

Notes from Business Planning Day on Saturday 22nd November

Participants: P McCann
S Bannerman
A Greene
H McLatchie
Z Bradley
D Wilson

Facilitator: L Ewart

G Mogan
L Donnachie
S Hunter
A Innes
S Quinn

L Ewart welcomed everyone to the planning day advising this was to start the preparations for the new 5 Year Business Plan, which would come into effect from 1st April 2026. She then ran through the programme for the day, advising that there would be some group activities at different stages of the event.

1st Session – What is Business Planning and What is Required?

L Ewart began the first session of the day which was about what is business planning and what is required. She referred to The Regulator's Business Planning – Advisory Guidance which was updated in 2024. She also referred to the guidance produced by GWSF in January 2024. It was acknowledged that both these documents had been issued to Committee Members ahead of today's event.

With reference to GWSF guidance, L Ewart explained that previously the matter of the Director leaving triggered a full options appraisal. The Forum didn't support that approach and believed that if a robust business plan was in place then the departure of the senior officer shouldn't need an options appraisal. The Regulator did not object to the Forum's guidance.

L Ewart advised that it was important to refresh the plan to address any significant external or internal events. It was good practice to build in reviews as part of business planning processes. She acknowledged that Rosehill does carry out annual reviews of its Business Plan from which an Annual Plan is produced. So, any significant issues arising during the year or on the horizon are considered and are reflected in the Annual Plan. However, it was agreed that to enhance our business planning processes, that consideration of an "options appraisal" is included as part of the annual business planning events to ensure that the current model – independent community based RSL – remains fit for purpose and to consider what, if anything, might change that.

She explained that it was good practice for the organisation to consider how it is placed to meet the challenges facing the sector and meet its business needs and those of its tenants.

She explained that there were a couple of slides within the presentation relating to an options appraisal. However, she wanted participants to consider the options appraisal at key points during the day. She recommended that participants think about what might happen during the life of the new 5 year plan and how Rosehill would deal with it. She posed the question, if, for example, the Senior Officer were to leave during the life of the plan, would this create a significant issue or change anything fundamentally about Rosehill's ability to meet its objectives? If the answer is No, then no options appraisal required as the business planning assumptions are not affected.

It was acknowledged that advice had been sought from J Mulholland, who had carried out an options appraisal for Rosehill in 2018, about carrying out an options appraisal as part of the preparations for the new 5 year plan. The advice received was that, given Rosehill's strong position, an independent options appraisal was not required. It was recognised that our business planning and review processes are supported by thorough risk assessments, financial forecasting and rigorous stress testing.

L Ewart ran through Regulatory Requirements, Business Plan essentials and what makes a strong business plan.

Session 2 – Final Year of current Business Plan – Are we on track?

G Mogan provided an overview of the current position with our performance targets and business plan objectives. It was acknowledged that Committee is reviewing our quarterly performance management reports at its meeting next week. The reports provide the half year position for all performance targets and the progress with meeting our business plan objectives through the various section operational plans. Today was a snapshot of this performance information.

1st Group Session – Highlights and Obstacles

Participants broke into 2 groups to carry out the exercise. The findings are attached at Appendix 1.

Session 3 – Rosehill's Operating Environment: External and Local Environment

L Ewart talked through the bigger picture, Scottish Government matters, the challenges facing the Sector, the key risks identified by SHR (2025/26) and the difficult choices facing the Sector. She also provided an overview of SHR's engagement with the Sector including examples of NEs submitted to SHR in 2024/25. (see slides for more detail)

2nd Group Session: 2 parts – 1st, Review of SWOT Analysis; 2nd, Review of Strategic Risks

The 2 groups carried out both parts of the exercise.

Group Feedback

The groups provided feedback from the 2 group sessions. The findings are attached at Appendix 2 and will be used to refresh SWOT analysis and strategic risk register.

Options Appraisal

In the following discussion, taking account of the operating environment and the feedback from the 2 group discussions, consideration was given to the models open to Rosehill and whether the current model (being an independent community based RSL) is fit for purpose. The following options were discussed:

Shared services e.g. director services, sharing of Senior Staff, shared services such as WRO.

Group Structure – parent to another RSL or subsidiary of another RSL.

Transfer of Engagements – merger with another RSL

Based on Rosehill's strong financial position, good performance, strong governance and compliance status with SHR, it was concluded that to best serve the interests of its tenants Rosehill should remain an independent community based RSL. The participants could not see any real advantages to Rosehill being part of a group structure or merging with another RSL. Concerns about losing our identity, our independence and control of the management of Rosehill were expressed. However, in terms of shared services, it was concluded that Rosehill would be open to considering sharing services where this made sense (financially and operationally). There had already been some discussion about sharing services or partnering with another RSL to deal with issues such as bulk uplift, following GCC introducing charges for this service. Could also consider buying in/sharing services such as welfare benefits if an opportunity arose in the future.

3rd Group Session – Where do we want to be in 5 years?

Participants broke into their groups and were asked to design headlines for the front page of our newsletter. The first front page was to have positive headlines to show where we want to be in 5 years. The second front page was to have negative headlines to show where we don't want to be in 5 years.

Feedback given – info in flipchart sheets. Consideration was then given to what measures Rosehill would take to avoid the negative issues.

Session 4 – Review of our Vision, Values and Strategic Objectives, Options Appraisal

L Ewart advised that, based on the matters considered so far and the feedback from the various group sessions, the next stage was to look at our current Vision, Values and Strategic Objectives to determine if they needed to be updated.

Following discussion and sharing of ideas/suggestions it was decided that these needed revising. This resulted in a streamlined Vision, 5 strategic objectives (currently 7) and 4 streamlined Values (currently 6). Current and new are attached at Appendix 3.

L Ewart, advised now that the new Vision, revised strategic objectives and values had been identified, it was worth considering again whether Rosehill's current model of a community based RSL is still the right one and will deliver what Rosehill aims to achieve over the next 5 years. Following discussion, it was concluded that the outcome of the earlier discussion still stood and that Rosehill would best serve the interests of its tenants by remaining an independent community based RSL. There were no obvious benefits to being part of a group structure or merging with another RSL, concern was expressed that there were potential disadvantages to these models which had been outlined in the earlier discussion. The option to share services, where feasible, was more attractive and was something Rosehill was willing to consider e.g. shared bulk uplift service.

Session 5 – What are the Strategic Priorities for the next 5 years?

L Ewart advised now that the vision and strategic objectives had been identified, it was important to consider the priorities that would flow from them. A large group discussion took place, where some ideas/suggestions were made. It was agreed that the Management Team would further develop strategic priorities for each strategic objective which would be presented to Committee at its January meeting for provisional approval to be put out for tenant and stakeholder consultation.

Session 6 – Annual Rent Review: Delivering our Priorities for 2026/27 and beyond – Presentation and Discussion

G Mogan provided some contextual information to assist the discussion on the annual rent review. She presented average rent comparisons (based on ARC 2024/25 and current rent levels where applicable) with other neighbouring community based RSLs and other RSLs who operate in the area. Comparisons were also given against Scottish, RSL and L.A. averages. The results were favourable with Rosehill having the lowest rents in the vast majority of cases.

She presented the results of the affordability assessment which is based on the moderate income calculated by JRF. This demonstrated that our highest rents across all apartment sizes were affordable (less than 25% of the moderate income) to the various household groups.

L Donnachie presented information on financial forecasts; this included matters such as inflation rates over the years and comparisons to rent increases, analysis of impact of rent changes to our tenants, analysis of main operating costs and linked inflation measures and projections and, future proofing and growth of Rosehill, particularly covering Social Housing Net Zero targets. Various graphs were presented to support these matters.

Committee then discussed what this is likely to mean for the rent increase for 2026/27. It was recognised that for a number of years Rosehill's model was for

inflation only increases and this was a business plan commitment. However, following 3 years of below inflation increases (response to covid and cost of living crisis) it was recognised that the model of inflation only increases was not sustainable. It was discussed that in the previous consultation documents relating to below inflation increases, that our tenants had been advised that recovery plans would need to be put in place once inflation returned to more normal levels. It was recognised that as part of last year's annual review, it had been concluded that as we needed to start planning for net zero we needed to apply an inflation plus increase.

Committee also discussed whether there was scope to offer tenants rent options. However, it was concluded that at this time we were not in a position to offer new services or add or pull forward planned maintenance works. Therefore, we would only be putting one option out to tenants.

Committee discussed that over the coming year we would explore launching a community fund, which our tenants would have a say on how it is to be used e.g. to support local initiatives or projects that would be beneficial to our tenants and the wider community. This would enable a further rent option to be offered to tenants.

It was acknowledged that Committee would make its formal decision on the proposed rent increase for 2026/27 at its meeting next week, which would then be put out for tenant consultation.

L Ewart then provided a summary and conclusions of the business planning event including that Committee had concluded, following consideration of the options open to Rosehill, that Rosehill should remain an independent community based RSL, as this was in the best interests of its tenants.

The event closed at 4:20 pm.

Appendix 1

1st Group Session – Highlights and Obstacles

Group 1	Group 2
<p>Highlights</p> <ul style="list-style-type: none"> • Engagement with Tenants • Tenants can always reach someone • How we maintained the business during Covid – had no detrimental effect on tenants or targets • Social/community events – fun day, panto and over 60s Christmas lunch • Changing to a charitable registered housing association • Retained long serving members of staff as well as integrating new staff members • Hybrid working 	<p>Highlights</p> <ul style="list-style-type: none"> • Pro active approach to phone round tenants during Covid • Keeping rents lower than other landlords • Changing from a Fully Mutual Co-operative to a Charitable Association – additional benefit is allowing access to additional funding • Passed all audits • Good Performer
<p>Obstacles</p> <ul style="list-style-type: none"> • Effect of bulk uplift charges • Volume of queries – daily • Decants due to floods • New legislation for damp & mould • Housing Emergency/Crisis • Tenant Expectations 	<p>Obstacles</p> <ul style="list-style-type: none"> • Covid – restricted access for contractors to tenants' homes • Damp/Mould • Changing role of social landlords (external factors) • Staff turnover – losing staff knowledge • Lack of additional housing – high demand but low turnover of properties • Tenant Expectations

Appendix 2

2nd Group Session: 2 parts – 1st, Review of SWOT Analysis, 2nd Review of Strategic Risks

Part 1 – Review of SWOT Analysis

Group 1	Group 2
Review of SWOT Analysis	Review of SWOT Analysis
<p>Strengths:</p> <ul style="list-style-type: none"> • Financial Management – money in bank working for us • Scope to increase rents (past Business Plan limited) 	<p>Strengths:</p> <ul style="list-style-type: none"> • Add IT infrastructure – new system being launched in April 2026 • Staff wellbeing initiatives • Staff Benefits e.g. perkbox, corporate eyecare scheme
<p>Weaknesses:</p> <ul style="list-style-type: none"> • Remove recruitment to Management Committee (membership now open following constitutional change) • Remove IT infrastructure and move to opportunity – new IT system being launched in April 2026 • Change Staff in terms of number of new staff to Staff absence 	<p>Weaknesses:</p> <ul style="list-style-type: none"> • Staff sickness levels
<p>Opportunities:</p> <ul style="list-style-type: none"> • Scope to increase rents • Optimise use of homes – tenants underoccupying 	<p>Opportunities:</p> <ul style="list-style-type: none"> • Increase use of AI in Sector
<p>Threats:</p> <ul style="list-style-type: none"> • Political landscape and community feedback (e.g. immigration and view “only locals”) • Housing Emergency – supply/demand • Homelessness – GCC has removed local connection requirement for homeless applicants. Concerned this will lead to a demand to provide all vacant homes to homeless referrals • Growing households – overcrowding 	<p>Threats:</p> <ul style="list-style-type: none"> • Properties are well maintained but potential threat – increased labour and material costs • Higher tenant expectations • Delivery of Planned Maintenance – increased costs • Director leaving

- Ageing population – need to adapt homes

Part 2 – Review of Strategic Risks

Group 1	Group 2
<p>Economic Uncertainty: Add under Specific Risks Column – Political landscape</p> <p>Director Leaving – possibility Director leaving early in the life of the new BP. If confirmed will trigger a review of risk score re: loss of expertise/knowledge.</p> <ul style="list-style-type: none"> • Recognition of this potential loss of expertise/knowledge for wider staff recruitment. • Recognition that Sector doesn't tend to attract people from external sources <p>Property/Stock Condition: Add under Specific Risks Column – Need for medical adaptations to homes</p> <p>Digital Inclusion: Recognition that tenants' digital knowledge is changing; opportunities to support digital engagement with launch of new IT system and new website</p>	<p>Director Leaving – recognition that Director has intimated may be leaving at some point in 2026. If this goes ahead will require a review of this risk including risk rating.</p> <p>Property/Stock Condition – this should be reviewed and may lead to a higher risk rating. Initial thoughts of group are it could be within the top 5 strategic risks. Basis – increased costs (labour/material) for reactive repairs, cyclical and planned maintenance.</p>

Appendix 3 – Session 4: Review of Vision, Values and Strategic Objectives

	Current	Proposed New
Vision	"We will provide excellent quality affordable and efficient homes in neighbourhoods that are well managed and maintained; we will contribute to sustaining communities where people feel safe and want to live by providing housing and other services and working with our voluntary and statutory partners."	Provide quality affordable homes, supporting flourishing communities by working in strong partnerships.
Strategic Objectives	<ol style="list-style-type: none"> 1. Provide high quality affordable homes 2. Engage effectively with our tenants and service users 3. Deliver value for money 4. Be innovative and risk aware 5. Build and contribute to effective partnerships 6. Use resources efficiently and effectively 7. Achieve the highest standards in all that we do 	<ol style="list-style-type: none"> 1. Provide quality affordable homes 2. Adopt a person centred approach in all our activities 3. Deliver value for money 4. Achieve the highest standards in all that we do 5. Contribute to flourishing communities
Values	<p>We will</p> <ul style="list-style-type: none"> • Invest and Support <p>We will be</p> <ul style="list-style-type: none"> • Engaged and Responsive • Accountable and Compliant • Fair and Approachable • Efficient and Responsible • Excellent and Committed 	<p>Excellence</p> <p>Trusted</p> <p>Transparency</p> <p>Engaged</p>