



Our 2024/25 Business Plan

Our 2024/25 Business Plan

Our 2024/25 business plan is a complete but complex document. It runs to some 91 pages and includes:-

- Our purpose, vision and values
- Our strategic and business objectives
- The environment we operate in
- Our approach to asset management, procurement growth and Community Regeneration
- Risk management
- Our strengths, weaknesses, opportunities and threats
- Our short and long-term finances, including our 30 year financial forecasts
- Some adverse 'what-if' scenarios and sensitivities



With UK CPI inflation currently 3.4% (February 2024) but with core costs remaining high, all assured tenancy rents have increased by 8%. The increase is part of our new business plan going forward, and underpins our key priorities and objectives.

Those priorities fall generally into six main areas:-

Providing excellent services

In our 2023 tenant survey there was an 18% increase in tenants advising that their rent represented good value for money compared to 2020. However, it is vital that we continue to listen to our tenants and customers and their views are central to our decisions regarding the services we provide.

Investment in our stock

Investment in our stock enables tenants to live in quality, energy efficient and cost-effective housing. Over £1m if spend in 2024/25 will be on new windows and door which will aid energy efficiency. In addition, there is also £1.2 million in the budget set aside for tenement refurbishment and stonework improvement works.

IT & Communication

We will be implementing a new IT system to build a stronger platform, leading to more efficient processes and in turn improved service delivery to our tenants and customers. A new telecommunication system will also enhance our customer experience and call management.

Culture & Customer Focus

Building on our Organisational Strategy for 2023-2028, we continue our commitment to being part of our communities and meeting the needs of our tenants. Our new Communication Strategy sets the direction for us to improve, collaborate, empower and build stronger relationships.

Developing Affordable Homes

Developing new, efficient and cost-effective homes remains a priority for our tenants and for us as an Association, helping us to address the demand and transform neighbourhoods. In a challenging environment, we will continue to risk assess and financially appraise each scheme fully prior to any progression.

Communities

Over the last 3 years significant support has been provided in the form of financial and energy advice. In the current climate we understand the need to continue this support to an extent, but also identify more sustainable ways of delivering this. By delivering projects and services in line with community needs we can make a real difference together.

The projected finances for the whole organisation going forward are:-



Budget for the year to 31 March 2022	£ million
Income	£21.862
Expenditure	£18.411
Operating surplus	£3.451
Less non-operating costs, (net interest, goodwill)	£2.386
Projected surplus for the year	<u>£1.065</u>

Our values, as always are:-

Passion

We are committed, determined and motivated

Excellence

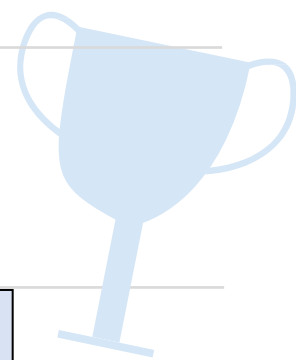
We aim to be the best we can be

Respect

We treat everyone with courtesy and dignity, recognising diversity

Connection

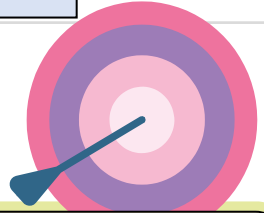
We listen, to engage with our customers and communities



Our Purpose is: Delivering quality and affordable homes with excellent customer service.....improving homes, lives and communities.

Our Vision is: Quality homes and stronger communities where people want to live.

Our 5 strategic themes and 8 business objectives are:-



For Customers

- Appointment of next Vice Chair of the Board.
- Tender for new IT & Communication Systems.
- Implement our new IT & Communication Systems.

For Homes

- Review bringing Asset Management Consultancy in house.
- Develop strategy for the future of Reactive Repairs

For Communities

- Issue our 1st Environmental Social Governance statement following the adoption of our Sustainability Strategy 2023-28.

For People

- Develop new succession and training plans following the launch of our new appraisal system.

For Partners

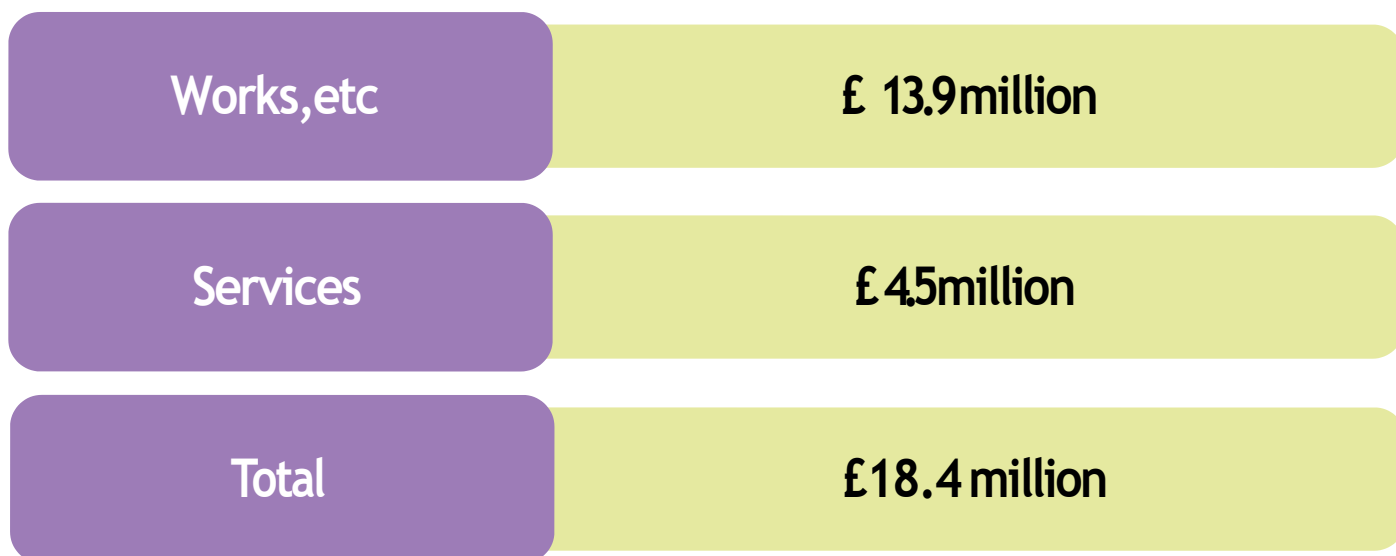
- Develop a full response to EESSH2 (SHNZS) requirements and review financing with partners.

Over the coming twelve months we expect to be increasing our stock of housing by around 51 units:-

Currently in development		Future development	
		Ruchazie Place	12
Connal Street	41	44 Dalmarnock Road	10
Total	27	Total	22



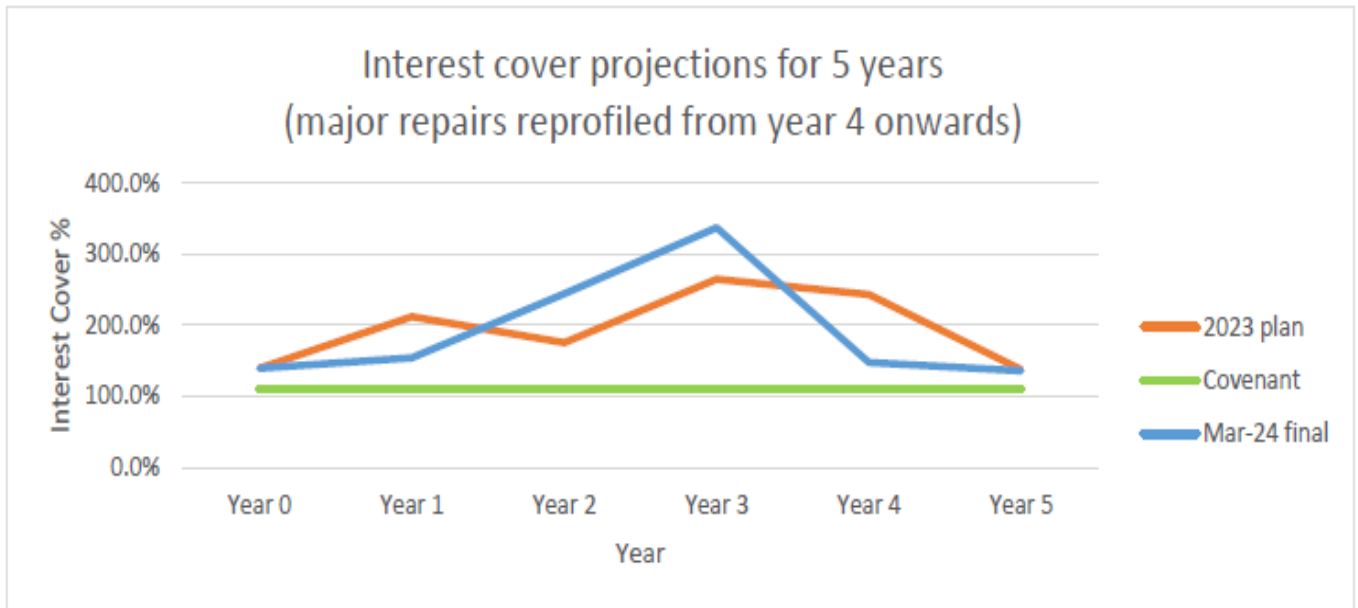
These new developments, plus all our other proposed expenditure extending beyond the 12 month period are advertised publically, and amount to nearly £ 18.4 million:-



We currently have loans outstanding of £37.4 million, (Nationwide, Royal Bank of Scotland and The Housing Finance Corporation), and all have loan covenants attached to them. A loan covenant is a condition in a commercial loan that requires the borrower to fulfil

certain conditions or which forbids the borrower from undertaking certain actions, or which possibly restricts certain activities to circumstances when other conditions are met.

All our loan covenants are met, demonstrated in the example below:



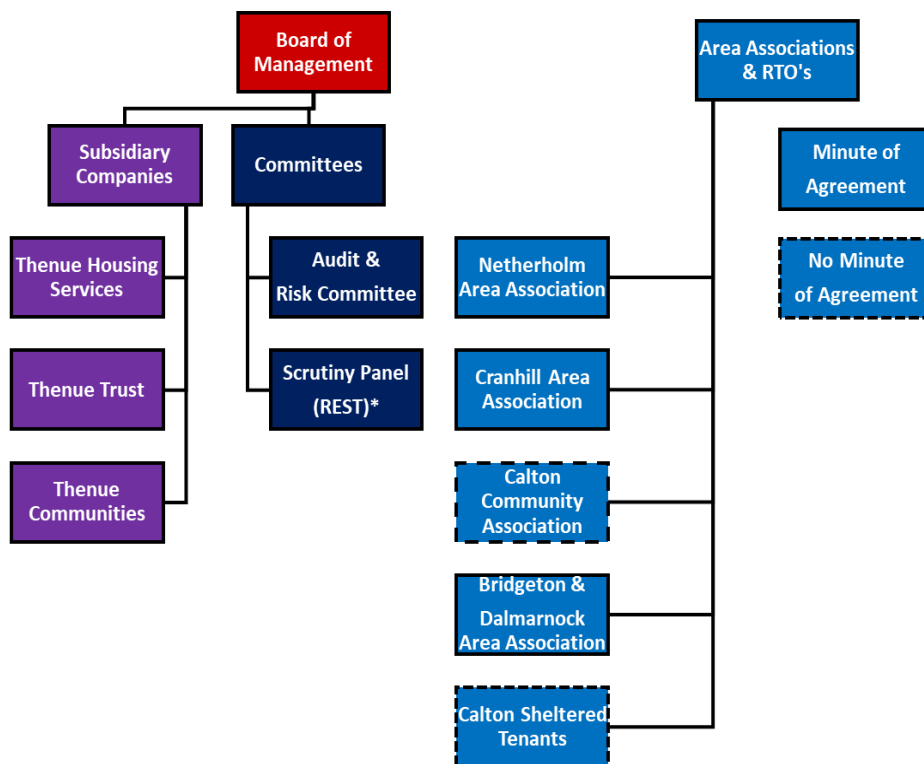
We always subject our key financial projections to a number of sensitivities, and this year is no exception as we look at how our business is affected by external conditions or stimuli.

The following table explains what we mean by sensitivity analysis and scenario planning:-

Sensitivity Analysis	Scenario Planning
<p>Sensitivity analysis is an exercise performed on the base financial projections within the Business Plan to assess the financial effect of changes in the key economic and financial assumptions which underpin the financial forecasts.</p> <p>Examples include:</p> <ul style="list-style-type: none"> • Changes in economic assumptions such as interest rates, inflation. • Changes in rent increase assumptions void levels, bad debts, pension costs etc. <p>The aim of introducing various sensitivities is to assess the financial strength of the business to cope with such changes should they arise.</p>	<p>Scenario planning also subjects the base financial projections to alternative assumptions, but the changes considered here are intended to illustrate the effect of changes in more strategic areas of the business.</p> <p>Some examples include:</p> <ul style="list-style-type: none"> • Alternative development programme assumptions – e.g. building more/fewer properties and with different grant levels applied. • Alternative asset management strategies e.g. stock retention versus stock demolition.

Overall, we have subjected the business plan to six sensitivities, so that we can work out what we will need to do in any particular adverse situation.

Our work is directed by the our Board of Management (9 individuals) and implemented by a staff team of around 80. The Board itself, (Chaired by Pauline Casey, 2 of the 9 are local residents with active recruitment progressing), has a fairly flat structure, (it meets 10 times a year), and this together with the relationship between it and resident community groups is shown below:-



*Resident Empowerment Scrutiny Team, (REST for short)

Our analysis of risk yields some 62 risks, and they are spread out evenly between our strategic risks, business risks and other more general risks:-

Category of risk	Total number of risks	Risk score before control			Risk score after control		
		High	Medium	Low	High	Medium	Low
Strategic risks	5	0	5	0	0	5	0
Business risks	8	2	6	0	0	8	0
General risks	24	4	20	0	0	24	0
Development risks	25	2	23	0	0	28	0
Total	62	8	54	0	0	62	0

Our 8 high areas of risk are:-

1. Failure to correctly implement new digital and communication systems.
2. To not have a clear plan for Reactive Repairs delivery beyond the end of the existing contract.
3. Failure to monitor financial covenants effectively.
4. Contractor insolvency should any of the contractors we engage with go into liquidation.
5. Our main repairs contractor withdrawing and the ability to deliver the service in this scenario.
6. Our existing IT system supplier suffering insolvency or ceasing operation.
7. Reduction in grant funding levels, effecting the viability of future new build developments.
8. Contractor liquidation and subsequent costs in relation to new build developments.

Each year we publish our Assurance Statement:-



The Board of Management confirms that we have reviewed and assessed a comprehensive bank of evidence to support this statement that Thenue Housing Association Ltd, to the best of our knowledge is compliant with: -

- All relevant regulatory requirements as set out in Section 3 of the Regulatory Framework.
- The Regulatory Standards of Governance and Financial Management.
- The relevant standards and outcomes of the Scottish Social Housing Charter.
- Our statutory obligations in respect of tenant and resident safety, housing and homelessness and equalities and human rights.

In assessing the evidence, we have identified a small number of new and emerging future areas that lend themselves to an improvement focus during 2023/24. Operationally, our performance for reactive repairs has improved considerably over the last 12 months and is in line with our service standards.

In our last statement we also explained that the number of completed EICRs had fallen due to access during Covid and the capacity of our contractor to complete the required numbers. Following a successful procurement process and implementation of a new contractor we are now able to say that we are 100% compliant in this key safety area.

Our Damp & Mould Policy has been approved and implemented strengthening our approach and is delivered through the supporting procedures behind the Policy.

In all other areas, we are confident of our approach and are able to confirm that we meet all duties in relation to tenant and resident safety. We are looking to the future and potential changes in Fire Safety regulation, for example, and will adapt accordingly. In addition, we aim to review our IT systems to ensure they are fit for a changing environment, to aid with our compliance monitoring and to assist further with the quality of our service delivery.

We continue to have an equality policy that considers a diverse range of equality issues throughout Association services. Our equality policy and procedures cover our effective approach to the collection of equalities information and they also take account of human rights issues, as human rights are pivotal to the equality mainstreaming process. Our staff receive ongoing training and this remains high on our agenda so that we continue to strengthen.

The last year has seen the launch of our new Thenue 5 year strategy and Our Communication Strategy, both putting our tenants and customers at the heart of our decision making. We continue to work hard on supporting our tenants during these ongoing difficult times, particularly with the continued cost of living environment. It is vital that we are able to provide quality services, and that they represent value for money at this testing time for many. Having reviewed the identified actions we are satisfied that none are material to our current compliance with the Framework.

This statement, signed by the association's Chair, was authorised by the Board of Management at its meeting held on 24th October 2023.

A handwritten signature in black ink that reads "Pauline Casey". The signature is written in a cursive, flowing style.

Pauline Casey
Chair



This business plan summary is just that; it's a summary.

Much of our full document is commercially sensitive, but if there is anything specific that you need to know more about us here at Thenue, then just ask us at gary.naylor@thenuehousing.co.uk