</li> <li>EESH 2 Consider how we will demonstrate compliance by 2023</li> </ul>	Yearly Yearly Yearly 2021-23	5 Year Investment Plan and 30 Year Financial Plan	1.1 Asset Management	
4	<b>Invest in homes and in our environment</b>	<ul style="list-style-type: none"> <li>Deliver Investment programme</li> <li>Consider tenants views relating to investment in their homes and environment</li> <li>Complete bin store improvement programme by 2024</li> </ul>	Yearly Quarterly (Tenant Satisfaction pulse surveys) 2021-2024	5 Year Investment Plan and 30 Year Financial Plan	1.1 Asset Management	

# EXTERNAL FOCUS

## Strategic Objective 2: Providing Excellent Customer Services

	Operational Objective	Actions/Controls	Timeline/Monitoring	Financial Implication	Risk Register Reference	How will we know we have achieved our goal
1	<b>Improve Communication with our tenant &amp; others</b>	<ul style="list-style-type: none"> <li>Implement our communications strategy and review how we currently communicate and how we can improve practices</li> <li>Involve tenants in a review of our newsletter</li> <li>Consider options for using other communication channels using technology such as You Tube</li> </ul>	Yearly/ Through pulse Tenant Satisfaction surveys  2021  2022	Potential increase in set up costs of new communication methods	2.1 Tenant scrutiny	<b>We will have increased engagement with focused services that ensure that we demonstrate excellent forward thinking customer services for our tenants. We also want to ensure that services are shaped by our tenants and other service users</b>
2	<b>Improve consultation with our tenants &amp; others</b>	<ul style="list-style-type: none"> <li>Consult with other groups of stakeholders</li> <li>Produce and agree a timeline of consultations for each year including consultation on rent increase options</li> <li>Consult on service standards and changes through our website</li> <li>Develop Craigdale Tenants Panel Action Plan</li> </ul>	Yearly  Yearly – Reported to Board annually  Yearly – Reported to Board in reports  2021 – Monitored annually and reported to Board	Costs of working with tenants panel will be minimal and opportunities to consult already included in BP	2.1 Tenant scrutiny	
3	<b>Work towards achieving the Customer Service Excellence Standards</b>	<ul style="list-style-type: none"> <li>Assess our compliance with Customer Service standards</li> <li>Achieve Customer service Excellence Standard by 2023</li> </ul>	2022  2023	Costs to be included in 2022-2023 budget	2.2 Customer Satisfaction	
4	<b>Seek our Tenants views</b>	<ul style="list-style-type: none"> <li>Carry out a full Tenant Satisfaction Survey</li> <li>Complete quarterly tenant satisfaction pulse surveys</li> <li>Review Landlord Report results against others</li> <li>Carry out Consultations via surveys/ website/tenants portal</li> <li>Promote opportunity for tenants to make complaints and publish lessons learned on 6 monthly basis to tenants</li> </ul>	2021/22 – Results reported to Board and Improvement Plan agreed and then monitored  Yearly through ARC returns  Yearly – Consultation views included in Board reports  Half Year report to Board on themes and lessons learned from complaints	Costs included in 2021/22 budget for full tenant satisfaction survey and final pulse surveys	2.1 Tenant Scrutiny  2.2 Customer Satisfaction	

# EXTERNAL FOCUS

## Strategic Objective 2: Providing Excellent Customer Services

	Operational Objective	Actions/Controls	Timeline/Monitoring	Financial Implication	Risk Register Reference	How will we know we have achieved our goal
5	<b>Embed Equality across all of our services and provide opportunities for all</b>	<ul style="list-style-type: none"> <li>Ensure we promote equality of opportunity, to eliminate discrimination and harassment</li> <li>Promote Craigdale as a Third Party Hate Crime Reporting Centre</li> <li>Deliver on adaptation requests to improve the lives of our tenants</li> </ul>	<p>Yearly</p> <p>Yearly – Statistics reported to Board</p> <p>Quarterly – Reported to Board</p>	Adaptation costs met through grant funding from GCC	3.5 Regulatory Compliance	<p><b>We will have increased engagement with focused services that ensure that we demonstrate excellent forward thinking customer services for our tenants. We also want to ensure that services are shaped by our tenants and other service users</b></p>
6	<b>Addressing future needs of tenants</b>	<ul style="list-style-type: none"> <li>Increase digital inclusion amongst our tenants</li> <li>Monitor useage of website and Facebook pages</li> <li>Introduce an app for tenants</li> <li>Introduce a portal for tenants</li> </ul>	<p>2021-2024</p> <p>2021-2024 - reported annually to Board</p> <p>2021</p> <p>2022</p>	Costs included in Annual Budget planning process	2.2 Customer Satisfaction	
7	<b>Achieve excellent performance outcomes</b>	<ul style="list-style-type: none"> <li>Meet KPI targets on customer related issues</li> <li>Monitor performance on monthly basis and resolve blockages to poor performance</li> </ul>	<p>Quarterly and reported to Board</p> <p>Monthly monitoring by SMT</p>	Requirement to maximise rental income and minimise overall costs	1.3 Performance against peers	

## EXTERNAL FOCUS

### Strategic Objective 3: Working with partners to improve communities and tenants lives

	Operational objective	Actions/Controls	Timelines/Monitoring	Financial Implication	Risk Register Reference	How will we know we have achieved our goal
1	<b>Fully implement wider action strategy in partnership with others</b>	<ul style="list-style-type: none"> <li>Develop and implement a wider action strategy</li> <li>Promote social and economic inclusion in our policies and procedures</li> </ul>	2021 Yearly	Wider action activities agreed within yearly budget	3.2 Policy review	<b>Successful deliver of programme of annual events and delivery of wider action strategy</b>
2	<b>Encourage innovation and capacity for our tenants to make decisions for their area</b>	<ul style="list-style-type: none"> <li>Deliver LENS programme in 2021</li> <li>Create opportunities for tenants to develop ideas and attract match funding</li> <li>Implement annual idea creation opportunities for projects identified by our tenants</li> </ul>	2021 – updates reported to Board	Costs for Lens agreed in 2021/22 budget	2.2 Customer satisfaction	
3	<b>Work with others to address inequalities such as unemployment, poverty, and education</b>	<ul style="list-style-type: none"> <li>Develop strategy to address inequalities in partnership with others</li> <li>Develop opportunities to utilise office for other groups and stakeholders</li> <li>Address food/fuel/hygiene poverty</li> </ul>	2021 2022 2021	Wider action budget agreed together with opportunity to attract external grants	4.1 Welfare reform	
4	<b>Work with others to improve Health within our area</b>	<ul style="list-style-type: none"> <li>Address mental health working with partners</li> <li>Address isolation and loneliness working in partnership with others</li> <li>Work with others to create an action plan to address health, whilst recognising that we will play a part but not a lead role in this area</li> </ul>	2021 2021 2021	Wider action budget agreed with opportunity to attract external grants	4.1 Welfare reform	
5	<b>Fully Embed Craigdale Cares approach across our activities</b>	<ul style="list-style-type: none"> <li>Develop Craigdale Cares Strategy in 2021</li> <li>Review Community Activities and ensure these are promoted and influenced by our tenants</li> </ul>	2021 Yearly	Wider action budget agreed with opportunity to attract external grants	2.2 Customer satisfaction 4.1 Welfare reform	

# INTERNAL FOCUS

## Strategic Objective 4: Deliver excellence in Governance, Risk Management and Assurance

	Operational Objective	Actions/Controls	Timeline/Monitoring	Financial Implication	Risk Register Reference	How will we know we have achieved our goal
1	<b>Develop &amp; support our Board</b>	<ul style="list-style-type: none"> <li>Carry out a Skill Assessment &amp; Training Needs Assessment for Board</li> <li>Implement rolling training programme</li> <li>Identify skill gaps and recruit to fill same</li> <li>Develop a Succession Planning Policy for Board</li> </ul>	Yearly – Reported to Board	Included within annual budget provision	3.1 Board capacity	<b>We will have a strong, committed Board and staff team living our new vision, mission and values and attaining low regulatory engagement within the Business Plan term</b>
2	<b>Improve our governance &amp; Meet the SHR Regulatory Standards</b>	<ul style="list-style-type: none"> <li>Carry out external review of our Regulatory standards</li> <li>Implement governance improvement plan</li> <li>Implement other improvement plans identified through internal audit plans</li> </ul>	2021 – Report to Board  Yearly/Quarterly – reported to Board	Costs for external review and audit included within budget	3.5 Regulatory compliance	
3	<b>Prepare Assurance Statement for submission to SHR</b>	<ul style="list-style-type: none"> <li>Implement an Assurance improvement plan</li> <li>Identify any potential areas of non-compliance and notify the SHR</li> <li>Create an evidence bank for Board Members to demonstrate compliance</li> <li>Ensure that the Audit and Assurance Committee review standards on a rolling programme of meetings</li> </ul>	Yearly – Reported to Board  Quarterly through Audit and Assurance Committee	Costs met through staff resources	3.5 Regulatory compliance	
4	<b>Increase our Membership</b>	<ul style="list-style-type: none"> <li>Actively encourage membership and promote the benefits of becoming a member</li> <li>Aim to encourage attendance at AGM</li> </ul>	Yearly – Reported at AGM and Annual report	Costs met through staff resources	2.1 Tenant scrutiny	
5	<b>Embed Risk Management</b>	<ul style="list-style-type: none"> <li>Report quarterly to Audit and Assurance Committee on our Risk Management Action Plan</li> <li>Carry out risk analysis on all new projects</li> <li>Carry out annual Risk Analysis at Board Business Planning days</li> </ul>	Quarterly/Yearly – Reports to Board and during Business planning sessions	Costs met through annual budgets	4.7 Economic changes	

# INTERNAL FOCUS

## Strategic Objective 5: Demonstrate value for money and strong financial management

	Operational Objective	Actions/Controls	Timeline/Monitoring	Financial Implication	Risk Register Reference	How will we know we have achieved our goal
1	<b>Maintain our solid financial base</b>	<ul style="list-style-type: none"> <li>• 30 year financial projections</li> <li>• Incorporate stock condition survey findings</li> <li>• Maximise treasury management policies</li> <li>• Ensure that procurement procedures are followed with cost drivers considered</li> </ul>	Yearly/Quarterly – Reported to Board	Financial projections submitted annually as part of SHR return	4.6 Poor cost analysis	<b>Continue to be a strong independent Association, financially sound and effectively managing changing risks</b>
2	<b>Develop a Value for Money Framework</b>	<ul style="list-style-type: none"> <li>• Apply VFM framework</li> <li>• Review our management costs</li> <li>• Know our cost drivers</li> <li>• Make efficiencies through better use if IT</li> </ul>	Yearly/Quarterly – Reported to Board	Financial projections submitted annually as part of SHR return	4.6 Poor cost analysis	
3	<b>Identify alternative sources of funding</b>	<ul style="list-style-type: none"> <li>• Apply for alternative sources of funding including grant funding to support wider action activities</li> <li>• Identify areas where joint working may take place locally leading to reductions in costs</li> </ul>	Yearly/Quarterly through reports to Board	External funding	4.6 Poor cost analysis	
4	<b>Review all operating costs and drive efficiencies</b>	<ul style="list-style-type: none"> <li>• Ensure that efficiencies are identified through annual budget process</li> <li>• Identify where costs can be reduced through use of technology</li> <li>• Review Operating Model and consider where efficiencies can take place</li> </ul>	Yearly – Through reports to Board and through annual Business Planning process	Reductions in costs to be achieved through annual budget process	4.6 Poor cost analysis	

# INTERNAL FOCUS

## Strategic Objective 6: Value our People

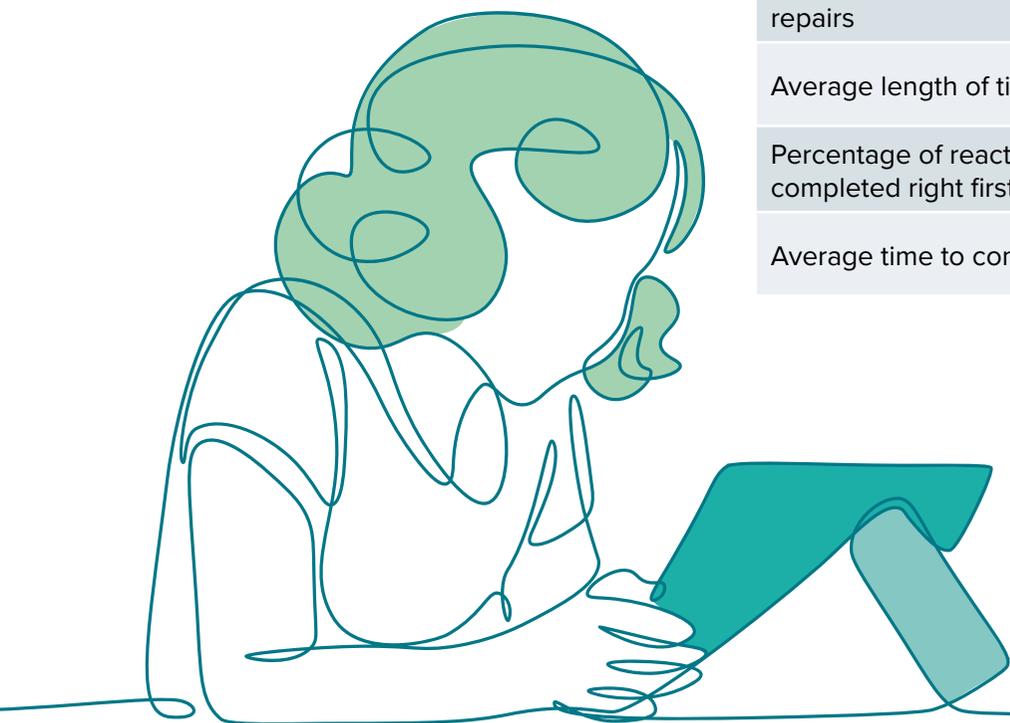
	Operational Objective	Actions/Controls	Timeline/Monitoring	Financial Implication	Risk Register Reference	How will we know we have achieved our goal
1	<b>Achieve High Staff Satisfaction levels</b>	<ul style="list-style-type: none"> <li>Complete yearly staff satisfaction surveys</li> <li>Create action plans for improvement and report progress to Board</li> <li>Ensure that Staff issues are raised and acted upon by Senior Management team and reported to Board</li> </ul>	Yearly – Reported to Board	Costs included within annual budget	1.4 Staff capacity	<b>We will meet individual and team development plans and ensure that all staff and Board/Tenant Panel members are fully trained and supported to be the best that they can be in their respective roles.</b>
2	<b>Achieve Investors in People Platinum status</b>	<ul style="list-style-type: none"> <li>Complete IIP Assessment in 2021</li> <li>Develop a plan to achieve IIP Platinum status by 2022</li> <li>Retain IIP Platinum status until 2024</li> </ul>	2021- 2024 - Reported to Board	Costs for assessment included within annual budget	1.4 Staff capacity	
3	<b>Board and Tenant Panel Development</b>	<ul style="list-style-type: none"> <li>Yearly Board appraisals</li> <li>Induction and training plans for each Board/Tenant Panel member</li> </ul>	Yearly – Reported to Board	Costs included within annual budget	3.1 Board capacity	
4	<b>Training and Staff Development</b>	<ul style="list-style-type: none"> <li>Encourage personal development through monthly Support and Supervision meetings</li> <li>Create a Yearly Planner for Staff training</li> <li>Empower staff to do their jobs effectively</li> <li>Embed culture and core values</li> <li>Put in place a clear performance framework which motivates delivery of high performance</li> <li>Underpin with training and development plan</li> </ul>	Monthly/Yearly – Reported to Board	Costs met through staff resources	2.1 Staff capacity	
5	<b>Reward and Recognition</b>	<ul style="list-style-type: none"> <li>Embed reward and recognition within the Association</li> <li>Ensure that staff and initiatives are put forward for awards from relevant bodies</li> </ul>	Yearly – Reported to Board	Costs included within annual budget	2.1 Staff capacity	

## 7.3 Strategic KPIs

**We are committed to improving our services and we will develop our knowledge base and use internal and external sector information to help us gauge and improve our performance.**

We monitor our performance against local peers and by using data from the SHR's website and present our key strategic KPI's to the Board on a quarterly basis for monitoring. Our performance compares well across the sector and our KPI's have agreed targets, which are aimed at meeting high performance levels.

ARC Indicator	Craigdale 2019/20	Craigdale 2018/19	Scottish Average 2019/20
Average calendar days to re-let properties	<b>2.76 days</b>	2.0 days	<b>25.7days</b>
Percentage of tenancy offers refused during the year	<b>16.00%</b>	18.75%	<b>30.0%</b>
Gross rent arrears (all tenants) as at 31 March each year as a percentage of rent due for the reporting year	<b>2.66%</b>	2.00%	<b>4.4%</b>
Percentage of rent due lost through properties being empty during the last year	<b>0.04%</b>	0.02%	<b>0.9%</b>
Average length of time taken to complete emergency repairs	<b>2.22 hours</b>	1.98 hours	<b>2.7 hours</b>
Average length of time taken to complete reactive repairs	<b>2.58 days</b>	2.47 days	<b>5.7 days</b>
Percentage of reactive repairs carried out in the last year completed right first time	<b>96.90%</b>	94.76%	<b>92.8%</b>
Average time to complete adaptations	<b>11.08 days</b>	20.17 days	<b>46.2 days</b>



Of the tenants who responded to the Association's most recent Tenants Satisfaction Survey in 2019 our figures compare very well against Scottish averages.

ARC Indicator	Craigdale 2019/20	Scottish Average 2019/20
Percentage of tenants satisfied with the overall service provided by their landlord.	98.03%	90.5%
Percentage of tenants who feel their landlord is good at keeping them informed about their services and decisions.	99.21%	93.1%
Percentage of tenants satisfied with the opportunities given to them to participate in their landlord's decision making processes.	100.00%	88.6%
Percentage of tenants satisfied with the quality of their home.	94.44%	88.4%
Percentage of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the repairs and maintenance service.	96.23%	91.7%
Percentage of tenants satisfied with the landlord's contribution to the management of the neighbourhood they live in	98.43%	87.8%
Percentage of tenants who feel that the rent for their property represents good value for money.	90.55%	83.5%
Percentage of factored owners satisfied with factoring service.	86.36%	68.1%

## 7.4 Delivery Plans

**The six Strategic Objectives will be further translated into practical Delivery Plans with timescales, targets and named people (staff and service providers) who will take ownership for ensuring the targets are met.**

The Delivery Plans (Strategic and Operational) performance will be reported quarterly to the Board. The Delivery Plan will be a 'live' document and will be reviewed by the Board and staff annually as part of the annual review of the Business Plan.



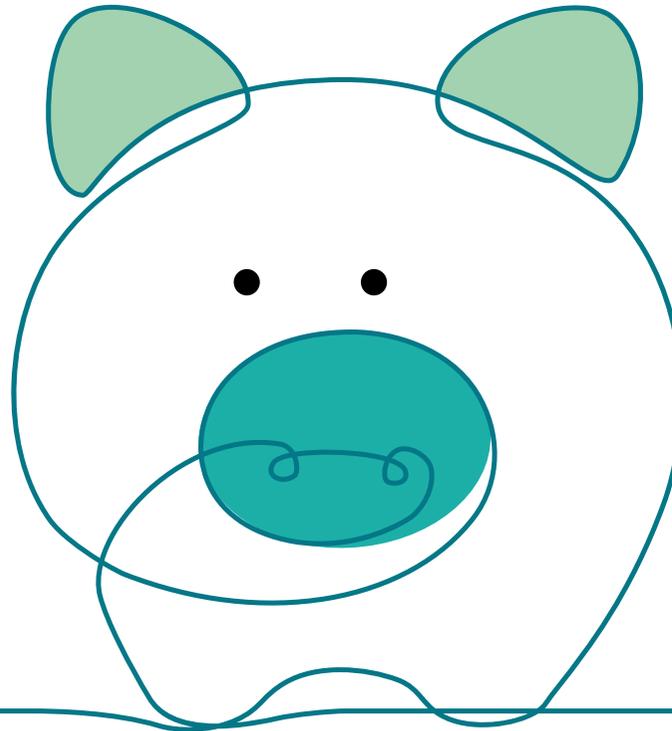
# 8. FINANCING OUR PLAN

## 8.1 Funding the Plan

**The Association is currently involved in core stock management and maintenance activity managing 372 rented units and 20 owner occupied units at the start of the financial year 2021/22. At March 2020 an overall surplus of £618k was achieved which included £238k relating to changes in actuarial assumptions for the pension deficit. Net assets of the Association totalled £6.8m inclusive of cash balances of £1.8m at March 2020. For financial year 2020/21 an overall surplus of £130k is projected and cash balances at commencement of the plan period total £1.76m.**

The financial model includes commencement of a 36 unit new build project in June 2021. Formal approval is currently awaited from relevant authorities and loan finance arrangements are expected to commence imminently.

At the current time the Covid 19 pandemic continues although signs of improvement exist. During 2020/21 there have been extended periods of office closure and periods where the Association's ability to carry out reactive and planned maintenance works has been affected. All staff are able to work from home, are suitably equipped with laptops, remote access and mobile phones. Meetings continue via Zoom & Microsoft Teams. The projections assume that life reverts to a more normal position in the relatively short term. The position shall continue to be monitored and updates to projections may result.



## CURRENT OPERATING ENVIRONMENT

**In considering the main assumptions to be employed within the business planning model recognition requires to be taken of the current financial and political climate which the Association is expecting to operate within.**

Main factors include:-

- Global economic and political climate - including Brexit
- Impact of Covid 19
- UK Government and local government strategies
- Welfare reform
- Scale of UK building programme
- Post Grenfell legislation
- EESSH 2020 and beyond
- Pension fund deficits
- Relatively low interest rates
- UK headline inflation
- Increased lender and SHR interest
- Expectation of service level improvements

Within this plan the following material assumptions should be noted:-

- New build site start June 2021
- Inflation levels at 2% over the long term
- Real rent rise of 1% for 5 years and CPI inflation only thereafter
- Voids and Bad Debts rise from 1.5% in the first 3 years to 2 % over the long term
- Real maintenance cost increases at 0.5% over 30 years
- Added bulk uplift cost of £10k assumed annually
- Current staffing levels remain
- Real increases of 0.5% in management costs until year 10
- All staff in defined contribution pension scheme at contribution rate of 10%
- Loan interest rates (pre margin) increase annually up until maximum of 4% by year 8
- All debt repaid by year 27
- Cash exceeds debt by year 10 so potential for earlier debt repayment
- Average annual spend of £7k on other fixed assets
- Continued higher rent arrears to reflect effects of welfare reform

## ASSUMPTIONS AND COMMENT

### Base Date and Stock Levels

All financial information is based at 2021/2022 levels.

The Association's rented housing stock levels at the start of 2021/22 comprises of 369 general rented units plus 3 sharing owners. A further 36 rented units are added in year 2 of the plan.

## Rental Policy

### Mainstream Stock

Comparisons with other local RSLs notes that Craigdale rent levels for 19/20 were on average 1% lower for 2 apt properties, 8% lower for 3 and 4 apartment properties and 10% lower for 5 apartments.

Scottish average rent levels are 15%, 11%, 12% and 47% higher for 2 to 5 apartment properties respectively compared with Craigdale HA rents.

### Average Weekly RSL Rents

	Craigdale HA	Ardenglen HA	Cassiltoun HA	North View HA
2 Apt	£70.12	£70.85	£73.85	£68.24
3 Apt	£74.76	£78.18	£77.24	£87.74
4 Apt	£84.55	£87.10	£88.26	£97.61
5+ Apt	£87.89	£78.79	£101.55	£109.24

Currently around 35 % of tenants are in receipt of full housing benefit with 9% on partial benefit. Around 17% of tenants are on Universal Credit. Gross rent arrears for mainstream units at December 2020 were 2.98% net of minor technical arrears. The projections assume continued arrears at 3.5%.

The projections assume a real rent rises of 1% for the next 5 years then CPI inflation only rises thereafter. This is a current planning assumption and shall be considered on an annual basis. The Association recognises the potential for affordability issues and the SFHA affordability tool confirms no material concerns in terms of affordability.

In the event that no real rent increases are applied then this has an adverse impact on the year 30 cash position of around £3.5m.

The ability of the Association to apply continued restricted increases will depend upon changes in the economy and performance compared with the approved Business Plan.

## Voids and Bad Debts

For the year to 31 March 2020 voids and bad debts for the Association's stock were at a level of 0.16% and 0.46% respectively. In the previous 3 years void losses averaged 0.08% with bad debts at around 0.33%. Total costs are assumed at 1.5% in year 1, 1.75% in year 2 and 2% thereafter. This represents an increase of rent losses over the long term to reflect ongoing welfare reform and prudent financial planning. This increase is a business planning assumption as opposed to a specific target.

A 1% change in voids and bad debts has an overall impact of around £803k over the long term. Subject to no other changes an increase could be managed by the Association.

## Other Income

Sums include Stage 3 grants for medical adaptations plus factoring fees from owner occupiers. Sensitivities were run to gauge adverse impacts in a material fall in net income. A £50k per annum reduction in net income had an adverse impact of £2.25m over the long term.

## Major Repairs

**Major repairs costs are based on the planned maintenance programmes produced internally and with the assistance of the John Martin Partnership Hub system.**

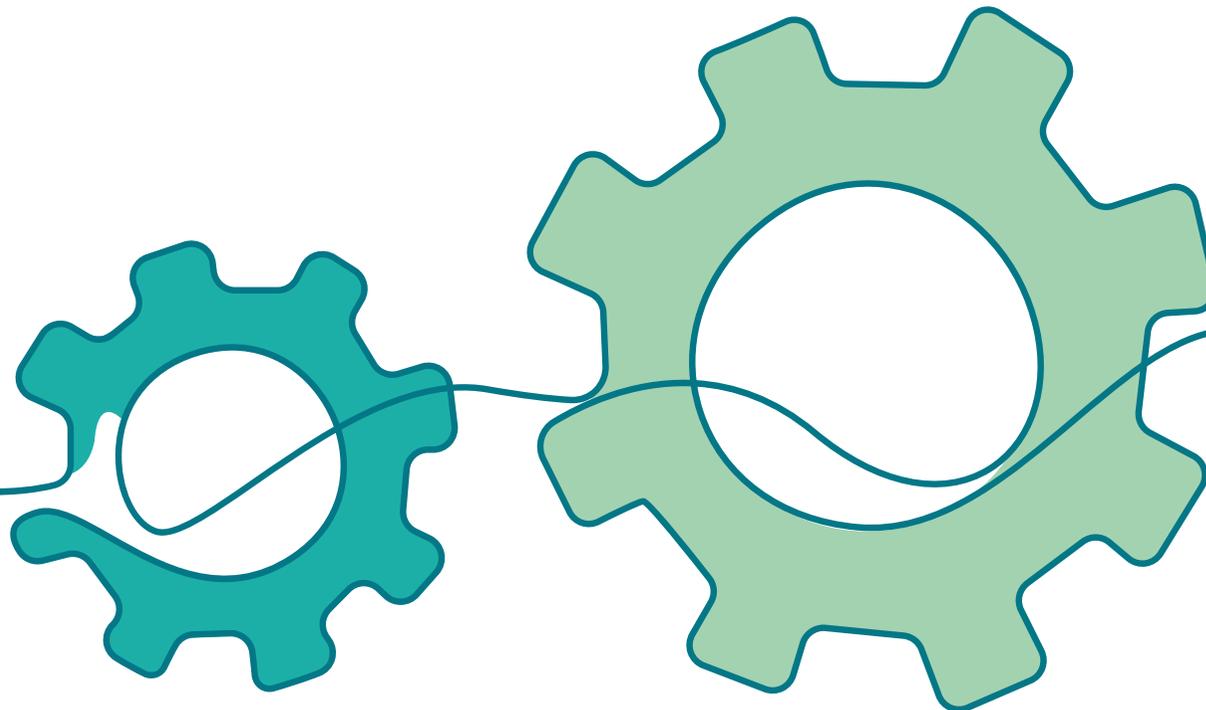
It is envisaged that on average around £33,605 per unit shall be incurred over the plan period. In the first 10 years 29% of total spend shall take place, followed by a further 32% of spend up to year 20, with the balance of 39% being spent in the last 10 years. Real cost increases are assumed at 0.5% per annum for the full plan period.

The Association currently fully complies with EESSH requirements. Work is ongoing to consider the budget implications of EESSH 2.

A 5% difference in major repair costs has a £1.6m impact on the year 30 cash position and if no real cost increases are applied on any major repair costs then an improvement of £2.4m arises.

Updated stock surveys shall commence post Covid and may result in changes to costs and timing of costs.

Taking account of our knowledge of the stock, the Association is satisfied that costs can be contained within sums provided for in the financial model.



## Cyclical Maintenance

**Cyclical costs per unit are estimated at an average of £578 per unit over the plan period for stock. These costs are based on existing surveys. Real cost increases are assumed at 0.5% per annum throughout the plan period. Costs include paint work, gas servicing, electrical inspections, stair lighting, landscaping, close cleaning and bulk uplift.**

Expenditure per unit on rented stock totalled £390 per unit on average for the 3 years to 31 March 2020.

Taking account of our knowledge of the stock, the Association is satisfied that costs can be contained within sums provided for in the financial model.

## Reactive Maintenance

Expenditure per unit on rented stock totalled £290 per unit on average for the previous 3 years to 31 March 2020.

The financial model include average costs at £458 per unit inclusive of real cost rises at 0.5% for the full 30 year period.

A 10% increase in reactive costs has an adverse impact of £843k over the plan period. Subject to no other material adverse changes this position could be managed by the Association.

Taking account of our knowledge of the stock, the Association is satisfied that costs can be contained within sums provided for in the financial model.

# Other Costs

Costs relate to the wider action costs at around £13k per annum and stage 3 costs over the full 30-year period.

## Management and Administration

The Management costs in the Association's annual accounts refer to staff and overhead costs relating to the rented stock. Costs for 2019/20 totalled £1,671 per unit and average £1,629 per unit over the long term. Overheads as a % of turnover average 9% and, taking account of the size of the Association, are at reasonable levels.

Management costs are assumed as increasing in real terms by 0.5% per annum until year 10. This is a prudent planning assumption as opposed to a specific target. In the event of inflation only cost increases a £1.1m saving results.

## Other Fixed Assets

The long-term projections have included replacement costs for furniture, fittings, replacements and equipment over the plan period. Average annual spend of £6k per annum is allowed.

## Loan Finance and Stock Value

**Loan debt at 31 March 21 is projected at around £1.46m and this represents debt with Bank of Scotland, RBS and Nationwide. Given the low level of debt all loan finance remains on a variable rate basis with margins ranging from 0.4% to 1%.**

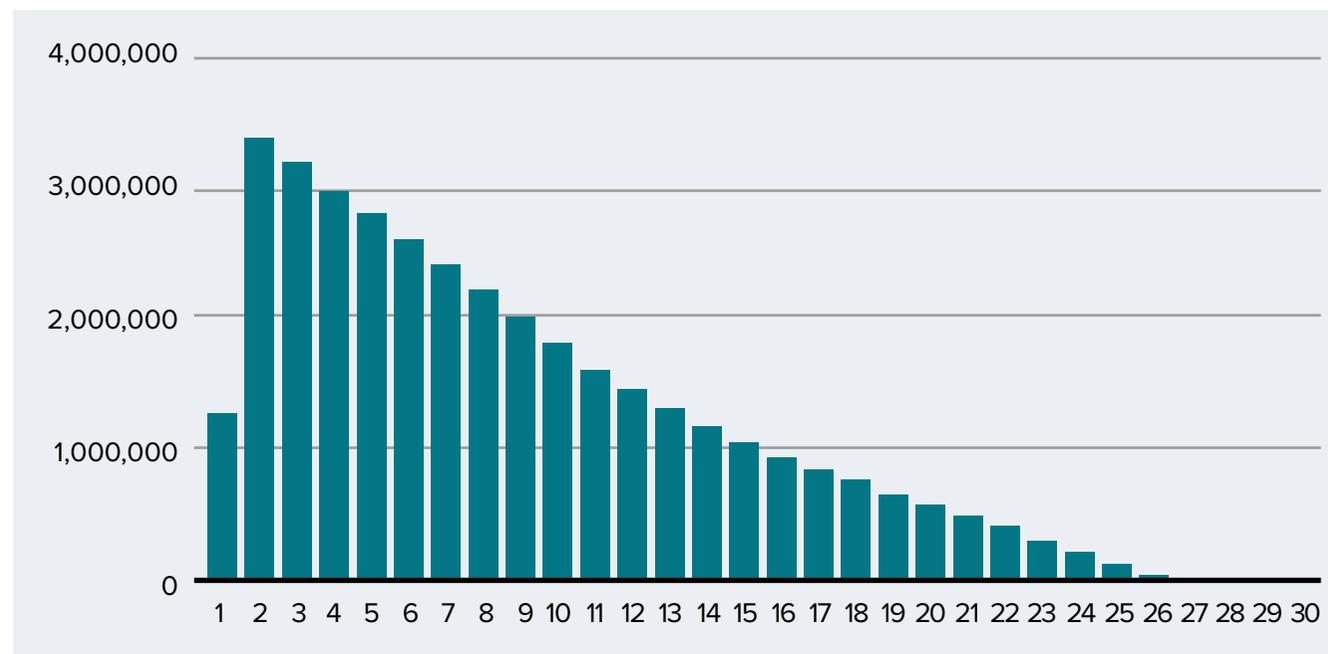
Further loan debt of £2.25m is assumed as drawn in year 2 and it would be expected that an element of this debt shall be on a fixed rate basis. Peak debt is projected at year 2.

The performance indicators analysis confirms no issues with loan covenant compliance.

The base case model indicates that by Year 10 cash resources are projected to exceed debt levels and all debt is modelled as repaid by year 27. The option to repay debt earlier, subject to achievement of the financial outturns, exists.

Currently around 60% of stock is unencumbered and the Association has an ability to borrow around £12m based on the April 2020 stock valuations.

**Table 1 – 30 Year Model – Total Debt**

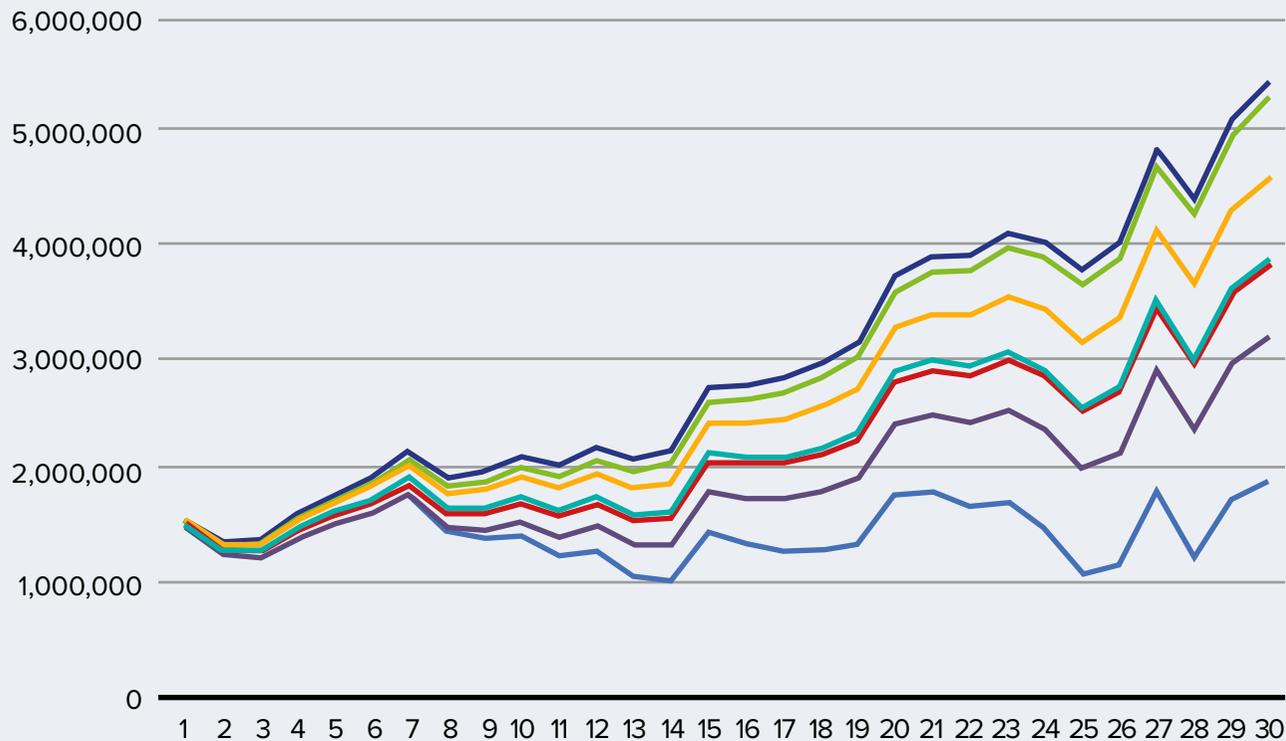


## Sensitivity Analysis

**Sensitivities are largely modelled on varying rent increases, rent losses, management and maintenance costs, inflation and changes to net income.**

The majority of sensitivities have been modelled on an individual basis. It is recognised that a combination of changes in assumptions is a clear possibility. One of the purposes of regular budgeting and the monitoring of financial results is to ensure that the financial position remains on target. In the event of material adverse variances this allows corrective action to be put in place.

**Table 2 – Negative Sensitivity Analysis**



## Risks to the Delivery of Financial Plans

The Association regularly considers risks and updates its risk register accordingly.

Risks associated with welfare reform, Covid 19, new build activity and the costs of running the business continue as the main risks for the Association.

## Summary

The Association commences the plan period with total reserves of around £6.9m.

Whilst we cannot expect to be precise over a 30-year period it is sensible to project forward based on realistic assumptions and expectations. The bottom line cash position of the Association provides an indication of the level of comfort available to manage risk changes in circumstances.

- Baseline
- 7. No real rent rises at all
- 8. Bad debts increase by 2% pa
- 9. Variable loan rate increase by 1%
- 10. Reduction in net income by £50l pa
- 11. Increase in planned maintenance costs of 5%
- 12. Increase in reactive maintenance costs by 10%

**Based on reasonable assumptions the Association's financial projections show annual surpluses and confirm more than adequate liquidity, in order to allow implementation of the financial plans. No issues arise in respect of loan covenant compliance and the Association continues to operate satisfactorily. Changes in actuarial assumptions shall be accounted for as information becomes available post each year end.**

In the first 5 years surpluses of £1.8m add to the net assets of the Association and cash balances average £1.55m. No SHQS or EESSH difficulties are expected, total major repair spend is £1.95m and debt capital repayments total £912k. This is after additional rental losses have been provided for and rent arrears at a level of 3.5%.

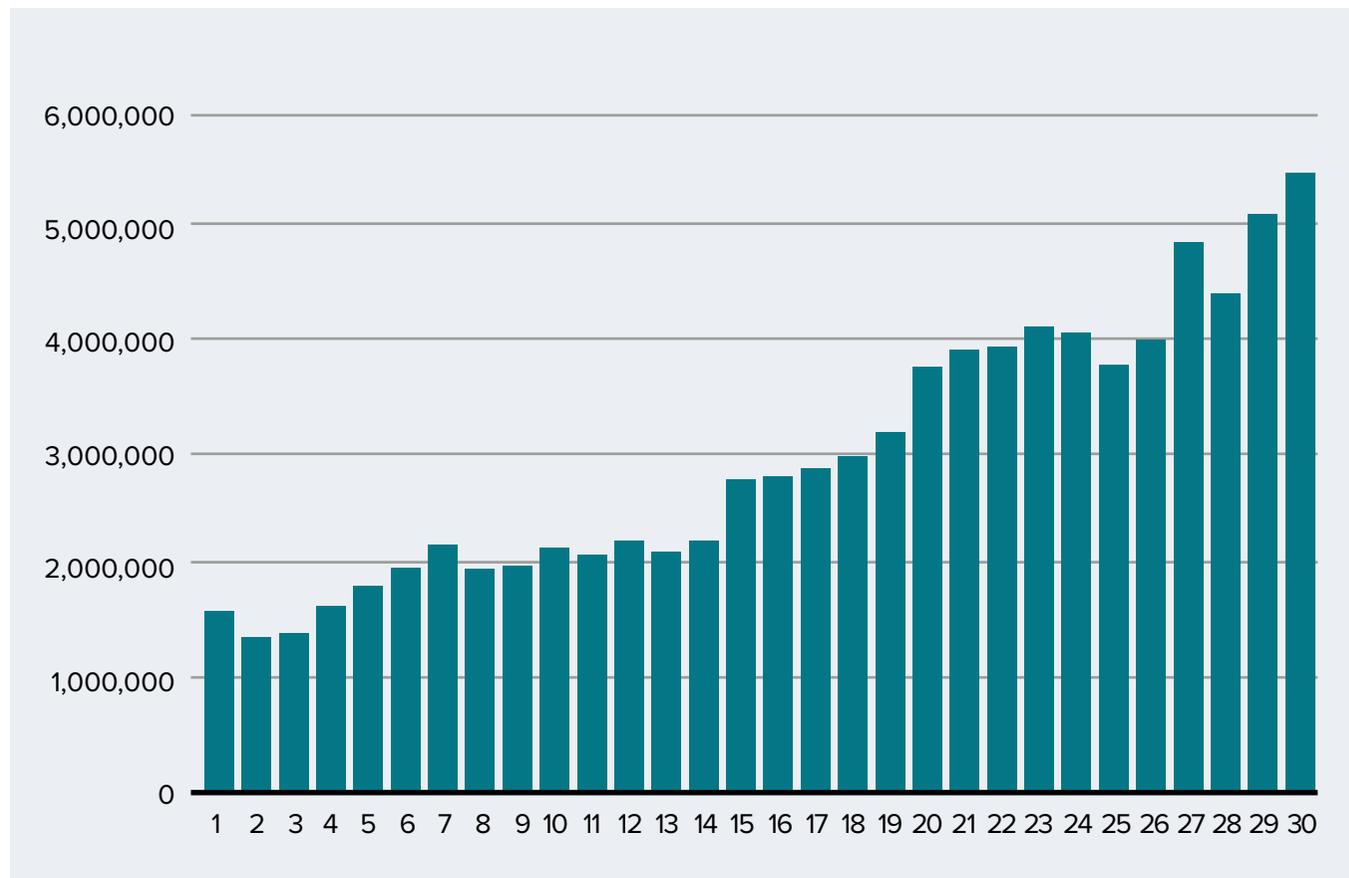
The next five-year period to year 10 project surpluses of £1.8m, loan repayments of £996k, and major repair spend of £2.4m. Rental arrears are projected as continuing at 3.5% and cash reserves average £2m over this 5 year period.

For the 5 year period to year 15 surpluses of £1.8m result, debt reduces by a further 42% and major repair spend totals £2.74m. Rental arrears are projected as continuing at 3.5% and cash reserves average £2.3m over this 5 year period.

Thereafter the annual surplus position continues cash resources also increase with average balances at £3.9m and a final year 30 cash balance of £5.4m

The sensitivity analysis undertaken by the Association shows that each of the adverse scenarios could, assuming they arise as single events, be capable of being managed by the Association. Some factors remain within the Association's control such as rental

**Table 3 – 30 Year Cash Flow**



policy, staffing levels, the timing of maintenance contracts and any combination of adverse scenarios would require to be managed by the Association on an ongoing basis.

The Association shall continue to produce its long-term projections on an annual basis. The short-term annual budget exercise considers the first 12 months of the plan period in detail and the quarterly

management accounts shall be used to monitor achievement of the short-term budget. As long as the short-term position remains broadly in line with the annual budget then the Association's overall financial plans shall remain on target.

Appendix 1 details the statement of comprehensive income for years 1-5 and through until 2051, together with cash flow for same period.



## 8.2 Rent Affordability

**A key priority is to maintain our rents at an affordable level. Affordability is essentially about the ability of our individual tenants to pay the rent charged by Craigdale.**

We ensure that our rents are affordable by making use of the annually updated Scottish Federation of Housing Association (SFHA) Guidance to Rent Setting & Affordability Toolkit. We will use this guidance, and the affordability analysis and tools within it, to analyse the affordability of our rents, and address any issues that may arise. We will consult with our tenants on options for rent increase and take on board tenants views on what rent is used for and allow real opportunities to influence our decision making process.

## 8.3 Value for Money

**It is important that we review our approach to affordability, and that the approach takes into account value for money in terms of service delivery and the costs.**

We acknowledge that the term Value for Money (VFM) is subjective and means different things to different people. We intend to re-assess our approach to VFM during the first year of our Business Plan, taking into account such issues as; purpose, quality, effectiveness, efficiency and economy.

# 9. REVIEWING THE PLAN

**March 2021**

**Final Plan  
Approved  
2021/22 – 2023/24**

**July 2021**

**Review  
performance Q1**

**Oct 2021**

**Review  
performance Q2**

**Nov 2021**

**Strategic Away Day –  
review current and  
refresh direction,  
objectives and vision**

**Dec 2021**

**Prepare  
financial plans**

**Jan 2022**

**Review  
performance Q3**

**March 2022**

**Final Plan Approved  
2022/23 – 2023/24**

**Apr 2022**

**Review  
performance Q4**

**2022/2024**

**Repeat above**

## Appendix 1 – Statement of comprehensive income, financial position and cash flow for Years 1-5 and 30 Years

### Statement of Comprehensive Income

Period: 01 April 2021 - 31 March 2051	2022	2023	2024	2025	2026	2031	2036	2041	2046	2051
	£'s									
Gross rents	1,545,899	1,678,730	1,818,174	1,873,083	1,929,650	2,151,794	2,375,755	2,623,025	2,896,032	3,197,453
Service charges & Shared Ownership	0	0	0	0	0	0	0	0	0	0
Gross rents and service charges	1,545,899	1,678,730	1,818,174	1,873,083	1,929,650	2,151,794	2,375,755	2,623,025	2,896,032	3,197,453
Rent loss from voids	(7,729)	(8,394)	(9,091)	(9,365)	(9,648)	(10,759)	(11,879)	(13,115)	(14,480)	(15,987)
Net rent and service charges	1,538,170	1,670,336	1,809,083	1,863,717	1,920,002	2,141,035	2,363,876	2,609,910	2,881,551	3,181,466
Other income	17,132	17,475	17,824	18,181	18,544	20,474	22,605	24,958	27,556	30,424
Amortised Grant	336,342	421,424	421,424	421,424	421,424	421,424	421,424	421,424	421,424	421,424
<b>TURNOVER</b>	<b>1,891,644</b>	<b>2,109,235</b>	<b>2,248,331</b>	<b>2,303,322</b>	<b>2,359,970</b>	<b>2,582,934</b>	<b>2,807,906</b>	<b>3,056,292</b>	<b>3,330,532</b>	<b>3,633,314</b>
<b>LESS OPERATING COSTS:</b>										
Management & Maintenance Administration Costs	662,722	641,388	657,487	673,990	690,907	780,221	861,427	951,085	1,050,074	1,159,367
Major Repairs-Direct Costs	250,000	256,275	9,718	45,735	44,816	69,293	194,459	11,033	340,360	114,355
Cyclical Maintenance - Direct Costs	178,498	233,097	221,420	300,581	191,888	225,509	238,798	365,158	305,980	346,357
Reactive/Voids Maintenance-Direct Costs	148,200	159,271	174,587	179,939	185,449	215,546	249,184	282,067	319,289	361,422
Bad debts	15,459	20,984	27,273	28,096	28,945	32,277	35,636	39,345	43,440	47,962
Service Costs	0	0	0	0	0	0	0	0	0	0
Depreciation on Social Housing	457,651	480,103	504,394	507,921	521,953	589,659	623,792	712,266	798,898	842,753
Depreciation on Other Fixed Assets-in mgt/maint/admin at y/e	17,330	9,652	9,652	16,020	16,020	16,544	17,113	18,393	19,114	19,894
Other Costs	27,113	27,655	28,208	28,773	29,348	32,403	35,775	39,499	43,610	48,148
<b>OPERATING COSTS</b>	<b>1,756,973</b>	<b>1,828,425</b>	<b>1,632,738</b>	<b>1,781,053</b>	<b>1,709,325</b>	<b>1,961,451</b>	<b>2,256,184</b>	<b>2,418,846</b>	<b>2,920,764</b>	<b>2,940,258</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>134,670</b>	<b>280,810</b>	<b>615,593</b>	<b>522,269</b>	<b>650,645</b>	<b>621,483</b>	<b>551,721</b>	<b>637,447</b>	<b>409,767</b>	<b>693,056</b>
Interest receivable and other income	1,506	10,914	10,266	11,214	12,748	15,380	18,393	25,623	29,109	39,329
Interest payable and similar charges	(15,420)	(55,953)	(95,357)	(95,726)	(95,091)	(70,958)	(39,232)	(21,947)	(7,316)	(0)
Actuarial Loss	(44,678)	(23,009)	0	0	0	0	0	0	0	0
<b>SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES</b>	<b>76,079</b>	<b>212,762</b>	<b>530,502</b>	<b>437,757</b>	<b>568,302</b>	<b>565,904</b>	<b>530,882</b>	<b>641,123</b>	<b>431,561</b>	<b>732,385</b>

## Statement of Financial Position

Period: 01 April 2021 - 31 March 2051	2022	2023	2024	2025	2026	2031	2036	2041	2046	2051
	£'s									
<b>TANGIBLE FIXED ASSETS</b>										
Land & Buildings - Gross Cost or Valuation	28,275,825	30,861,827	31,263,520	31,351,710	31,658,887	32,908,956	34,368,130	36,242,109	39,830,133	42,932,064
Less:										
HAG	0	0	0	0	0	0	0	0	0	0
Other Government Grants	0	0	0	0	0	0	0	0	0	0
Housing Depreciation	9,289,144	9,769,247	10,273,641	10,781,562	11,303,515	14,084,306	17,140,936	20,590,859	24,355,824	28,447,738
Housing NBV	18,986,681	21,092,580	20,989,879	20,570,148	20,355,372	18,824,650	17,227,194	15,651,250	15,474,309	14,484,326
Other Fixed Assets	343,504	333,852	324,200	333,649	317,629	263,526	208,372	186,333	130,772	73,829
<b>Fixed Assets Total</b>	<b>19,330,185</b>	<b>21,426,432</b>	<b>21,314,079</b>	<b>20,903,797</b>	<b>20,673,002</b>	<b>19,088,176</b>	<b>17,435,566</b>	<b>15,837,583</b>	<b>15,605,081</b>	<b>14,558,155</b>
Investments	0	0	0	0	0	0	0	0	0	0
<b>CURRENT ASSETS</b>										
Debtors	47,895	55,273	62,258	68,039	74,136	63,551	67,471	71,798	76,576	81,850
Cash at Bank & in Hand	1,559,330	1,362,072	1,385,735	1,615,930	1,796,255	2,124,334	2,738,771	3,714,964	3,770,032	5,431,908
<b>Current Assets Total</b>	<b>1,607,225</b>	<b>1,417,345</b>	<b>1,447,993</b>	<b>1,683,969</b>	<b>1,870,391</b>	<b>2,187,885</b>	<b>2,806,242</b>	<b>3,786,762</b>	<b>3,846,607</b>	<b>5,513,758</b>
<b>CURRENT LIABILITIES</b>										
Other Creditors	(223,679)	(223,679)	(223,679)	(223,679)	(223,679)	(223,679)	(223,679)	(223,679)	(223,679)	(223,679)
<b>Current Liabilities Total</b>	<b>(223,679)</b>									
<b>NET CURRENT ASSETS / (LIABILITIES)</b>	<b>1,383,546</b>	<b>1,193,666</b>	<b>1,224,314</b>	<b>1,460,290</b>	<b>1,646,712</b>	<b>1,964,206</b>	<b>2,582,563</b>	<b>3,563,083</b>	<b>3,622,928</b>	<b>5,290,079</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>20,713,730</b>	<b>22,620,098</b>	<b>22,538,393</b>	<b>22,364,087</b>	<b>22,319,714</b>	<b>21,052,382</b>	<b>20,018,128</b>	<b>19,400,666</b>	<b>19,228,009</b>	<b>19,848,234</b>
Loans	(1,273,283)	(3,377,558)	(3,186,775)	(2,996,136)	(2,804,886)	(1,809,036)	(1,053,663)	(585,244)	(135,056)	(0)
Deferred Income	(12,465,010)	(12,054,341)	(11,632,916)	(11,211,492)	(10,790,067)	(8,682,945)	(6,575,823)	(4,468,701)	(2,361,579)	(254,457)
<b>Net Assets Total</b>	<b>6,975,438</b>	<b>7,188,200</b>	<b>7,718,701</b>	<b>8,156,458</b>	<b>8,724,760</b>	<b>10,560,401</b>	<b>12,388,642</b>	<b>14,346,720</b>	<b>16,731,373</b>	<b>19,593,777</b>
<b>CAPITAL &amp; RESERVES</b>										
Share Capital	145	145	145	145	145	145	145	145	145	145
Revenue Reserves	6,975,293	7,188,054	7,718,556	8,156,313	8,724,615	10,560,256	12,388,497	14,346,575	16,731,228	19,593,631
<b>Total Reserves</b>	<b>6,975,438</b>	<b>7,188,199</b>	<b>7,718,701</b>	<b>8,156,458</b>	<b>8,724,760</b>	<b>10,560,401</b>	<b>12,388,642</b>	<b>14,346,720</b>	<b>16,731,373</b>	<b>19,593,776</b>

## Statement of Cash Flow

Period: 01 April 2021 - 31 March 2051	2022	2023	2024	2025	2026	2031	2036	2041	2046	2051
	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
<b>NET CASH FROM OPERATING ACTIVITIES</b>										
Operating Surplus (Deficit)	134,670	280,810	615,593	522,269	650,645	621,483	551,721	637,447	409,767	693,056
Depreciation	474,981	489,756	514,046	523,941	537,973	606,203	640,905	730,660	818,011	862,646
Impairments / (Revaluations & Enhancements)	0	0	0	0	0	0	0	0	0	0
Increase / (Decrease) in Creditors	0	0	0	0	0	0	0	0	0	0
Increase / (Decrease) in Pension Creditors	0	0	0	0	0	0	0	0	0	0
(Increase) / Decrease in Net Rental Debtors	0	(7,378)	(6,986)	(5,781)	(6,097)	(738)	(815)	(900)	(994)	(1,097)
(Increase) / Decrease in Other Debtors, Stock & WIP	0	0	0	0	(0)	0	0	0	(0)	(0)
Gain / (Loss) on Sale of Fixed Assets	0	0	0	0	0	0	0	0	0	0
Capital Grants Amortised	(336,342)	(421,424)	(421,424)	(421,424)	(421,424)	(421,424)	(421,424)	(421,424)	(421,424)	(421,424)
Pension Costs less contributions Payable - Unwinding of Discount	(44,678)	(23,009)	0	0	0	0	0	0	0	0
Other Non Cash Adjustments	0	0	0	0	0	0	0	0	0	0
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>228,631</b>	<b>318,754</b>	<b>701,229</b>	<b>619,004</b>	<b>761,097</b>	<b>805,523</b>	<b>770,387</b>	<b>945,782</b>	<b>805,361</b>	<b>1,133,181</b>
Tax Paid (Refunded)	0	0	0	0	0	0	0	0	0	0
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>										
Interest Received	1,506	10,914	10,266	11,214	12,748	15,380	18,393	25,623	29,109	39,329
Interest (Paid)	(15,420)	(55,953)	(95,357)	(95,726)	(95,091)	(70,958)	(39,232)	(21,947)	(7,316)	(0)
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>	<b>(13,914)</b>	<b>(45,039)</b>	<b>(85,091)</b>	<b>(84,512)</b>	<b>(82,343)</b>	<b>(55,578)</b>	<b>(20,839)</b>	<b>3,677</b>	<b>21,793</b>	<b>39,329</b>
<b>CAPITAL EXPENDITURE &amp; FINANCIAL INVESTMENT</b>										
Construction or Acquisition of Housing Properties	(3,392,541)	(2,261,694)	0	0	0	0	0	0	0	0
Improvement of Housing	(218,650)	(324,309)	(401,693)	(88,190)	(307,178)	(410,111)	(63,039)	(253,050)	(988,519)	(835,730)
Construction or Acquisition of other Land & Buildings	0	0	0	0	0	0	0	0	0	0
Construction or Acquisition of Other Fixed Assets	(2,000)	0	0	(25,469)	0	0	0	(34,963)	0	0
Sale of Social Housing Properties	0	0	0	0	0	0	0	0	0	0
Sale of other Land & Buildings	0	0	0	0	0	0	0	0	0	0
Sale of Other Fixed Assets	0	0	0	0	0	0	0	0	0	0
Grants (Repaid) / Received	3,392,541	10,755	0	0	0	0	0	0	0	0
<b>CAPITAL EXPENDITURE &amp; FINANCIAL INVESTMENT</b>	<b>(220,650)</b>	<b>(2,575,248)</b>	<b>(401,693)</b>	<b>(113,659)</b>	<b>(307,178)</b>	<b>(410,111)</b>	<b>(63,039)</b>	<b>(288,014)</b>	<b>(988,519)</b>	<b>(835,730)</b>
<b>FINANCING</b>										
Equity Drawdown	0	0	0	0	0	0	0	0	0	0
Debt Drawdown	0	2,250,939	0	0	0	0	0	0	0	0
(Debt Repayment)	(192,225)	(146,664)	(190,782)	(190,639)	(191,250)	(207,856)	(132,140)	(90,038)	(90,038)	0
Working Capital (Cash) - Drawn / (Repaid)	0	0	0	0	0	0	0	0	0	0
<b>NET CASH FROM FINANCING</b>	<b>(192,225)</b>	<b>2,104,275</b>	<b>(190,782)</b>	<b>(190,639)</b>	<b>(191,250)</b>	<b>(207,856)</b>	<b>(132,140)</b>	<b>(90,038)</b>	<b>(90,038)</b>	<b>0</b>
<b>INCREASE / (DECREASE) IN CASH</b>	<b>(198,157)</b>	<b>(197,258)</b>	<b>23,663</b>	<b>230,195</b>	<b>180,325</b>	<b>131,978</b>	<b>554,368</b>	<b>571,407</b>	<b>(251,403)</b>	<b>336,780</b>
<b>Cash Balance</b>										
Brought Forward	1,757,487	1,559,330	1,362,072	1,385,735	1,615,930	1,992,355	2,184,403	3,143,557	4,021,435	5,095,128
Increase / (Decrease) in Net Cash	(198,157)	(197,258)	23,663	230,195	180,325	131,978	554,368	571,407	(251,403)	336,780
<b>CLOSING BALANCE</b>	<b>1,559,330</b>	<b>1,362,072</b>	<b>1,385,735</b>	<b>1,615,930</b>	<b>1,796,255</b>	<b>2,124,334</b>	<b>2,738,771</b>	<b>3,714,964</b>	<b>3,770,032</b>	<b>5,431,908</b>



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