



Business Plan

2024-2027

Section 1: Introduction

This business plan is our core strategic document and sets out our objectives and priorities for the next 3 years. We review and update our plan annually and this version of our plan was developed by our Management Committee between November 2023 to March 2024.

CONTENTS	
	Page
2. About Us	2
3. Context	4
4. Strategy	9
5. Priorities	10
6. Risk	14
7. Resources	15
8. Key Objectives	20
9. Monitoring	25
Appendices:	
A - Delivery Plan	26
B - Budget	33

Purpose of the Business Plan

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

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

Preparing this Plan

In updating our business plan, we have taken account of the latest business planning guidance published by the Scottish Housing Regulator as well as the findings from business planning workshops and meetings with our Management Committee, senior staff and from information provided through our professional partnerships and affiliations.

Like most in the Sector, the last few years have left us with a legacy of change and disruption which impacts on the running of our business and the lives and livelihood of our staff and customers. Brexit, the Pandemic, financial instability with rampant inflation, increased costs in borrowing and insurance all continue to frame the work we do and the needs of our customers. Consequently we prioritise throughout the plan continued review and assessment to ensure we meet targets and robustly analyse the reality of our assumptions against actual outcomes.

Section 2: **About Us**

Oak Tree Housing Association (OTHA) is a leading provider of social housing in Inverclyde. We own 1963 homes, provide services to over 1,200 homeowners, and have an annual turnover of approximately £12m.

Our Structure

We are a registered social landlord, regulated by the Scottish Housing Regulator. We are also a registered charity, regulated by the Office of the Scottish Charity Regulator. We currently employ 44 (37.4 FTE) staff and are governed by a Management Committee currently of 11 independent volunteers.

A Brief History

Oak Tree Housing Association Ltd was formed in April 2001 as a result of the merger of Bow Farm Housing Association and James Watt Housing Association. Victoria Housing Association then joined the new organisation at the end of June 2001. The three associations chose to come together for a variety of different reasons but primarily to create an organisation which was stronger than the sum of its parts and had an effective long-term future.

Over the years, we have successfully completed over 60 house-building projects and now have 1963 properties worth in the region of £104M. Around 83% of these new homes were provided for social rent, with the remainder offered for low cost home ownership and outright sale on a shared equity basis. We have also invested in making our neighbourhoods attractive places to live, and 85.5% of our tenants are satisfied with our overall service.

We have a track record of delivering highly-effective and innovative services. We always strive to achieve a balance between quality and value for money, offering some of the lowest rents in Inverclyde. Nearly 80% of our tenants tell us they are satisfied with the value for money of their rent, and almost 90% of new tenants sustain their tenancy. We have high levels of operational efficiency as evidenced by relatively low re-let times, arrears and bad debt ratios. In the 2023/24 we established an in-house Open Space Maintenance Team to better serve all of our areas and to improve service and reduce costs to factored customers.

We have grown our services over the years to reflect the changing needs of our local community. This has included for example: purpose-built accommodation for a local Women's Aid service; partnering to deliver a local employment and training projects; establishing the Inverclyde Common Housing Register; engaging specialist tenancy support services for our most vulnerable tenants; employing Energy Activators to deliver energy advice and resource efficiency tips to tenants; and providing our tenants with access to local, independent welfare rights, advice and support.

In 2012, following significant financial and governance concerns at locally based Cloch Housing Association, we entered into a formal partnership arrangement with Cloch and formed a group structure whereby Cloch became our subsidiary.

In 2019, as part of our Group business planning process, we took the opportunity to review the effectiveness of the partnership and following a comprehensive options appraisal, both Management Committees decided unanimously that it was now the right time to dissolve the partnership and allow each organisation to pursue its own goals. This decision was later ratified in a ballot of Cloch's tenants and our group structure was dissolved at the end of 2020/21.

As a result of our working relationship, we will continue to consider joint procurement projects, undertake joint research and deliver projects together, where these initiatives will result in improved efficiencies and better outcomes.

Whilst latterly we developed a shared services model for Finance and IT services, this ended on 28th February 2022. IT services continue to be provided to OTHA from Cloch, via a Service Level Agreement.

It is the Committee's intentions, following the results of a detailed Options Appraisal (Appendix C) carried out by a specialist external consultant, and reconfirmed on 2 occasions since, that going forward OTHA will remain as an Independent Housing Association operating in Inverclyde.

The recently intimated retirement of the senior officer during the development of this Business Plan, will require the Management Committee to provide the Scottish Housing Regulator reassurance on its long-term viability. OTHA will continue to appraise the Value for Money of individual new build developments. All major investment decisions will undergo an options appraisal and be assessed in line with the Association's Asset Management Strategy. In particular, ensuring the ongoing additional scrutiny, for all Tenant and Resident Safety, including the compliance of all works.

End of a Cycle

Whilst April 2020 to March 2024 brought many external challenges, as previously stated this was also a significant period internally for OTHA. An office move, Senior Team Restructure with all Functional Directors/Managers being replaced or posts deleted, the split from Cloch H.A., a decline in Committee Membership, followed by a refresh and recruitment of more new members. Our first ever demolition of housing stock and a formal decision to at least temporarily halt new build development activities after continuously developing for a 32 year plus period.

Nonetheless during this period, there were also some opportunities for us to change how we worked. For example, for a second year we received funding from the Scottish Government's Community Anchor fund to allow us to work with local community groups to provide support to our tenants and others in the community, in ways we had not previously considered our responsibility. The opportunity to work in partnership with various community groups has strengthened our reach into the community.

So, as the next section of this business plan highlights, we write this plan at a time of continued challenge, but also great opportunity.

SECTION 3: Context

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

3A

S

Strengths

- Office facilities / location
- Re-established focus following dissolution of constitutional partnership with Cloch HA
- Experienced and skilled staff
- Strong financial position
- Quality of Stock
- Relationship with Central & local gov
- Wider Action initiatives
- Good reputation
- Partnership Working
- Strong leadership
- ICHR Service
- Up to date knowledge
- Effective internal processes
- Recruitment of experienced professional committee members
- In house landscaping team – Pilot
- Contractor Framework

O

Opportunities

- Explore funding opportunities to enhance provision of services to tenants/community resilience
- Repurposing of difficult to let properties
- Modern apprentices/ kickstarters
- Access to digital technologies
- Renewed focus on partnership & efficiency
- Tenant scrutiny
- Increase profile
- Wider role / added value services
- Tenant engagement – imaginative ways of engaging
- Green technology / diversification
- CEO retiring
- Expansion of online services
- Increasing demand for affordable housing
- Access to new funding (e.g. community resilience)
- Policy alignment (e.g. Housing to 2040)

W

Weaknesses

- Cost of living affecting current tenants
- Depopulation (increasing as jobs/industry go)
- Increased Regulator involvement
- Relatively new Committee
- Difficult to Let Contractor Framework
- Lack of self publicity

T





Threats

- Increasing deprivation in Inverclyde
- Resident Safety
- Tenancy sustainment
- Depopulation
- Economic uncertainty
- Succession plan / SMT / Committee
- Staff morale / workload pressure
- Regulatory burden
- In-house landscaping service – Pilot
- New CEO

3B PEST

P

Political

-  Damp & Mould legislation
-  Local government service cuts (impact on tenants)
-  War
-  Political uncertainty (elections)
-  Devolved benefit powers and welfare reform programme
-  Increased pressure on rent levels
-  Local and national political priorities
-  SG programme “building back better, fairer stronger”
-  New SHR regulatory framework requirements April 2024











E

Economic

-  Costs rising
-  Inflation
-  Brexit
-  Lack of Labour & Materials
-  Ongoing unaffordability for many of home ownership
-  Economic outlook (uncertainty)
-  Potential long term impact of climate change
-  Fuel poverty
-  Interest rates
-  Lending covenants
-  Lending margins (banking)













S

Social

-  Remain a desirable employer
-  Decline in “the High Street”
-  Infrastructure inadequacies
-  Population in general and customer base is getting older
-  Customers’ ability to meet rental charge and service charges
-  Customer needs, aspirations and expectations rising
-  Evolving needs in relation to equality and diversity
-  Staff expectations
-  Adapting services to align with the “building back better” agenda
-  Importance of gather customer data to shape services
-  Ability of customers to access digital services

T

Technical

-  Renewable energy (SHNZS)
-  Cyber-attack prevention
-  Maintain use of platform for committee papers
-  Digital promotion working group (keeping up to date with new tech)
-  Ensure staff have fit for use IT equipment
-  Rising costs of technology
-  Future proofing digital access for customers and staff
-  Maintaining standards in existing homes
-  Meet standards for new homes
-  Flexible/hybrid working
-  New technology / innovation
-  Pace of change

L

Legal

-  Data protection and digital information bill (2024)
-  Building regulations
-  GDPR/Freedom of Information
-  Training
-  Awareness/knowledge
-  Legislative changes – allocations
-  Procurement
-  Tenancy agreement changes
-  Pre-action requirements
-  First tier tribunal – factoring
-  Ombudsman / SPSP – Tenants
-  Regulatory changes
-  Increased legal costs
-  Employment legislation changes
-  Disposal of assets
-  Grenfell Tower – H&S
-  Anti-social behaviour / increase in powers
-  Planning legislation

E

Environmental

-  Community facilities
-  Reduction in Local Government Services
-  Access to Health Services
-  Air Quality Pollution
-  Public Transport / mobility
-  HSPC Partnership
-  Lack of Government investment in infrastructure
-  Leisure facilities
-  Community projects
-  Decline in town centre

Section 4: Strategy

Our strategy has been developed within the context of the key influences in our operating environment. Acknowledging that we have the most challenging economic context for a very long time, with many tenants and their families facing increasing financial hardship.

Our Vision

Our ambitions are summarised in our overall vision:

“Building Better Futures”

Strategic Direction

Given the continued uncertainties in our operating context at this time, we see these next 3 years as a period with great challenges. During which, we will continue to work to strengthen our organisation, continue to refine and improve our services, while at the same time, remaining alert to opportunities to expand our services to meet changing needs.

Strategic Objectives

We have recently renewed our strategic objectives as:

- 1. To create homes and communities where people want to live.*
- 2. To deliver high-quality homes and services.*
- 3. To work with partners to enhance our effectiveness.*
- 4. To develop a skilled, professional and committed staff team.*
- 5. To embed an innovative and forward-thinking culture.*
- 6. To safeguard our future viability and sustainability.*

Our Values

Our approach to delivering these objectives is driven by our values. These are:

Leadership

Accepting accountability and balancing vision with execution, leading by example and encouraging and developing the staff team to be the best they can be.

Customer Focus

When developing and providing our services, our tenants' and other customers' needs come first.

Team working

By working together we develop our flexibility and resilience to ensure we provide a best value service to our tenants and customers.

Communication

Our communication is effective, accurate, up-to-date and easy to understand.

Respect

We treat our tenants, other customers and each other with respect and dignity at all times.

Integrity

Openness, honesty, transparency and trust are at the core of all that we do.

Section 5: **Priorities**

We continue to identify 9 inter-connecting, strategic priorities for the next year. We set these out below and in our strategic delivery plan (see Appendix) and how these will contribute to our strategic objectives.

1. Quality of our homes

We are committed to creating homes and communities where people want to live. This means balancing many different dimensions such as house design, location, energy efficiency, safety measures, rent levels, access to local amenities, customer expectations, building standards, etc. Our approach to this is set out in our comprehensive asset management strategy. This in turn, informs our 30 year plans to maintain and/or improve the condition of our homes.

Over the next three years, we will

- Continue to review our asset management strategy in light of stock condition information, changing standards and customer expectations;
- Continue with our plans to regenerate Maple Road;
- Review our enhanced estate management service;
- Review our enhanced approach to void properties;
- Continue to contribute to the I-FLAIR Framework; and
- Continue to monitor the effectiveness of our factoring service.
- Review the pilot of the in-house labour team providing our open space maintenance service.

2. Tenancy sustainability

We see tenancy sustainment as our ultimate goal and accordingly all our services are designed to help our tenants find, create, and maintain, a home. Part of this is ensuring our homes remain affordable, accessible and well-maintained, and our tenants feel warm and safe. Another part involves a more comprehensive approach which we have expanded over the years to include welfare advice, money advice, enhanced tenancy support services, energy advice, employability and training programmes, community events, etc.

Over the next three years, we will:

- Continue to play a key role in the Inverclyde Common Housing Register;
- Work to reduce the time we take to let our homes;
- Ensure our tenants are satisfied with the quality of their home when they move in;
- Enhance our self-service MyOaktree portal for tenants and factored owners;
- Maximise adaptations to suit tenants' changing needs; and
- Continue to seek opportunities to improve and enhance our services.

3. Wider Action

We have always been keen to deliver a range of wider services designed to complement our core housing services. Whilst these are always targeted at supporting our own tenants, they have often been available to the wider community as well. Some of these services are supported through grants, which we apply for, and can therefore be temporary in nature. Some of our services designed to help our tenants maintain their tenancies, have become part of our core offering and are often delivered in partnership with others to ensure value for money.

Over the next three years, we will:

- Develop and implement a community investment strategy;
- Continue to seek opportunities to attract appropriate grant funding;
- Work with partners to enhance our wider action services; and
- Promote our wider action services to our tenants and the wider community.

4. Wellbeing

The post pandemic period has brought individual and community wellbeing very much into focus. Many struggled with working from home, home-schooling children, being apart from family and friends, being furloughed or losing jobs, being ill or bereaved, or continually worried about the future. All of these experiences have had a negative impact at an individual and community level. We will therefore embed a wellbeing focus to ensure everyone (customers, staff and Committee members, etc) feels connected, engaged, supported and valued.

Over the next year, we will:

- Develop and implement a Wellbeing Strategy;
- Work with partners to promote and enhance community wellbeing; and
- Review and refine the support available to our customers, staff and Committee members.

5. Organisational culture

Having the right culture is essential to our success; it helps us recruit high-calibre staff, develop effective teamworking, and deliver excellent customer service. We will invest significantly in employee engagement programmes, encouraging innovation and we will investigate appropriate accreditations in staff development and care. We now wish to continue to embed these changes, refining them as necessary.

Over the next three years, we will:

- Mainstream equality issues throughout our organisation;
- Support succession planning through an integrated approach to career development;
- Manage organisational change in relation to the CEO retiring;
- Modernise our systems and processes; and
- Harness digital technologies to enhance our efficiency.

6. Governance

We are fully committed to meeting the standards of governance set by the Scottish Housing Regulator. In the coming years we will continue to develop further our Management Committee.

Over the next three years, we will:

- Continue to refine our committee structure, standing orders and delegated authority arrangements to ensure they remains fit for purpose;
- Maintain opportunities for Committee members to join meetings remotely;
- Continue to support short-life, focused working groups to draw on Committee members knowledge and skills;
- Undertake annual reviews to assess the contribution and effectiveness of Committee members;
- Enhance the induction, training and support for all Committee members; and
- Monitor the effectiveness of our Annual Assurance action plan.
- Review Risk Management systems.

7. Value for Money

Making the best use of our Assets and Resources, to achieve our intended outcomes and provide value for money for service users and other stakeholders, is a key focus in all our activities, embedded in our approach to procurement, resource planning and investment.

Over the next 3years, we will:

- Develop a value for money strategy;
- Continue to benchmark our performance in terms of value for money using benchmarking groups;
- Undertake a new tenant satisfaction survey to address customer views on value for money;
- Endeavour to continue to use the IFLAIR framework for our planned maintenance investment;
-
- Monitor a pilot in-house Open Space Maintenance Team;
- Optimise staffing resources and impact on service delivery.

Our rents compare very favourably with the other housing providers in Inverclyde and we have consistently had lower rent increases than other RSLs. We will continue to strive to provide value for money for our tenants by providing the best service we can at the lowest rent possible.

8. Communication

How we communicate and engage with our staff, our customers and our partners is important to our success. We are keen to listen to others in order to shape our services and improve our

performance. We are also keen to promote our services and recent successes in order to attract new customers and partnerships.

Over the next three years, we will:

- Review and implement our communications strategy;
- Enhance our social media activities;
- Enhance our tenant engagement activities; and
- Undertake employee engagement surveys;

9.Preparing for Growth

Although the next three years will be a period of challenge for us, we will also continue to review our intentions for future growth. For example, we have been an active developer and major contributor to the provision of new social rented housing in Inverclyde for many years. However, Inverclyde is now expected to experience significant population decline and so the challenge will be to ensure the right kind of housing, at the right price, is available in the right areas. Similarly, we will review the opportunities to develop our services to meet the changing needs of our community. We operate in areas with high levels of multiple deprivation; a situation which has been further exacerbated by the impact of the on-going pandemic. We will consider how we should refine, improve or expand our services in response to this critical situation.

Over the period of the plan, we will:

- Review our intentions of continuing a newbuild programme;
- Identify gaps in local service provision and assess our capacity to fill these; and
- Identify partnership opportunities to widen our impact.

Section 6: Risk

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

Approach

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

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

Audit

Our Management Committee is responsible for overseeing risk management and is assisted by Internal and External Audit reviews. The monitoring of the management of high-level risks, reviewing the risk appetite, ensuring proper controls are in place and reviewing our approach to risk management is led by senior staff, overseen by the Management Committee.

Risk Management Process

Our risk management process is as follows:

Stage 1 – Risk identification

Identifying and understanding the hazards and risks we face is crucial if informed decisions are to be made about policies, procedures or services. Risks will be identified based on past experience and events elsewhere.

Stage 2 – Risk Analysis

Once risks have been identified they will be systematically measured. Analysis will draw heavily on available data on the potential frequency of events and their consequences. If a risk is seen to be unacceptable, then steps will be taken to control it or respond to it.

Stage 3 – Risk Control

Risk control is the process of taking action to minimise the likelihood of the risk event occurring and/or reducing the severity of the consequences should it occur. Risk control will usually require managers to identify and implement projects or revised operating procedures. There may also be scope to transfer risks to consultants/contractors or buy in appropriate insurance cover.

Stage 4 – Risk Monitoring

The risk management process will not finish with the risk control projects/procedures in place. We will regularly monitor and review the effectiveness of these controls in managing risk. We will also consider whether the nature of the risk has changed over time (through cyclical review).

Section 7: Resources

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

Financial Health

Our business is supported by a strong financial position, good financial management and a robust financial plan based on informed assumptions. Our Management Committee have a clear overview of our short, medium and long term financial plans.

Benchmarking OTHA financial health against the latest Scottish Housing Regulator's average financial and efficiency ratios highlights:

- Financial strength, evidenced by the current ratio, interest cover and gearing ratios.
- Solid financial performance, evidenced by the profitability ratios.
- Good operational efficiency performance, evidenced by the arrears and bad debt ratios.

Financial Planning

Key Financial Projects & Investment

Treasury Management

Oak Tree has approximately £19M of loan funding outstanding as at 01/04/2024.

OTHA has a robust treasury management plan which is reviewed quarterly, we also carried out a loan portfolio review in November 2023 ahead of some of our fixed loan rates ending during March 2024 and March 2025. Over the next 3 years our average loan interest costs are projected as £1.190M per annum.

OTHA has one development site still in progress, to build 15 new units on the Strone Farm site. The financial plan assumes these will be completed and rented out from April 2025 onwards.

Asset Management Strategy

OTHA has an Asset Management Strategy in place and has recently completed a strategic priority to demolish 72 properties at Maple Road. Further consideration of the long-term viability of the 6 closes remaining at Maple Road will be reviewed after we have met our commitments under the Ukrainian Resettlement Scheme project.

A stock condition survey is due to be carried out during year 2 of the plan and this information will be used to verify and confirm the planned and cyclical maintenance

investment required to maintain our properties over the long term. The investment required to meet our planned and cyclical programme has been tested and we are confident we will be able to deliver this programme. Over the next 3 years the average investment in planned and cyclical work has been modelled in the financial plan as £1.94M per annum.

Key Financial Assumptions

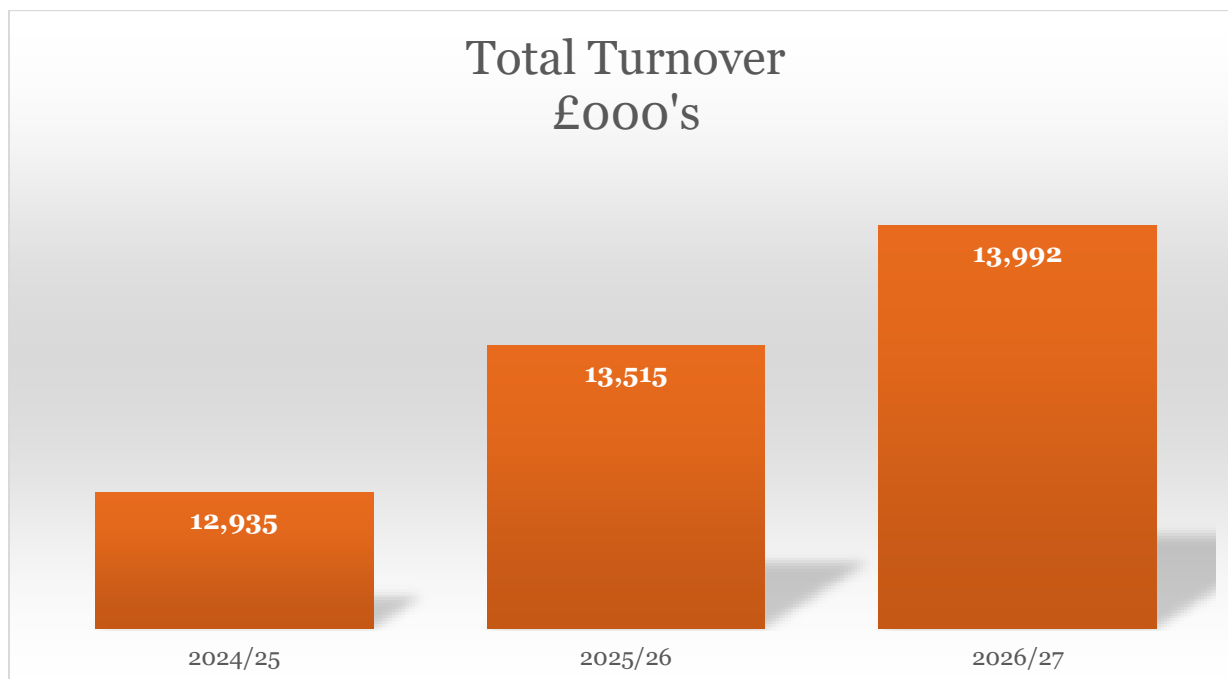
Our focus and objective is to outperform the financial plan assumptions, for example, through effective void, arrears and bad debt management. When actual performance outperforms the financial plan assumptions this will then feed through to the rent uplift decision and future investment in services.

Income

Our annual rent uplift for 2024/25 is 6.1% based on the October 2023 Retail Price Index (RPI) rate.

Years 2025/26 to 2026/27 project a rent increase of RPI inflation only.

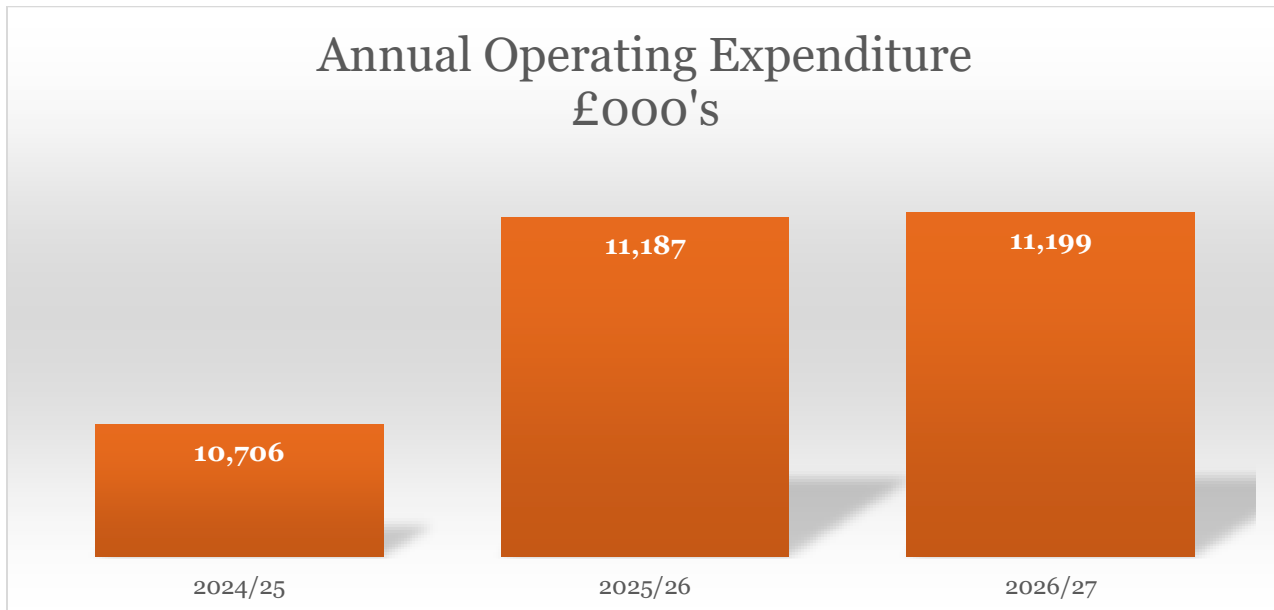
Our turnover projections for the next 3 years, based on rental income from our properties, grant funding and other activity income, e.g. wider action funding, factoring administration fees, etc. is show in the graph below:



Expenditure

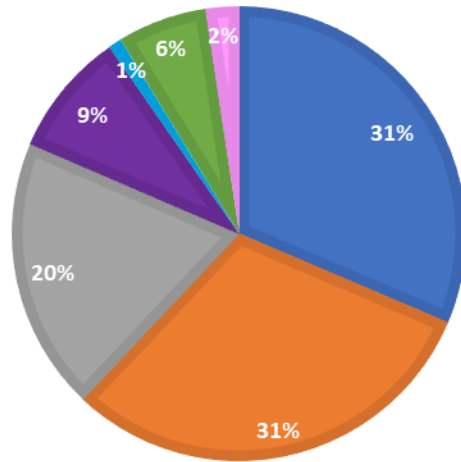
Our financial plan models expenditure to increase each year by inflation and in some areas of expenditure an above inflation increase has been applied. This reflects the impact of external economic factors, e.g. reactive and planned maintenance costs have been increased annually by inflation plus 2% for 2024/25 to reflect the potential impact of supply and demand on costs. Cyclical maintenance costs for 2024/25 have been increased by inflation plus 5%. Salary costs increase by CPI inflation plus buffers of between 1.25% and 1.5% to reflect potential resource changes in the future, to ensure we can deliver our services.

The projected annual running costs for Oak Tree over the next 3 years is shown in the graph and chart below:



Costs by Expenditure Heading 3 Year Annual Average

- Depreciation of Housing Properties
- Routine Maintenance
- Bad Debts
- Service Costs
- Management Costs Total
- Interest and financing costs
- Planned Maintenance



People

Staffing

In the period 2019 to 2023, following a review led by and external consultant, OTHA undertook a restructure of the management team. Primarily the aim was to reduce costs and focus priorities on direct services to tenants. Two posts were initially deleted from the management team and, later, a third post was deleted following the resignation of the development manager. We halted proactive development activity as we considered the future likelihood of undertaking further new build development in the longer term.

In addition to achieving savings and refocussing activities, this restructure facilitated the recruitment of specialist qualified staff leading the functional teams and heralded the recruitment of a group of new middle managers.

One of the key staffing activities to be undertaken during the first year of this plan period is the retiral of the current CEO. During the course of the past two to three years, the Board has, on two separate occasions, formally considered the options available to it in the event of the CEO leaving. On each, it has determined that a like-for-like replacement in an independent organisation is the correct option for OTHA.

Committee

In the period 2022/23 and 2023/24, membership of the Board underwent a transformation with several new members joining and a number of long-standing members stepping back. Experience tells us that the settling in and balancing of new voices is an ongoing process and the Association is actively continuing to recruit Board members, utilising observers to facilitate interested individuals in gaining a better understanding of the role they would be expected to fulfil. The recent positive response to our Board recruitment gives us confidence that, with appropriate planning, there is an appetite from tenants, service users and local professionals to take an active role in the running of the Association.

Stress Testing

Finance

Stress testing is carried out on the financial plan annually as well as adhoc. reviews for specific scenarios, as required. Testing shows the potential impact that various scenarios could have on cashflow against the 30-year financial plan. The scenarios are taken from the associations risk register as well as discussions between the Management Team, networking events and consultancy partnership.

Each scenario then details what mitigating factors the Association has in place to ensure the impact can be minimised should they arise.

Section 8: Key Objectives

Governance

	2024/25 YR1	2025/26 YR2	2026/27 YR3
<ul style="list-style-type: none"> Continue to build Management Committee capacity 	✓		
<ul style="list-style-type: none"> Complete Strone Farm Development 	✓		
<ul style="list-style-type: none"> 			
<ul style="list-style-type: none"> Continue development of Management Team Structure (new CEO) 	✓		
<ul style="list-style-type: none"> Consider establishment of Audit and Internal Control Sub-Committee 	✓		
<ul style="list-style-type: none"> To develop strategy & business planning days and/or events 	✓		

Compliance

	2024/25 YR1	2025/26 YR2	2026/27 YR3
<ul style="list-style-type: none"> Risk Management – review of systems 	✓		
<ul style="list-style-type: none"> New regulatory framework requirements (April 2024) 	✓		
<ul style="list-style-type: none"> Re-establish scrutiny panel 	✓		
<ul style="list-style-type: none"> Mainstream equalities through Association 	✓		

Finance

	2024/25 YR1	2025/26 YR2	2026/27 YR3
<ul style="list-style-type: none"> Effectively manage the Associations Treasury management function, maximising interest income and minimising borrowing costs. Ensuring sufficient working capital to meet the objectives of the business plan. 	Cashflow Management. Meet financial covenants. Manage loan fixes ending. Prepare quarterly report to FSGPSC. Review Treasury Management Policy.	Cashflow Management. Meet financial covenants. Manage loan portfolio. Prepare quarterly report to FSGPSC. Review Treasury Management Policy.	Cashflow Management. Meet financial covenants. Manage loan portfolio. Prepare quarterly report to FSGPSC. Review Treasury Management Policy.
<ul style="list-style-type: none"> Review and streamline financial processes to ensure efficiency, value for money and income maximisation. 	Review: <ul style="list-style-type: none"> Debt Recovery (review procedure and improve recovery targets. Rechargeable Repairs process. Prepare 6 Monthly report to FSGPSC.	Review: <ul style="list-style-type: none"> Management Accounts Template. Budget Template. Purchase Ledger Approval. Prepare 6 Monthly report to FSGPSC.	Review: <ul style="list-style-type: none"> 30 Year Financial Plan and Cashflow. Factoring invoices. Prepare 6 Monthly report to FSGPSC.
<ul style="list-style-type: none"> Continue good budgetary control and financial management, ensuring a consistent level of financial understanding for budget holders (BH), 	Variance analysis. Budget review meetings. Deliver financial training.	Variance analysis. Budget review meetings Deliver financial training.	Variance analysis. Budget review meetings

Management Team (MT) and Management Committee (MC).			Deliver financial training.
---	--	--	-----------------------------

Property

	2024/25 YR1	2025/26 YR2	2026/27 YR3
<ul style="list-style-type: none"> Deliver the 2024-2027 planned maintenance and cyclical programmes. 	As per 30 year life cycle programme	As per 30 year life cycle programme	As per 30 year life cycle programme
<ul style="list-style-type: none"> Bed in Contractor Framework for reactive and void repairs. Rebuild performance targets for non urgent repairs and void timescales. 	96.5%	97.5%	98.5%
<ul style="list-style-type: none"> Consider and implement Social Housing Net Zero Standards (SHNZS) 	As per BACRA modelling	As per BACRA modelling	As per BACRA modelling
<ul style="list-style-type: none"> Carry out Stock Condition Survey 		√	

Housing Management

	2024/25 YR1	2025/26 YR2	2026/27 YR3
<ul style="list-style-type: none"> Tenants Satisfaction Survey 	Carry out survey and prepare report of outcomes.	X	X
<ul style="list-style-type: none"> Improve arrears performance in challenging period. Targets 2023-24 1.90% current, 1.0% former – giving total 2.9% (2022-23 target 3.0%) 	Current 1.80% Former 1.0%	Current 1.70% Former 1.0%	Current 1.60% Former 1.0%

<ul style="list-style-type: none"> Improve the average days to let target after a very challenging period 35 days for all stock (this includes time at repair) 	35 days	34 days	33 days
<ul style="list-style-type: none"> Maintain all KPI targets – tenancy sustainment, new tenant visits, estate management complaints etc. Strive to provide excellent service to attract and retain tenants 	Review or maintain KPI targets	Review or maintain KPI targets	Review or maintain KPI targets
<ul style="list-style-type: none"> Continue to embrace new opportunities to keep Oak Tree moving forward – e.g. 	Let all properties in Maple Road & Complete the project at 76 Belville Street	Continue to embrace new opportunities	Continue to embrace new opportunities

Human Resources

	2024/25 YR1	2025/26 YR2	2026/27 YR3
<ul style="list-style-type: none"> Regain Gold Investors in People (IIP) 			
<ul style="list-style-type: none"> Undertake full staff survey 			
<ul style="list-style-type: none"> Bed in new staff appraisal process 			
<ul style="list-style-type: none"> Draft and implement a Wellbeing Strategy 			
<ul style="list-style-type: none"> Invest significantly in employee engagement programmes, 			

Information Technology (ICT)

	2024/25 YR1	2025/26 YR2	2026/27 YR3
<ul style="list-style-type: none"> Investigate a new Housing Management System 	Phase 1 – arrange demos, assist in making recommendation	Assist in preparation to move system (if required)	Assist Implement new system and support

			staff (if required)
<ul style="list-style-type: none"> Review ICT Services (including Service Level Agreement) 	Assess and ensure best value for money for ICT service	Assess and ensure best value for money for ICT service	Assess and ensure best value for money for ICT service
<ul style="list-style-type: none"> Review of hosted phone system to ensure fit for purpose 	Review and benchmark alternative systems. Implement new system (if required)	x	x

Corporate Services

	2024/25 YR1	2025/26 YR2	2026/27 YR3
<ul style="list-style-type: none"> Review of Customer Care Charter 			
<ul style="list-style-type: none"> Enhance use of CX Feedback Software 			
<ul style="list-style-type: none"> Review of Newsletter, Social Media and Website 			

Section 9: **Monitoring & Review**

We adopt a structured approach to planning and assessing our strategic performance as well as our operational performance.

Strategic Performance

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

Operational Performance

Our operational activities will be monitored and reviewed against our departmental service plans, our corporate action plan, and the Scottish Social Housing Charter. Monthly reporting is provided to our senior management team for action as required. Operational performance is reported to our Management Committee on an exceptional basis.

Assurance Statements

We completed our first Annual Assurance Report in 2019 and our Management Committee continue now to publish Annual Assurance Statements as required by the SHR, confirming the level of our compliance with all of the relevant requirements.

Appendix A:

Strategic Objectives and Priorities Delivery Plan

STRATEGIC OBJECTIVE 1: TO CREATE HOMES AND COMMUNITIES WHERE PEOPLE WANT TO LIVE.					
Strategic Priorities	Outcomes Sought	Key Performance Indicators Measurement	Annual Targets	Annual Targets	Annual Targets
			2024/25 YR1	2025/26 YR2	2026/27 YR3
1 Quality of our Homes	To provide quality homes that are safe, secure, energy efficient and matched to housing need	<p>Full compliance with SHQS</p> <p>Full compliance with EESSH1, EESH2 & SHNZS</p>	<p>100%</p> <p>(continue to pursue properties where no access is an issue and carry out works when properties become void)</p> <p>Achieve minimum 'C' rating for those EPC's at 'D' and below (EESH1)</p> <p>Work towards aspirational 'B' rating for all properties (EESH2)</p> <p>SHNZS data/works will be populated once BACRA/Energy Savings Trust modelling assessment has been carried out during 2024/25</p>	<p>100%</p> <p>(continue to pursue properties where no access is an issue and carry out works when properties become void)</p> <p>Funding investigations</p> <p>Carry out works where feasible subject to funding and available measures</p>	<p>100%</p> <p>(continue to pursue properties where no access is an issue and carry out works when properties become void)</p> <p>Carry out works where feasible subject to funding and available measures</p>

		To ensure New Build, Refurbishment, Conversion and Repairs and Maintenance Programmes match OTHA's Asset Management Strategy	Continued reduction in difficult to let / problem stock i.e. Red Flag (poor) Amber Flag (Acceptable) Green Flag (Good)	Develop and agree an action plan to move red properties to amber and green Research new asset management software Establish a start date for Strone Farm development Liaise with local authority/Scottish Government on local acquisition strategy	Develop and agree an action plan to move red properties to amber and green Implement new asset management software Consider whether the Association can deliver new build development Consider new build costs To buy properties via the acquisition strategy to match housing needs	Develop and agree an action plan to move red properties to amber and green Manage new software system
STRATEGIC OBJECTIVE 2: TO DELIVER HIGH QUALITY HOMES AND SERVICES						
Strategic Priorities		Outcomes Sought	Key Performance Indicators Measurement	Annual Targets	Annual Targets	Annual Targets
				2024/25 YR1	2025/26 YR2	2026/27 YR3
2	Tenancy Sustainability	Play a key role in the Inverclyde Common Housing Register (ICHR)	Fully participate in Steering Group and take share of processing and associated ICHR tasks	Remain part of the ICHR partnership	Remain part of the ICHR partnership	Remain part of the ICHR partnership
		Ensure tenants satisfied with the quality of their home when moving in and remain in their tenancy and enjoy their home	Monitor satisfaction at New tenant visit and ongoing tenant survey. Capture information at 3 yearly Tenants Satisfaction Survey	Ongoing New Tenant survey. Tenant Satisfaction Survey to be completed	Ongoing New Tenant survey. Tenant Satisfaction Survey to be completed	Ongoing New Tenant survey. Tenant Satisfaction Survey to be completed
			To continue working with other agencies to access funding and resources to support tenants in their homes	To liaise with appropriate external agencies and RSL's Investigate the creation of a community	Develop tenant engagement and	

				engagement officer post Q1	consultation opportunities	
		Maximise Adaptations to suit tenants' changing needs	Identify existing tenants who need adaptations to allow them to remain in their home and ensure that any void properties with adaptations are let appropriately	100% subject to grant funding	100% subject to grant funding Consider increasing funding for adaptations	100% subject to grant funding
		Continue to offer tenant sustainability services	Reduce evictions			Consider in house post of tenant sustainability officer to provide this service
8	Value for Money (VFM)	Develop a VFM Strategy. Value for Money balances rent affordability with quality of service	Tenancy sustainability measure as per ARC. Monitor bids and number of adverts on ICHR	Develop value for money strategy and set targets for future years	Develop scrutiny panel	Continue to review rent policy to compare rent affordability and comparity
		Tenant Satisfaction survey to assess VFM	In addition to TSS, ongoing repairs surveys measure satisfaction	Tenant Satisfaction Survey to be completed (3 yearly) Carry out affordability survey with tenants	Take feedback from on going surveys and develop action plan Carry out affordability survey with tenants	Take feedback from on going surveys and develop action plan Carry out affordability survey with tenants
STRATEGIC OBJECTIVE 3: TO WORK WITH PARTNERS TO ENHANCE OUR EFFECTIVENESS						
Strategic Priorities		Outcomes Sought	Key Performance Indicators Measurement	Annual Targets	Annual Targets	Annual Targets
				2024/25 YR1	2025/26 YR2	2026/27 YR3
3	Wider Action	Review and enhance the OTHA Wider action Strategy	Updated Strategy taking account of large office premises	Implement Community Investment Strategy Continue with partnership working within office Continue to offer community access	Arrange open day Monitor and review Community Engagement Strategy	Monitor and review Community Engagement Strategy

		Work with partners to enhance the OTHA Wider Action services	Regular liaison with other RSLs and external agencies - For example Financial Fitness Team and organisations which provide support	Attend meetings and progress works	Attend meetings and progress works	Attend meetings and progress works
		Promote the OTHA Wider Action Services to tenants and the wider community	Newsletter, Social Media, targeted text messages	<p>Develop short lived focus groups</p> <p>To engage with tenants to identify wider action opportunities</p> <p>To develop action plan on areas requiring improvement from tenant satisfaction surveys</p>	<p>Develop short lived focus groups</p> <p>To engage with tenants to identify wider action opportunities</p> <p>To develop action plan on areas requiring improvement from tenant satisfaction surveys</p>	<p>Develop short lived focus groups</p> <p>To engage with tenants to identify wider action opportunities</p> <p>To develop action plan on areas requiring improvement from tenant satisfaction surveys</p>
STRATEGIC OBJECTIVE 4: TO DEVELOP A SKILLED, PROFESSIONAL AND COMMITTED TEAM						
Strategic Priorities		Outcomes Sought	Key Performance Indicators Measurement	Annual Targets	Annual Targets	Annual Targets
				2024/25 YR1	2025/26 YR2	2026/27 YR3
6	Organisational Culture	Support and embed new Management Team structure	Mgt team fully effective and value their differences, listen and communicate well, seek input from each other, trust and respect one another	<p>Continue leadership training</p> <p>Fill CEO post and embed into MT</p> <p>Continue to hold MT meetings</p> <p>Develop CPD plan for MT members, associated to their</p>		

				individual role, as appropriate		
		Implement newly developed colleague review system	Assess colleague review form is fit for purpose	Review colleague review system		
		Continue to ensure Equalities issues are embedded in OTHA process	All related documents reviewed, staff and Committee refresher training	Continue equalities training plan		
		Support succession planning through integrated approach to career development	Policy to be developed			
		Continue to modernise our systems and processes	Systems Reviews			
		Harness digital technologies to enhance efficiency	My Oaktree Portal, Teams, Hosted phone system, CX Feedback, compliance software, asset management	Review hosted phone system Continue HMS options appraisal Explore compliance software Investigate asset management software		
STRATEGIC OBJECTIVE 5: TO EMBED AN INNOVATIVE AND FORWARD THINKING CULTURE						
Strategic Priorities		Outcomes Sought	Key Performance Indicators Measurement	Annual Targets	Annual Targets	Annual Targets
				2024/25 YR1	2025/26 YR2	2026/27 YR3
6	Organisational Culture	See comments in Strategic Objective 4 above at Outcomes Sought				
9	Communication	Review and implement the OTHA Communications strategy	Review strategy	Review strategy		

		Enhance social media activities (Digital Promotion Group)	Work of group continues	Investigate other platforms to maximise activity		
		Enhance tenant engagement surveys	Use of CX Feedback software, tenant scrutiny panel	Implement tenant engagement calendar Employ community engagement officer and enhance tenant engagement Develop tenant scrutiny panel		
		Undertake regular employee engagement surveys	IIP Assessment EES survey Examine customer excellence	Establish working party to develop staff survey	Aim for gold IIP status	
		PR exercise around new era for OTHA	New CEO in place Engage PR consultant, as required	Community Engagement Officer to improve PR Publicise new CEO	Celebrate 25 years of Oak Tree/40 Years of James Watt Consider development of PR strategy	
STRATEGIC OBJECTIVE 6: TO SAFEGUARD OUR FUTURE VIABILITY AND SUSTAINABILITY						
Strategic Priorities		Outcomes Sought	Key Performance Indicators Measurement	Annual Targets	Annual Targets	Annual Targets
				2024/25 YR1	2025/26 YR2	2026/27 YR3
5	Wellbeing	Develop and implement a Wellbeing Strategy	Strategy Developed			
		Work with partners to promote and enhance community well being	Sign post customers to external agencies for wellbeing Support partners in premises and resources, as appropriate. Secure funding to support anti-poverty wellbeing initiatives.	Employ a Community Engagement Officer	Consider expanding in house tenant sustainability officer	

			Work with HSCP to develop and support wellbeing initiatives			
		Review and refine support available to Committee and Staff members	Ascertain support required Continue fruit delivery, leisure pass, health checks (staff only) Promote health Initiatives Develop staff team agenda to involve wellbeing initiatives	Explore mentally flourishing work place initiatives Develop a wellbeing strategy for Committee		
10	Preparing for Growth	Consider a growth Strategy. Ensure an annual lettings plan with specific plans that any new build programme must match housing need to supply	Monitor allocations against quotas and report to external agencies e.g. HSCP, Housing Strategy Apply for Acquisition strategy funds to enhance	Complete Strone Farm Purchase 6 properties under the acquisition strategy Consider if growth strategy is required		
		Review our intentions of continuing a newbuild programme	Management Team & Committee decision	Decision to be made		
		Identify gaps in local service provision and assess capacity to fill these	Work with partners to take forward			
		Identify partnership opportunities to widen OTHA's impact	Fully participate in working groups, liaison meetings.			

The 9 inter-connecting strategic priorities at Section 5, include No 7 Governance, which cover across all 6 Strategic Objectives as detailed. Good Governance is vital to the success of OTHA. It is about the leadership, strategic direction and control of OTHA and how well it delivers for service users. Good Governance requires clear processes and policies to be in place and it is also about people issues – such as making sure there are supportive, appropriate relationships between the Committee and Senior Staff and the right behaviours and skills across the whole organisation.

Appendix B:

Our 3-Year Budget

2024 - 2027

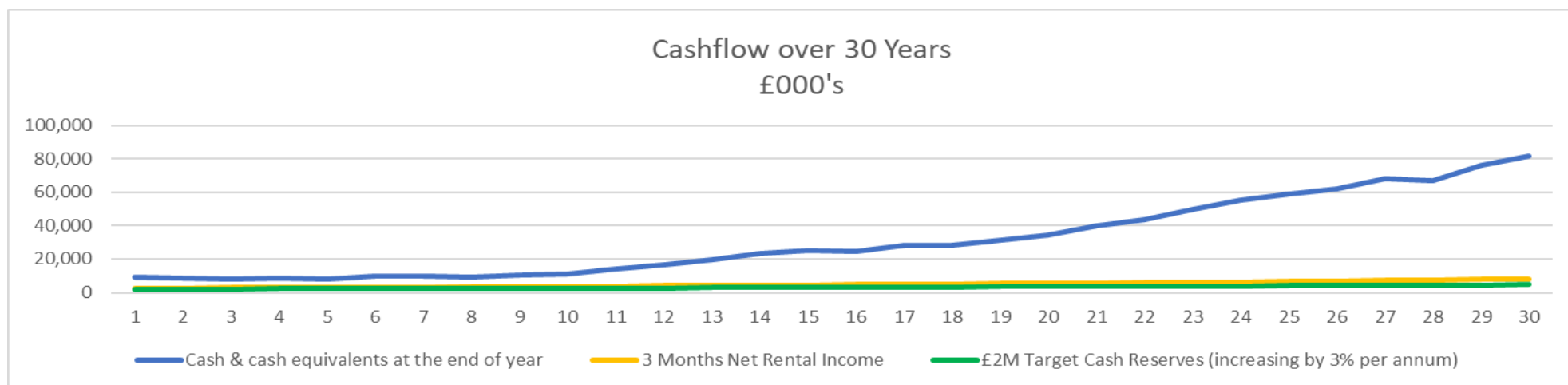
Consolidated Statement of Cash Flow
OTHA 2024-25 Final Budget - Approved 12 February 2024

Period: 01 April 2024 - 31 March 2027	2025	2026	2027
	£000's	£000's	£000's
Total Receipts	10,459	11,018	11,490
Total Payments			
Current Stock	(1,886)	(2,013)	(2,104)
Other Income and Expenditure	(435)	(444)	(454)
Management & Admin	(1,131)	(1,283)	(1,336)
Planned Maintenance - Central Costs	(306)	(193)	(101)
Reactive & Voids Maintenance	(239)	(255)	(266)
Estate Costs	(262)	(275)	(287)
Opening Balances	10	73	71
Planned Maintenance	(492)	(648)	(463)
Strone Farm Development		(1)	(18)
Total Payments Total	(4,740)	(5,039)	(4,957)
Cash Paid To Employees	(2,099)	(2,204)	(2,314)
Cash flow from Operating Activities	3,621	3,775	4,219
Net cash generated from operating activities	3,621	3,775	4,219
Cash flow from investing activities			
Purchase of tangible fixed assets			
Planned Maintenance	(1,701)	(2,055)	(2,068)
Strone Farm Development	(2,776)	-	-
Other Fixed Assets	(32)	(467)	(53)
Purchase of tangible fixed assets Total	(4,510)	(2,523)	(2,121)
Grants received	114	-	-
Interest Received (cash)	215	177	83
Total Cash flow from investing activities	(4,181)	(2,346)	(2,038)
Cash flow from financing activities			
Interest paid	(1,132)	(1,272)	(1,166)
Interest element of finance lease rental payment			
New secured loans	5,700	-	-
Capital Repayments	(1,140)	(1,011)	(1,075)
Total Cash flow from financing activities	3,428	(2,284)	(2,240)
Cash & cash equivalents at the beginning of year	6,329	9,197	8,342
Net Change in Cash & cash equivalents	2,868	(855)	(59)
Cash & cash equivalents at the end of year	9,197	8,342	8,283

Consolidated Statement of Cash Flow | 30 Years
OTHA 2024-25 Final Budget - Approved 12 February 2024

Period: 01 April 2024 - 31 March 2054															
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Cash at the end of year	9,197	8,342	8,283	8,327	8,238	9,527	9,808	9,492	10,278	11,123	14,179	16,358	19,491	23,613	24,854
3 Months Net Rental Income	2,552	2,696	2,817	2,936	3,053	3,174	3,300	3,431	3,567	3,708	3,856	4,009	4,168	4,333	4,505
Target Cash Reserves of £2M	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610	2,688	2,768	2,852	2,937	3,025

Period: 01 April 2024 - 31 March 2054															
	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Cash & cash equivalents at the end of year	24,406	27,977	28,477	31,304	34,060	39,803	43,855	49,963	55,332	58,884	61,757	68,053	66,920	76,302	81,778
3 Months Net Rental Income	4,684	4,870	5,064	5,265	5,474	5,692	5,918	6,153	6,398	6,653	6,917	7,192	7,478	7,776	8,085
Target Cash Reserves of £2M	3,116	3,209	3,306	3,405	3,507	3,612	3,721	3,832	3,947	4,066	4,188	4,313	4,443	4,576	4,713



Detailed Consolidated Statement of Comprehensive Income
OTHA 2024-25 Final Budget - Approved 12 February 2024

Period: 01 April 2024 - 31 March 2027	2025	2026	2027
	£000's	£000's	£000's
TURNOVER			
Gross Rental Income			
Rent Receivable	10,320	10,899	11,390
Service Charge Income	184	193	199
Gross Rental Income	<u>10,504</u>	<u>11,092</u>	<u>11,589</u>
Less Voids	<u>(295)</u>	<u>(309)</u>	<u>(323)</u>
Net Rental Income	<u>10,209</u>	<u>10,783</u>	<u>11,266</u>
Total Turnover From Social Housing Lettings	<u>10,209</u>	<u>10,783</u>	<u>11,266</u>
Other Income	361	366	360
Grant Amortisation Accrual Method Total	2,365	2,366	2,366
Total Turnover	12,935	13,515	13,992
OPERATING EXPENDITURE			
Management Costs Total	(3,301)	(3,591)	(3,785)
Service Costs	(262)	(275)	(287)
Routine Maintenance	(2,125)	(2,269)	(2,388)
Planned Maintenance	(797)	(840)	(563)
Bad Debts	(105)	(111)	(116)
Depreciation of Housing Properties	<u>(3,682)</u>	<u>(3,657)</u>	<u>(3,607)</u>
Operating Costs Social Housing	<u>(10,272)</u>	<u>(10,743)</u>	<u>(10,746)</u>
Other Expenditure	(435)	(444)	(454)
Operating Expenditure Total	10,706	11,187	11,199
Operating Surplus/(deficit)	2,228	2,329	2,793
Interest Receivable	215	177	83
Interest and financing costs	(1,132)	(1,272)	(1,166)
Comprehensive Income for the year	1,311	1,233	1,711
Cumulative Retained Profit	33,873	35,106	36,816

Consolidated Statement of Financial Position
OTHA 2024-25 Final Budget - Approved 12 February 2024

Period: 01 April 2024 - 31 March 2027	2025	2026	2027
	£000's	£000's	£000's
Fixed Assets			
Land & Buildings Total	165,079	167,134	169,202
Depreciation Land & Buildings Total	(60,772)	(64,429)	(68,036)
Housing Properties NBV	104,307	102,705	101,166
Other Fixed Assets Tangible	2,087	2,450	2,369
Tangible fixed assets	106,393	105,155	103,535
Current Assets			
Trade and other debtors	415	436	456
Cash and cash equivalents	9,197	8,342	8,283
Current Assets Total	9,612	8,778	8,739
Less - Creditors - amounts due within 1 year	(1,682)	(1,754)	(1,826)
Net current assets/liabilities	7,930	7,024	6,914
Assets less current liabilities Total	114,323	112,179	110,449
Creditors - amounts due after more than 1 year			
Outstanding Loan Balance	(22,950)	(21,939)	(20,864)
Deferred Income	(57,448)	(55,082)	(52,716)
Long Term Creditors Balance	(52)	(52)	(52)
Creditors - amounts due after more than 1 year	(80,450)	(77,073)	(73,632)
Net assets Total	33,873	35,106	36,816
Reserves			
Income and Expenditure Reserve	33,873	35,106	36,816
Total reserves	33,873	35,106	36,816
Balance Sheet Check	Balanced	Balanced	Balanced

Financial KPI Summary

OTHA 2024-25 Final Budget - Approved 12 February 2024

Period: 01 April 2024 - 31 March 2027	2025	2026	2027
	£000's	£000's	£000's
<u>Curent Ratio Calculations</u>			
Current Assets Total	9,612	8,778	8,739
Creditors - amounts due within 1 year	1,682	1,754	1,826
Capital Repayments	1,140	1,011	1,075
Total Current Liabilities	2,822	2,765	2,900
Net Current Asset	6,790	6,012	5,839
Current Ratio	3.41	3.17	3.01
Green ratio target > 1.10			
<u>Interest Cover Calculations</u>			
Operating Surplus/(deficit)	2,228	2,328	2,793
Add - Depreciation of Housing Properties	3,681	3,657	3,607
Less - Grant Amortisation Accrual Method Total	(2,365)	(2,366)	(2,366)
Less - Capitalised Components	(1,701)	(2,055)	(2,068)
Adjusted Operating Surplus	1,844	1,564	1,965
Interest Receivable	215	177	83
Interest and financing costs	(1,132)	(1,272)	(1,165)
Net Interest	(917)	(1,096)	(1,082)
Interest Cover Covenant	2.01	1.43	1.82
Green IC target >1.10			
Headroom Calculations			
Adjusted Operating Surplus	1,844	1,564	1,965
Less - 1.1 x Net interest	(1,009)	(1,205)	(1,190)
Headroom - £1000's	835	359	775
<u>Gearing Calculations</u>			
Total Outstanding Loan Balance	22,950	21,939	20,864
Land & Buildings Total	165,079	167,134	169,202
Gearing %	14%	13%	12%
Green Gearing target <50%			