



Business Plan

2022-2024

Section 1: Introduction

This business plan is our core strategic document and sets out our objectives and priorities for the next 2 years. We review and update our plan annually and this version of our plan was approved by our Management Committee in April 2022.

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Purpose of the Business Plan

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

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

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 a business planning workshops and meetings with our Management Committee and senior staff.

We must also acknowledge the continued impact of the pandemic on our thinking and approach at this time. It is still hard to imagine what the “new normal” will look like, nor to fully understand the long-term impact of Covid-19 on our communities and its people. This is therefore only a 2 year plan.

Section 2: **About Us**

Oak Tree Housing Association (OTHA) is a leading provider of social housing in Inverclyde. We own 1960 homes, provide services to over 1,000 homeowners, and have an annual turnover of £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 10 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 1960 properties worth in the region of £97m. 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 82% of our tenants are satisfied with our approach.

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.

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 option 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.

Two Years Like No Others

In March 2020, like much of the UK, we closed our offices to the public and this remains the case, apart from necessary by appointment only meetings, as at March 2022. Regular office closure reviews continue and a phased office opening to the public is anticipated from April 2022. The pandemic has created many challenges for us – how to deliver services, how to ensure our staff could work safely and effectively from home, how we let tenancies and repair homes while social distancing, how we coped with the stopping of all construction work, how we conducted Management Committee meetings, AGMs, etc. In due course we will be installing in our Committee room, the necessary technology to facilitate a Hybrid approach going forward for Management Committee meetings and this we believe, will assist with Committee attendance at meetings, either by 'in person' or 'virtually'.

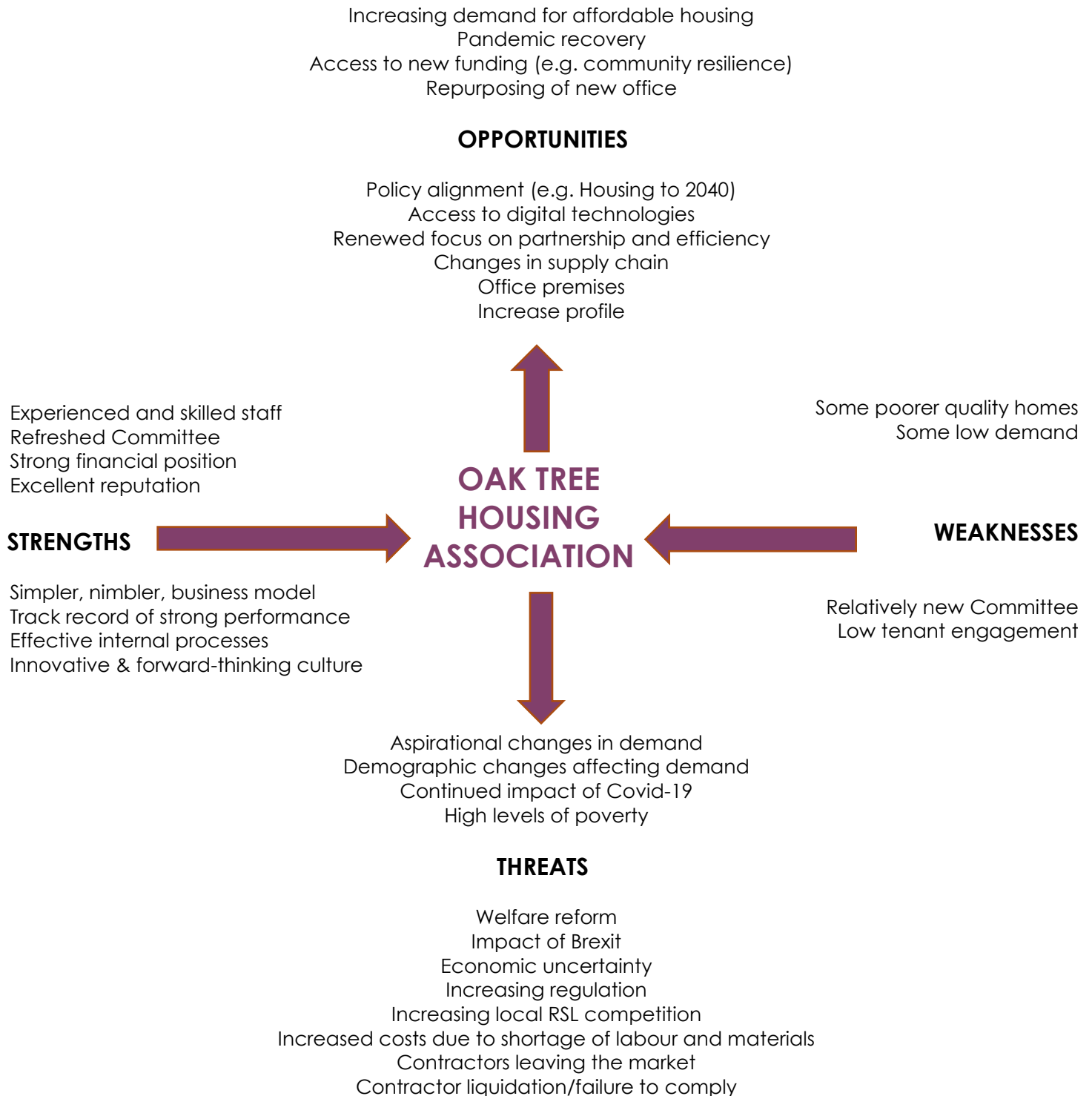
Nonetheless, there were also some opportunities for us to change how we worked. For example, for a second year we received funding from the Scottish Government's Community Anchor fund to allow us to work with local community groups to provide support to our tenants and others in the community, in ways we had not previously considered our responsibility. The opportunity to work in partnership with various community groups has strengthened our reach into the community. We also will review our plans for our new office, acknowledging that some degree of home-working is here to stay and the potential this offers for the part of the building to become a service hub for 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 2 years.

3A



3B PESTLE

- Political uncertainty
- Local and national political priorities;
- Devolved benefit powers and welfare reform programme

POLITICAL

- The Scottish Government's programme for Government and 'building back better, fairer, stronger'
- Increased pressure on rent levels resulting from regulatory and government views on rent affordability
 - SHR business planning supplementary guidance –

- Economic outlook
- Impact of Covid related employment issues on tenants' income
- Increases costs
- Inflation as measured by CPI
- Fuel poverty
- The potential long term impact of climate change

- Customer needs, aspirations and expectations
- Understanding and responding to evolving needs in relation to equality and diversity
- Adapting services to align with the 'building back better' agenda and responding to the Covid recovery situation
- Importance of data availability
- Staff expectations

ECONOMIC

- Energy costs combined with wider economic issues
- The challenges involved in funding additional investment in existing homes
- Challenges in funding new developments
- Pressures on controlling overhead costs, meeting expenditure requirements
- Ongoing unaffordability for many of home ownership

OAK TREE HOUSING ASSOCIATION

SOCIAL

- Customers' ability to meet rental charge and service charges
- Population in general and customer base is getting older
- Ability of customers to access digital services

- Coronavirus crisis and recovery
- Digital access for customers and staff; and future expectations / requirements
 - New technology / innovation
 - Quality of new homes –

TECHNICAL

- Standards in existing homes
 - Flexible working
 - Pace of change

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 2 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 10 inter-connecting, strategic priorities for the next 2 years. 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 2 years, we will

- Continue to review our asset management strategy in light of updated 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.

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, access to low credit for household goods, enhanced tenancy support services, energy advice, employability and training programmes, community events, etc.

Over the next 2 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 2 years, we will:

- Review and enhance our wider action strategy in light of the continued pandemic and changing needs;
- 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. New Office

3 years ago, we acquired a large, centrally-located building which we have converted into modern offices for our full staff team. We had expected the relocation to have taken place at the end of 2020/21 but this was delayed due to the pandemic until late 2021. Given that we now have an element of home-working, we have the opportunity to rethink the purpose, function and layout of the space and align this with our other strategic priorities (including wider action and potentially expanding our services).

Over the next 2 years, we will:

- Review our requirements for office space; and
- Explore the feasibility of converting part of the building into a local service hub for the community.

5. Wellbeing

The on-going pandemic 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 our post-Covid recovery plans to ensure everyone (customers, staff, Committee members, etc) feels connected, engaged, supported and valued.

Over the next 2 years, 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 staff and Committee members.

6. 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 have already invested significantly in employee engagement programmes, re-structuring our senior staff team,

introducing a competency framework, encouraging innovation, and retaining our IIP Gold accreditation. We now wish to continue to embed these changes, refining them as necessary.

Over the next 2 years, we will:

- Further support and embed our new Management staff team structure;
- Review and refine our new competency framework;
- Mainstream equality issues throughout our organisation;
- Support succession planning through an integrated approach to career development;
- Modernise our systems and processes; and
- Harness digital technologies to enhance our efficiency.

7. Governance

We are fully committed to meeting the standards of governance set by the Scottish Housing Regulator. Our Management Committee will continue to develop further, following some new appointments. Co-optees will be sourced for their particular skills or experience they can offer.

Over the next 2 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.

8. 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 2 years, we will:

- Develop a value for money strategy;
- Continue to benchmark our performance in terms of value for money using r benchmarking groups;
- Use the results of the tenant satisfaction survey to address customer views on value for money;
- Endeavour to continue to use the IFLAIR framework for our planned maintenance investment;
- Procure the following contracts due for re-tender over the next 2 years:
 - Photocopier contract
 - ICT outsourced partner services
 - Internal Audit

- Management Committee Performance Review
 - Stage 3 Adaptations
 - Gas reactive and annual servicing contract
- Carry out a staff structure review, which will focus on optimising 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 were pleased to be able to only increase the rents for 2022-23 by 3%, which was significantly below inflation at that point. 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.

9. 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. We plan to relaunch the Oak Tree brand in 2022 and use this opportunity to begin to raise our profile both locally and nationally.

Over the next 2 years, we will:

- Review and implement our communications strategy;
- Enhance our social media activities;
- Enhance our tenant engagement activities;
- Undertake regular employee engagement surveys; and
- Re-launch the Oak Tree brand.

10. Preparing for Growth

Although these next two years will be a period of challenge for us, we will also take the opportunity 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 first year of this plan, we will:

- Prepare a growth strategy;
- 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

New Developments

Oak Tree has £18M of loan funding outstanding as at 01/04/2022, with an additional circa £7.4M required to finalise the building of a further 86 new homes at an average build cost of £193k per property, part funded by Scottish Government grant funding. A £9.7M development loan facility is in place and an additional £1.5M being approved at the next Management Committee meeting in April 2022, with the projection being the loan will be fully drawn down by 31 March 2023.

OTHA has a robust treasury management plan which is reviewed quarterly, all loans with Nationwide are fixed until 2024/25 at a low mortgage rate of circa 1.42% The RBS loan facility, which will be fully drawn down by 31/03/2023 is on a variable rate, however we will consult as to whether it would be value for money to fix the loan once it has been fully drawn down. Over the next 3 years our average loan interest costs are projected as £387k per annum. We have around 79% of our properties secured against the loan funding and the existing loan facility, plus the additional £1.5M loan facility with RBS will be secured over our properties at Ravenscraig Gardens.

Asset Management Strategy

OTHA has an Asset Management Strategy in place and a strategic priority is to demolish 72 properties at Maple Road, as part of our regeneration plan for the area. The financial plan

modelled the work being phased over a 3 year period from February 2020 and we are on target to complete this project.

A stock condition survey was carried out in 2020 and the information has been used to verify and confirm planned and cyclical maintenance investment required to maintain our properties over the long term. Over the next 2 years the average investment in planned and cyclical work has been modelled in the financial plan as £2.5M per annum, *(excluding the Maple Road demolition project costs)*.

Office Accommodation

Oak Tree purchased a new office and have since 2019 invested in a refurbishment project to upgrade the accommodation. Staff have moved into the new accommodation from and a feasibility review will be carried out to assess converting part of the building into space that can be used as a local service hub for the community. The outcome of an options appraisal on the High Street office accommodation is soon to be considered by the Management Team e.g. convert to housing / sell / let.

Key Financial Assumptions

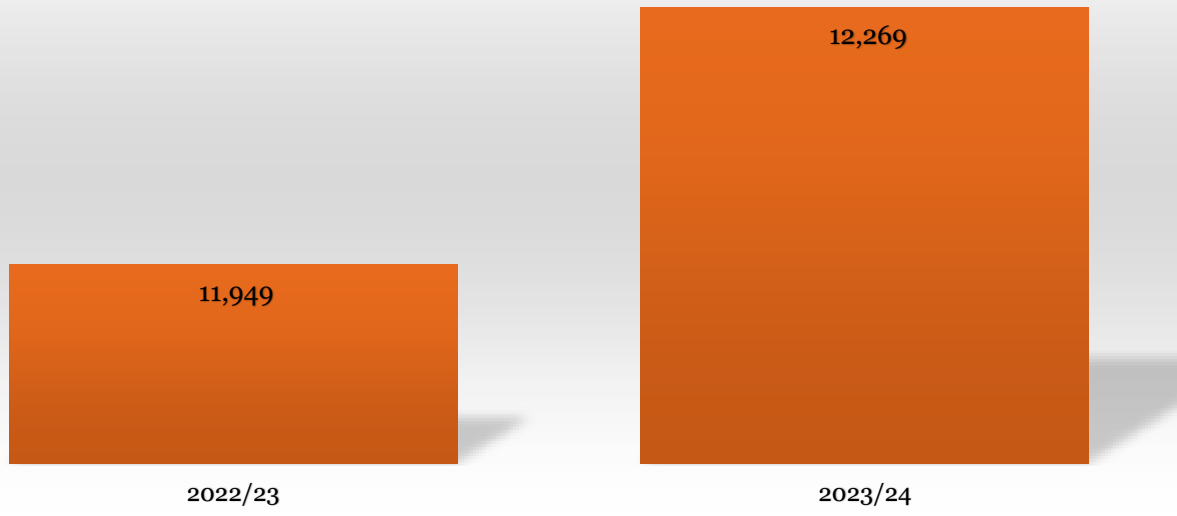
Our focus and objective is to outperform the financial plan assumptions, for example, through effective void, arrears and bad debt management. When actual performance outperforms the financial plan assumptions this will then feed through to the rent uplift decision and future investment in services.

Income

Our annual rent uplift for 2022/23 is 3%, *(below the inflation increase projections of up to 3.1% CPI and 4.4% RPI)*. Years 2023/24 to 2026/27 projects a rent increase of inflation plus 0.25%, from 2027/28 to 2031/23 its inflation plus 0.3%, thereafter, our future annual rent uplift projections within the 30 year plan is inflation only.

Our turnover projections for the next 2 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:

Annual Turnover - April 2022 - March 2024 £000's



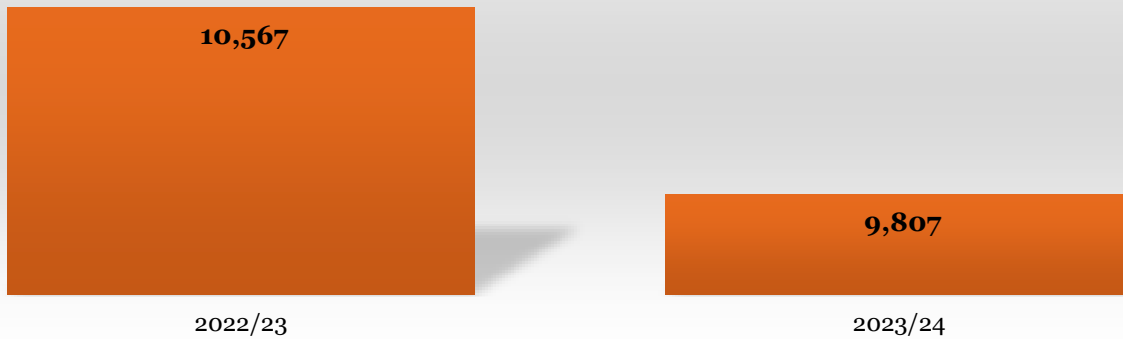
The increase in income links to the newly built properties being rented.

Costs

Our financial plan models costs 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. maintenance costs have been increased annually by inflation plus 0.5% to reflect the potential impact of supply and demand on costs. With planned and cyclical maintenance costs for 2023/24 being increased by inflation plus 3% based on the projections of the market. Salary costs have increased by inflation plus 3.1% for 2022/23 and 2% thereafter to reflect potential resource changes in the future to support our customer service to tenants.

The projected annual running costs for Oak Tree over the next 2 years is show in the graph and chart below:

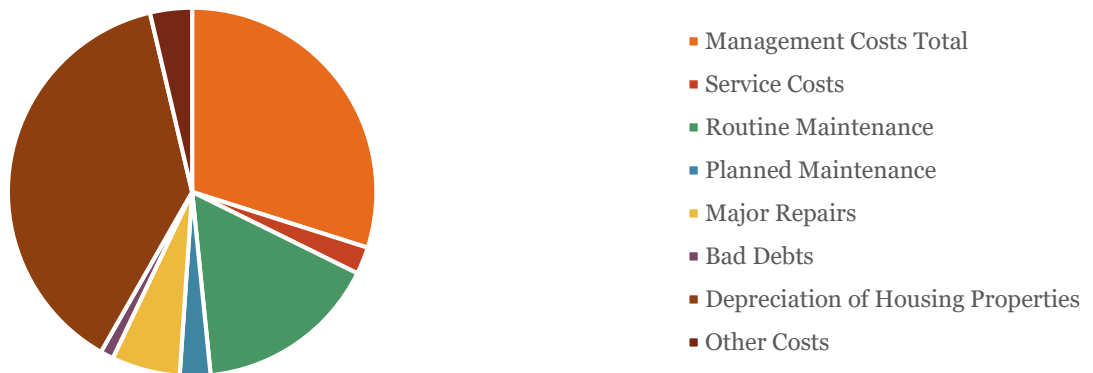
Annual Running Costs - April 2022 - March 2024 £000's



The movement in costs over the 3 year period relates to less expenditure on major repairs (linking with the timing of the Maple Road demolition project and the timing of component replacements).

The chart below shows the total costs over the next 2 years broken down by expenditure heading, using an average of costs over the 2 year period:

Costs by Expenditure Heading 2 Year Annual Average



The Financial Statements, for 2022 to 2024 in addition to details of the planned maintenance expenditure and compliance with the bank covenants are noted in Appendix B.

Section 8: **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	
				2022/23 YR1	2023/24 YR2
1	Quality of our Homes	To provide quality homes that are safe, secure, energy efficient and matched to housing need	Full compliance with SHQS Full compliance with EESSH	100%	100%
		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)	90% Green / Amber	90% Green / Amber
STRATEGIC OBJECTIVE 2: TO DELIVER HIGH QUALITY HOMES AND SERVICES					
Strategic Priorities		Outcomes Sought	Key Performance Indicators Measurement	Annual Targets	
				2022/23	2023/24
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	Process forms 10 working days	Process forms 10 working days
		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	90% satisfaction	90% satisfaction
		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	Monitor allocations – actual against quotas	Monitor allocations – actual against quotas
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	87.5% tenancies sustained for 12 mths	TBA
		Tenant Satisfaction survey to assess VFM	In addition to TSS, ongoing repairs surveys measure satisfaction	95%	TBA

STRATEGIC OBJECTIVE 3: TO WORK WITH PARTNERS TO ENHANCE OUR EFFECTIVENESS					
Strategic Priorities		Outcomes Sought	Key Performance Indicators Measurement	Annual Targets	
				2022/23	2023/24
3	Wider Action	Review and enhance the OTHA Wider action Strategy	Updated Strategy taking account of large office premises	X	
		Work with partners to enhance the OTHA Wider Action services	Regular liaison with other RSLs and external agencies - Financial Fitness Team, Community Links etc	X	X
		Promote the OTHA Wider Action Services to tenants and the wider community	Newsletter, Social Media, targeted text messages	X	X
STRATEGIC OBJECTIVE 4: TO DEVELOP A SKILLED, PROFESSIONAL AND COMMITTED TEAM					
Strategic Priorities		Outcomes Sought	Key Performance Indicators Measurement	Annual Targets	
				2022/23	2023/24
4	New Office	Review our hybrid working arrangements.	Customer Care Charter outcomes and Employee Survey	X	X
		Feasibility study regarding High Street premises	Let or sell	X	
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	X	X
		Review and refine our Competencies framework	Framework reviewed and working well for all staff.	X	
		Mainstream Equalities throughout OTHA	All related documents reviewed, staff and Committee refresher training	X	
		Support succession planning through integrated approach to career development	Policy to be developed	X	
		Modernise our systems and processes	Systems Reviews	X	
		Harness digital technologies to enhance efficiency	My Oaktree Portal, Teams, Hosted phones	X	X
STRATEGIC OBJECTIVE 5: TO EMBED AN INNOVATIVE AND FORWARD THINKING CULTURE					

Strategic Priorities		Outcomes Sought	Key Performance Indicators Measurement	Annual Targets	
				2022/23	2023/24
6	Organisational Culture	See comments in Strategic Objective 4 above at Outcomes Sought			
9	Communication	Review and implement the OTHA Communications strategy	Review Carried Out	X	
		Enhance social media activities (Digital Promotion Group)	Work of group continues	X	X
		Enhance tenant engagement surveys	Use of CX Feedback software	X	X
		Undertake regular employee engagement surveys	IIP Assessment EES undertaken	X	X
		Re-Launch the OTHA Brand	Following office Move - PR – redesign of documents	X	
STRATEGIC OBJECTIVE 6: TO SAFEGUARD OUR FUTURE VIABILITY AND SUSTAINABILITY					
Strategic Priorities		Outcomes Sought	Key Performance Indicators Measurement	Annual Targets	
				2022/23	2023/24
5	Wellbeing	Develop and implement a Wellbeing Strategy	Strategy Developed	X	
		Work with partners to promote and enhance community well being	Agree partners and take forward community well-being	X	
		Review and refine support available to Committee and Staff members	Ascertain support required	X	
10	Preparing for Growth	Prepare a growth Strategy which includes 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 New builds can be let and re-let	X	X
		Review our intentions of continuing a newbuild programme	Management Team & Committee decision	X	
		Identify gaps in local service provision and assess capacity to fill these	Work with partners to take forward	X	X
		Identify partnership opportunities to widen OTHA's impact	Fully participate in working groups, liaison meetings.	X	X

The 10 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 2-year Budget**

Consolidated Statement of Cash Flow

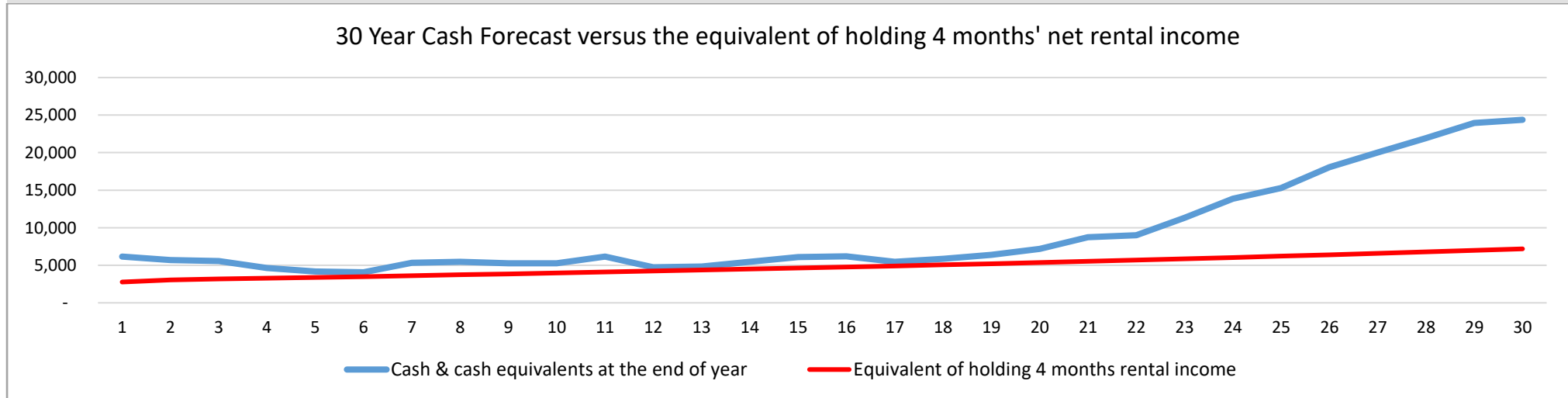
Final 2022-23 Budget - Approved -14 February 2022

Period: 01 April 2022 - 31 March 2024	2022/23	2023/24
	£000's	£000's
Total Receipts	9,409	9,790
Total Payments		
Property Letting	- 1,453	- 1,510
Central Costs - Properties		
Reactive Other	- 126	- 144
Reactive, New Boilers & Gas Auditor	- 22	- 22
Maple Road Demolition	- 376	
Planned Maintenance - Non Components	- 210	- 158
Other Estate Costs	- 243	- 257
Cyclical Work -SDM Extract	- 327	- 174
Cyclical Work - Other	- 55	- 54
Recharged to Factoring	- 199	- 220
Central Costs - Properties Total	- 1,557	- 1,029
Other Activities	- 564	- 351
Overheads & Salaries	- 469	- 458
Opening Balances	- 88	44
Developments Approved	- 31	- 121
Total Payments Total	- 4,161	- 3,424
Cash Paid To Employees	- 2,195	- 2,057
Cash flow from Operating Activities	3,053	4,309
Net cash generated from operating activities	3,053	4,309
Cash flow from investing activities		
Purchase of tangible fixed assets		
Central Costs - Properties	- 2,640	- 2,809
Opening Balances	- 77	- 459
Developments Approved	- 5,618	- 27
Loan to CHA HA	-	-
Purchase of tangible fixed assets Total	- 8,335	- 3,294
Proceeds from sale of tangible fixed assets		
Grants received	-	-
Interest Received (cash)	12	26
Total Cash flow from investing activities	- 8,324	- 3,269
Cash flow from financing activities		
Interest paid	- 375	- 416
Interest element of finance lease rental payment		
New secured loans	6,400	1,000
Capital Repayments	- 1,193	- 1,768
Total Cash flow from financing activities	4,833	1,184
Cash & cash equivalents at the beginning of year	6,142	5,704
Net Change in Cash & cash equivalents	- 438	- 144
Cash & cash equivalents at the end of year	5,704	5,561
Target of holding the equivalent of 4-months net rental income	3,033	3,190

Consolidated Statement of Cash Flow - 30 Years 2022-23 Final Budget

Years	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Period: 01 April 2021 - 31 March 2051	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Cash & cash equivalents at the end of year	£000's 6,142	£000's 5,704	£000's 5,561	£000's 4,640	£000's 4,184	£000's 4,068	£000's 5,332	£000's 5,452	£000's 5,270	£000's 5,252	£000's 6,155	£000's 4,737	£000's 4,847	£000's 5,458	£000's 6,096
Equivalent of holding 4 months rental income	2,769	3,033	3,190	3,285	3,383	3,493	3,609	3,727	3,850	3,977	4,109	4,231	4,358	4,489	4,625

Years	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Period: 01 April 2021 - 31 March 2051	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Cash & cash equivalents at the end of year	£000's 6,189	£000's 5,461	£000's 5,868	£000's 6,389	£000's 7,169	£000's 8,724	£000's 9,012	£000's 11,314	£000's 13,872	£000's 15,298	£000's 18,068	£000's 20,031	£000's 21,939	£000's 23,952	£000's 24,372
Equivalent of holding 4 months rental income	4,762	4,905	5,052	5,205	5,360	5,521	5,686	5,858	6,032	6,213	6,400	6,593	6,789	6,993	7,186



Detailed Consolidated Statement of Comprehensive Income

Final 2022-23 Budget - Approved - 14 February 2022

Period: 01 April 2022 - 31 March 2024	2022/23	2023/24
	£000's	£000's
TURNOVER		
Gross Rental Income		
Rent Receivable	9,126	9,614
Service Charge Income	138	146
Gross Rental Income	9,264	9,760
Less Voids	- 166	- 192
Net Rental Income	9,098	9,569
Other Revenue Grants		
Other Income	446	293
Total Turnover From Social Housing Lettings	9,544	9,861
Grant Amortisation Accrual Method Total	2,404	2,407
Total Turnover	11,949	12,269
OPERATING EXPENDITURE		
Operating Costs Social Housing		
Management Costs Total	- 3,016	- 2,893
Service Costs	- 201	- 228
Routine Maintenance	- 1,394	- 1,535
Planned Maintenance	- 234	- 255
Major Repairs	- 968	- 386
Bad Debts	- 70	- 98
Depreciation of Housing Properties	- 3,757	- 3,672
Other Costs	- 564	- 351
Operating Costs Social Housing	- 10,204	- 9,417
Operating Expenditure Total	10,204	9,417
Operating Surplus/(deficit)	1,744	2,852
Interest Receivable	12	26
Interest and financing costs	- 375	- 416
Comprehensive Income for the year	1,381	2,462
-- Cumulative Retained Profit	31,573	34,035

Consolidated Statement of Financial Position

Final 2022-23 Budget – Approved - 14 February 2022

Period: 01 April 2022 - 31 March 2024	2022/23	2023/24
	£ 000's	£ 000's
Fixed Assets		
Intangible assets and goodwill		
Land & Buildings Total	166,615	169,450
Depreciation Land & Buildings Total	- 57,351	- 61,023
Housing Properties NBV	109,264	108,427
Other Fixed Assets Tangible	2,182	2,519
Tangible fixed assets	111,446	110,946
Investments FA	103	103
Fixed Assets Total	111,548	111,049
Current Assets		
Trade and other debtors	455	428
Cash and cash equivalents	5,704	5,561
Current Assets Total	6,159	5,989
Less - Creditors - amounts due within 1 year	- 1,772	- 1,817
Net current assets/liabilities	4,386	4,172
Assets less current liabilities Total	115,935	115,221
Outstanding Loan Balance	- 23,227	- 22,459
Deferred Income	- 59,731	- 57,324
Long Term Creditors Balance	- 1,403	- 1,403
Creditors - amounts due after more than 1 year	- 84,361	- 81,186
Net assets Total	31,574	34,035
Income and Expenditure Reserve	31,573	34,035
Total reserves	31,574	34,035
Balance Sheet Check	Balanced	Balanced

Financial KPI Analysis (with working)

Final 2022-23 Budget – Approved – 14 February 2022

Period: 01 April 2022 - 31 March 2024	2022/23	2023/24
	£ 000's	£ 000's
Financial KPI's		
<u>Debt per Unit Calculations</u>		
Total Units in Plan	1,979	1,979
Total Outstanding Loan Balance	23,227	22,459
Cash and cash equivalents	5,704	5,561
Debt per Unit - £	11.74	11.35
Net Debt per Unit - £	8.85	8.54
<u>Current Ratio Calculations</u>		
Current Assets Total	6,159	5,989
Creditors - amounts due within 1 year	1,772	1,817
Capital Repayments	1,192	1,768
Total Current Liabilities	2,965	3,584
Net Current Asset	3,194	2,405
Current Ratio*	2.08	1.67
* Green ratio target > 1.10	2.08	1.67
<u>Interest Cover Calculations</u>		
Operating Surplus/(deficit)	1,744	2,852
Add - Depreciation of Housing Properties	3,757	3,672
Less - Grant Amortisation Accrual Method Total	-2,404	-2,407
Less - Capitalised Components	-2,509	-2,809
Adjusted Operating Surplus	588	1,308
Interest Receivable	12	26
Interest and financing costs	-374	-416
Net Interest	-363	-390
Interest Cover Covenant**	1.62	3.35
Green IC target > 1.10	1.62	3.35
<u>Headroom Calculations</u>		
Adjusted Operating Surplus	588	1,308
Less - 1.1 x Net interest	-399	-429
Headroom - £1000's	189	879
<u>Gearing Calculations</u>		
Total Outstanding Loan Balance	23,227	22,459
Land & Buildings Total	166,615	169,450
Gearing %	14%	13%

