

Trafalgar Housing Association

Business Plan 2021-2024

7th March 2022

Approved by Management Committee on 21st March 2022



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1. Introduction

Trafalgar Housing Association was formed in 1990 with a stock transfer of 218 properties in Dalmuir from Clydebank District Council. The Association completed a comprehensive 6-phase regeneration programme of that area in 2000. In 1998 we received a transfer of 180 properties in the Terraces area in Radnor Park, Clydebank and over the following 5 years we transformed that estate by building new houses and flats.

The Association is a member of the Scottish Federation of Housing Associations (SFHA), the West Dunbartonshire Housing Association Forum and the Glasgow and West of Scotland Forum of Housing Associations.

Our Business Plan has been prepared through consultation with customers, staff and board members. The customer involvement in the Business Plan has been indirect in that we have used the information and views obtained from our customers through survey analysis, resident engagement activities and other communication methods to inform the key priorities outlined in this Business Plan.

In June 2021, a strategy session attended by board and staff explored the various elements of the Business Plan and debated the future aspirations and challenges for the Association in the years ahead. These discussions have helped influence the plan and the future direction for Trafalgar.

The purpose of this 3 year Business Plan (the Plan) is to:

- Set out Trafalgar HA's objectives and how those will be achieved.
- Meet the requirements of our loan agreements and funders.
- Illustrate the Association's ability to service debt finance and repay capital sums within agreed covenant ratios.
- Illustrate a clear understanding of the operating environment incorporating stress testing through sensitivity analysis.

The Plan demonstrates that:

- There is sufficient cash flow in the model to operate the business
- The activities generate sufficient cash flow to support current and planned activities.
- Debt can be serviced through the period of the plan

The Business Plan will be reviewed annually on an interim basis with a full review every three years.

1.1 Vision

Our vision is:

To provide a high quality, person centred housing service, which puts our customers at the heart of the community.

1.2 Values

These are our values which shape how we deliver services and conduct the work of the Association:

- We are **open**
- We are **inclusive**
- We are **customer-focused**
- We are **community-based**
- We act with **integrity**

1.3 Strategic Objectives

Our Strategic Business Objectives describe the outcomes we want to achieve through the period of this Business Plan. These objectives will be constant throughout the course of the plan and each Service Delivery Plan will identify actions which will be undertaken to meet the objectives. These will be refreshed annually.

Our strategic objectives are focused on people, performance, property and governance.

People: To support our tenants, residents, staff, volunteers and future service users, and provide them with opportunities to engage in a vibrant community and realise their full potential

Performance: To maintain sector-leading performance throughout all KPIs and inspire full confidence from customers, and commitment from staff and volunteers

Property: To ensure that our principal assets, the homes which we manage and maintain, compare favourably with other housing options in terms of affordability and standards

Governance: To continue to improve our governance to ensure the Management Committee leads and directs the RSL to achieve good outcomes for its tenants and other service users

The Trafalgar staff team have service delivery plans to ensure the achievement of these strategic objectives. These are provided as Appendix 1.

2. Governance and Staffing

2.1 Governance

2.1.1 Committee of Management

Trafalgar's Management Committee has the important responsibility of directing and controlling the affairs of the Association. As a registered landlord and a Scottish Charity, it is essential that the Association has people with the right skills, knowledge, objectivity and experience to carry out this role. They make all the important decisions relating to the Association and employ the Staff to act on these decisions and carry out the day-to-day running of the Association.

Trafalgar's Management Committee requires a minimum of seven members and a maximum of 15, including co-optees. As at February 2022, the Committee is made up of the following ten members, of whom four are tenants:

- Bernadette Swindon (Chair)
- Diane Hendry (Vice Chair)
- Nicola Lyden (Secretary)
- Joshua Campbell
- Fiona Connolly
- Willie Croft
- Graham Dunlop
- Elizabeth Grass
- Eleanor Shannon
- Janet Stitt

Trafalgar is aiming to increase the number of Management Committee members, and specifically tenant members through recruitment aimed at filling skills gaps identified through the Committee Appraisal process. At present there are no sub-committees of the Management Committee due to limited number of Committee members. As recruitment increases the number of Committee members the Committee plan to review whether to reintroduce sub-committees. In the past a Housing Management and Maintenance sub-committee and a Staffing and Audit sub-committee were in place.

Committee Members have received Succession Planning training (24th November 2021) and are working towards having a written Succession Plan in place.

2.1.2 Governing Body Regulatory Requirements

Members of the Committee of Management must adhere to a number of rules, guidance and codes of conduct. These include:

- Standing Orders
- Governing Body member Code of Governance/ Code of Conduct

Expectations on Individual Members Every individual member is expected to:

- Uphold the values, objectives and policies of the housing association.
- Contribute to and accept responsibility for the Management Committee's decisions.
- Uphold and promote the principles of equality and diversity in the governance of the housing association.
- Treat all colleagues on the Management Committee with consideration and foster mutual respect and trust.
- Prepare for meetings and attend regularly and punctually.
- Attend relevant training sessions and events.
- Attend and participate in reviews of the performance and effectiveness of the Management Committee.
- Represent the housing association positively and appropriately.
- Be aware of the restrictions on payments and benefits and follow the housing association's policy on managing these restrictions.
- Not accept any offers of gifts or hospitality which could be seen as a way of exercising any improper influence over decision making.
- Declare any personal or other interest which could potentially conflict with those of the housing association.
- Not engage in any activity which could be detrimental to the interests of the housing association.
- Respect confidentiality of information where appropriate.
- Keep his or her own learning and knowledge of their local and national operating environment and the impact that this has on the association, as up to date as possible, in order to make well informed decisions.
- Adhere to the principles and expectations set out in the Scottish Housing Regulator's Regulatory Standards of Governance and Financial Management, and other regulatory codes that apply to the Association.

In the event that a Management Committee member is alleged to be in breach of the Code of Conduct, then the matter will be referred to the Chair or suitable sub-committee of the organisation for investigation. In the event of a serious breach of the Code of Conduct, a Management Committee member could be censured or required to leave the Management Committee, in accordance with the Association's Rules.

2.1.3 Regulatory Engagement

Trafalgar has been engaging with the Scottish Housing Regulator. In March 2021 the Regulator assessed us as working towards compliance with the Regulatory Standards of Governance and Financial Management.

In particular the Regulator has identified the following areas of non-compliance:

- The governing body's strategic leadership and oversight of business planning and that it has the skills and knowledge to be effective in its role;
- Seek further assurance about Trafalgar's approach to tenant and resident safety by commissioning an independent review.

We are prioritising work on the areas identified by the Regulator. We have engaged external advisers to support us in developing our Management Committee's oversight and ownership of the business plan. We are also working with external advisers to develop a plan to increase communication and engagement with tenants (see section 3 of the Business Plan).

Committee members receive annual appraisals from SHARE and following the most recent appraisals SHARE have made recommendations on training and development for members and a plan is in place to progress these recommendations.

We will continue to work constructively with the Regulator to achieve compliance with the regulatory standards of Governance and Financial Management.

As part of the Internal Audit programme of THA, for the past three years Henderson Loggie has carried out a review of the information which underpins the draft annual Assurance Statement provided to the Management Committee. The objective of each review has been to obtain reasonable assurance that:

THA has complied with the requirements of chapter 3 of the Regulatory Framework in preparing an Annual Assurance Statement. The most recent review concluded:

- *For the majority of the required standards, there is sufficient evidence in place to confirm compliance;*
- *Progress has been made against the identified areas for improvement which were identified in the 2019 audit review; and*
- *Due to the impact of the Covid-19 pandemic not all agreed actions have been progressed timeously and as a result these actions will not be completed until there is a return to the office for all staff.*

2.1.4 Strategic Options Appraisal

The Committee assisted by North Star Consulting and Research held three sessions on the option appraisal during August to October 2021. Committee agreed that the options to be appraised were:

- **Option 1 – Status Quo** - This is where THA will continue to operate as an independent entity as is currently the case
- **Option 2 – Shared Services** - THA would remain independent and retain its' identity. THA would share or purchases services from another RSL, these

services could include staff, governance, finance, back office functions, operational delivery

- **Option 3 - Constitutional Partnership** - Forming a constitutional partnership is a process where Trafalgar HA would become a subsidiary of another RSL. Trafalgar HA would retain some operational independence and could retain its identity if it chose to do so
- **Option 4 – Transfer of Engagements** - This is a process by which another RSL acquires all the assets of THA. THA would merge into the other RSL and would no longer exist

In the second session Committee assessed the options against the first three criteria. Discussions were lengthy as Committee considered the relative merits of each option. The third session scored the final three criteria. Committee then reviewed the results of the option appraisal and considered their scores - they agreed the scores were appropriate.

The outcome of the Options Appraisal was:

- 1st - Shared Services
- 2nd - Status Quo
- 3rd - Constitutional Partnership
- 4th Transfer of Engagements.

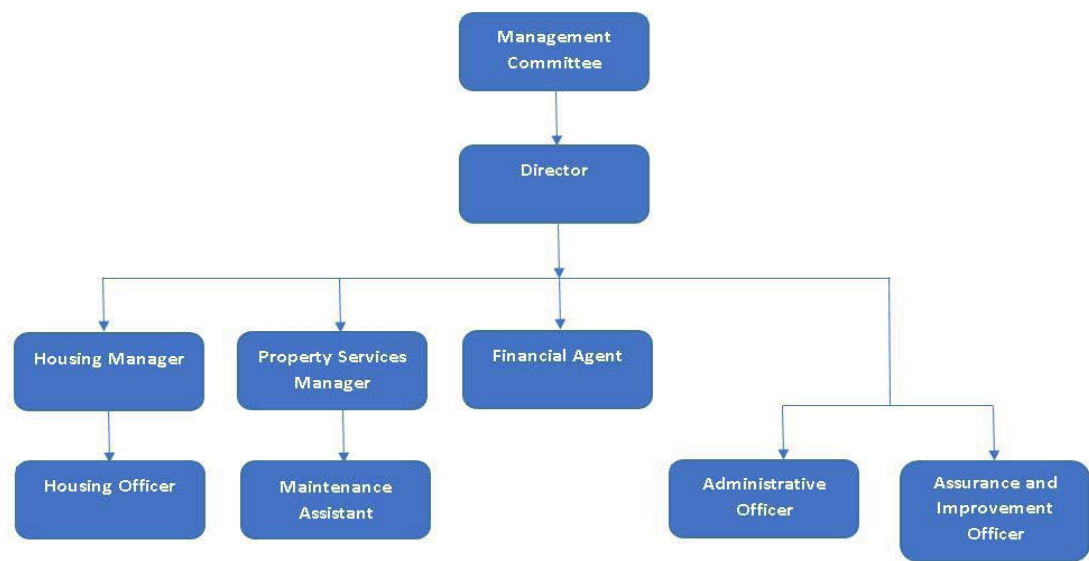
The Committee of Management will consider in more detail the services which could be shared and begin to explore potential partners to share services with.

2.2 Staffing

THA currently has a staffing structure of 6.3 full time equivalent (FTE) posts and a Financial Agent. There are six permanent staff and one temporary administrative staff member. The Director reports directly to the Management Committee. The Director line manages the Housing Manager, the Property Service Manager, the Financial Agent and two administrative staff. The Housing Manager line manages the Housing Officer and the Property Services Manager line manages the Maintenance Assistant.

A new post, Assurance and Improvement Officer will be advertised once grading has been scoped by EVH.

Figure 2.1 Staffing Structure



3. Communication and Engagement

Trafalgar Housing Association wishes to increase tenant engagement, specifically in relation to membership of its Management Committee and Residents Panel, and asked Lorraine McLaren Consultancy (LMC) to review its tenant engagement.

Trafalgar has high levels of tenant satisfaction and performs well across a range of indicators. The review also found that engagement with tenants on an informal basis appears to be strong. There is nevertheless scope for a greater level of engagement with tenants in a more structured way. Many Registered Social Landlords (RSLs) face similar challenges in increasing tenant engagement, however the review identified specific ways in which Trafalgar could achieve greater tenant interest and involvement. These include increasing the variety of methods by which tenants can engage with the Association, and also making changes to how Trafalgar communicates with its tenants.

The process of increasing tenant engagement takes time. A number of recommendations have therefore been made which aim to firstly increase interest in Trafalgar, and then encourage tenants to get involved in ways that work for them, while also being useful to the Association. This is through a combination of improved communication, increased interaction with tenants and provision of a variety of engagement opportunities. The aim is that interest, confidence and experience will be built to a sufficient level that there will be tenants who are ready to increase their commitment, and ultimately join the Management Committee.

In THA's two most recent newsletters we have actively sought engagement from our tenants and residents through the use of questionnaires. THA realises that this has been difficult to do during COVID-19 due to a lack of face-to-face contact. It is hoped that by introducing a text messaging service this will encourage tenants to provide more feedback to the Association. At the most recent (virtual) AGM 15 people of 71 Shareholders attended which represented a reasonable level of participation given the circumstances as most AGM attendees historically have been more mature residents who may not have access to digital devices.

The review and feedback from Internal Auditors highlight digital exclusion as an area to consider when embracing new ways of working and strategies. There is a need to maximise tenant opportunities to access digital services and the Committee of Management plan to consider their approach to digital transformation within this financial year.

In the interim Committee has agreed to introduce an equipment budget for the remainder of 2021/22. This budget would be available for Committee members and members of the residents panel. It is hoped that this will help promote equality by providing people with access to the relevant equipment and help to increase

engagement and attract new members. The Association has already offered equipment to members of the Committee and has received positive feedback from them on how this has made the meetings more accessible for them.

4. Operating Context

Trafalgar HA is currently operating during the COVID-19 pandemic. At the time of writing our community-based office is closed and all staff are working from home, as has been the case since the first lockdown in March 2020. New ways of working have been developed to ensure we can continue to provide a good service to our tenants. As restrictions continue to ease, there will be a need to focus on what the post-pandemic services will look like.

For some of our tenants, pandemic restrictions have had, or will have, an effect on their employment and income. Figures from the Department of Work and Pensions show that 4,327 people in West Dunbartonshire were in receipt of Universal Credit and seeking work in February 2021, compared with 2,768 in February 2020, an increase of over 50%. The figure for February 2021 is also 36% higher than the equivalent figure of 3,175 in February 2016¹. The furlough (job retention) scheme is due to end in September 2021, which may increase unemployment levels.

The response to the pandemic is likely to have a continuing effect on the ability of some tenants to pay their rent. The Scottish Housing Regulator noted in May 2021 that while RSLs have coped well with the financial impacts of the pandemic in the short term, they are likely to face challenges coming out of the pandemic restrictions in ensuring their financial stability while also maintaining rents at an affordable level².

The implementation of Universal Credit and other welfare reform measures, and fuel and food poverty within the West Dunbartonshire area, continue to present challenges.

The Scottish Housing Regulator has introduced self-assurance as part of its regulation process. The Scottish Social Housing Charter is being reviewed during 2021, with an updated Charter being published in 2022.

The Scottish Government's Housing to 2040 strategy includes plans to develop a new Housing Standard, and to deliver affordable warmth and zero emission homes. While Trafalgar has no plans to build new homes, these measures will apply to our existing properties. How THA will respond to these requirements has still to be considered by Committee.

Price increases and shortages in availability of building materials, due to both the pandemic and Brexit, are being experienced across the construction industry, and will

¹ Source: Department of Work and Pensions, March 2021

² [Most RSLs have coped well over the last year with the short term financial impact of the pandemic and have maintained a strong aggregate financial position, says Regulator | Scottish Housing Regulator](#)

have an impact on the planning, cost and delivery of energy efficiency improvements to housing stock. These issues may also affect other planned improvement works.

5. Our Achievements and Current Performance

We have a strong track record in delivering services to our tenants, and high levels of tenant satisfaction. Pandemic restrictions have had an impact on our service delivery since the beginning of the first lockdown in March 2020, however staff and Committee members have worked hard to continue to deliver services and to support our tenants.

Trafalgar performs strongly on tenant satisfaction, both in relation to levels of achievement, and in comparison to peers. We are part of a group of nine RSLs, broadly similar in size and type, for whom quarterly surveys of tenants are carried out by an independent research company. These surveys include the tenant satisfaction questions included in the Annual Return on the Charter (ARC).

Survey results for the year ended 31 March 2021 show Trafalgar as having the highest level of satisfaction within the group in five of the seven tenant satisfaction categories. These include:

- Overall satisfaction (98.8%) (National average 89%)
- Satisfaction with opportunities to participate in the Association's decision-making processes (100%) (National average 86.6%)
- Value for money – total rent collected (99.1%% equal to the national average)
- Satisfaction with repairs service (98%) (National average 90.1%)

These levels of tenant satisfaction have been achieved despite the restrictions imposed by the pandemic and are similar to our results for the previous two years, demonstrating a trend of high levels of tenant satisfaction. It should also be noted that as well as performing strongly in comparison with peer RSLs, we are comfortably above the national average for social landlords across all tenant satisfaction indicators.

As well as high levels of tenant satisfaction, Trafalgar also has a strong record of achievement in service delivery, as evidenced by the Annual Return on the Charter (ARC). For the year April 2020 to March 2021 the Association was among the best performing landlords in Scotland in a range of areas, including some of those most important to tenants:

- Average number of hours to complete an emergency repair – 2.8 hours, compared to the national average of 4.2 hours
- Average number of days to relet empty homes – 22.5 days, compared to the national average of 56.3 days

These performance levels are similar to those for 2017-18, 2018-19 and 2020-21.

Trafalgar has worked hard since the first lockdown in March 2020 to continue to deliver services to our tenants. Inevitably, however, and in common with other RSLs, the restrictions imposed as a result of the pandemic have had an impact on our service provision during 2020-21. In terms of our own performance, as shown in Table 5.1 below, we have seen an increase in rent arrears, rent lost through properties being empty and number of days taken to relet empty properties. The time taken to carry out emergency and non-emergency repairs has also increased.

Table 5.1 Key Performance Indicators

	2019-20	2020-21	2020-21 National Average
Total Rent lost through properties being empty	£573	£4,476	
Percentage of rent lost through properties being empty	0.05%	0.38%	1.4%
Current tenant rent arrears	£29,627	£36,706	
Average number of days to re-let a property	2.76	22.53	56.3%
Response time in hours for emergency repairs	1.h 23m	2.8 hrs	4.2 hrs
Number of Emergency Repairs	84	116	
Response time in days for non-emergency repairs	3.44	4.39	6.7
Number of non-emergency repairs	1,032	879	

ARC performance indicators are set by the Management Committee on an annual basis. Decisions on target levels are based on historical performance. Each year Trafalgar employs an external consultant to provide independent validation of the performance data and details of the ARC submission.

6. Rental Affordability

THA is keen to ensure that rents remain affordable for tenants. The Association carries out an annual Rent Increase consultation with tenants, although typically response rates are low. THA also carry out a quarterly tenant satisfaction survey which shows 96.3% of tenants think that rents '*represent good value for money*'.

It is useful to understand how the average rents of THA compare with other RSLs in the local area. We have compared THA with rent levels charged by the following local RSLs: Clydebank HA, Dalmuir Park HA, Faifley HA and Knowes HA.

Table 6.1 shows that that the average peer RSL rent for a two apartment (1 bedroom) property is £74.27; this is £6.41 more than THA. THA rents are lower than the peer group average across all sizes of property. THA has the lowest rent for each property size in this peer group. The THA rent increase during 2019/20 was 0.7% more than the peer RSL average of 0.9%. The table highlights in green the lowest rents within the peer group and the THA difference from the peer group average.

Table 6.1 Local RSL Average Rents 2019/20

	2 apt	3 apt	4 apt	5 apt	% Weekly Rent Increase 2019/20
Clydebank	£68.99	£72.84	£88.59	£107.65	0.7%
Dalmuir Park	£80.19	£81.50	£91.29	£107.70	2.0%
Faifley	£80.05	£87.13	£92.25	£94.08	1.0%
Knowes	£71.81	£77.34	£85.68	£102.17	0.0%
Trafalgar	£67.86	£71.90	£80.15	£87.44	1.6%
Average of RSLs	£74.27	£77.22	£87.92	£101.93	0.9%
Trafalgar HA Difference from RSL average	-£6.41	-£5.32	-£7.77	-£14.49	0.7%
Source: SHR Landlord Comparison Tool/ ARC 2019/20					

We have also considered a further peer comparison group of Community Based Housing Associations in the Glasgow area. These are: Blochairn HA, Craigdale HA, Hawthorn Housing Co-op and Ruchazie HA. These associations are all small in scale with an average of 312 units each. THA rents are below the average of this peer group across all property sizes.

Table 6.2 Community Based RSLs Average Rents 2019/20

	2 apt	3 apt	4 apt	5 apt	% Weekly Rent Increase 2019/20
Blochairn	£64.71	£79.66	£87.20	£116.00	2.7%
Craigdale	£71.52	£76.26	£86.23	£89.61	1.5%
Hawthorn	£79.15	£68.27	£77.15	£99.12	1.5%
Ruchazie	£69.51	£75.85	£78.54	£87.43	1.7%
Trafalgar	£67.86	£71.90	£80.15	£87.44	1.6%
Average of RSLs	£72.36	£74.73	£82.32	£95.01	1.9%
Trafalgar HA Difference from RSL average	-£4.50	-£2.83	-£2.17	-£7.57	-0.3%
Source: SHR Landlord Comparison Tool/ ARC 2019/20					

To support tenants who are struggling THA engages the services of the Independent Resource Centre in Dalmuir which has a full welfare benefits service and offers financial advice to tenants. The Association also refers tenants who are struggling to afford food to local food banks.

THA has maximised the use of the Scottish Government fund to reduce arrears for its tenants and actively looks for ways to help tenants manage their finances.

The Association also refers tenants to Home Energy Scotland which will help tenants clear energy debt; will offer free energy top ups and also assist tenants to maximise the efficiency of their gas and electricity usage so they can reduce expenditure and save money.

7. Maintaining Our Properties

The Scottish Housing Quality Standard (SHQS) is the main measure of housing quality that is used to establish if properties reach the required minimum.

There are 5 broad areas that social rented properties should satisfy by in order to meet the requirements of the SHQS:

- Must meet the Tolerable Standard
- Must be Free from Serious Disrepair
- Must be Energy Efficient
- Must have Modern Facilities and Services
- Must be Healthy, Safe and Secure

The Stock Condition Survey and 30 Year Life Cycle Cost report undertaken by Brown + Wallace shows that THA housing is generally well maintained with previous programmes of major replacements (such as kitchens and bathrooms) having been undertaken to the properties. These replacements do not all happen at the same time with dates for replacements based on the usual lifespan of the component and the date it was installed

THA has demonstrated that the majority of its' contracts have been procured in a way to achieve value for money and get things right the first time. THA surveys a percentage of all properties each year to assess condition. It is the intention of THA to continue to carry out a percentage of stock condition surveys each year until 100% of the stock has been surveyed.

Previous major repairs programmes have kept the properties in reasonable condition although kitchens and boilers in many properties will be reaching the end of their life from 2020/21. Four properties do not meet the SHQS as they have less than 1m³ of kitchen storage. This can be achieved by fitting additional kitchen units if not replacing the kitchens.

The housing stock is also inspected on an 'informal' and regular basis by the Property Services Manager when voids (empty properties) occur and when tenants report more complicated repairs. This can result in upgrades to bathrooms, kitchens, door entry systems etc. that were unplanned but highlighted as requiring to be renewed earlier in order to ensure that properties are maintained to a high standard. There is also regular feedback from contractors who are carrying out work.

Due to pandemic restrictions, there was a delay in planned maintenance programmes in two phases. One was completed in November 2020 and the other in December 2021. The upgrade of the Fire Detection Systems was also put on hold to limit the

number of contractors going into tenants' houses; although this too was completed in January 2022.

THA has consulted with West Dunbartonshire Council which is aware of the investment plans and that THA has no plans to develop any new build homes.

7.1 EESSH(2)

The Energy Efficiency Standard for Social Housing Two (EESH2) is a follow up to EESH, which was created to help remove poor energy efficiency which can be a cause of fuel poverty. It also contributes to achieving the Scottish Government's climate change emissions reduction targets.

The standard is based on the minimum Energy Performance Certificate (EPC) rating. To reach EESH2, all social housing would need to meet EPC band B (Energy Efficiency rating) – or be as energy efficient as practically possible, within the limits of cost, technology and necessary consent – by the end of December 2032.

Currently all THA properties meet EESH. Forty five (45) units are B rated and 255 are C rated. THA is discussing with its energy consultant the options which are available to improve properties with C ratings to bring them up to B ratings.

7.2 Procurement Strategy

THA has in place a Procurement Strategy and Policy which set out the approach and procedures the Association will follow when procuring contracts for the supply of services, the supply of goods and material and / or the execution of works. All procurements undertaken by THA will have regard to the terms of the Procurement Policy and the values, objectives and goals set out in the Policy.

The THA Procurement Strategy aims to ensure that THA maximises value for money when procuring contracts; that it complies with all legal and regulatory requirements governing procurement and related best procurement practice when procuring contracts. THA will maximise opportunities to jointly procure services on a collaborative basis with colleagues in other local registered social landlords and related organisations. THA will make best use of the commissioning process and will be flexible enough to ensure expenditure can be increased and decreased as necessary within the financial year. THA is currently working with a Quantity Surveyor to improve Value For Money within the procurement process. This will include an evaluation of performance and costs.

8. SWOT/ PEST

In June 2021 as part of the Committee Business Planning strategy session, we analysed the Strengths and Weaknesses of the Association, along with the Opportunities and Threats facing the Association and our customers (SWOT). This analysis, coupled with consideration of the Political, Economic, Social and Technological issues (PEST) facing the Association, informs the business plan in terms of planning for the future, building on our strengths and reducing or removing our weaknesses.

8.1 SWOT

Strengths

- Staff knowledge and awareness of, and interest in, tenants – staff know our tenants well and have good relationships with tenants
- Stock condition – a majority of our stock is less than 30 years old, and almost all have had new kitchens and boilers fitted within the last ten years
- Location of our office in the community – our office is less than a mile from all of our tenants, and significantly closer for many
- Service performance – Trafalgar is consistently among the best performing landlords in Scotland across a range of categories
- Tenant satisfaction levels – consistently high satisfaction levels, outperforming our peers in most satisfaction categories
- Below average rents – our rents for all sizes of properties are significantly below the national average
- Financial stability – our reserves are healthy and we have effective rent management procedures
- Self-awareness of the Management Committee in relation to our skills and knowledge – members have good insight into their collective skills and know when to bring in external support

Weaknesses

- Governing body membership – there is a need to increase the number of members, and in particular the number of tenant members
- Business planning - the Regulator has assessed this as an area of non-compliance with the Regulatory Standards
- Risk management – the Regulator has assessed this as an area of non-compliance with the Regulatory Standards
- Customer engagement strategy – the Regulator has assessed tenant communication and engagement, including the low numbers of tenants involved with Trafalgar, as an area of non-compliance with the Regulatory Standards

Opportunities

- Business plan review – we are working with external advisers to strengthen the management Committee’s oversight and ownership of the business plan
- Tenant engagement review – we have received a report from external advisers following their independent review of tenant engagement at Trafalgar, and will be developing a plan to implement the report’s recommendations
- New ways of working due to covid – we have made increased use of technology such as Teams to facilitate online meetings, and will consider how this can be further used to increase contact with tenants
- Internal audit – we will take the time to review a number of our existing policies, bringing in external support as required
- Committee training – SHARE have made recommendations on learning and development for Committee members

Threats

- Increased rent arrears as a result of the pandemic – we have seen a higher level of rent arrears during 2020-21, with the possibility arrears may increase further during 2021-22, especially when the furlough scheme ends in September
- Continuing engagement with the Regulator – failure to achieve compliance with the Regulatory Standards could lead to a higher level of intervention by the Regulator, and could also cause reputational damage
- Aging population – there may be a greater need from tenants for adapted housing, benefits/money advice and social and other support
- Aging staff profile – there is a need for succession planning for senior staff
- New ways of working due to covid – there will need to be a plan for reopening the office in a safe way when restrictions ease further, and re-engaging with tenants
- Low number of Committee members – Trafalgar requires a healthy number of Committee members to ensure the RSL can be effectively led
- Universal Credit and welfare reform – the effects of changes to social security, including the requirement to apply and manage Universal Credit claims online, continue to impact tenants, as will the end of the £20 Universal Credit uplift in September 2021
- Rising prices – increased food and fuel costs may impact on tenants’ financial wellbeing, including their ability to pay rent, while rising costs of building materials will impact on delivery of repairs and improvements
- Increased regulation around mitigating climate change – the introduction of requirements relating to increased energy efficiency and decarbonisation of homes, and the costs associated with these measures

Table 8.1 SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Staff knowledge and awareness of, and interest in, tenants • Stock condition • Location of our office in the community • Service performance • Tenant satisfaction levels • Below average rents • Financial stability • Self-awareness of the Management Committee in relation to our skills and knowledge 	<ul style="list-style-type: none"> • Governing body membership • Business planning • Risk management • Customer engagement strategy
Opportunities	Threats
<ul style="list-style-type: none"> • Business plan review • Tenant engagement review • New ways of working due to covid • Internal audit • Committee training 	<ul style="list-style-type: none"> • Increased rent arrears as a result of the pandemic • Continuing engagement with the Regulator • Aging population • Aging staff profile • New ways of working due to covid • Low number of Committee members • Universal Credit and welfare reform • Rising prices • Increased regulation around mitigating climate change

8.2 PEST

Political

- Regulatory changes – recently introduced Energy Efficiency Standard for Social Housing 2 (EESSH2), new fire and carbon monoxide detection requirements
- Changes to housing legislation – Housing to 2040 includes proposals for a new Housing Bill covering the social rented sector, and new quality and accessibility standards
- Social security reform – Social Security Scotland has started to deliver payments for the benefits it now has responsibility for

Economic

- Cost of making homes low carbon/energy efficient – uncertainty over how these costs will be funded, and potential impact on rent levels
- Delays/price rises in building industry – these will impact on timescales and costs for repair and improvements and may create uncertainty in planning such works
- Access to finance for RSLs
- Impact of the pandemic on employment levels and income – some tenants may be claiming Universal Credit for the first time
- Fuel and food poverty – this may increase due to price rises and loss of income due to the pandemic
- Rent affordability – this is a strong focus for the Regulator, and Trafalgar currently compares well with other RSLs on rent levels, however all of the above economic factors will increase pressure on affordability

Social

- Aging population - there may be a greater need for benefits/money advice and social and other support
- Need for accessible/adaptable housing – to ensure that as tenants age or their health changes, they can remain in their own homes for as long as possible
- Increase in single person households – there is now a greater demand for one-bedroom housing due to changes in household composition over time
- Need for mental health support – this is likely to have increased as a result of the pandemic and related lockdowns, job losses and reduced income

Technological

- Increased digitalisation of services – many people now expect to conduct transactions digitally as Government departments, local authorities and others have increasingly moved service provision online
- Digital exclusion – many individuals cannot access services online as they do not have access to the internet or to digital devices, due to economic disadvantage, age, lack of skills or confidence
- Advances in carbon reduction technology – these will contribute to reducing fuel poverty as well as reducing the environmental impact
- Use of social media – increasingly, people get their information from social media platforms such as Twitter, Facebook and Instagram, and have an expectation that service providers will have an online presence

Table 8.2 PEST Analysis

Political	Economic
<ul style="list-style-type: none"> • Eviction ban and other temporary changes to eviction procedures due to covid • Regulatory changes • Changes to housing legislation • Social security reform 	<ul style="list-style-type: none"> • Cost of making homes low carbon/energy efficient • Delays/price rises in building industry • Access to finance for RSLs • Impact of the pandemic on employment levels and income • Rent affordability • Fuel and food poverty
Social	Technological
<ul style="list-style-type: none"> • Aging population • Need for accessible/adaptable housing • Increase in single person households • Need for mental health support 	<ul style="list-style-type: none"> • Increased digitalisation of services • Digital exclusion • Advances in carbon reduction technology • Use of social media

9. Financial Analysis

In order to fulfil our strategic objectives, we require to maximise income and control costs. This is important to maintain an affordable rent structure, invest in our housing stock, have the flexibility to adapt to external challenge and crucial if we are to achieve our aims to make a difference in the community.

Long-term financial forecasts include comprehensive scenario planning and stress testing, assessing the impact of different assumptions and identifying alternative strategies.

Key priorities are the continued investment and improvement of our housing stock, maintaining affordable rents as well as adapting to the challenges of welfare reform. The potential for an increase in rent arrears continues to present a significant financial challenge.

We will work to achieve value for money, while at the same time providing a first-class service to tenants. The financial forecasts base case assumes, at this stage, a real rent rise of 1% up until year 5. Sensitivity analysis considers the impact of limiting real rent increases. The potential for limiting increases will depend on our ability to maximise income, control/ reduce costs as well as adapting to changes in inflation and interest rates. However, the scale of the investment programme would suggest that real rent increases will be required especially within the first 5 years. The annual budget process will review progress to date and consider, based on prevailing circumstances, whether restrictions on rent increases are capable of being achieved.

Our financial forecasts achieve loan covenant compliance and deliver the services to support tenants and the wider community.

9.1 The Long Term View

As a property business with 302 properties to maintain over the long term and a requirement to draw down additional long-term borrowing of £1.25m (approx. £4,167 per unit in Year 13 – 2033/34. This Business Plan underpinned by 30-year financial model projections and scenario modelling should provide assurance to the Committee, SHR and our lender that we can meet our long-term maintenance and debt repayment obligations.

We cannot expect to be precise over such a long period of time, but we have projected forward based on realistic assumptions of likely trends and expectations. The cash position indicates the level of funds available based on updated long-term maintenance programmes.

Key elements to the foundation of such a model are realistic cost assumptions and the annual budget provides a starting point for this based on current experience of actual costs across the organisation.

Inflation needs to be considered, as well as real cost increases. The following table sets out the key assumptions used in this Business Plan followed by some commentary on the rationale for their use.

Table 9.1 - Assumptions

Year	1	2	3	4	5	6-10	11-30
Assumption							
Inflation (CPI)	0.6%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Voids	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Bad Debts	1.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Rent policy	Infl+1%	Infl+1%	Infl+1%	Infl+1%	Infl+1%	Infl+0.5%	Infl
Real Cost Increase Salaries	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Real Cost Increase Repairs	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Base Rate	0.1%	0.5%	1.0%	1.5%	2.0%	3.7%	4.0%

Any assumptions must be realistic. The figure for inflation, based on CPI, will impact on the plan but from the analysis undertaken, any significant increase will have a positive impact on the forecasted cash position.

An increase in the voids assumption takes into consideration the potential impact of future welfare reforms and the impact of COVID-19. With continued investment in our housing stock we anticipate that voids will remain low.

An increase in the assumption for bad debts reflects the potential impact of future welfare reforms and the impact of COVID-19. There is a possibility that bad debts will increase, and the assumption is considered suitable.

An increase in the base rate assumption is in line with current economic forecasts produced by Bank of England and Ernst & Young.

In brief, the 30-year accounts show a relatively healthy business that can afford to borrow to deliver the required investment which is not unusual. The projected surplus/(deficit) for the year fluctuates in the first 10 years between a surplus of £270k and a deficit of £0.3k. For the following 20 years, surpluses are generated in 19 of these years, with the deficit in Year 13 of £55k.

The Balance Sheet assumes a loan of £1.25m (Year 13 2033/34) for a 25-year period.

The figures are based upon prudent assumptions. They indicate that we will generate sufficient cash to progress our planned works programmes. Whilst this might well be tested over the coming 30 years, we start from a financially sound base.

9.2 Medium Term View

Table 9.2 below sets out the position over the next three years in relation to the statement of comprehensive income.

Table 9.2 - Statement of Comprehensive Income 2021/22- 2023/24

	2021/22	2022/23	2023/24
Revenue	£1,550,194	£1,593,664	£1,648,190
Operating Costs	£1,542,993	£1,384,133	£1,438,266
Operating Surplus/(Deficit)	£7,201	£209,530	£209,924
Interest Receivable	£744	£752	£1,458
Interest Payable	£8,234	£11,048	£14,258
Surplus/(Deficit) for Year	(£288)	£199,234	£197,123

The Statement of Financial Position as set out in Table 9. 3 below. There is currently no new build development included in the 30-year projections.

Cash remains relatively strong throughout the period with the lowest holding in 2032/33 at £967k as we continue with our planned maintenance programme.

At this stage the Plan assumes a drawdown of private finance of £1.25m and is drawn down in Year 13 of the plan (2033/34).

We will have a range of options to choose from when rearranging private finance. The external environment has improved substantially since the dark days of 2007-2011. There is now a larger range of options available with lenders and therefore competition is healthy.

Table 9.3 - Statement of Financial Position

	2021/22	2022/23	2023/24
	£	£	£
NON CURRENT ASSETS			
Housing Properties	12,356,562	18,903,515	18,635,087
Other Fixed Assets	33,310	91,627	72,213
TOTAL NON-CURRENT ASSETS	12,389,872	18,995,142	18,707,300
Current Assets			
Debtors	40,452	40,452	40,452
Cash at Bank and in Hand	1,489,590	1,504,249	1,458,972
	1,530,042	1,544,701	1,499,424
Creditors: less than one year	(434,207)	(436,647)	(438,793)
NET CURRENT ASSETS	1,095,834	1,108,054	1,060,630
TOTAL ASSETS LESS CURRENT LIABILITIES	13,485,707	13,241,252	12,950,541
Creditors: more than one year	(937,554)	(825,515)	(675,329)
Deferred Income	(7,587,604)	(7,252,955)	(6,918,306)
NET ASSETS	4,960,549	5,159,782	5,356,906
EQUITY			
Share Capital	79	79	79
Revenue Reserves	4,960,470	5,159,703	5,356,827
	4,960,549	5,159,782	5,356,906

Table 9.4 below provides projected cash flow figures for the three years to 31 March 2024.

Table 9.4 - Statement of Cash Flows

	2021/22	2022/23	2023/24
	£	£	£
Operating Activities			
Operating Surplus/(Deficit)	7,201	209,530	167,924
Depreciation	444,642	454,689	449,826
Amortisation of Capital Grants	(334,649)	(334,649))	(334,649))
Net Cash Inflow from Operating Activities	117,194	329,570	283,101
Investing Activities			
Purchase of Component Installations	(379,145)	(191,895)	(200,296)
Purchase of Other Fixed Assets	(5,000)	(6,120)	(6,242)
Net Cash Outflow from Investing Activities	(384,145)	(198,015)	(206,539)
Financing Activities			
Interest Received	744	752	1,458
Interest Paid	(8,234)	(11,048)	(14,258)
Loan Advances received	0	0	0
Loan Principal Repayments	(113,962)	(106,599)	(109,039)
Net Cash (Out) Flow from Financing	(121,451)	(116,896)	(121,840)
Increase/(Decrease) in Cash	(388,402)	14,660	(45,278)
Cash brought forward	1,877,992	1,489,590	1,504,249
Cash carried forward	1,489,590	1,504,249	1,458,972

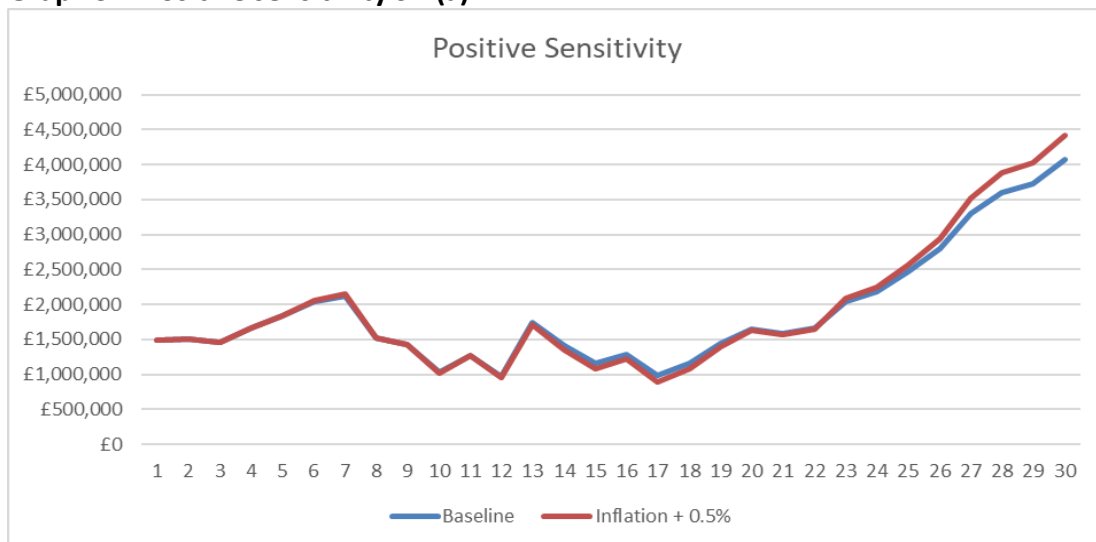
9.3 Sensitivity Analysis and Scenario Modelling

The following sensitivity analysis and scenario testing considers the impact on the cash resources.

The sensitivities run were:

- a) Inflation increased by 0.5%
- b) Variable loan rate increased by 1.0%
- c) Inflation reduced by 0.5%
- d) Real rent increase reduced by 0.5%
- e) No real rent increase
- f) Voids & Bad Debt at 5%
- g) Repairs real increased by 1.0%
- h) Combination of c, e, f & g

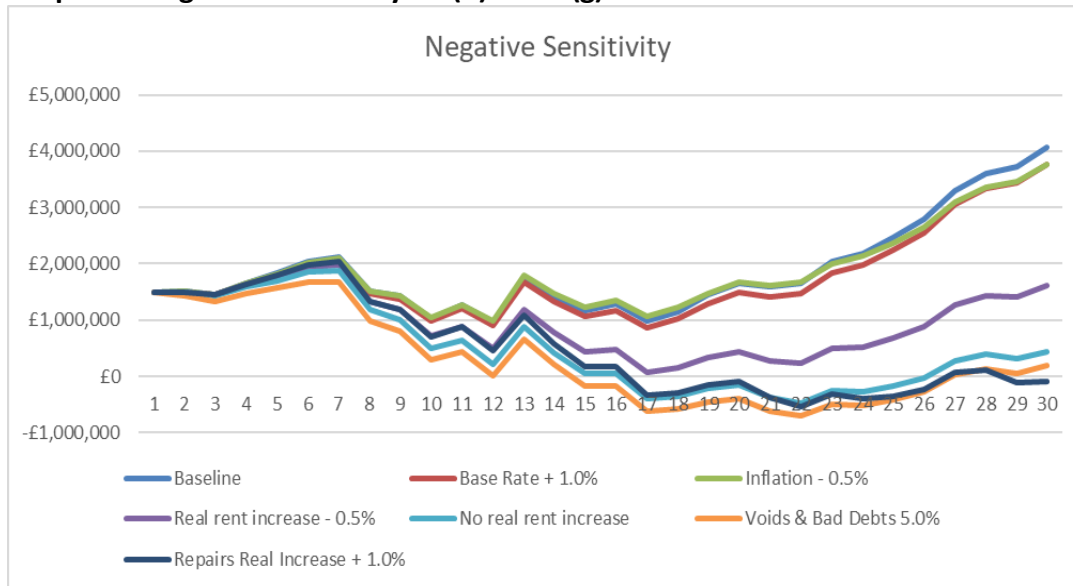
Graph 9.1 Positive sensitivity SA (a)



The impact of the positive sensitivity SA (a) is illustrated in Graph 1 above. The baseline cash balance in Year 30 is £4.07m.

SA (a) – The slight increase in inflation has had a positive effect on the cash balances over the 30 year period. Cash at Year 30 is around £0.36m higher than the baseline.

Graph 9.2 Negative Sensitivity SA (b) to SA (g)



The impact of the negative sensitivities (SA (b) to SA (g)) are illustrated in Graph 2 above. The baseline cash balance in Year 30 is £4.07m.

SA (b) – Increasing the variable loan rate by 1% each year generates a reduction in cash of £0.30m by Year 30.

SA (c) – Decreasing inflation by 0.5% shows positive cash balances for the full 30 years. The cash at Year 30 is only £0.31m lower than the baseline model.

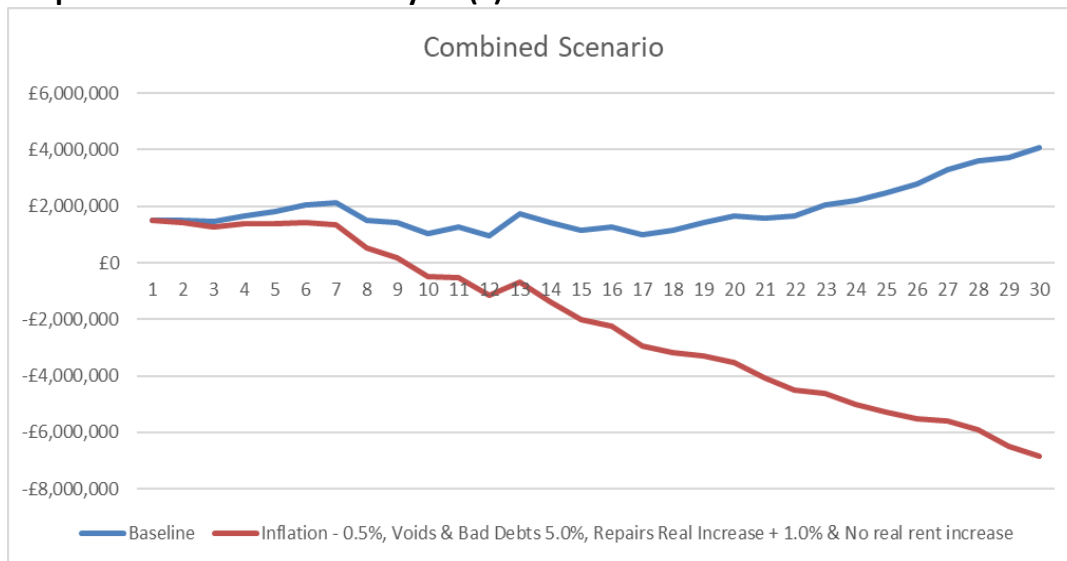
SA (d) – A real rent increase reduced by 0.5% shows positive cash balances for the full 30 years, but the overall position is a £2.47m reduction in cash.

SA (e) – A rent increase of inflation only shows positive cash balance for 17 of the 30 Years.

SA (f) – Voids and Bad Debts increasing to 5% shows positive cash balances for 15 of the 30 years, but the overall is a £3.88m reduction in cash compared to the baseline model.

SA (g) – A real increase in repairs of 1.0% shows positive cash balances for 17 of the 30 Years. The cash at Year 30 shows a reduction of £4.15m compared with the baseline model.

Graph 9.3 Combined Sensitivity SA (h)



Graph 9.3 above illustrates the combination scenario, and results in a serious financial situation for us.

SA (h) – this combines no real rent increase and a 0.5% decrease in inflation, an increase in Voids/Bad Debts to 5.0% and a real increase to repairs of 1.0%. This results in negative cash balances from Year 10 to Year 30. The cash at the end of Year 30 is £10.89m worse off.

What emerges from the above is that the Association, aside from the combination scenarios, remains reasonably robust. The stress test assumptions look reasonable and are built upon prudent base case assumptions.

It can be seen from above that there are several scenarios that show a negative cash position. Appropriate measures would be taken in the years prior, to mitigate this position occurring. This would include reviewing the level of our investment programme, maximising income and reducing overhead costs.

In Conclusion, whilst we remain financially viable, the assumptions contained within the baseline model provide us with the opportunity to invest in our stock, at the same time as delivering a stable financial environment. Appendices 2 to 7 provide 30 year data.

10. Treasury Management

The most recent Annual Treasury Management report was presented to the Management Committee in November 2020. The Association takes a risk averse stance with regard to its Treasury Management. It reviews the Treasury Management position on an annual basis.

The financial sensitivities used look at variables that could affect the financial position of the Association i.e. inflation, bank base rate, voids and bad debts. It will, going forward, also reflect the risks included within the Risk Register.

10.1 Current Loans

Table 10.1 Current Loans

No. of Units	Practical Completion	Lender	Loan Draw down	Loan Term	Total Loan £	Balance @ 30.09.20	Interest Rate	Security
48 r	Jul 93	Royal Bank of Scotland	Jun 94	30 Years	108,640	6,942	Base + 0.8%	Phase 1
33 r	Oct 93	Royal Bank of Scotland	Jun 94	30 Years	68,000	6,337	Base + 0.8%	Phase 1
35 r	Oct 95	Nationwide BS	Jul 96	30 Years	33,185	9,327	3 – Libor + 0.475%	Phase 3
26 r	Dec 96	Nationwide BS	Dec 96	30 Years	225,689	66,919 ³	3 – Libor + 0.475%	Phase 3
40 r 5 s.o.	Dec 98	Royal Bank of Scotland	Mar 00	30 Years	441,636	120,207	Base + 0.8%	Phase 5
21 r 5 o.o.	Mar 00	Co-operative Bank	Mar 00	25 Years	322,000	75,995	Base + 1.0%	Phase 6
62 r	N/A	Royal Bank of Scotland	Aug 03	30 Years	697,000	442,755	3 – Libor + 0.6%	Terraces 2 and Phases 1 & 5
62 r	N/A	Royal Bank of Scotland	Aug 03	30 Years	697,000	439,751	3 – Libor + 0.6%	Terraces 2 and Phases 1 & 5
Office	Jul 93	Royal Bank of Scotland	Jun 94	30 Years	50,000	4,555	Base + 0.8%	Phase 1

³To be repaid in early 2022

Key: r = rent, s.o. = shared ownership o.o. = owner occupier, Base Rate = 0.1% @ 30th September 2020, 3 – Libor = 3 month London Inter Bank Offered Rate 0.605% @ 30th September 2020

10.2 Analysis of Loans

Table 10.2 Analysis of Loans

Bank/Building Society	Amount £	% of Total Loans	Rates
Co-operative Bank	75,99	6.48%	All variable base related finance
Nationwide Building Society	76,24	6.50%	All 3 month Libor related finance
Royal Bank of Scotland	138,041	11.77%	All variable base related finance
Royal Bank of Scotland	882,506	75.25%	All 3 month Libor related finance
Total	1,172,788		
Type of Finance	Amount £	% of Total Loans	
All variable base related finance	214,036	18.25%	
All 3 month Libor related finance	958,752	81.75%	
Total	1,172,788		

10.3 Interest Income

The Association has an interest bearing account which operates in conjunction with its current account and rent account. The Current interest rate as at 18th November 2020 is 0.01%, with interest received on a monthly.

The Royal Bank of Scotland is responsible for transferring monies between our two current accounts (main, rent) and the interest bearing account on a day-to-day basis. Interest earned during the first six months was £89.

10.4 Investment of Surplus Funds

The Association has invested its surplus funds into four different accounts with three financial institution. These are as follows:

Nationwide Building Society	Instant access	0.05%	£516,702
Santander Bank	Instant access	0.37%	£514,824
Bank of Scotland	30 day notice	0.10%	£269,450

Bank of Scotland Term Deposit to 2.2.21 0.05% £271,747

With the Base Rate at 0.1%, investment returns on deposits have reduced significantly.

10.5 Recommendation

The main issue for the Association is whether sufficient cash reserves shall be available to fund major repairs costs at the point in time that the expenditure is due.

The long-term projections show that sufficient cash is available to fund the major repair cost but costs should be monitored going forward.

11. Risk Management

Henderson Loggie have worked with the Committee of Management in late 2021 to develop the following Risk Management Framework and Key Risk Matrix and Risks.

11.1 Risk Prioritisation Matrix

Table 11.1 Risk Prioritisation Matrix

LIKELIHOOD	5 Almost Certain	LOW	SIGNIFICANT	HIGH	VERY HIGH	VERY HIGH
	4 Likely	LOW	MODERATE	SIGNIFICANT	HIGH	VERY HIGH
	3 Moderate	LOW	LOW	MODERATE	SIGNIFICANT	HIGH
	2 Unlikely	LOW	LOW	LOW	MODERATE	SIGNIFICANT
	1 Rare	LOW	LOW	LOW	LOW	LOW
		<i>Insignificant</i> 1	<i>Minor</i> 2	<i>Moderate</i> 3	<i>Major</i> 4	<i>Catastrophic</i> 5
IMPACT						

11.2 Risks

The key risks are presented in Appendix 8 of the Business Plan.

Table 11.2 Roles within the Risk Management Framework

Management Tier	Role
Management Committee	To lead the strategic direction of the organisation and ensure the effective development, implementation and review of the risk management strategy. To agree the risk management policy and strategy
Director	To ensure that the Association manages risk effectively To develop, review and implement the risk management strategy and share experience of risk and risk management issues to the staff and Committee
All staff and financial consultant	To assist the Director by ensuring risk is managed effectively. To assist the Director in the review and implementation of the risk management policy and strategy and share experience of risk and risk management issues to the staff and Committee. To ensure that risk is managed effectively in each service area within the agreed strategy To provide support on the strategy development and implementation and to share experience of risk and risk management issues To ensure that risk is managed effectively in each service area within the agreed strategy To provide support on the strategy development and implementation and to share experience of risk and risk management issues

12. Equalities

All RSLs are required to meet equal opportunities legislation in the provision of housing and services as well as recruitment of staff and contractors and consultants. The main provision for equality and diversity is contained within the Equality Act 2010 and this describes the main protected characteristics relating to landlord services (age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation).

The Scottish Social Housing Charter (SSHC) sets out the requirements for landlords to find ways of understanding the rights and needs of different customers and delivering services that meet these needs. We report on this standard by collating equal opportunities monitoring. Within the SHR Framework, there is a new requirement for social landlords to have assurance and evidence that it considers equality and human rights issues properly when making all its decisions, in the design and review of internal and external policies, and in its day-to-day service delivery. To comply with these duties, landlords must collect data relating to each of the protected characteristics for their existing tenants, new tenants, people on waiting lists, governing body members and staff. The requirement to report to the SHR on this requirement from April 2021 has been delayed due to the pandemic. Instead, there was a requirement for RSLs to include an update on their position in relation to equalities and human rights in the October 2021 Annual Assurance Statement.

THA must therefore maintain a strong focus on Human Rights and Equalities during the period of this plan.

Appendix 1 – Service Delivery Plans

KEY TASK		COMMENTS	LEAD OFFICER	TARGET COMPLETION DATE
DIRECTOR				
1	Engagement with SHR	Satisfy SHR progress being made	D/Management Committee	Ongoing
2	Monitor Performance and ensure that departments are meeting KPIs and targets	Regularly monitor and evaluate performance to identify areas of improvement and increase productivity	D/Management Committee	Ongoing
3	Financial Management	Continued monitoring of budgetary control	D/FA/All Staff	Ongoing
4	Schedule policy review	Assess policies and ensure procedures are implemented. Ensure all policies are up to date, consistent and effective	D/AO	March 2022
5	Training for Management Committee and Appraisal	Develop a training plan for Management Committee. Conduct Appraisal	D/SHARE	April 2022
6	Develop induction pack for new Committee Members	Work with SHARE to further develop an Induction Pack for new Committee Members	D/SHARE/AO	January 2022
7	Develop Residents Panel	Increase engagement with Residents Panel and attract new members by providing access to digital platforms	D/All staff	March 2022
8	Considering the use of a Sub Committees	Consider a Sub Committee for Housing Management and Maintenance and a Sub Committee focussing on finance and policy review	All Staff	March 2022
9	Staff Appraisal	Conduct Staff appraisal	D	January 2022
11	Risk Management Review	Agree new risk register following review by	D/Internal Audit/FA	November 2021

		internal audit.		
12	Increase online presence	Introducing the use of social media	D/AO/IT	March 2022
13	Succession Policies (Staff and Committee)	Put in place plans for turnover in both areas	All	March 2022
MAINTENANCE				
1	Reduce average completion times for non-emergency repairs to meet KPI	KPI target for routine repairs - 5 working days; for urgent - 1 day	PSM	31 March 2022 then ongoing
2	Ensure that KPI for completion of emergency repairs is achieved and continuously improved	KPI target - 4 hours	PSM	31 March 2022 then ongoing
3	Reduce time taken to carry out repairs to voids to hand back to Housing Management for letting	KPI target - 3 days; however work towards 7 this financial year	PSM	31 March 2022 then ongoing
4	Ensure that KPI for completing medical adaptations is achieved	KPI target - 10 days for simple repairs such as hand rails and 20 days for more complex repairs such as level access showers	PSM	31 March 2022 then ongoing
5	Increase the number of repairs completed Right First Time	KPI target – 90% - do this by monitoring contractor performance	PSM	31 March 2022 then ongoing
6	Improve overall satisfaction with the repairs service	Current satisfaction levels at 98% but important to continuously this through reintroducing survey forms sent out to all tenants who have a repair carried out	PSM	December 2021 then ongoing
7	To ensure that our properties are maintained to a high standard and meet SHQS requirements through improvement plans	Work with Brown and Wallace to review progress against anticipated renewals and assess component condition	PSM/D/FA	31 March 2022 then ongoing
8	To monitor repairs spend across all categories/carry out maintenance budget review	Regular monitoring of budgets to ensure that adequate resources are set aside to ensure a consistency of expenditure	PSM/D/FA	30 September 2022

9	To review all maintenance related policies across the organisation	To ensure that policies continue to meet the needs of the Association and regulatory standards	PSM/D	30 September 2022
10	Contribute to policy review across the organisation	As above	D/PSM/HM/FA	Ongoing
11	To review and implement new procedures following policy reviews	To ensure that the procedures are in line with the policies and understood by relevant staff members	PSM	Ongoing
12	To ensure that our properties are energy efficient and meet the requirements of EESSH	Monitor the dates of EPC certificates to ensure that all are within the 10 year time limit and ensure that EPCs are carried out following new boiler installations	PSM	31 March 2022 then ongoing
HOUSING MANAGEMENT				
1	Achieve key performance targets: Arrears: 2% Re-Let Times: 3 days No of ASB resolved in the year: 100%	Continually strive to achieve KPI's. Ensure performance is consistently monitored and drive improvements required	HM/PSM (Void)	April 2022
2	Policy Review	Review current HM policies to ensure they meet relevant standards. Introduce new policies should there be any gaps. Put into place a policy register for ongoing review	HM/PSM (Void)	April 2022
3	Procedures Review	Review and Update current HM procedures to ensure they meet relevant standards	HM/PSM (Void)	April 2022
4	Ongoing review of Housing List	Carry out a full review of Housing List	HM	April 2022
5	Review Bulk uplift and bin pull out service	Review contract prices and look at streamlining the service	HM	
6	Review of Service Charges	Review service charges for Estate Maintenance	FA/D/HM	March 2022

		and close cleaning		
7	Estate Management Bulk Uplift Bin stores Garden Maintenance Pets Policy	Incorporate the items in the Estate Management Policy. Review criteria, introduce policy and procedure for tenants who are in receipt of free garden maintenance, Pets, Bulk Uplift	HM	Jan 2022
8	Restart the Residents Panel and look to Increase the numbers on residents panel	Review current members, approach tenants who may be interested. Develop a register of tenant interests	HM	October 2021/ongoing
9	Tenants handbook	Develop a handbook for tenants	HM	April 2022
10	Factored Owners	Review our factoring policy and written statement. Set up an annual factored owners meeting	HM	July 2022
FINANCE				
1	Financial viability of the Association	Income maximisation	FA/D/PSM/HM	Ongoing
2	Review of Service Charge	Review service charges provided to our Stakeholders and costs of this service	FA/HM	December 2021
3	Move Finance from manual to computerised system	Organize training and testing of SDM finance modules	FA	March 2022
4	Review Finance Regulations and Finance Procedures	Carry out a review and update to include move to computerised system	FA	March 2022
5	Value for Money	Ensure value for money is sought in all areas of the Association	All Staff/FA	Ongoing
6	Comply with Loan Covenants	Ensure the Association meets the requirements of its loan covenants	FA	Ongoing
7	Mid-year Budget Review	Review the budget to incorporate updated assumptions on Income & Expenditure	FA/HM/PSM	November 2021

Appendix 2 – Statement of Comprehensive Income

Appendix B – Financial Statement Data																															
Revenue Statement – Association for the Performing Arts of the United States																															
Year equals 2021/22																															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	Year 2035	Year 2036	Year 2037	Year 2038	Year 2039	Year 2040	Year 2041	Year 2042	Year 2043	Year 2044	Year 2045	Year 2046	Year 2047	Year 2048	Year 2049	Year 2050	Total	
REVENUE																															
Revenue Receivable	1,151,649	1,186,290	1,221,795	1,258,449	1,296,262	1,328,607	1,360,722	1,395,884	1,430,765	1,468,534	1,508,534	1,549,862	1,593,644	1,639,882	1,688,586	1,739,752	1,793,380	1,850,018	1,908,656	1,969,294	2,031,932	2,096,570	2,164,208	2,234,846	2,307,484	2,382,122	2,458,760	2,537,400	2,618,038	40,443.48	
Revenue Receivable	600,996	76,693																													
Gross Revenue Receivable	1,212,645	1,262,941	1,334,264	1,384,693	1,440,316	1,488,772	1,537,596	1,575,711	1,613,554	1,650,942	1,689,144	1,727,188	1,765,042	1,802,796	1,840,450	1,878,002	1,915,454	1,952,806	1,989,958	2,026,910	2,063,662	2,100,214	2,136,566	2,172,718	2,208,670	2,244,422	2,280,074	2,315,526	33,574.94		
Net Revenue Receivable	12,127	18,944	26,699	27,294	28,133	28,815	29,536	30,256	31,001	31,807	32,643	33,502	34,374	35,259	36,156	37,064	37,983	38,912	39,850	40,798	41,756	42,723	43,699	44,684	45,668	46,651	47,634	48,617	49,599	1,022.71	
Association for the Performing Arts of the United States	1,200,528	1,243,988	1,298,463	1,337,306	1,377,518	1,411,956	1,447,255	1,483,617	1,520,522	1,558,536	1,598,760	1,640,580	1,683,000	1,726,018	1,769,546	1,812,574	1,856,072	1,899,040	1,941,488	1,983,416	2,025,824	2,068,212	2,110,580	2,152,428	2,194,756	2,237,064	2,279,352	2,321,620	2,363,878	32,965.23	
Revenue Grants from Local Authorities	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	334,649	
Grants from Local Authorities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Funding	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	
Other revenue	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	
Revenue	1,537	1,567	1,599	1,613	1,663	1,697	1,731	1,765	1,801	1,837	1,873	1,911	1,949	1,988	2,028	2,068	2,110	2,152	2,195	2,239	2,283	2,328	2,374	2,421	2,472	2,521	2,572	2,623	2,675	2,727	
Revenue	1,551,944	1,599,664	1,648,190	1,687,336	1,733,550	1,781,832	1,831,771	1,883,402	1,937,534	1,989,814	2,043,657	2,098,117	2,153,267	2,209,085	2,265,572	2,322,740	2,380,596	2,439,142	2,498,388	2,558,326	2,618,964	2,680,802	2,743,840	2,808,078	2,873,516	2,939,254	3,006,292	3,073,630	3,141,968	3,210,306	
OPERATING EXPENSES																															
Management & maintenance admin costs	438,266	447,177	468,031	479,401	491,341	503,434	515,657	528,003	540,467	553,044	565,736	578,553	591,496	604,564	617,756	631,074	644,518	658,086	671,778	685,594	699,536	713,604	727,796	742,114	756,652	771,310	786,088	796,986	807,994	819,012	
Management & maintenance admin costs	604,444	613,627	640,603	661,243	683,021	692,657	708,463	718,760	729,580	740,423	751,286	762,164	773,056	783,964	794,888	805,826	816,778	827,744	838,724	849,716	860,720	871,736	882,764	893,804	904,856	915,916	926,984	938,060	949,144	960,236	
Service charge costs	72,800	96,517	96,468	100,437	102,446	104,045	106,385	108,717	110,891	113,109	115,371	117,678	120,022	122,413	124,841	127,309	129,806	132,332	134,886	137,468	140,078	142,716	145,382	148,076	150,798	153,538	156,296	159,072	161,864	164,676	
Planned maintenance - Capital	55,639	48,124	56,217	42,267	53,341	44,264	56,681	47,540	58,878	70,880	61,639	74,713	64,991	78,349	68,261	82,311	71,727	86,462	75,569	90,861	79,161	95,040	81,401	110,770	91,836	110,770	91,836	110,770	91,836	110,770	
Planned maintenance - Cycles	79,629	5,889	103,760	14,977	78,167	120,956	266,162	213,040	277,209	122,570	200,464	136,545	196,344	146,983	134,156	117,778	104,398	106,256	117,943	234,013	161,441	6,600	107,320	1,321	8,400	4,085	10,884	5,031	20,72		
Revenue and wage maintenance	12,600	135,300	151,250	155,072	138,949	162,223	166,996	171,711	173,450	179,936	184,332	188,849	193,644	198,566	203,668	208,951	213,390	219,113	224,991	230,266	235,961	241,800	247,906	254,304	260,457	266,968	273,642	280,483	287,495	294,648	
Facilities and wage maintenance	12,600	135,300	151,250	155,072	138,949	162,223	166,996	171,711	173,450	179,936	184,332	188,849	193,644	198,566	203,668	208,951	213,390	219,113	224,991	230,266	235,961	241,800	247,906	254,304	260,457	266,968	273,642	280,483	287,495	294,648	
Facilities and wage maintenance	12,600	135,300	151,250	155,072	138,949	162,223	166,996	171,711	173,450	179,936	184,332	188,849	193,644	198,566	203,668	208,951	213,390	219,113	224,991	230,266	235,961	241,800	247,906	254,304	260,457	266,968	273,642	280,483	287,495	294,648	
Facilities and wage maintenance	12,600	135,300	151,250	155,072	138,949	162,223	166,996	171,711	173,450	179,936	184,332	188,849	193,644	198,566	203,668	208,951	213,390	219,113	224,991	230,266	235,961	241,800	247,906	254,304	260,457	266,968	273,642	280,483	287,495	294,648	
Facilities and wage maintenance	12,600	135,300	151,250	155,072	138,949	162,223	166,996	171,711	173,450	179,936	184,332	188,849	193,644	198,566	203,668	208,951	213,390	219,113	224,991	230,266	235,961	241,800	247,906	254,304	260,457	266,968	273,642	280,483	287,495	294,648	
Facilities and wage maintenance	12,600	135,300	151,250	155,072	138,949	162,223	166,996	171,711	173,450	179,936	184,332	188,849	193,644	198,566	203,668	208,951	213,390	219,113	224,991	230,266	235,961	241,800	247,906	254,304	260,457	266,968	273,642	280,483	287,495	294,648	
Facilities and wage maintenance	12,600	135,300	151,250	155,072	138,949	162,223	166,996	171,711	173,450	179,936	184,332	188,849	193,644	198,566	203,668	208,951	213,390	219,113	224,991	230,266	235,961	241,800	247,906	254,304	260,457	266,968	273,642	280,483	287,495	294,648	
Facilities and wage maintenance	12,600	135,300	151,250	155,072	138,949	162,223	166,996	171,711	173,450	179,936	184,332	188,849	193,644	198,566	203,668	208,951	213,390	219,113	224,991	230,266	235,961	241,800	247,906	254,304	260,457	266,968	273,642	280,483	287,495	294,648	
Facilities and wage maintenance	12,600	135,300	151,250	155,072	138,949	162,223	166,996	171,711	173,450	179,936	184,332	188,849	193,644	198,566	203,668	208,951	213,390	219,113	224,991	230,266	235,961	241,800	247,906	254,304	260,457	266,968	273,642	280,483	287,495	294,648	
Facilities and wage maintenance	12,600	135,300	151,250	155,072	138,949	162,223	166,996	171,711	173,450	179,936	184,332	188,849	193,644	198,566	203,668	208,951	213,390	219,113	224,991	230,266	235,961	241,800	247,906	254,304	260,457	266,968	273,642	280,483	287,495	294,648	
Facilities and wage maintenance	12,600	135,300	151,250	155,072	138,949	162,223	166,996	171,711	173,450	179,936	184,332	188,849	193,644	198,566	203,668	208,951	213,390	219,113	224,991	230,266	235,961	241,800	247,906	254,304	260,457	266,968	273,642	280,483	287,495	294,648	
Facilities and wage maintenance	12,600	135,300	151,250	155,072	138,949	162,223	166,996	171,711	173,450	179,936	184,332	188,849	193,644	198,566	203,668	208,951	213,390	219,113	224,991	230,266	235,961	241,800	247,906	254,304	260,457	266,968	273,642	280,483	287,495	294,648	
Facilities and wage maintenance	12,600	135,300	151,250	155,072	138,949	162,223	166,996	171,711	173,450	179,936	184,332	188,849	193,644	198,566	203,668	208,951	213,390	219,113	224,991	230,266	235,961	241,800	247,906	254,304	260,457	266,968	273,642	280,483	287,495	294,648	
Facilities and wage maintenance	12,600	135,300	151,250	155,072	138,949	162,223	166,996	171,711	173,450	179,936	184,332	188,849	193,644	198,566	203,668	208,951	213,390	219,113	224,991	230,266	235,961	241,800	247,906	254,304	260,457	266,968	273,642	280,483	287,495	294,648	
Facilities and wage maintenance	12,600	135,300	151,250	155,072	138,949	162,223	166,996	171,711	173,450	179,936	184,332	188,849	193,644	198,566	203,668	208,951	213,390	219,113	224,991	230,266	235,961	241,800	247,906	254,304	260,457	266,968	273,642	280,483	287,495	294,648	
Facilities and wage maintenance	12,600	135,300	151,250	155,072	138,949	162,223	166,996	171,711	173,450	179,936	184,332	188,849	193,644	198,566	203,668	208,951	213,390	219,113	224,991	230,266	235,961	241,800	247,906	254,304	260,457	266,968	273,642	280,483	287,495	294,648	
Facilities and wage maintenance	12,600	135,300	151,2																												

Appendix 3 – Statement of Financial Position

Tridigare Housing Association Ltd
Statement of Financial Position
Year 1 equals 2021/22

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30		
2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051		
NON-CURRENT ASSETS																																
Housing properties	£25,569,084	£25,948,230	£26,140,125	£26,340,421	£26,403,148	£26,521,071	£26,600,085	£26,774,837	£27,515,674	£27,779,754	£28,321,397	£28,376,254	£28,892,587	£29,380,119	£30,116,873	£30,624,143	£30,803,698	£31,414,263	£31,537,117	£31,631,842	£31,778,956	£32,099,868	£32,399,184	£32,534,161	£32,836,580	£33,107,471	£33,340,953	£33,407,228	£33,627,013	£34,055,815	£34,319,416	
Less:																																
Housing depreciation	£13,153,402	£13,591,668	£14,038,845	£14,479,776	£14,919,177	£15,362,311	£15,808,068	£16,252,411	£16,709,512	£17,161,185	£17,630,863	£18,092,518	£18,569,188	£19,048,766	£19,556,097	£20,081,837	£20,617,140	£21,172,164	£21,733,002	£22,294,442	£22,856,307	£23,424,450	£23,996,385	£24,496,698	£24,967,498	£25,444,017	£25,927,329	£26,377,495	£26,805,782	£27,233,521	£27,667,701	
	£12,415,682	£12,356,562	£12,101,280	£11,860,645	£11,483,970	£11,158,760	£10,792,017	£10,522,427	£10,806,163	£10,618,570	£10,690,534	£10,283,735	£10,323,399	£10,331,353	£10,560,777	£10,542,306	£10,186,558	£10,242,099	£9,804,115	£9,337,399	£8,922,649	£8,675,418	£8,400,799	£8,037,464	£7,869,082	£7,663,454	£7,413,625	£7,029,733	£6,821,231	£6,822,293	£6,651,715	
Other fixed assets	£34,687	£33,310	£31,918	£29,266	£27,368	£25,386	£31,798	£29,383	£26,879	£24,573	£22,235	£31,227	£30,530	£29,839	£29,301	£28,771	£38,583	£37,635	£36,093	£35,846	£35,005	£45,583	£44,281	£42,983	£41,696	£40,415	£31,741	£49,949	£48,166	£46,390	£44,622	
TOTAL NON-CURRENT ASSETS	£12,450,369	£12,389,872	£12,133,198	£11,889,911	£11,511,338	£11,184,146	£10,823,815	£10,551,809	£10,833,042	£10,643,142	£10,712,769	£10,314,962	£10,353,929	£10,361,192	£10,990,078	£10,671,077	£10,225,141	£10,279,734	£9,840,808	£9,373,245	£8,957,654	£8,721,001	£8,445,080	£8,080,448	£7,910,778	£7,703,869	£7,485,365	£7,079,682	£6,869,397	£6,868,683	£6,696,336	
Current Assets																																
Net rental debtors	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	£8,773	
Other debtors	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	£31,679	
Cash at bank and in hand	£1,877,992	£1,489,990	£1,504,249	£1,458,972	£1,662,121	£1,829,468	£2,032,561	£2,123,134	£1,515,256	£1,428,063	£1,034,511	£1,272,239	£967,173	£1,748,771	£1,408,809	£1,159,621	£1,283,722	£981,736	£1,153,638	£1,441,630	£1,649,766	£1,588,580	£1,655,661	£2,042,549	£2,185,785	£2,462,462	£2,790,069	£3,301,171	£3,605,462	£3,727,803	£4,069,538	
	£1,918,444	£1,530,042	£1,544,701	£1,499,424	£1,702,573	£1,869,920	£2,071,013	£2,163,586	£1,555,708	£1,468,515	£1,074,963	£1,312,691	£1,007,625	£1,789,223	£1,489,261	£1,200,073	£1,324,174	£1,027,188	£1,194,090	£1,482,082	£1,690,218	£1,629,032	£1,696,113	£2,083,001	£2,226,717	£2,502,914	£2,830,521	£3,341,623	£3,645,914	£3,768,255	£4,110,010	
Creditors, less than one year																																
Loans	£159,704	£106,599	£109,039	£111,185	£82,928	£72,828	£68,120	£72,224	£76,329	£80,662	£85,269	£90,029	£71,377	£25,781	£27,199	£28,695	£30,273	£31,938	£33,694	£35,548	£37,503	£39,565	£41,741	£44,037	£46,459	£49,014	£51,710	£54,554	£57,555	£60,720	£72,317	
Other short term creditors	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	£327,608	
Liability for Past Service Contribution	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
	£487,312	£434,207	£436,647	£438,793	£410,536	£400,436	£395,728	£399,832	£403,937	£408,270	£412,877	£417,637	£398,985	£353,389	£334,807	£356,303	£337,881	£359,546	£361,302	£363,156	£365,111	£367,173	£369,349	£371,645	£374,067	£376,622	£379,318	£382,162	£385,163	£388,328	£399,925	
NET CURRENT ASSETS/(LIABILITIES)	£1,431,132	£1,095,834	£1,108,054	£1,060,630	£1,292,036	£1,469,484	£1,677,285	£1,763,754	£1,151,771	£1,060,345	£662,086	£985,054	£608,640	£1,435,834	£1,094,454	£841,771	£966,293	£662,642	£832,788	£1,118,927	£1,325,108	£1,261,859	£1,326,764	£1,711,356	£1,852,170	£2,126,291	£2,451,203	£2,959,460	£3,260,752	£3,379,926	£3,710,085	
TOTAL ASSETS/LESS CURRENT LIABILITIES	£13,881,501	£13,485,707	£13,241,252	£12,950,541	£12,803,375	£12,653,630	£12,501,100	£12,315,564	£11,984,813	£11,703,388	£11,374,855	£11,210,016	£10,962,569	£11,797,026	£11,884,532	£11,414,848	£11,191,434	£10,942,376	£10,673,595	£10,492,171	£10,282,762	£9,982,860	£9,771,844	£9,791,805	£9,762,948	£9,830,160	£9,916,568	£10,039,143	£10,130,149	£10,248,609	£10,406,421	
Creditors, more than one year																																
Loans	£956,411	£895,554	£786,515	£675,329	£592,401	£519,573	£451,453	£379,229	£302,980	£222,238	£136,969	£46,940	£0	£24,437	£1,199,783	£1,172,584	£1,143,889	£1,113,617	£1,081,679	£1,047,984	£1,012,437	£974,934	£935,369	£893,628	£849,590	£803,131	£754,117	£702,406	£647,852	£590,297	£529,577	
Liability for Past Service Contribution	£42,000	£42,000	£42,000	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
DEFERRED INCOME																																
Social Housing Grants	£7,812,906	£7,482,134	£7,151,361	£6,820,589	£6,489,816	£6,159,044	£5,828,271	£5,497,499	£5,166,728	£4,835,954	£4,505,181	£4,174,409	£3,843,636	£3,512,864	£3,182,091	£2,851,319	£2,520,546	£2,189,774	£1,859,001	£1,528,229	£1,197,456	£866,684	£535,911	£295,120	£93,846	£0	£0	£0	£0	£0	£0	
Other Grants	£109,347	£105,470	£101,594	£97,717	£93,841	£80,964	£86,088	£82,211	£78,335	£74,458	£70,582	£66,705	£62,829	£58,952	£55,076	£51,199	£47,323	£43,446	£39,570	£35,693	£31,817	£27,940	£24,064	£20,187	£16,311	£12,434	£8,557	£5,031	£3,167	£1,302	£0	
NET ASSETS/(LIABILITIES)	£4,960,837	£4,960,549	£5,159,782	£5,356,906	£5,627,317	£5,885,049	£6,135,288	£6,356,625	£6,436,852	£6,570,738	£6,662,123	£6,921,962	£7,080,541	£7,025,428	£7,274,781	£7,368,441	£7,509,949	£7,627,478	£7,727,040	£7,815,813	£8,078,555	£8,152,868	£8,318,242	£8,626,907	£8,849,661	£9,063,610	£9,205,605	£9,386,260	£9,536,685	£9,717,731	£9,949,161	
EQUITY																																
Share capital	£79	£79	£79	£79	£79	£79	£79	£79	£79	£79	£79	£79	£79	£79	£79	£79	£79	£79	£79	£79	£79	£79	£79	£79	£79	£79	£79	£79	£79	£79	£79	
Revenue reserves	£4,960,758	£4,960,470	£5,159,703	£5,356,827	£5,627,238	£5,884,970	£6,135,209	£6,356,546	£6,436,773	£6,570,659	£6,662,044	£6,921,883	£7,080,462	£7,025,349	£7,274,702	£7,368,362	£7,509,870	£7,627,399	£7,726,961	£7,815,734	£8,078,476	£8,152,789	£8,318,163	£8,626,828	£8,849,582	£9,063,531	£9,205,526	£9,386,181	£9,536,606	£9,717,652	£9,949,083	
	£4,960,837	£4,960,549	£5,159,782	£5,356,906	£5,627,317	£5,885,049	£6,135,288	£6,356,625	£6,436,852	£6,570,738																						

Appendix 4 – Cash Flow

Trafalgar Housing Association Ltd
Cash Flow
Year 1 equals 2021/22

	Year 1 2022	Year 2 2023	Year 3 2024	Year 4 2025	Year 5 2026	Year 6 2027	Year 7 2028	Year 8 2029	Year 9 2030	Year 10 2031	Year 11 2032	Year 12 2033	Year 13 2034	Year 14 2035	Year 15 2036	Year 16 2037	Year 17 2038	Year 18 2039	Year 19 2040	Year 20 2041	Year 21 2042	Year 22 2043	Year 23 2044	Year 24 2045	Year 25 2046	Year 26 2047	Year 27 2048	Year 28 2049	Year 29 2050	Year 30 2051	Total	
Net Fees Receivable	£1,203,528	£1,243,958	£1,298,443	£1,337,396	£1,377,518	£1,411,956	£1,447,255	£1,483,437	£1,520,522	£1,558,536	£1,597,006	£1,631,500	£1,665,930	£1,687,009	£1,720,749	£1,755,164	£1,790,267	£1,826,073	£1,862,594	£1,899,846	£1,937,843	£1,976,600	£2,016,132	£2,056,435	£2,097,584	£2,139,535	£2,182,326	£2,225,973	£2,270,492	£2,315,9	£52,865.2	
Amortisation of Social Housing & Other Grants	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649
Other Operating Income	£15,017	£15,057	£15,098	£15,140	£15,183	£15,227	£15,271	£15,317	£15,363	£15,410	£15,458	£15,508	£15,558	£15,609	£15,661	£15,714	£15,769	£15,824	£15,880	£15,938	£15,997	£16,057	£16,118	£16,180	£16,244	£16,309	£16,375	£16,442	£16,511	£16,5	£471.8	
Operating Costs	£1,542,091	£1,364,133	£1,458,266	£1,402,824	£1,464,232	£1,500,389	£1,555,557	£1,547,451	£1,540,390	£1,538,564	£1,549,048	£1,557,742	£1,562,203	£1,564,331	£1,564,209	£1,562,203	£1,564,209	£1,562,203	£1,564,209	£1,562,203	£1,564,209	£1,562,203	£1,564,209	£1,562,203	£1,564,209	£1,562,203	£1,564,209	£1,562,203	£1,564,209	£1,562,203	£1,564,209	£1,562,203
Depreciation	£444,642	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649	£444,649
(Decrease)/Increase in Debtors	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
(Decrease)/Increase in Creditors	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Amortisation of Social Housing & Other Grants	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649	£334,649
Contribution to Past Service Deficit	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Unwinding of discount on previous liability	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Net Cash In/(Out)flow from Operating Activities	£117,194	£329,570	£281,101	£398,180	£383,079	£381,396	£380,484	£217,839	£256,086	£234,968	£388,197	£286,093	£134,736	£470,116	£336,449	£386,512	£396,754	£373,724	£446,205	£424,839	£342,967	£436,214	£384,278	£385,444	£682,122	£622,538	£611,874	£556,839	£381,681	£629,4	£12,022.7	
Investing Activities																																
Purchase of Computer Installations	£379,145	£191,895	£200,296	£82,727	£117,923	£79,014	£174,753	£740,837	£264,080	£541,643	£548,856	£164,334	£687,532	£736,754	£587,230	£179,554	£610,566	£122,854	£94,725	£147,114	£320,912	£299,316	£134,977	£302,419	£270,891	£233,482	£66,274	£219,786	£428,802	£263,6	£8,750.3	
Purchase of Other Fixed Assets	£5,000	£6,120	£6,242	£6,367	£6,485	£15,657	£6,757	£6,892	£7,030	£7,171	£17,086	£7,466	£7,699	£7,762	£7,917	£13,842	£8,217	£8,401	£8,569	£8,741	£20,803	£19,094	£9,276	£19,461	£9,651	£22,968	£10,041	£19,241	£10,446	£10,6	£296.7	
Purchase of Housing Properties	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
Receipt of Social Housing Grants	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Proceeds on Disposal of Investments	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Proceeds on Disposal of Other Fixed Assets	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Net Cash In/(Out)flow from Investing Activities	£384,145	£198,015	£206,539	£89,094	£124,438	£84,471	£181,510	£747,729	£271,130	£148,814	£71,932	£532,796	£495,145	£744,515	£515,187	£198,307	£818,882	£131,205	£109,284	£155,885	£241,796	£208,409	£194,233	£111,080	£288,542	£236,451	£76,515	£219,037	£619,248	£274,2	£2,027.1	
Financing Activities																																
Interest Received	£744	£752	£1,458	£1,660	£9,102	£10,112	£21,021	£15,003	£21,104	£15,288	£24,946	£18,964	£34,290	£27,624	£22,738	£21,171	£19,259	£22,620	£28,267	£32,348	£31,149	£32,464	£60,850	£42,859	£48,284	£54,707	£64,729	£76,895	£73,094	£79,7	£990.2	
Interest Paid	£8,234	£11,048	£14,258	£16,612	£17,488	£21,316	£21,302	£20,767	£17,445	£13,933	£18,223	£6,381	£7,009	£67,406	£65,986	£64,462	£62,954	£61,249	£59,462	£57,639	£55,684	£53,621	£11,445	£49,150	£46,727	£44,172	£41,478	£38,632	£35,632	£32,4	£1,137.8	
Loan Advances Received	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£1,250,000	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Loan Principal Repayments	£113,982	£106,599	£109,039	£111,185	£82,928	£72,828	£68,120	£72,224	£72,224	£72,224	£68,120	£68,120	£68,120	£68,120	£68,120	£68,120	£68,120	£68,120	£68,120	£68,120	£68,120	£68,120	£68,120	£68,120	£68,120	£68,120	£68,120	£68,120	£68,120	£68,120	£68,120	£68,120
Net Cash In/(Out)flow from Financing	£121,451	£116,896	£121,840	£123,937	£91,314	£84,032	£66,481	£77,088	£72,669	£79,387	£70,546	£77,365	£1,142,084	£85,563	£78,689	£88,856	£73,937	£79,566	£84,919	£88,838	£82,038	£88,723	£53,137	£48,328	£44,983	£38,479	£28,438	£22,481	£20,819	£13.3	£81.6	
Increase/(Decrease) in Cash	£388,402	£14,660	£45,278	£203,149	£167,347	£203,093	£86,573	£667,878	£87,193	£391,352	£237,728	£385,087	£781,598	£139,963	£240,187	£124,100	£381,986	£171,903	£287,992	£208,136	£67,186	£67,081	£386,888	£143,236	£276,677	£327,608	£511,101	£304,292	£122,340	£341,7	£2,191.5	
Cash/Borrow Forward	£1,877,992	£1,489,590	£1,504,249	£1,458,972	£1,662,121	£1,829,468	£2,032,561	£2,123,134	£1,515,256	£1,428,063	£1,034,511	£1,272,239	£967,173	£1,748,771	£1,408,809	£1,599,621	£2,881,722	£981,736	£1,153,638	£1,441,630	£1,649,766	£1,588,580	£1,655,661	£2,042,549	£2,185,785	£2,462,462	£2,790,069	£3,301,171	£3,605,462	£3,727,8	£1,877.9	
Cash/Credit Forward																																
Year 1	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051		
Year 2	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051			
Year 3	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051				
Year 4	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051					
Year 5	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051						
Year 6	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051							
Year 7	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051								
Year 8	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051									
Year 9	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051										
Year 10	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042																				

Appendix 5 – Assumptions

[illegible]

Appendix 6 – Financial Ratios

[illegible]

Appendix 7 – Covenant Compliance

Rathagar Housing Association Ltd																																	
Covenant																																	
Year 1 equals			2021/22																														
25 June 2021 12:17 PM			Year 1 2021	Year 2 2021	Year 3 2021	Year 4 2021	Year 5 2021	Year 6 2021	Year 7 2021	Year 8 2021	Year 9 2021	Year 10 2021	Year 11 2021	Year 12 2021	Year 13 2021	Year 14 2021	Year 15 2021	Year 16 2021	Year 17 2021	Year 18 2021	Year 19 2021	Year 20 2021	Year 21 2021	Year 22 2021	Year 23 2021	Year 24 2021	Year 25 2021	Year 26 2021	Year 27 2021	Year 28 2021	Year 29 2021	Year 30 2021	
Borrowed Monies to Net Worth - RBS																																	
RBS: not more than			0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	
IHA			0.08	0.07	0.06	0.06	0.05	0.04	0.04	0.03	0.03	0.02	0.01	0.00	0.12	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.10	0.09	0.09	0.08	0.07	0.07	0.06	0.05
Covenant Satisfied			Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Operating Surplus to Debt Service Liability - RBS																																	
not less than			1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	
IHA			36	36	33	31	21	23	24	38	32	33	24	35	32	35	21	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22
Covenant Satisfied			Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Borrowed Monies to Net Worth - RBS																																	
Loans			£1,052,153	1,095,354	1,186,315	13,75,329	1,592,401	1,578,513	1,651,453	1,719,229	1,802,900	1,222,238	1,138,969	1,463,940	£1,225,363	1,199,765	£1,172,594	£1,143,889	£1,113,617	£1,081,619	£1,047,984	£1,012,431	£974,334	£938,369	£893,628	£849,585	£803,131	£754,111	£1,02,436	£947,852	£560,291	£529,517	
Borrowed Monies			£1,052,153	1,095,354	1,186,315	13,75,329	1,592,401	1,578,513	1,651,453	1,719,229	1,802,900	1,222,238	1,138,969	1,463,940	£1,225,363	1,199,765	£1,172,594	£1,143,889	£1,113,617	£1,081,619	£1,047,984	£1,012,431	£974,334	£938,369	£893,628	£849,585	£803,131	£754,111	£1,02,436	£947,852	£560,291	£529,517	
Reserves			£4,983,549	55,159,782	£5,527,317	£5,385,099	£6,155,398	£6,438,052	£6,570,786	£6,692,123	£6,801,982	£6,901,982	£7,002,544	£7,097,476	£7,188,444	£7,274,716	£7,358,444	£7,438,444	£7,514,444	£7,588,444	£7,660,444	£7,730,444	£7,798,444	£7,864,444	£7,928,444	£8,000,444	£8,068,444	£8,134,444	£8,198,444	£8,260,444	£8,320,444	£8,378,444	£8,434,444
Gains			£7,987,006	£7,252,950	£6,915,306	£6,306,057	£6,240,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006	£6,244,006
Debt Service Liability			£12,946,763	£12,472,121	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272	£12,272,272
			0.08	0.07	0.06	0.06	0.05	0.04	0.04	0.03	0.03	0.02	0.01	0.00	0.12	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.10	0.09	0.09	0.08	0.07	0.07	0.06	0.05	
Operating Surplus : Interest Payable																																	
Operating Surplus			£7,301	£209,530	£209,530	£286,762	£286,762	£281,443	£221,016	£80,950	£130,226	£88,037	£265,176	£145,913	£130,496	£186,929	£161,765	£130,302	£106,440	£136,181	£219,997	£188,033	£186,962	£186,552	£200,001	£220,045	£212,263	£131,460	£157,453	£116,362	£143,563	£136,762	
Depreciation - Housing			£438,266	£647,777	£440,591	£438,401	£441,134	£442,757	£444,343	£457,701	£451,073	£468,079	£461,685	£478,078	£476,578	£502,330	£525,141	£535,302	£555,004	£560,638	£581,460	£593,865	£598,143	£573,005	£596,548	£602,987	£616,800	£632,166	£642,387	£627,740	£634,760	£634,760	
Net Operating Surplus			£686,467	£566,758	£724,983	£779,252	£777,208	£686,961	£541,090	£369,869	£338,771	£358,771	£322,585	£441,085	£796,486	£682,651	£786,131	£718,217	£699,029	£781,428	£746,887	£686,981	£700,465	£518,274	£698,845	£688,912	£514,772	£507,388	£546,649	£571,323	£516,382		
Interest Payable			18,224	£11,086	£14,236	£17,486	£21,136	£21,352	£20,747	£17,440	£13,933	£16,223	18,301	£10,909	16,406	£30,988	£34,462	£32,914	£31,249	£39,462	£35,839	£33,641	£33,440	£48,727	£44,172	£41,478	£33,632	£33,632	£32,846	£32,846	£32,846	£32,846	
Capital Repayments			£113,962	£108,999	£109,039	£111,185	£92,928	£72,828	£98,120	£72,224	£76,329	£80,682	£85,269	£90,629	£71,377	£25,781	£28,095	£32,573	£31,938	£33,694	£35,548	£37,503	£39,565	£41,741	£44,037	£46,439	£49,014	£51,710	£54,554	£57,555	£60,720	£60,720	
Debt Service Liability			£22,196	£17,648	£123,297	£127,587	£100,146	£94,144	£98,422	£92,991	£93,774	£94,595	£95,492	£96,330	£142,265	£93,187	£93,187	£93,187	£93,187	£93,187	£93,187	£93,187	£93,187	£93,187	£93,187	£93,187	£93,187	£93,187	£93,187	£93,187	£93,187	£93,187	
			36	56	53	57	71	75	74	58	62	59	74	65	32	85	71	77	77	75	84	80	84	72	82	88	75	74	66	65	59	61	66

Appendix 8 – Risk Management Framework (Please See Below)

Appendix 8
Risk Management Framework – Key Risk Matrix and Risks

Risk Prioritisation Matrix

LIKEILHOOD	5 <i>Almost Certain</i>	LOW	SIGNIFICANT	HIGH	VERY HIGH	VERY HIGH
	4 <i>Likely</i>	LOW	MODERATE	SIGNIFICANT	HIGH	VERY HIGH
	3 <i>Moderate</i>	LOW	LOW	MODERATE	SIGNIFICANT	HIGH
	2 <i>Unlikely</i>	LOW	LOW	LOW	MODERATE	SIGNIFICANT
	1 <i>Rare</i>	LOW	LOW	LOW	LOW	LOW
		<i>Insignificant</i> 1	<i>Minor</i> 2	<i>Moderate</i> 3	<i>Major</i> 4	<i>Catastrophic</i> 5
IMPACT						

Strategic Objective	Risk Category	Hazard	Risk/consequence	Current L'hood (max 5)	Current Impact (max 5)	Current Rank (Max 25)	Control measure currently in place to reduce risk	Risk Owner	New control proposed	Adjusted score (if controls effective)		
										L'hood	Imp	Score
People	Strategic and Operational Delivery	Failure to ensure business continuity in the event of Covid-19 emergency	Immediate, unplanned change needed as result of health advice and lockdown. Outbreak of infection among staff and/or community. Staff/contractors not wearing PPE. Isolation & lack of support for vulnerable residents. THA systems do not support homeworking. Damage to Trafalgar property/assets.	3	4	12	a) Service delivery switched to essential services, in accordance with SG guidance to safeguard wellbeing of tenants, staff and contractors b) Tenants have received clear information on essential services c) Tenants advised of named THA contacts details for essential services & other advice, following closure of office to staff and customers d) Key staff equipped to work from home & able to access THA systems remotely e) Register of vulnerable tenants in place & used to check on wellbeing of vulnerable people f) Manager oversight of services being delivered & to check in with staff regarding their wellbeing g) THA systems safeguarded from cyber-attack. h) Governance arrangements adapted to reflect Covid-19 restrictions and legal advice	Director/All Staff	<ul style="list-style-type: none"> Continue to develop THA's response in light of government & other relevant advice. Planning is taking place for office reopening. Review effectiveness of THA's resilience measures, following resumption of normal business. Begin to develop longer-term plans. Migration to cloud-based systems later in 2022 will further enhance IT resilience in the event of future emergencies. 	2	3	6
Performance	Strategic and Operational Delivery	Failure to control consultants and contractors	Design failure. Contract delays. Increase in costs and/or abortive costs. Threat to reputation of HA.	2	3	6	a) Pre-site start checklists b) Building Contract review procedures c) Contract Monitoring procedures d) Procurement policy & procedures & terms and conditions of appointment regularly reviewed e) Regular meetings f) Written monthly reports from Director and consultants	Director/PSM	<ul style="list-style-type: none"> Risk to Trafalgar is low as currently our only planned development is the office extension. (Unlikely to proceed due to ongoing Covid-19 threat.) 	2	2	4

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										L'hood	Imp	Score
							g) Attendance by relevant staff and consultants at meetings on regular basis during design stage					
Performance	Compliance Legal/Regulatory	New energy standards	Failure to meet new standards	4	2	8	a) Staff awareness training on new requirements and plan accordingly to meet standard. b) Currently we fully comply with EESSH.	Director/PSM	<ul style="list-style-type: none"> Monitor Spend time getting up to date with what will be involved in EESSH2 	4	2	8
Performance	Strategic and Operational Delivery	Cost overrun	Unforeseen events (for example, drainage issues) would lead to Association having to meet additional costs	2	3	6	a) Robust site investigations b) HA financial reporting systems c) Contract Monitoring procedures d) Written cost reports from QS to incorporate compensatory savings e) Design team meetings	Director/PSM	<ul style="list-style-type: none"> Investigate reasons for cost increases from initial forecasts 	2	3	6
Property	Strategic and Operational Delivery	Project is not healthy or safe to build or live in	Risk to health and safety of tenants, staff, third parties and the general public	2	5	10	a) Follow Health & Safety Policies and procedures b) Obtain statutory permissions	Director/PSM	<ul style="list-style-type: none"> Ensure delivery partners meet current health and safety/CDM regulations. Ensure design of extension meets best practice and provides a healthy and safe environment to live in and contractors to maintain 	1	5	5
Property	Strategic and Operational Delivery	Project quality does not meet high standard	Project is expensive to manage and maintain.	3	4	12	a) Obtain required statutory requirements b) Employ external consultants to provide expertise. c) Carefully monitor performance for major cost contracts over £50,000. d) Report performance of contractors regularly to committee.	Director/PSM	<ul style="list-style-type: none"> Ensure project specification and designs are the highest quality consistent with value for money. 	2	4	8
Property	Strategic and Operational Delivery	Project does not provide value for Money	Project costs More Money – providing poor value to tenants. Risk of poor outcome/ dissatisfaction	3	4	12	a) Committee to consider value for money as part of overall appraisal of Feasibility b) Consider deferring works during inflationary periods. c) Procurement follows best practice	Committee/Director	<ul style="list-style-type: none"> Robust financial appraisal Robust legal agreements/Collateral Warranties concluded with third parties 	3	3	9
Property	Strategic and Operational Delivery	Liquidation/contract termination	Delays in scheme completion. Additional costs. Threat to reputation of HA.	2	2	4	a) Contractor financial checks b) Appropriate legal advisors in place c) Contractor/ consultant interviews and written references obtained d) Review of contractors/ consultants' procedures in place e) Retentions availability f) Close management of contractors	Director/PSM/Procurement Consultant	<ul style="list-style-type: none"> Trafalgar's interests will be protected through the Contract Agreement 	2	2	4
Property	Strategic and Operational Delivery	Poor response throughout defects liability period	Threat to reputation of HA. Potential later costs for HA. Dissatisfied tenants.	2	2	4	a) Clear procedures in place on responsibilities of client and contractor b) Use of PQQs with emphasis on performance during defects	Director/Procurement Consultant/Audit Consultant	<ul style="list-style-type: none"> Effective briefing from Director to other staff prior 	2	2	4

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										L'hood	Imp	Score
									to commencement of contract			
Governance	Compliance Legal/Regulatory	Committee Membership New regulatory requirement limiting length of service to 9 years with annual reviews to test individual committee effectiveness	Main risk is the potential to fall below minimum level of Committee members (seven). Membership is currently 10 and there is 1 member to whom the nine-year rule has so far applied. This is a risk, but not an immediate threat.	3	4	12	a) External Recruitment For Committee Members b) Induction and training programme regularly reviewed c) Joint training with local RSLs gives Committee opportunity to network and increase skills d) Continue to try and recruit committee members internally and externally.	Director	<ul style="list-style-type: none"> Committee membership currently 10 and there is still 1 member to whom the 9 year rule has so far been applied. Continue to try and recruit committee members internally and externally. 	3	4	12
Governance	Compliance Legal/Regulatory	Poor decisions made by Committee based on insufficient or errors in information	Tenant complaints Intervention by regulator or SPSO; in extreme cases, regulatory intervention including Appointees on board Threat to the viability of the Association Possible legal breaches	3	3	9	a) Internal & external audit testing, internal audit reports, monitoring of information supplied b) Regular Staff training c) Qualified staff employed d) Good quality reports prepared and distributed in advance of meetings e) Regular Review of Business Plan including and timetable for achievement f) Circulation of minutes in advance of meetings g) Annual compliance assessments against regulatory standards and tenant charter in place h) Annual effectiveness review for every Committee member i) Staff and Committee review reporting systems j) Creating more opportunities for Committee to receive/test information	Director/Senior Staff	<ul style="list-style-type: none"> Review reports periodically to ensure that they remain fit for purpose System of information quality control will reduce further the likelihood of inaccurate information being reported to the Committee and externally 	2	3	6
Governance	Compliance Legal/Regulatory	Skills gap in Management Committee	Weaknesses in governance	3	3	9	a) Induction Policy agreed in September 2021 b) Last review of Committee's skills – April 2021 c) Annual assessments and review established d) Training commenced in October 2021 e) Increasingly broad range of skills represented on MC	Director	<ul style="list-style-type: none"> New members added to the Committee with housing, law and financial expertise. Continue to highlight further training opportunities on an ad hoc basis 	2	3	6
Governance	Compliance Legal/Regulatory	Failure to adapt to new and changing Regulatory requirements and new Scottish Social Housing Charter (SSHC)	Damage to reputation of Association and impact on future independence Regulatory intervention	4	5	20	a) Self-assessments of compliance with SSHC and Regulatory Standards of Governance and Financial Management b) External and internal audit c) Business Plan with requirement to monitor compliance with regulatory requirements – via evidenced self-assessment framework d) Committee reporting process e) All policies to be reviewed to refer to the relevant regulatory standard/SSHC section f) Staff induction and staff performance reviews	Director	<ul style="list-style-type: none"> Internal audit appointment specifies the requirement for clear linkages between the Association's work and the regulatory framework in all internal audit reports The third assurance statement has now been completed and shown some progress. 	3	5	15

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										L'hood	Imp	Score
									<ul style="list-style-type: none"> A Consolidated Action Plan is now in place to help Monitor and meet outstanding requirements. This will be shown to committee regularly to update them on any progress that has been made. 			
Governance	Compliance Legal/Regulatory	Failure to comply with Health & Safety Regulations	Threat of injury to individuals and associated costs. Damage to reputation of Association. Serious injury or fatality caused by Association's failure to observe H&S requirements	3	5	15	a) H&S Policy and implementation of Procedures b) Regular training and assessments c) Identification of a H&S administrator – supported by Director d) Adequate insurance cover and regular reports to Committee e) Raise awareness at Committee f) Implementation and monitoring of annual gas servicing contract	Director	<ul style="list-style-type: none"> Instruct independent Health and Safety audit , assess action indicated Update Health and Safety Policy by working closely with Mentor. Plans to introduce 5 year framework for contractors Introduce post inspection surveys 	3	4	12
Governance	Compliance Legal/Regulatory	Poor governance as a result of misreporting to Committee, tenants, members, SHR, OSCR, lenders, and any other stakeholder	SHR Intervention Loss of autonomy Ultimate threat to existence	3	5	15	a) Ensure integrity of information being reported to the SHR via the ARC by independent assessment by peer or consultant b) Internal audit c) Regular self-assessment including considering quality and accuracy of reports d) Independent assessor in place to carry out audits and verification visits	Director	<ul style="list-style-type: none"> Introduce information checking protocol Ensure sufficient staff training undertaken Introduce second-person checking of key external information 	2	4	8
Governance	Compliance Legal/Regulatory	IT system failure	a) Loss of information b) Viruses - Disruption to operations c) Hacking	4 4 4	5 5 5	20 20 20	a) Ongoing back-up system maintenance contract. b) UPS is in place c) Cyber risks audit required to re-assess risks d) ICT consultant carries out monthly health check on system. Spam filter software installed and staff conversant with Information Security Policy e) Anti-virus software installed on all PCs with automatic updates f) Firewalls; anti-virus software; regular system checks; annual ICT review g) Insurance broadened to include loss due to hacking	Director/Housing Manager/IT	<ul style="list-style-type: none"> Implement any recommendations from the audit Ensure that protection from (i) loss of information, (ii) viruses and (iii) hacking are all clearly specified and adequately addressed in ICT audit Continue to ensure that ICT risks examined at least once in every three-year internal audit programme Conduct refresher training for staff currently ongoing. 	2 2 2	4 4 4	8 8 8
Governance	Compliance Legal/Regulatory	Breach of office security	Loss and theft/damage to equipment.	3	4	12	a) Office alarm in place b) Emergency police and office contact systems in place	Director	<ul style="list-style-type: none"> Review attendance hours by staff. 	2	4	8

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										L'hood	Imp	Score
							c) Records adequately secured out of office hours d) Computer passwords in place e) Daily back-up of computer records f) Temporary staff not provided with office keys g) Procedures in place for receipt of cash and banking h) Portable equipment controlled by staff i) CCTV around office and at various sites within area j) Staff follow a procedure to lock up office.					
People	Compliance Legal/Regulatory	Violence to staff (or anyone in the Association's office/ representing the Association)	Injury to staff (or anyone in office). Potential claims against Association.	3	5	15	a) Panic alarms in office and mobile phones for all staff b) Liaise with the Police c) Regular staff training d) Visits to anti-social tenants by two staff e) Introduction of 'safe' word f) Annual aggression and violence at work risk assessment g) CCTV around office and at various sites within area h) Facility to put a warning flag on SDM if the customer is potentially dangerous or vulnerable i) At least two staff in office at all times when office open to the public j) Ensure that all staff, particularly new staff, are aware of procedures aimed at reducing the likelihood of violence k) Staff regularly update one another on WhatsApp group on where they are when visiting tenants and when they are in the office.	Director	<ul style="list-style-type: none"> Fit panic alarm at reception 	2	4	8
Governance	Compliance Legal/Regulatory	Breaches of Data Protection Act	Provision of tenant information to unqualified organisations or individuals.	4	4	16	a) DPO now in place b) Clear policy and procedures relating to Data Protection Act and the provision of information c) Annual risk assessment carried out d) Internal audit of data security at appropriate intervals e) Confidential waste disposal procedure in place and shredder f) "Old" pcs are wiped	Director	<ul style="list-style-type: none"> Continue to work with DPO All staff are aware that any info relating to DPA should be referred to the Housing Manager (DPA Lead) who in turn will liaise with our DPO if required. 	2	4	8
Governance	Compliance Legal/Regulatory	Challenge is made against the Association under the Equality Act	Financial implications Intervention from the Regulator Prosecution Complaints to the Ombudsman Damaged reputation	4	4	16	a) Internal audit b) Equality & Diversity enshrined in all policies and policies regularly reviewed c) Introduced equality impact assessments throughout policy register d) Currently have an equal ops policy and in process of bringing Equalities Policy to committee.	Director	<ul style="list-style-type: none"> Possibility of joint working in some areas of equality with other local landlords Equalities Policy required Training for staff and committee required Training for committee required 	2	4	8
People	Financial/VFM	Reduced rental and factoring income leading to cash flow difficulties	Pressure to increase rents/factoring charge Inability to service loans Redundancies to cut costs	3	4	12	a) Monthly reporting to committee. b) Debt counselling and benefits advice working with IRC. c) Regular liaison and meetings with housing benefit d) Formal monitoring of returns at HB review stage	Housing Manager	<ul style="list-style-type: none"> Continue with current procedures 	3	3	9

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										L'hood	Imp	Score
							e) Participation in benchmarking groups f) Cash reserves in place g) Historically high rent collection rates.					
Performance	Compliance Legal/Regulatory	Fraud	Fraud – irrecoverable losses Fraudulent allocations Fraudulent HB claims Leading to adverse impact on Association reputation Regulatory intervention	3	5	15	a) Staff vigilance for spam emails/false request for bank information and to detect other suspicious activities/ requests b) Staff regularly carrying out training on cyber security c) Accreditation for Cyber Essentials achieved. d) Increase knowledge from staff due to working remotely and carrying out training. e) Financial procedures regulations regularly reviewed and internally and externally audited f) Insurance policy g) Recent internal audit examined controls in place to prevent fraud and satisfactory comments received with no recommendations h) No payments taken over the phone. i) M2 share information about fraud incidents with staff and how to avoid these.	Director	<ul style="list-style-type: none"> Staff to remain vigilant Staff to regularly carry out training modules 	2	5	10
Performance	Financial/VFM	SHAPS rising past service deficit	SHAPS final salary benefit option/debt on withdrawal triggered if members leave the scheme	4	4	16	a) Debt has decrease substantially from 3 years prior b) New staff now only offered DC pension scheme c) Recovery forecast to be complete by 2022	Director/FA	<ul style="list-style-type: none"> New staff now only offered DC pension scheme Original recovery forecast (2022) to be monitored going forward. 	3	4	12
Performance	Financial/VFM	Increasing interest rates	Increasing rates due to COVID-19 and Brexit Increased non budgeted costs to organisation. Higher costs of borrowing and effect on cash flow as a consequence of changing interest rates	4	4	16	a) Monitoring any changes b) Treasury Management Strategy in place c) Updating annual budgets, FYFP, and 30 year forecasts, including appropriate sensitivity analysis d) Reduce borrowing by paying off loans	Director/FA	<ul style="list-style-type: none"> Continue to monitor budgeted costs and any changing interest rates. Keep approach to treasury management under review 	3	4	12
Performance	Financial/VFM	Weaknesses in financial management – not observing day-to-day practices as outlined in the financial policies and procedures	Threat to financial viability Threat to reputation Greater likelihood of covenant breaches Greater likelihood of fraud Higher costs or losses to the Association	4	4	16	a) Appropriate financial regulations and other policies and procedures in place b) Internal audit gave substantial assurance for design and implementation of policies and procedures c) Independent annual external audit d) Regular review of insurance arrangements e) Short, medium and long term forecasting in place f) Regular financial reporting	Director/FA	<ul style="list-style-type: none"> Reintroduce mini audits 	2	4	8

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										L'hood	Imp	Score
Performance	Financial/VFM	Poor financial viability/ financial health	Unable to finance ongoing commitments Possibility of higher interest on loans Threats to viability could compromise the Association's ability to be autonomous Regulatory intervention	2	3	6	a) Historically strong organisation b) Appropriate financial scenario planning in place to help identify potential issues at an early stage c) Operating costs are low	Director/FA/Senior Staff	PSM Manager and Housing Manager need to look at expenditure and income received on monthly basis	1	3	3
Performance	Financial/VFM	Failure to meet covenants	Loan Covenant breach Corresponding adverse impact on loan fees and margins Adverse impact on Associations reputation	4	4	16	a) Appropriate planning/monitoring and control via preparation of annual budget and management accounts, 5 year budgets and long term projections b) Explicit reference to covenant compliance in management accounts	Director/FA	<ul style="list-style-type: none"> Continue to monitor compliance 	3	3	9
Property	Reputation/Credibility	Vandalism	Damage to stock and equipment	3	3	9	a) CCTV system b) Void properties secured as appropriate c) Weekly inspection of estates d) Endeavour to ensure appropriate street lighting e) Regular external inspection of properties f) Post-inspection visit post tenant alterations g) Raise awareness of issues in quarterly newsletters	Staff	<ul style="list-style-type: none"> More systematic estate surveying 	3	3	9
Property	Reputation/Credibility	Fire damage	Increased insurance costs Injury	3	4	12	a) Interlinked smoke alarm system in each property completed in Feb 2022. b) 100% of stock now upgraded with interlinked smoke and fire alarms - 1 st Feb 2022. c) Regular inspection of smoke detectors and reminders to residents to check battery, etc. d) Regular inspections of closes to ensure that they remain clear of obstacles e) Promote home content insurance to residents f) Regularly remind tenants that closes should remain clear of obstacles. g) Regularly provide tenants with fire safety advice in newsletters	Property Services Manager	<ul style="list-style-type: none"> Continue with fire awareness actions (notices in closes, periodic newsletter articles, referral to Fire Service advice etc.) Continue to remind tenants in closes that they should remain clear of obstacles Continue to ensure landings clear Ensure follow-up from fire report 	2	4	8
Property	Reputation/Credibility	Poor asset management	Failure to protect assets	2	3	6	a) Planned maintenance programme b) Passing PL risk to contractors in contracts c) Estate management visits checking for tenant neglect/trip hazards d) Rolling programme of house visits to be undertaken every five years e) High level of compliance with Energy Efficiency Standard for Social Housing (ESSH) f) Ensure practices takes account of Regulator's Recommended Practice.	Director/PSM	<ul style="list-style-type: none"> Continue to maintain agreed programmes 	1	3	3

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										L'hood	Imp	Score
Property	Reputation/ Credibility	Failure to deliver planned maintenance in stock	Stock fails to meet expectations of customers and this leads to a drop in demand Integrity and/or condition of stock is compromised	2	3	6	a) Cycle of performance management reporting to committee b) Ongoing performance management systems to monitor progress c) Planned and cyclical maintenance programmes d) Revised 30-year programme considered by Committee in May 2021	Director/PSM	<ul style="list-style-type: none"> Reviewed 30-year programme last considered by Committee in May 2021. 	1	3	3
Performance	Reputation/ Credibility	Contract Delays	Potential claims against Association. Threat to reputation of HA. Additional costs to Association.	2	3	6	a) Appropriate site monitoring procedures in place b) Regular design team meetings and technical meetings during course of contract.	Director/PSM	<ul style="list-style-type: none"> Constant monitoring 	1	3	3
People	Reputation/ Credibility	Legislative changes in housing benefit entitlement/introduction of Universal Credit	Changes to Universal Credit Ongoing changes due to COVID-19 Increased bad debt due to bedroom tax, welfare benefit changes and Universal Credit Less demand for larger tenement properties and increase in void loss Greater demand for internal transfers to smaller properties Increased void costs Legal costs increase Loss of income Service delivery cut backs Increased demand for benefit advice	3	4	12	a) Raise tenant awareness of changes through newsletters, bulletins and leaflets b) Strong adherence to rent arrears policy and procedures c) Allocation policy facilitates internal transfers where this helps eliminate <i>bedroom tax</i> d) Ongoing training for staff on benefit changes e) Continue to lobby MSPs to amend proposals for rent to be paid direct to tenants. f) Promote mutual exchanges within the Association's stock g) Increased staff resources to income maximisation h) Increased welfare benefits advice to tenants. i) Continue to promote use of public internet access in reception to assist with on line claims j) Named contacts established to facilitate liaison between THA and the DWP	Housing Manager	<ul style="list-style-type: none"> Continue to inform tenants about UC arrangements Continue with <u>pro</u>active arrears prevention rather than <u>re</u>active arrears management Continue to liaise with IRC, HB and UC staff 	2	4	8

Risk Appetite

Risk Classification	Risk Score	Colour	HM Treasury Orange Book Risk Appetite Score
VERY HIGH	Risks with a score of above 20		5 - Hungry
HIGH	Risks with a score of between 15 and 19		4 - Open
SIGNIFICANT	Risks with a score of between 10 and 14		3 - Cautious
MODERATE	Risk with a score of between 7 and 9		2 - Minimalist
LOW	Risks with a score lower than 7		1 - Averse

Appendix 8

Risk Management Framework – Key Risk Matrix and Risks

Table A

Management tier	Role
Management Committee	<ul style="list-style-type: none"> To lead the strategic direction of the organisation and ensure the effective development, implementation and review of the risk management strategy To agree the risk management policy and strategy
Director	<ul style="list-style-type: none"> To ensure that the Association manages risk effectively To develop, review and implement the risk management strategy and share experience of risk and risk management issues to the staff and Committee
All staff and financial consultant	<ul style="list-style-type: none"> To assist the Director by ensuring risk is managed effectively. To assist the Director in the review and implementation of the risk management policy and strategy and share experience of risk and risk management issues to the staff and Committee
	<ul style="list-style-type: none"> To ensure that risk is managed effectively in each service area within the agreed strategy To provide support on the strategy development and implementation and to share experience of risk and risk management issues
	<ul style="list-style-type: none"> To ensure that risk is managed effectively in each service area within the agreed strategy To provide support on the strategy development and implementation and to share experience of risk and risk management issues