



Rosehill Housing Co-operative Limited

Business Plan

2018 - 2021

“How we will deliver our vision”



Contents

Executive Summary	
Chapter/Sections	Page No.
1. Introduction and Purpose: 1.1 Introduction 1.2 Purpose	8
2. Our Approach: 2.1 Developing the Plan 2.2 Developing the Local Context 2.3 Other Key Sources	9,10 10-12 12,13
3. Our Vision and Values: 3.1 Our Vision 3.2 Our Values	14 14,15
4. Delivering our Vision: 4.1 Our Strategic Objectives	16
5. About Us: 5.1 Our Legal Form and Background 5.2 Our People 5.3 Our Governance 5.4 Our Performance 5.5 Our Offices 5.6 Our ICT Systems 5.7 Our Homes 5.8 Our Property Factoring Role	17 17-23 24 24-28 28 28,29 30,31 31,32
6. Our Operating Environment: 6.1 Overview 6.2 Local Context 6.3 Wider Context 6.4 SWOT Analysis	33-35 35-43 43-58 58-62
7. Risk Management 7.1 Risk Management 7.2 Roles and Responsibilities 7.3 Risk Mapping/Scoring and Registers 7.4 Risk and our Business Plan	63 63,64 64-66 66,67
8. Achieving our Strategic Objectives: 8.1 Overview 8.2 Activities/Priorities for next 3 Years 8.2 Annual Programme of Activities/Priorities 8.3 Annual Operational Targets 8.4 Annual Section Operational Plans	68 69 69 69 69

9. Finance	
9.1 Financial Projections	70-81
10. Long-term Viability	
10.1 Our Competitive Advantage	82
10.2 Going Concern	82,83
10.3 Options Appraisal	83,84

Appendices

No.	Title
1	Thriving Places Map
2	Governance & Organisational Structure
3	Value for Money Scorecard 2016/17
4	SIMD 2016: Data Zones and Rankings
5	5 Year Planned Maintenance Programme
6	Sector Scorecard 2016/17
7	Risk Register
8	3 Year Programme of Key Activities/Priorities
9	Annual Programme of Key Activities/Priorities
10	Annual Operational Targets
11	Annual Section Operational Plans
12	30 Year Financial Projections

Executive Summary

We have come to the end of Year 2 of our current 5 year Business Plan. Following the resignation of our Director, who left at the end of September 2018, this Plan has been revised and will run from 1st October 2018 to September 2021.

The Management Committee has appointed external consultants to assist with reviewing the future strategic direction of Rosehill and to provide external validation of our Business Plan. Following a number of sessions, including carrying out an options appraisal, the Management Committee unanimously decided its preferred option for the future direction of Rosehill, as follows:

- To continue as an independent Registered Social Landlord;
- To review the Senior Staff Structure
- To fill the post of Director

Constituted as a Fully Mutual Housing Co-operative in 1987, we have been operating as a Registered Social Landlord in the Pollok area since 1988. We are governed by a Management Committee which is elected by its members all of whom are tenants.

Following the successful upgrade of our original properties (a stock transfer from the then Glasgow District Council) we decided that one of our key aims was the growth of the organisation and embarked on a series of development projects and further stock transfers which has seen us increase from 370 properties to almost 1000 high quality homes. Growth is still an important objective to us and we are currently building another 48 new homes. In addition we will continue to explore opportunities for further development. There are potential 2 sites, being discussed with the Council at present, which are likely to generate a further 73 new homes. Our strong financial basis and solid track record for delivering new homes makes us a prime candidate for assisting Glasgow City Council to meet its Housing Supply Target of 15,000 new homes by 2022.

Engagement with our tenants, staff and other stakeholders has led to a fundamental shift in Rosehill's direction. This Plan reflects the aim to extend our focus from the provision of core services to include the wider community. We plan to undertake a series of community activities that will benefit not only our own tenants but other local people as well. We are keen to establish our community role and to be seen as an organisation that engages with the wider community, supports its needs and works with it to identify and deliver (directly or indirectly) local solutions. Our commitment to this aim is demonstrated by the creation of a new post of a Community Engagement Officer. This post will be key to the successful delivery of our community engagement/development aims and activities.

In the development of this Plan we have produced a stronger picture of the needs and aspirations of our tenants and a better understanding of the wider community issues. We will explore how we can best meet the needs of an increasing ageing population which may involve the enhancement/extension of existing services or the introduction of new services. We will establish our role in meeting the challenges of a local population which is more likely to be in part time employment or be unemployed, more likely to be economically inactive

due to long term illness or disability, is less likely to be in full time further or higher education and, lives in some of the most deprived areas in Scotland. Again the Community Engagement Officer will be instrumental in helping us meet these challenges.

The areas of Priesthill and Househillwood have been designated as a Thriving Place. This involves an approach that centres on partners working together to make better use of existing local resources. It uses an asset based approach to focus on capacity, skills and the strengths of the community. It is based on the premise of “doing with” rather than “doing to”.

We believe that our aims relating to community engagement/development and meeting the challenges facing our tenants and the wider community align with many of the key aims and principles of the Thriving Places approach. We have concluded that Thriving Places is an important vehicle for the delivery of services that are responsive to the needs of our tenants and the wider community and, as such, we intend to play an active role in the process.

We will also ensure we continue to provide a high quality housing management and maintenance service to our tenants. Our last Tenant Satisfaction Survey (June 2016) revealed that 94% of our tenants are satisfied with the overall service.

We are mindful of the fact that many of our tenants are likely to experience financial difficulties and recognise that the various Welfare Reforms being introduced in the short to medium term have the potential to compound these problems. To help alleviate the financial hardship facing many of our tenants Rosehill has purposely limited rent increases to inflation only over the last nine years. This has resulted in our rents being lower, and in some cases considerably lower, than other local landlords and being amongst the lowest in Scotland. We have also made a commitment that for the lifespan of this Plan we will continue to limit rent increases to inflation only. We acknowledge that this is only part of the picture and will continue to direct resources to supporting our tenants meet the challenges of Welfare Reform and tackle financial hardship including our plans in relation to tackling fuel poverty through energy efficiency advice and support.

What we plan to do could be affected by some critical issues which are completely out with our control such as the introduction of Universal Credit and Brexit. In September 2018 the full service for Universal Credit was rolled out in Glasgow. The introduction of the “Scottish Flexibilities” may help to reduce the risk presented by direct payments to tenants, as tenants will have a choice of the housing cost element of their UC being paid direct to them or to their landlord. In addition they will have a choice to be paid their UC monthly or twice monthly. However, it is recognised that if a number of tenants still choose to have payments made to them this could have a significant impact on Rosehill if they subsequently fail to pay their rent. Keeping rents affordable will help with keeping arrears down but direct payments to tenants could see arrears increase significantly thereby reducing the cash coming in. We have carried out sensitivity analyses, on levels of arrears and subsequently bad debts, taking account of our overall healthy financial position and concluded that we will be able to continue to provide tenants with a high quality service without having to increase rents beyond inflation, in line with the commitment in this plan.

Like most other housing bodies we are simply monitoring Brexit and will keep any related matters under review. These include possible impacts on procurement and regulation; demand for social housing; availability and price of private finance; the wider housing market and jobs and employment levels.

We will continue to have a focus on how we can achieve efficiencies throughout the organisation whilst preserving the quality of services to our tenants. We are members of HouseMark Scotland and see this as an important resource to support our Value for Money objectives.

Following an options appraisal, as a result of our Director leaving, we have concluded that Rosehill should remain as an independent RSL. Our current business model is efficient and effective, fit for purpose, meets tenants' needs and expectations, and delivers value for money and affordable rents whilst also safeguarding tenants' interests.

Chapter 1: Introduction and Purpose

1.1 Introduction

- 1.1.1 This Plan sets out the strategic direction of Rosehill as determined by the Management Committee as the Governing Body. It has been developed by our Management Committee and Management Team, and in consultation with our Staff Team, Tenants and other key Stakeholders. The process involved is covered in more detail under Chapter 2 “Our Approach”.
- 1.1.2 The departure of our Director triggered a review of our 5 Year Business Plan. This plan covers the remaining 3 years and runs from 1st October 2018 to 30th September 2021. It is a key element of our planning framework which enables our Management Committee, Management and staff teams, to effectively plan ahead for the next 3 years.
- 1.1.3 The plan explains its purpose; provides a brief history of Rosehill; sets out our Vision and Values, Strategic Objectives and how we will meet them; identifies our key activities; aims to identify the challenges and risks facing Rosehill taking into account PEST and SWOT analysis, our response to these and the resources needed to deal with them and to meet our objectives.
- 1.1.4 It is the intention that this plan stands for the 3 year period; however the programme of activities/priorities, operational plans and targets will be revised on an annual basis. If necessary we will undertake a broad review of elements of the plan as and when required during its life.

1.2 Purpose

- 1.2.1 This plan:
- is a working document
 - defines our aims and objectives for the next three years
 - identifies the resources and skills necessary to achieve our objectives
 - assists in identifying ways to ensure continuous improvement across the organisation
 - takes account, where relevant, of local and central government strategies and priorities
 - takes account of the key risks which flow from our objectives, activities and external influences

Chapter 2: Our Approach

2.1 Developing the Plan

- 2.1.1 The production of this Plan is the culmination of a series of discussions and business planning events with our Management Committee and Management Team, and consultation with our Staff Team, Tenants and other key Stakeholders. We invited key partners such as Glasgow City Council and local and national politicians to take part in our consultation.
- 2.1.2 We moved away from our traditional approach of an “away day”, for informing the Business Plan process, and instead held a series of planning events for the Management Committee and Management Team. These events were facilitated by an external consultant. In addition we widened out discussions to include the staff team.
- 2.1.3 We had recognised in our previous Business Plan that we needed to develop our planning processes further to ensure our tenants have an opportunity to influence the decisions of Rosehill. We addressed this by consulting tenants at key stages of the planning process:
- The development of a new Vision and the introduction of Core Values
 - The development of new Strategic Objectives with a focus on what should be our key activities/priorities over the life of the Plan.
- 2.1.4 The first consultation followed our traditional method of issuing information flyers to all tenants, as part of a newsletter distribution, and invited tenants to give us their views on the draft Vision and Values. Despite this being delivered to every house there was no feedback received.
- 2.1.5 We took this on board, when undertaking the second consultation on what we should be doing, and decided to use an online survey. We sent text and email alerts to tenants with a link to the survey; this accounted for almost two thirds of our tenants. In recognition of the fact that we don’t have mobile or email details for about a third of our tenants we also promoted the consultation through the display of posters in our reception and interview rooms, using our digital signage and staff raising awareness when speaking to tenants. This resulted in a small number of paper copies of the survey being issued.
- 2.1.6 We extended the consultation to other key stakeholders and invited Glasgow City Council and local and national Politicians to take part.
- 2.1.7 By the end of the consultation we had received over 50 responses, most of which were online and were from our tenants, and a response too from Glasgow City Council. On considering the results we were pleased to note that 9 out of 10 respondents agreed with our proposed activities.

2.1.8 Our Tenants' influence on the development of this Plan was also drawn from the findings of our Tenant Satisfaction Survey carried out in June 2016. The survey, which was on a face to face basis, involved 480 of our tenants which equates to just over 50% of all our tenants. The satisfaction results and the literal responses received in relation to matters such as areas where improvements could be made are reflected in other sections of this Plan.

2.1.9 When we gathered all the information obtained through the business planning events, staff discussions and tenant/stakeholder consultation a clear picture for the future of Rosehill was formed. What emerged was a real appetite for Rosehill to extend its focus beyond the delivery of core services and extend our activities to promote, support, develop and improve the wider community. Whilst this is a significant shift in direction for Rosehill we still view it as a natural progression of our business.

2.1.10 We also considered some key strategic questions:

- Do we continue to be a financially sound organisation for the duration of this plan and beyond?
- Are our rents affordable and will they continue to be so?
- Are our IT systems fit for purpose and help us achieve our aims?
- Do we invest in our houses in accordance with our plans?
- Do we have sufficient human and other resources to deliver?

2.2 Developing the Local Context

2.2.1 The key to ensuring the success of this Plan is having a good understanding of the local environment we operate within. We need to know what the issues and challenges our tenants and the wider community are facing. This will help us to work towards meeting our tenants' needs and managing their expectations. This will also be important in terms of the wider community as we have now decided to play a more active role in wider community development.

2.2.2 We have been building a tenant profile which provides a reasonable indication of the make-up of our tenants in terms of age, household composition and economic status. In Chapter 5, Section 5.2, "Our People" - "Our Tenants" we draw on information we have gathered from our own tenant profile and from statistical information taken from our Tenant Satisfaction Survey.

2.2.3 To bolster the information and broaden our understanding of the make-up of the wider community we have considered the following key sources:

- Priesthill/Househillwood Thriving Place: Data Profile (April 2016)
- Scottish Index of Multiple Deprivation 2016

Thriving Places

2.2.4 Glasgow Community Planning Partnership's Single Outcome Agreement includes a

commitment to support specific neighbourhoods to achieve better outcomes for residents. This commitment is known as a “Thriving Place” approach and centres on partners working collaboratively to make better use of the existing resources embedded within the community. It uses an asset based approach to focus on capacity, skills and the strengths of the community. It is based on the premise of “doing with” rather than “doing to”.

2.2.5 Nine areas in Glasgow have been identified as Thriving Places and three of these are in the South Sector; one of which is Priesthill/Househillwood which was set up in May 2015. The Thriving Places Map for the local area is attached at Appendix 1.

2.2.6 As part of developing an Action Plan for the Priesthill/Househillwood Thriving Place, a Data Profile was produced which will help inform the process. It involved drawing on data across a range of socio-economic indicators to understand the current position in Priesthill/Househillwood, to identify how the area has changed over time, and to identify gaps in the data.

2.2.7 The research involved comparative analysis to better understand how Priesthill/Househillwood fares across the indicator set with 2 other areas i.e. better, worse, the same. The comparator groups are a non-thriving place community and Glasgow.

Scottish Index for Multiple Deprivation (SIMD)

2.2.8 This is a tool for identifying areas of poverty and inequality across Scotland. It can help organisations invest in those areas that need it most.

2.2.9 The SIMD 2016, which was published on 31st August 2016, has split Scotland into 6,976 data zones with roughly equal population, about 760 people per data zone (based on an overall population of 5.3 million).

2.2.10 It looked at indicators to measure the different sides of deprivation in each data zone e.g. pupil performance, travel times to a GP, crime, unemployment and many others. There were a total of 38 indicators which were then grouped into 7 domains:

Income, Employment, Education, Health, Access to Services, Crime and Housing

2.2.11 The 7 domains are then combined into one SIMD, ranking each data zone in Scotland from 1 (most deprived) to 6,796 (least deprived). Focusing on small areas shows the different issues there are in each neighbourhood. These could be poor housing conditions, a lack of skills or good education, or poor public transport.

2.2.12 SIMD can be used to: compare overall deprivation of small areas; compare the seven domains of deprivation; compare the proportion of small areas in a council that are very deprived; find areas where many people experience multiple deprivation; find areas of greater need for support and intervention.

- 2.2.13 It cannot be used to: say how much more deprived one area is than another (the difference between two ranks can be tiny or large); compare ranks over time (changes are relative and may not reflect actual changes in the neighbourhood); compare with other UK countries (each country measures deprivation slightly differently); identify all people who are deprived in Scotland (not everyone who is deprived lives in a deprived area); find affluent areas (lack of deprivation is not the same as being rich).
- 2.2.14 To make use of the SIMD 2016 there are two useful tools on the Scottish Government’s website: the interactive map and the postcode look up facility. These tools allow you to identify data zones and view the overall SIMD ranking for each data zone and the rankings for each of the seven domains. It also groups each data zone into bands of 20 (vigintiles), 10 (deciles) and 5 (quintiles). In the bands of 20 each consist of 5% of the data zones with Vigintile 1 containing the 5% most deprived data zones in Scotland. In the bands of 10 each consist of 10% of the data zones with Decile 1 containing the 10% most deprived data zones in Scotland. In the bands of 5 each consist of 20% of the data zones with Quintile 1 containing the 20% most deprived data zones in Scotland.
- 2.2.15 We used these tools to identify the data zones our stock come under and to establish their rankings and groupings. Our findings from The Data Profile and SIMD 2016 are considered in more detail in Sections 5 “Our Tenants” and 6 “Local Context”.

2.3 Other Key Sources

Glasgow’s Housing Strategy

- 2.3.1 When developing our Plan we also take into account key documents such as the Glasgow Housing Strategy. The current Strategy 2017-2022 sets out 6 Strategic Priorities under 2 Strategic Themes as follows:

Increasing the supply and improving the quality of housing available to Glasgow’s people

- Promote area regeneration and enable investment in new build housing
- Manage, maintain and improve our existing housing stock
- Raise management standards in the private rented sector
- Tackle fuel poverty, energy inefficiency and climate change

Improving access to appropriate housing for Glasgow’s people

- Improve access to housing across all tenures
- Promote health and wellbeing

- 2.3.2 Also of note within the Housing Strategy is that Glasgow’s target for building new homes is 15,000. This contributes to the Government’s commitment to deliver 50,000 affordable homes by 2022, 70% of which are for social rented housing.

- 2.3.3 We believe that our objectives and activities, which we aim to deliver over the life of our Business Plan, continue to support and meet many of the Council's priorities.

Key Regulatory Documents

Recommended Practice for Business Planning

- 2.3.4 We have considered the Scottish Housing Regulator's Recommended Practice for Business Planning (Dec 2015) when preparing this Plan.

Regulatory Standards

- 2.3.5 All RSLs must comply with The Scottish Housing Regulator's Regulatory Standards of Governance and Financial Management and guidance. By doing so, RSLs must demonstrate effective governance and sound financial management and deliver good outcomes for tenants.
- 2.3.6 This Regulatory Framework should underpin the business of any RSL and is a key influence in our business planning processes with our Business Plan being instrumental in ensuring compliance with the Standards. There are six Regulatory Standards:
1. The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.
 2. The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.
 3. The RSL manages its resources to ensure its financial well-being and economic effectiveness.
 4. The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.
 5. The RSL conducts its affairs with honesty and integrity.
 6. The governing body and senior officers have the skills and knowledge they need to be effective.

Chapter 3: Our Vision and Values

3.1 Our 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.”

3.2 Our Values

3.2.1 As part of our previous Business Planning events, discussions were held about what Rosehill stands for and how it wished to be regarded by its tenants, stakeholders and peers. This led to the development of core Values which underpin all that we do.

3.2.2 Our Core Values are:

We Will

- Invest and Support

We will be

- Engaged and Responsive
- Accountable and Compliant
- Fair and Approachable
- Efficient and Responsible
- Excellent and Committed

Invest and Support

3.2.3 We will help our people reach their potential by providing access to high quality training and learning opportunities as well as the chance to develop themselves, and by encouraging them to help shape what we do; we provide first class services that meet our tenants’ needs and expectations and we keep their houses in good condition.

Engaged and Responsive

3.2.4 We will involve people, listen to what they say and, where possible, enable them to influence our decisions.

Accountable and Compliant

- 3.2.5 We will answer for our actions, be open and transparent about the decisions we make and ensure we meet all legislative and regulatory requirements.

Fair and Approachable

- 3.2.6 We will treat everyone with respect and courtesy in an open, honest, friendly and helpful manner, and be sensitive to individual needs.

Efficient and Responsible

- 3.2.7 We will work hard to achieve value for money and make best use of our resources, take ownership of our decisions and where things go wrong, acknowledge, apologise and put them right.

Excellent and Committed

- 3.2.8 We will work hard to achieve the highest levels of performance and deliver a high quality service. We aim to be the best landlord, employer, customer and partner.

3.2.9 Working with our Values

- 3.2.9.1 We are committed to the application of our Values in all that we do and we expect our Committee and Staff Team to uphold them. We firmly believe that our Values need to be placed at the centre of our business approach and are applied in all aspects of our work and activities.

- 3.2.9.2 To ensure our commitment, Committee and Staff are required to demonstrate working with our Values as part of the appraisal system. In the case of our Committee this is captured as part of the annual self-assessment process and for staff it forms part of the twice yearly performance and training review process.

- 3.2.9.3 To further support our commitment, our Values will be displayed throughout our office (public and non-public areas). As part of our corporate approach to our Policies, we will ensure all policies are systematically updated to include our Values which will also be published on our website and digital signage.

Chapter 4: Delivering Our 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.”

The key to delivering our vision is through our strategic objectives. Our previous Business Planning Events led to the development of a new Vision and 7 new Strategic Objectives.

4.1 Our Strategic Objectives

1. Provide high quality and affordable homes through the maintenance and improvement of and investment in our housing and, the building of new houses that are well designed and efficient and meet identified needs
2. Engage effectively with tenants and service users so that our service delivery meets their requirements
3. Provide houses and services that are Value for Money for people who want to live in our communities
4. Be innovative in developing services and activities that support our communities
5. Build and contribute to effective partnerships to support the delivery of our vision and values
6. Use our financial, human and other resources efficiently and effectively to achieve maximum benefit and full potential
7. Demonstrate the highest standards of governance, accountability and compliance

Chapter 5: About Us

5.1 Our Legal Form and Background

- 5.1.1 Rosehill Housing Co-operative Limited is a registered society under the Co-operative and Community Benefit Societies Act 2014 (Number 2220R) and with the Scottish Housing Regulator (Number HAC174). Rosehill is also a Registered Property Factor (Number PF000272)
- 5.1.2 Our legal status is that of ‘A Co-operative Housing Association’ which means we are a ‘Fully Mutual Housing Association’ as membership is open only to people who are tenants. Our rules provide that we are non-profit distributing and under the control of our members. We are controlled by a Management Committee, elected by the Members at an Annual General Meeting. The rules do not restrict our area of operation.
- 5.1.3 We began in 1987 and, on the 29th of January 1988, acquired 370 unimproved houses from the then Glasgow District Council, which were all fully modernised in our first two years of operation. Since then, we have grown in size to 988 houses for rent, this growth has been achieved through a combination of mainly new-build housing coupled with subsequent additional stock acquisitions. This will further increase to 1016 in early 2019 due to our current new build activity. In addition, we have 2 supported accommodation units and provide factoring services to 32 owners.
- 5.1.4 We have always enjoyed a good reputation with our various regulatory bodies having consistently attained the highest ratings possible. Under the current Regulator we hold “low engagement” status which is the best assessment an RSL can have.
- 5.1.5 Over the past 30 years, we have gone from strength to strength, have always been in a particularly sound financial position and consistently achieve good levels of tenant satisfaction and strong performance in service delivery.

5.2 Our People

- 5.2.1 We fully recognise that our Committee and Staff are fundamental to the delivery of our Vision, Strategic and Operational objectives. Therefore we will ensure that appropriate systems of support and development are in place which aim to produce highly skilled and engaged Committee and Staff.

Our Management Committee

- 5.2.2 We are headed up by a Management Committee which may consist of up to 15 members. Members are appointed to the Management Committee via election at the Annual General Meetings. In addition, the Management Committee has the power to fill any vacancies on the Committee which arise during the year, known as

casual vacancies. It can also co-opt people on to the Committee if it decides this is necessary or beneficial.

5.2.3 The following persons are currently members of the Management Committee: (The Governance and Organisational Structure is attached at Appendix 2)

- | | | |
|----|------------------|------------------|
| 1. | Kerry Stevenson | Chairperson |
| 2. | Ellen Henderson | Vice Chairperson |
| 3. | Wayne McCarthy | |
| 4. | Nicki Finlayson | |
| 5. | Marie Baldie | |
| 6. | Michelle Cameron | |
| 7. | Karen Thomson | |
| 8. | Jim Thomson | |
| 9. | Sadie Bannerman | |

5.2.4 The duties of Secretary are undertaken by the Acting Director.

Our Staff

5.2.5 The staff team consists of 17 people headed up by the Acting Director who has overall responsibility for the day to day operation of Rosehill. She also has responsibility for Governance and Corporate Services.

5.2.6 Previously the Depute Director (Acting Director) worked closely with the Director in the overall running of Rosehill. This meant that we had two senior staff with detailed knowledge and understanding of our entire business, which lessened the risk of losing expertise and knowledge. This approach has put us in a strong position now that the Director has left.

5.2.7 The day to day operations are divided into four main areas: Governance & Corporate, Housing Services; Technical Services and Finance Services. The Acting Director provides line management for the Housing Services, Technical Services and Finance Managers who head up the respective teams. These three Managers, along with the Acting Director make up the Management Team.

5.2.8 The Management Team at Rosehill has a wide range of experience:

The position of Depute Director (Acting Director/Secretary) is held by Geri Mogan (DHS, CertCIH) who has over 30 years' experience of working in the Social Rented Sector. Her background is in Housing Management, Planned, Cyclical and Day to Day Maintenance. For 6 years she was responsible for the running and management of Levernwood Housing Association Ltd (subsidiary of Rosehill) which was set up to manage the GHA stock in Nitshill, until Rosehill acquired the stock in June 2010 through second stage transfer. She was promoted to Depute Director in 2005 and became responsible for the management of all staff. She is experienced in the areas of Performance, Policy Making, Business Planning and Governance.

The post of Technical Services Manager is held by Sandra Hunter (MRICS). A Quantity Surveyor by profession she joined Rosehill in August 2012 from the private sector. Sandra's background and experience ensure our properties continue to be maintained and upgraded to the highest standards possible. Sandra is responsible for all aspects of repairs and maintenance i.e. planned, cyclical and day-to-day repairs. She is also responsible for development activities.

The post of Finance Manager is held by Alison Stewart (FCCA) who joined Rosehill in August 2014. She is a qualified accountant with over 20 years' experience of working in the Social Rented Sector. Having worked previously as a finance consultant, she has wide ranging knowledge of finance and management systems.

The post of Housing Services Manager is held by Linda Chelton (CIHCM) who joined Rosehill in June 2018. She has worked in Social Housing for 29 years and led operational staff teams in England for 13 years before moving to Scotland in 2016 to work for a Housing Association which provides and manages housing and services, mainly for older people. There she led on performance and policy, customer engagement, volunteering and business development.

Staff Team

5.2.9 Fundamental to the achievement and sustainment of high levels of performance and tenant satisfaction is our staff.

5.2.10 Our objective is to have a motivated and empowered staff team who have the right skills, qualities and knowledge to enable them to deliver a first class service. We achieve this by:

- Ensuring staff have access to high quality training including external and in-house training, on the job training and shadowing, and opportunities to undertake professional qualifications
- Engaging staff in key stages of our business planning processes
- Running a staff recognition scheme to encourage and celebrate good ideas which are to the benefit of our tenants
- Keeping staff informed and enabling discussion through monthly Management Team and Staff Team meetings
- Fostering a culture of taking ownership and responsibility for decisions and enabling staff to deal with as many issues as possible without needing to refer to Managers
- Ensuring that all staff have formal work plans each year which link to our business plan objectives

- Operating a staff “appraisal” system which focuses on work plan outcomes, recognises good performance and supports improvement where required

5.2.11 The Governance and Organisational structure is attached at Appendix 2.

Our Tenants

5.2.12 We continue to gather information about our tenants, where possible, in an effort to improve our understanding of their needs and shape our service delivery to meet their needs.

5.2.13 The following information provides some indication of the make-up of our tenants in terms of age profile, household composition, economic status and the number of tenants receiving housing benefit split between those of working age and all ages.

Table 1: Tenant Age Profile

Age Range	Number	% of all tenants
16-17	0	0
18-24	52	5
25-34	166	15
35-44	171	16
45-54	248	23
55-64	222	20
65-74	120	11
75+	106	10

5.2.14 Table 1 shows that 79% of our tenants are working age which means 21% are of pensionable age. Tenants aged 18 to 24 account for only 5% of all our tenants. If the upper age range is extended to 34 years, these tenants account for 20% of all of our tenants, whilst tenants aged 55 and over account for 41% of all tenants.

5.2.15 Our last Tenant Satisfaction Survey, carried out in June 2016, shows that of those surveyed 34% were one or two person households aged 60 and over. Table 2 below shows the breakdown of our tenants by household composition.

Table 2: Household Size/Composition

Household size	% of all tenants surveyed	Household size	% of all tenants surveyed
1 adult aged under 60	14%	1 adult with children	16%
1 adult aged 60 +	19%	2 or more adults with children	15%
2 adults under 60	10%	3 or more adults (no children)	10%

2 adults at least one aged 60 and over	15%	Rather not say/declined	< 1%
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5.2.16 From demographic information provided in the Priesthill/Househillwood Thriving Place – Data Profile we established that people aged 65 and over, accounted for 18% of the area’s population who are aged 16 to 65+. In the case of Glasgow the figure was 17%. This is based on population data for 2013.

5.2.17 These figures compared to our Tenant Age Profile would suggest that we have a higher number of older people living in our stock. It has been recognised that there is an ageing population with people living longer. The Housing Strategy 2017-2022 states that Glasgow’s population is getting older. In its draft form the Strategy stated that the number of older people is expected to rise by 750 per year between 2012 and 2022. The projected rise is concentrated in certain parts of Glasgow one of which is Greater Pollok.

5.2.18 In terms of health, the Strategy reveals that Glasgow’s population has a worse state of health than the Scottish average. 22.4% of Glasgow’s population have an illness or disability which limits their day to day lives compared to 19.2% for Scotland as a whole; 37.5% of households have at least one member with a limiting long term illness and this increases to over 50% of households in some deprived areas. There is a concentration of such households in the social rented sector.

5.2.19 Our last Tenant Satisfaction Survey showed that, of those who participated, almost 5 in 10 consider themselves to have a long term illness or health problem that limited their daily activities. This figure would support the picture painted in the Housing Strategy.

5.2.20 Table 3 shows the economic status of our tenants as taken from the Tenant Satisfaction Survey 2016.

Table 3: Economic Status (as at June 2016)

Economic Status	% of tenants surveyed	Economic Status	% of tenants surveyed
Employed	27%	Unemployed	14%
Looking after home/family	10%	Incapacity for work	12%
Retired	34%	Further/higher education/other	2%

5.2.21 Table 1 showing the Age Profile of our tenants reveals that 79% of our tenants are of working age but the above table shows that only 27% of tenants are employed and only 2% are in further or higher education.

5.2.22 The Thriving Place Data Profile considers the economic activity and the reasons for economic inactivity of those aged 16-74 (Census 2011). When examining the picture

for Priesthill/Househillwood compared to the picture for the non-Thriving Place area and Glasgow as a whole, it was established that those living in Priesthill/Househillwood are:

- Less likely to work full time or be self employed
- More likely to work part time or be unemployed
- More likely to be economically inactive due to long term illness or disability and,
- Less likely to be involved in full time further or higher education

5.2.23 Our tenant profile, by economic status, is in keeping with the findings of the Thriving Place Data Profile.

5.2.24 When we consider the data we hold about our tenants in relation to housing benefit, we have established that 37% of our tenants who are of working age are in receipt of housing benefit. The table below shows the breakdown between full and partial housing benefit.

Table 4: Working Age Tenants (18 to 64 years) in receipt of full or partial HB

Total no. of working age tenants in receipt of HB	No. of working age tenants in receipt of full HB	No. of working ages tenants in receipt of partial HB
400 (37%)	324 (81%)	76 (19%)

5.2.25 We currently have 10 tenants in receipt of the housing element of Universal Credit. Full Service UC rolled out in our area of Glasgow on 26th September 2018. Within 2 weeks of this, information has been requested for a further 6 tenants.

5.2.26 When we look at the total number of tenants in receipt of housing benefit, the number increases to approximately 52% of our tenants. Table 5 below shows the breakdown of all tenants in receipt of housing benefit by full or partial awards.

Table 5: All Tenants in receipt of full or partial housing benefit

Total no. of tenants in receipt of HB	No. of tenants in receipt of full HB	No. of tenants in receipt of partial HB
567 (52%)	452(80%)	115 (20%)

5.2.27 This is a decrease from last year when 60% of our tenants were in receipt of housing benefit. Full HB includes people in receipt of DHPs for the under-occupancy charge and people who have a deduction for an overpayment of HB.

5.2.28 The Data Profile also provides information about school leavers and the qualification level of the working age population. This established the following key messages for school leavers in Priesthill/Househillwood:

- Whilst there had been an increase in the number of school leavers going onto a positive destination e.g. employment, further or higher education since 2007, the number was still below those of the non-Thriving Place area and Glasgow
- They are less likely to go onto higher education
- They are more likely to move into unemployment

5.2.29 In terms of the level of qualification of the working age population this established the following picture for Priesthill/Househillwood:

- They are less likely to have a degree level qualification (8%)
- They are more likely to have no qualifications (49%) and
- Therefore more likely to find themselves either unemployed or in low paid, low skilled employment

5.2.30 Whilst we do not hold such data for our tenants, and their children, from the information we do hold it is reasonable to assume that the picture in Rosehill will not be so different from that of Priesthill/Househillwood.

5.2.31 Taking all of the above data into account, we can begin to form a fairly reasonable picture of Rosehill's population and that of the wider Priesthill/Househillwood area. Whilst an ageing population, which is set to increase, is a country wide phenomenon it is fair to say that Rosehill has a higher proportion of older people than the wider local area and Glasgow as a whole. We also have a high number of people who have limiting long term illness or disability.

5.2.32 Rosehill and the wider local area have a population that is more likely to be unemployed or in part time work and is less likely to be in further or higher education. People are more likely to have no qualifications and as a result will end up in low paid, low skilled employment. School leavers are less likely to go onto further education and more likely to move into unemployment.

5.2.33 This local context has influenced some of the key activities/priorities we intend to undertake over the life of this plan. We recognise that an increasing, ageing population may present challenges to us in meeting these tenants' needs. Over the life of this Plan, we intend to extend or introduce new services that will support independent living and enable older people to live in their homes for as long as possible. We see the new post of Community Engagement Officer as having a key role in achieving this objective. He/she will be tasked with engaging with our older tenants and those with limiting long term illness (who live alone) to find out what their needs are and what they think we can do to help them. We hope the end result will be an enhanced service provision which has been shaped by our tenants' needs.

5.2.34 As mentioned at the start of this Plan, our business planning events concluded that it was time for Rosehill to diversify its activities and move into wider community development and support which aim to provide employment and training initiatives, amongst other things. Chapter 8, Section 8.2 relates to our key priorities and activities for the life of this Plan.

5.3 Our Governance

- 5.3.1 The Management Committee is responsible for determining our strategic direction, our values and for policy setting. Our Acting Director provides advice and guidance, in this respect, and the Management Committee also takes external independent advice when it requires to do so. It has delegated authority and responsibilities for various aspects of Rosehill’s business to three sub-committees: Membership; Staffing and Health and Safety, and Audit. The position of Secretary is held by the Acting Director.
- 5.3.2 Our objective is to have a Management Committee which is motivated and interested; in overall control; with relevant experience and knowledge; open and inclusive and able to challenge and support. We achieve this by:
- Ensuring meetings only consider board level issues and not day to day detail
 - Taking independent advice when necessary
 - Fostering professional relationships
 - Providing quality external and in-house training and briefing sessions
 - Providing Networking opportunities
 - Operating an annual “appraisal” system
- 5.3.3 We have completed a number of Governance reviews in the past with assistance from external experts.
- 5.3.4 Committee Members are formally appraised once per year, as we approach our AGM and the Committee is self-evaluated as a whole. Again, external advice and assistance is employed to assist with this.
- 5.3.5 We recognise that a wide range of skills and experience is required to ensure effective governance. Whilst we are of the view that our governance approach works well, we nevertheless are likely to consider how we can further improve in this area through use of co-options. Our experience to date shows that we have been reasonably successful in refreshing the Management Committee.
- 5.3.6 We place high importance on external validation and achieve this through external and internal audits, pre-submission audits of the ARC, membership of HouseMark Scotland and Investors in People.

5.4 Our Performance

- 5.4.1 The Scottish Social Housing Charter and the annual return to The Regulator primarily form our performance framework. As part of monitoring our performance we use the following benchmarking methods:
- The Scottish Housing Regulator’s published statistics (ARC Returns) including landlord reports and complete datasets for all social landlords; we also make use of The Regulator’s comparison tool on its website. From the available data we

benchmark ourselves against local landlords, similar sized landlords, the Scottish Average and our performance over previous years.

- As members of HouseMark Scotland we utilise its benchmarking tools

5.4.2 The following tables provide our benchmarked performance based on the 2017/18 ARC Return and HouseMark Return 2016/17.

Table 6 – Our Current Performance compared to the Scottish Average

Performance better than Scottish Average	Performance below Scottish Average	Performance significantly below Scottish Average
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ARC Indicator	Rosehill 2017/18	Rosehill 2016/17	Rosehill 2015/16	Scottish Avg 2017/18
Satisfaction with overall service (I1)	93.33%	93.33%	87.69%	90.48%
Satisfaction with being kept informed (I3)	95.63%	95.63%	93.08%	91.71%
Stage 1 complaints within SPSO timescale (I4&5)	100%	100%	94.29%	86.27%
Stage 2 complaints within SPSO timescale (I4&5)	N/A	100%	100%	83.36%
Satisfaction with opportunities to participate (I6)	87.92%	87.92%	90.77%	85.92%
Meeting SHQS (I7)	100%	100%	100%	94.2%
Meeting NHER/SAP Ratings (I8)	100%	100%	100%	97.58%
Satisfaction with home when moving in (I9)	97.5%	92.86%	95.12%	90.24%
Satisfaction with quality of home (I10)	87.08%	87.08%	89.81%	87.9%
Emergency Repair average completion time (I11)	2.82 hrs	3.14 hrs	2.92 hrs	3.96 hrs
Non-emergency Repair average completion (I12)	2.66 days	2.66 days	2.89 days	6.38 days
Repairs – right first time (I13)	95.36%	91.59%	93.51%	92.23%
Repair appointments kept (I14)	99.03%	98.53%	99.08%	95.45%




Gas safety achieved on time (I15)	100%	99.48%	99.48%	99.81%
Satisfaction with repairs service (I16)	98.99%	98.94%	98.57%	92.13%
Satisfaction with neighbourhood management (I17)	89.38%	89.38%	84.23%	88%
Tenancy Offers refused (I18)	8.57%	18.18%	20.37%	35.86%
ASB cases resolved within local targets (I19)	100%	100%	100%	87.88%
All new tenancies sustained for > 1 year (I20)	97.06%	95.24%	94.92%	88.66%
Lettable houses that became vacant (I21)	3.32%	3.55%	4.3%	8.56%
Medical Adapts completed (I22)	86.67%	96.97%	97.14%	84.3%
Medical Adapts – avg time to complete (I23)	29.96 days	62.88 days	54.38 days	51.28 days
Court Actions resulting in eviction (I24)	33.33%	0%	0%	16.84%
Rent representing good value for money (I29)	84.17%	84.17%	88.85%	83.19%
Rent collected as % of total rent due (I30)	100.13%	101.70%	100.76%	99.38%
Gross Rent Arrears (I31)	2.84%	3.26%	3.55%	5.18%
Avg Management Fee (I32)	£85.13	£85.09	£100.81	£86.79
Factored Owners – satisfaction with service (I33)	84.62%	84.62%	100%	66.23%
Rent loss through voids (I34)	0.06%	0.08%	0.09%	0.74%
Avg time to relet properties (I35)	6.74 days	8.35 days	7.86 days	30.72 days

5.4.3 The above table shows that Rosehill is performing well and that, in the case of the vast majority of ARC Indicators Rosehill is bettering the Scottish Average. In addition for a number of the indicators, our performance has continued to improve.

5.4.5 Table 7 shows our performance based on HouseMark Scotland Core benchmarking data 2016/17. Our overall peer group consists of 20 RSLs in Scotland, Wales, North West England and Northern Ireland with less than 2,500 units.

Table 7 – HouseMark Scotland: Core Benchmarking Data 2016/17

Indicator	Rosehill – Group in our Peer Group	Rosehill Performance	Median
Total rent arrears as a % of rent due (excl voids)		2.91%	3.38%
Average re-let times in days		8.35 days	19 days
Tenancy Turnover Rate		3.54%	7.02%
No. of evictions due to rent arrears		0.00%	0.22%
Avg no. of calendar days to complete repairs		3.35 days	6.5 days
% of repairs completed right first time*		92%	95.03%
% of Stock meeting SHQS*		100%	96.18%
% of Stock meeting EESSH*		100%	92.79%
% of Stage 1 Complaints responded to within SPSO timescale*		100%	99.46%
Satisfaction with overall service**		93.7%	91.95%
Satisfaction that rent provides value for money**		84.1%	85.47%
Satisfaction with quality of home**		87.10%	88.69%
Satisfaction with neighbourhood management*		89.3%	86.21%

Satisfaction with opportunities to participate*		87.90%	85.90%
Satisfaction with Repairs Service *		98.90%	87.46%
Satisfaction with being kept informed*		95.60%	93.13%

* Based on between 9 – 11 RSLs

** Based on 16 RSLs

5.4.6 Our Value for Money Scorecard for 2016/17 (96 RSLs, UK wide, under 7,500 units) is attached at Appendix 3. The Scorecard provides comprehensive and comparative evidence of cost and performance. The Scorecard facility has been enhanced and we are able to select additional indicators beyond the default indicators. This is a useful tool to enable us to benchmark a range and mix of indicators to create a picture of what extent we are achieving and demonstrating value for money.

5.4.7 Last year we took part in the pilot Sector Scorecard. This is not a product of HouseMark Scotland but it was the facilitator for gathering all the necessary data. As such the exercise was open to all landlords and not just members of HouseMark Scotland. Further information about the Sector Scorecard and some of our key results can be found under the “Value for Money” section on pages 57 and 58.

5.5 Our Offices

5.5.1 Our office, which is based at 250 Peat Road, is centrally located within the local community; all of our properties are within walking distance of the office. The office, which was formerly 2 x 5 apt semi-detached houses, has been extended over the years to respond to a range of changing needs e.g. growth in staff team, need for larger and “multi-use” committee/conference room, need for larger and enhanced reception facilities, including additional interview rooms, and need to improve accessibility of office/facilities.

5.6 Our ICT Systems

5.6.1 Our main operating system is an established housing software system within the social rented sector, albeit on a smaller scale in Scotland. Over the last few years we have been driving improvements to the system to ensure it continues to meet our business needs, primarily in relation to performance information and management. We also made particular changes to data security processes and data recovery this year. We recognise that, with the continuing advances in technology, how we communicate with our customers and deliver services will change.

- 5.6.2 We fully recognise the importance of having a high quality, reliable, robust and responsive ICT system and that this is a fundamental component of a successful business. To this end we will continue to drive improvement where needed.
- 5.6.3 We are making more use of text, email and on-line surveys when communicating with our tenants. All relevant frontline staff have been issued with mobile phones to enable direct access to staff by tenants. We know further changes are needed, including mobile working. In addition, we will be preparing for the extension of the Freedom of Information act to RSLs in 2019.

5.7 Our Homes

- 5.7.1 We currently own and manage 988 self-contained properties for rent in the Pollok area. We have a wide range of property types including one to four bedroom terraced and semi-detached houses and flats, all in purpose built estates. The build dates of our properties start from 1938 through to 2018. With the exception of one wheelchair standard house all of our self-contained rented units are classed as “general needs”. A number of our new build properties have been built to “for varying needs” standards which do provide some flexibility for tenants and applicants with medical conditions or a level of disability. Our current new build development provides 48 homes ranging from 1-3 bedrooms including some amenity bungalows. Some of these properties have been handed back and let and this is reflected in Table 8 below.
- 5.7.2 Our range of properties can meet the needs of single people, couples, small and large families, older people and households with a level of disability.

Table 8: Self-Contained Stock by Property Size as at 30th September 2018

Size	Number	% of Stock
1 bedroom (2 apts)	118	12%
2 bedroom (3 apts)	412	42%
3 bedroom (4 apts)	348	35%
4 bedroom (5 apts)	109	11%
5 bedroom +	1	<1%
TOTAL	988	100%





Housing Demand

5.7.3 We continue to have a healthy demand for our properties and currently have over 450 applicants seeking re-housing. This has dropped slightly over the past year due to the introductions of housing options appointments. People are advised of their housing options and given a realistic timescale in which Rosehill may be able to help. The demand for smaller housing has remained consistently high with the vast majority of applicants requiring 2 or 3 apt housing. There has, however, been a slight decrease in the 2 and 3 apartment list. This is due to the majority of new build in the area currently being this size of housing. Table 9 below shows the breakdown of our waiting list by property size as at 30th September 2018.

5.7.4 This consistent demand for smaller housing has shaped the make-up of our current housing stock. Before we began building in the mid-90s we had no 2 apt properties and only 16 x 3 apts. Since then we have predominately built smaller housing with a few larger units which has resulted in 2 and 3 apt properties now accounting for 54% of our stock.

Table 9: Waiting List as at September 2018

2 apt	3 apt	4 apt	5 apt
151	145	108	49

5.7.5 In addition to our waiting list demand, we work with Glasgow City Council's Casework Team to assist with meeting the needs of homeless applicants by providing some of our properties that become vacant for such applicants. We have a minimum target of 25% of our lets to homeless applicants but this can in reality be up to 30% to 35% of lets in any given year. Table 10 below shows the number of lets over the past 3 years and the percentage of these which went to referrals from the homeless case work team. From the table you can see that a third of all lets go to people referred by the homeless casework team. The figure for the number of lets for our year ending 30th September (2017/18) include 20 new build lets.

Table 10: Lets to Homeless Referrals as a % of Total Lets

Year	No of lets	No of lets to homeless referrals	Percentage of total lets
2015/16	42	9	21%
2016/17	34	10	29%

2017/18	55	18	33%
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Turnover of Stock

- 5.7.6 Turnover of stock has remained relatively static over the past three years. There has been a slight increase in the year ending 30th September 2018 due to internal transfers moving into our new-build properties. In addition some tenants have moved into new build properties belonging to another RSL.

Table 11: Turnover of Housing Stock 2015 – 2018

Year	No. of Voids	Turnover as a % of all stock
2015/16	34	3.5%
2016/17	32	3.32%
2017/18	37	3.74%

- 5.7.7 We are not able to say, at this time, why the turnover has generally remained low but acknowledge there have been a number of factors over the last few years which may have led to a positive impact on our turnover. These include: embarking on a rolling programme of planned maintenance to our oldest houses which involved new kitchens, bathrooms and boilers; the introduction of Lettable Standards for void properties (produced in conjunction with our Tenants’ Group) this has contributed to increased satisfaction of new tenants with their home when they first move in; as reported in our ARC 2017/18 return, 97.5% of new tenants were satisfied with the standard of their home when they first moved in; increased effort in relation to tenancy sustainment which has been supported by the introduction of the Housing Options Model at Rosehill. This has enabled us to tap into additional services from health and social work to assist tenants to manage and sustain their tenancies. Our tenancy sustainment rate as recorded in the 2017/18 ARC is 97.06%
- 5.7.8 Whilst low turnover can be viewed as positive, it can also present challenges in terms of meeting the demand from our waiting list applicants. Lower turnover means fewer opportunities to re-house people from our waiting list. The supply of new housing is key to addressing the demand for housing and although we have some new build planned during the life of this Plan, we are keen to explore further opportunities for developing more new homes. The Council recently issued Rosehill’s programming letter for 2018/19 which includes a provision for the building of a further 65 new homes at a local, former school site. In addition, we are discussing with the Council about the potential to develop another, small site. These 2 potential sites combined are likely to provide 73 new homes.

5.8 Our Property Factoring Role

- 5.8.1 We currently factor 32 properties, the majority of which are located within the 4-in-a-block properties we acquired through Second Stage Transfer in June 2010.

- 5.8.2 Due to our involvement in delivering the improvement works, on behalf of Glasgow City Council, to the privately owned flats in Priesthill, known locally as the Barratt Flats, we will be exploring the possibility of extending factoring services to these owners. The Council is supporting Rosehill for the factoring role to protect and sustain the substantial investment in these flats by the Council and the Scottish Government.
- 5.8.3 There are a number of issues to be considered before a decision can be made, including: the extent of buy-in and commitment from the owners to pay for a factoring service; the ongoing support from the Council and to what extent, if any, we are likely to acquire some of the properties for conversion to social rented homes. This matter will be progressed during 2018/19.

Chapter 6: Our Operating Environment

6.1 Overview

- 6.1.1 This Section of the Plan considers the environment we operate within, in both a local and wider context. How we operate, and what we set out to do over the life of this plan, can be impacted and influenced by various factors.
- 6.1.2 Our local context mainly influences what services we currently provide, the improvements we will make to those services and the extent to which there is a need or demand for new services.
- 6.1.3 The wider context can impact on services too through things such as the Scottish Social Housing Charter and Welfare reform and can affect our financial position due to changes in interest rates, inflation and the state of the Country's economy.
- 6.1.4 As part of the review of this Plan, facilitated by the external consultant who was carrying out the options appraisal and providing external validation of our Business Plan, we refreshed our PEST and SWOT Analysis in June 2018. This exercise helps us understand our operating environment. We identified a number of areas across all categories (see Tables 12 and 13 below). However, we have focussed on those which we believe could have the most impact on our objectives and those where we can improve, extend or introduce new services.
- 6.1.5 In terms of factors such as interest rates, inflation and our costs we allow for variations in these things in our financial projections and sensitivity analyses.

Table 12: PEST Analysis

Political / Legal	Economic
<ul style="list-style-type: none"> • Welfare Reforms • General Data Protection Regulation • Regulatory Framework • Scottish Social Housing Charter/ARC • Extension of FOI to RSLs • SHQS – Continued Compliance • Glasgow's Housing Strategy • Thriving Places Approach • Changes/New Legislation and Policy • Planning/Building Standards • Changes to Government Investment Strategy, Development Programme Priorities or to Subsidy Rates • Value for money • EESSH2/Fuel Poverty/Green Agenda 	<ul style="list-style-type: none"> • Welfare Reform • Rents and Affordability • Value for Money Agenda • Fuel Poverty/Affordable Warmth • Pensions • Interest Rates • Inflation/Deflation • Unemployment levels • Stability of banks • Borrowing Rates and Terms • Increasing Poverty and Deprivation • Planning/Building Standards • Austerity • Cuts to Council Services • Brexit

<ul style="list-style-type: none"> • Pending Fire Safety Regulations • Housing (Scotland) Act 2014 • Rents and Affordability • Brexit • Scottish and Local Authority Elections • Austerity Agenda 	
Socio-Cultural	Technological
<ul style="list-style-type: none"> • Tenants' Needs and Expectations • Tenant Satisfaction Levels • Social Sector – v – Commercial Approach • Consumerism/debt • Deprivation • Aging Population/increase in smaller households • Care and support needs • Tenancy Sustainment • Housing Options • Social/financial/digital exclusion • Homelessness • Poverty including fuel poverty 	<ul style="list-style-type: none"> • Energy efficiency requirements • Increasing Dependency on ICT – fit for purpose • Planning/Building Standards • Smart Communication • Mobile Working • Digital Inclusion • Growth in e-commerce • Data Security • Business continuity and disaster recovery

Table 13: SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Financial strength • Not reliant on borrowing • High Value Asset Base • Excellent performance against loan covenants • Amongst lowest debt per unit in Scotland • Low Engagement with Regulator • Qualified and experienced Senior Staff • Driven and committed Management Committee • Effective Governance • Professional Relationship between Committee and Staff • Strong awareness of Regulatory expectations re: taking external advice • Good Performance • Good Satisfaction Rates Amongst Tenants 	<ul style="list-style-type: none"> • Losing Key People (Committee and Staff) • Limited Engagement with Wider Community • Low Profile • Tenant Engagement • No Partnership Working with Local RSLs • ICT • Limited Availability of Sites for Development

<ul style="list-style-type: none"> • All Stock meets SHQS • All Stock meets EESSH (2020) • Good Demand/Low Turnover • Lowest Rent Levels Locally/amongst lowest in Scotland • Stable Community • Very low levels of vandalism • Good Relationships with Key Partners • Good Reputation 	
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Opportunities	Threats
<ul style="list-style-type: none"> • Enhance reputation by dealing with the Senior Officer's departure properly • Scottish Social Housing Charter • Extension of FOI to RSLs • Single House Acquisitions • New-Build • Raised Profile • Promote/Support/Engage Local Groups • Improve Green Spaces • Develop New Services • Improve efficiency through mobile working and connected Committee Members • Promote Healthy Living • Partnership Working 	<ul style="list-style-type: none"> • Welfare Reform • Losing Key Senior Staff • Not properly handling the departure of the Senior Officer/appointing the wrong person • Losing Committee Members • Regulatory and Legislative Changes • Pensions Liabilities • RPI/CPI

6.2 The Local Context

6.2.1 We have identified the following “local” factors which influence our operating environment and have helped shape our key activities and priorities for the life of this Plan.

Our Tenants' Needs and Expectations

6.2.2 Under the Tenant Profile we have attempted to build a picture of the make-up of our tenants including factors such as age, household size, economic status and disability. As well as using information we have gathered ourselves we have also drawn from wider data sources such as The Priesthill/Househillwood Thriving Place: Data Profile (April 2016).

SIMD 2016

- 6.2.3 We have also considered the data that can be extracted from the Scottish Index of Multiple Deprivation (SIMD) 2016. Using the postcode look up tool on the Scottish Government's website we have established that our properties fall under 10 distinct data zones.
- 6.2.4 The information at Appendix 4 shows the overall SIMD ranking for each of these data zones along with the rankings for each of the seven domains (see pages 11 and 12 for an explanation of the rankings). In addition it shows the position of each data zone within the vigintiles, deciles and quintiles (see page 12 for an explanation of these groupings).
- 6.2.5 As explained within Section 2 "Developing the Local Context", under SIMD 2016 Scotland has been divided into 6,976 data zones, with each data zone being ranked from 1 (most deprived) to 6976 (least deprived). Appendix 4 shows that 9 of the 10 data zones that cover Rosehill range in ranking from the lowest at 99 to 489. This highlights that our properties fall within some of the most deprived data zones in Scotland. The tenth data zone is ranked 2989 and whilst not at the top end of the spectrum the ranking is far higher than the other nine data zones. However having considered the geographical location of our properties that fall within this data zone and the fact they would normally be part of another neighbourhood we think this result is a bit of an anomaly. Our properties have been taken into a data zone with another area which would be considered far less deprived and as such we think this has skewed the true ranking of these properties. When we look at the ranking of the neighbourhood these properties would normally come under, the ranking would be a more realistic 324.
- 6.2.6 When we look at the rankings of the 10 data zones by the 7 domains of Income, Employment, Health, Education, Geographic Access, Crime and Housing, the results are a bit more varied.
- 6.2.7 For example Data Zone S01009779 has the lowest ranking in relation to Income sitting at 38th but has the highest ranking in relation to Geographic Access sitting at 6327th. Data Zone S01009776 has the lowest ranking for Education, ranked at 28th but has the second highest ranking for Health, ranked at 758th.
- 6.2.8 However although there are variations between the 10 data zones in terms of lowest to highest, in general, the rankings for all but 1 of the 7 domains are still falling within some of the most deprived data zones in Scotland when we look at the national picture.
- 6.2.9 The domain Geographic Access is the exception to this with 6 of the 10 data zones being ranked above 5000 with the highest being ranked at 6327. The lowest ranking is 2205 which is still a reasonable ranking. This tells us that there is no deprivation in any of the 10 data zones in terms of geographic access to services.

- 6.2.10 The indicators used to calculate the geographic rankings included drive time to GP, retail centre, schools and to Post Office and Public transport time to GP, retail centre and Post Office. We have assumed that Silverburn and the civic realm have contributed to the high rankings for this particular domain.
- 6.2.11 When we consider the position of the 10 data zones in relation to the 20%, 10% and 5% groupings (Quintile, Decile and Vigintile) the results are more striking. For the purpose of our analysis we have excluded Data Zone S01009782 as explained earlier, our properties within this Zone have been included within a far less deprived area which distorts the rankings for these properties.
- 6.2.12 In terms of the other 9 Data Zones, all of them are in Quintile 1 which means they are in the top 20% most deprived data zones in Scotland. They also fall within the top 10% most deprived (Decile 1). What is more significant is that 7 of the 9 Data Zones fall within the top 5% most deprived (Vigintile 1). The other two fall into Vigintile 2. It is important to remember when analysing the SIMD data that this does not identify deprived people but deprived areas. The data recognises that not everyone in a deprived area is a deprived person.
- 6.2.13 However, the overall rankings and the domain rankings would seem to support the conclusions we have drawn from our own data and that of the Priesthill/Househillwood Thriving Places Data Profile. Our properties (within the recognised Data Zones) have been ranked very low in terms of the Employment and Income Domains. The Education Domain considered indicators such as school attendance, pupil performance, working age people with no qualifications, 17-21 year olds enrolling into full time higher education and school leavers aged 16-19 who are not in education, employment or training. Again our properties were ranked low in relation to the Education domain.
- 6.2.14 All of the aforementioned data does seem to suggest that there are some real issues within Rosehill and the wider Priesthill/Househillwood area. We experience higher levels of unemployment, lower levels of young people going onto further/higher education, higher numbers of people without any qualifications and, of those who are employed, higher levels of low paid and low skills employment.
- 6.2.15 In addition to these issues we also have a higher proportion of ageing population when compared to the wider Priesthill/Househillwood area and Glasgow as a whole. We also have a high number of people who have limiting long term illnesses or disability.
- 6.2.16 The range and concentration of these issues within our area of operation may present challenges to Rosehill in meeting the needs of our tenants and the wider community. At the start of this Plan we set out Rosehill's decision to widen out its activities and priorities beyond that of its core services to tenants.

Tenant Consultation

6.2.17 Whilst it is an important aim to meet the needs of our tenants we want also want to consider how we can deliver on our tenants' expectations.

Tenant Satisfaction Survey 2016

6.2.18 In June 2016, 480 of our tenants took part in a face-to-face survey. The survey covered the 8 satisfaction indicators required by The Regulator; we gauged tenants' views of what they thought were neighbourhood issues and what they would like to see improved about their neighbourhood; if there was anything they thought should be improved about the Repairs Service, what they thought Rosehill did well and what they thought Rosehill could do better.

6.2.19 Tenant Satisfaction is high with 94% of tenants satisfied with the overall service provided by Rosehill (ARC 2017/18)

Consultation on our Business Plan Activities and Priorities

6.2.20 As mentioned earlier, we consulted our tenants and other stakeholders at key stages of our business planning process. The last stage we consulted on was about what should be our Key Activities/Priorities over the life of this Plan.

6.2.21 Using an online tool, we asked people if they agreed with our proposed activities and asked if they had any other suggestions to make. By the end of the consultation just over 50 people responded, the vast majority of which were our tenants. The results showed that most people agreed with our proposed activities. In relation to further suggestions there was a range of responses given. Many of the responses were singular in nature and therefore no particular trend could be identified.

6.2.22 Although the level of responses received were on a smaller scale to those received through the tenant satisfaction survey, some trends did emerge. There was a level of interest in providing a community facility and providing activities for children/youths. There was support for the introduction of a handyperson service with a few people suggesting that this be opened to other tenants on a charged basis. There was also support for the creation of a Modern Apprenticeship at Rosehill and some suggestions of doing more in this vein e.g. supporting local people for employment/training initiatives and utilising local skills and resources.

6.2.23 The key findings from this consultation have been fed into the process for identifying our Business Plan key activities/priorities. With regard to the possible provision of a community facility, we are aware that Thriving Places is considering this as part of its 10 year plan and we will feed into this at the appropriate time.

Thriving Places

- 6.2.24 Glasgow Community Planning Partnership's (CPP) Single Outcome Agreement includes a commitment to support specific neighbourhoods to achieve better outcomes for its residents. It is recognised that, whilst significant improvements have been made, inequalities continue to persist within the city. This commitment is known as a 'Thriving Places' approach and centres on partners working collaboratively to make better use of the existing resources embedded within the community. It uses an asset based approach to focus on capacity, skills and the strengths of the community.
- 6.2.25 As previously acknowledged the Priesthill/Househillwood Thriving Place also includes Craigbank, Cleeves and the multi-storey block at 415 Nitshill Road, with our tenants living in Nitshill able to benefit despite Nitshill not being formally included. Therefore all of Rosehill's tenants should benefit from Thriving Places' activities.
- 6.2.26 From the picture we have developed about our tenants and the local area, in terms of the issues and challenges that exist, we believe that Thriving Places is an important vehicle for delivering the range of services needed to support our tenants and the local community. It is therefore important that we play an active role in Thriving Places, consider how we can make positive contributions, ensure our tenants get the opportunity to have their voices heard, consider our own services and approach to community engagement and ensure these align with the Thriving Places approach where appropriate.

Barratt Flats

- 6.2.27 We were approached by Glasgow City Council (GCC) in early May 2015 to discuss the Former Barratt Development at Linnhead Drive, Glenmuir Drive, Househillmuir Road and Ravenscraig Drive. The Council was seeking an RSL partner to co-ordinate a scheme of works to the properties.
- 6.2.28 After taking in to account the fact that this private development sits immediately opposite our stock, that it has been in a very poor state for many years, that it attracts vandalism and other anti-social behaviour and has an extremely negative impact on the local environment we decided that we were well placed and had the relevant experience to become involved as the Council's partner. Our primary objectives are to ensure that necessary works are carried out to the properties to improve living conditions for the residents, consider and improve security and to bring the properties up to a standard ready for factoring. The works will be completed over three phases with the first phase now complete and phases two and three following on. We reached agreement with GCC to become involved, in the works to the buildings and surrounds, on the basis that they will underwrite all the financial risks we identified, to ensure that we do not ever "leak" cash in to the scheme.

6.2.29 We also looked at how the properties could be managed in to the future and whether or not acquisitions in to the RSL sector would be successful and help diversify the tenure mix and facilitate a factoring role. Our Committee has approved an Acquisitions Strategy with a focus on buying Private Landlord properties. Almost 75% of the properties are private rented and, to date we have received expressions of interest to sell from 38% of the Private Landlords. We will also consider acting as factor. We have identified an overarching risk in relation to our involvement with these flats and have created a project based risk register which identifies the specific risks relating to delivering the improvement works, acquisitions and the potential role of factor. We have made provision in our projections in relation to acquisitions within this private development and it is envisaged we will begin acquisitions in 2018/19.

Tenant Profile

6.2.30 We have a good profile with our tenants, local people and other stakeholders. However, it is more important than ever, bearing in mind the Thriving Places Approach, that we position ourselves to be seen as an organisation which is as involved as it can be in our local community. We already deliver a number of community events for our tenants but want to do more in the wider community. We will build on our engagement with local and national politicians and other local groups. We will consider how best to achieve increased PR and identify a core of people and groups we need to engage with, during the life of this Plan.

Links with Local Organisations and Groups

6.2.31 We have links to various local organisations and groups including: Greater Pollok Enterprise Trust; Greater Pollok Barratt Community Development Trust; Hillwood Social and Recreational Community Trust; Pollok Citizens' Advice Bureau; Lavern Community Council; Greater Pollok Area Partnership and the Thriving Places groups including: the Community Forum, the Activities for Children and Young People Group and, the Environmental and Community Safety Group. It is our aim that our association with these entities will assist with the delivery of some of our objectives.

Partnerships with Local RSLs

6.2.32 It could benefit Rosehill and its tenants to consider opportunities for closer working with local RSLs.

6.2.33 In the past we attempted to establish joint meetings with other local RSLs to discuss issues such as anti-social behaviour in areas where we jointly have housing stock; we also previously held joint information sessions. We will consider how we might work more efficiently together in a number of areas including neighbourhood management, training and information sharing, procurement and new service provision.

Fully-Mutual Status

6.2.34 Rosehill is a fully-mutual housing co-operative where membership is open only to tenants. This legal form has served us well for the past 30 years. It fostered a huge surge in member interest and involvement in Rosehill in our early years, it protected our housing stock from the right to buy and preserved the right to rent, and it enabled us to access mortgage tax relief in our first few years and currently exempts us being liable for corporation tax on our ordinary activities. That said due to how long Rosehill has been operating we want to consider whether or not our current status continues to help us meet our objectives. During the life of this plan we will examine whether or not that is the case and decide if we need to act.

Asset Management

Our Approach

6.2.35 Our Asset Management Plan is a key document which feeds into our overall Business Plan. It is important that we know how to manage and maintain our housing assets to ensure the successful delivery of our Vision and Strategic Objectives and in particular:

- Provide high quality and affordable homes through the maintenance and improvement of and investment in our housing and, the building of new houses that are well designed and efficient and meet identified needs.
- Provide houses and services that are Value for Money for people who want to live in our communities.

6.2.36 We aim to ensure that our homes are affordable to our tenants and future tenants, are in good demand, are located in housing developments which are themselves well maintained, continue to meet the Scottish Housing Quality Standard (SHQS) and the Energy Efficiency Standard for Social Housing (ESSH) as a minimum. Our ARC and ESSH Returns 2017/18 show that a 100% of our stock meet these standards, with no exemptions. We are aware that ESSH2 is on the horizon and we will consider its requirements and the impact on our future planned maintenance and our cash flows during the life of this Plan.

6.2.37 We aim to fully understand how our property assets perform in terms of location, condition and demand and cost against income on a development by development basis. We want them to meet or exceed our tenants' expectations by ensuring they represent value for money, are well maintained, energy efficient and that components are replaced in line with a programme which reflects condition and tenant expectations.

Asset Management Strategy

6.2.38 We have an asset management strategy in place which aims to properly reflect our approach set out above by:

- outlining a framework to manage our housing assets to enable the organisation to have the right assets, of the right quality, in the right place and at the right time;
- providing a framework to make prudent investment decisions that support or improve on the assumptions and financial parameters in our business plan;
- outlining how we will invest in our assets as set out in our stock condition surveys so that we have quality homes that people are happy and proud to live in;
- detailing the delivery of good performance and high levels of tenant satisfaction with contractors;
- taking account of compliance with the appropriate standards and where relevant, local and central government strategies and priorities;
- taking account of the key risks in relation to asset management.

6.2.39 We know the condition of our stock through a system of rolling surveys covering at least 97% of the properties; we update our information, covering 200 houses per annum. We have a fully costed 30 year rolling programme of component replacements in place, from which we produce 5 yearly planned maintenance programmes. We are able to be flexible in our approach and have brought forward works to match condition and tenant expectations. Over the 30 year programme, we are not required to borrow money to carry out any works and we are planning to spend around £58 m or £51.5k per unit. We understand the need to smooth out spikes in our programme to ensure it is manageable and does not negatively impact tenants. Rosehill is not at financial risk arising from its long-term investment plans. Our current 5 Year Planned Maintenance Programme can be found at Appendix 5.

Development

6.2.40 Our latest new build development, located over two sites, provides 48 much needed new homes.

6.2.41 Our prime concern when considering development opportunities is that first and foremost any decision made must benefit Rosehill and its tenants and its future tenants, help us achieve our Strategic Objectives and be affordable, viable and sustainable. Our Business Plan consultation process with tenants indicated support for our plans to build more new houses.

6.2.42 As in previous times, we have not needed to borrow money for these projects thus removing the risks associated with that. Our decision not to borrow was reached following a financial appraisal of the projects. This concluded that they do not impact adversely on our long-term investment plans for existing properties, or any other area of our business. We can accommodate our new build proposals and meet all our other commitments set out in this plan, including increasing rents by no more than the rate

of inflation for the next 3 years, and we know we can manage these new properties within our existing staff complement, as demonstrated in the attached projections.

6.2.43 We will strive to continue to develop more new housing to contribute to Glasgow City Council's Housing Strategy incorporating the Scottish Government's **Affordable Housing Supply Programme** to deliver 50,000 affordable homes throughout Scotland. The opportunities to develop may be suppressed by the availability of land within the local area but we will actively attempt to acquire any suitable land.

6.2.44 Our Programme agreement with Glasgow City Council for 2018/19 has allocated a level of grant (and projected grant for the following two years) in relation to the former Gowanbank School site for the provision of approximately 65 new homes. We anticipate site acquisition in 2019. As mentioned elsewhere we are also looking into another site for potential development.

Other Property Acquisitions

6.2.45 We have purchased individual properties from owners and it is our intention to continue to do so where this helps us meet our objectives. To help with meeting housing need and to increase our stock numbers, we will continue to buy properties on the open market and where sellers approach us direct. We will also continue to participate in the Government's Mortgage to Rent scheme where doing so supports our objectives. In addition, and as outlined previously, we will buy properties contained in the development known locally as the Barratt flats, in line with our Acquisitions Strategy for these flats. This will be subject to the outcome of the various appraisals we are undertaking.

6.3 Wider Context

6.3.1 Having established the local context we now need to consider the wider context and the factors that could impact on our Business and our operating environment. The potential impact of the following factors has influenced our key activities/priorities for the life of this Plan.

Welfare Reforms

6.3.2 To date the anticipated impact of Welfare Reform has not been significant due to factors such as:

- The Scottish Government using the Discretionary Housing Payment Fund (DHP) to cover the shortfall in tenants' housing benefit caused by the "Bedroom Tax". The Government has committed to continuing to cover the shortfall as demonstrated by its budget allocation 2018/19 of £50m for DHP with a further £54m provisionally allocated for 2019/20. This is to ensure that the "Bedroom Tax" is mitigated until the Government receives further devolved powers, likely to be 2020/21, which will enable it to deliver its commitment to abolish the "Bedroom Tax".

- The Scottish Government also uses the DHP fund to assist those affected by the benefit cap. This assistance is particularly important as the benefit caps for Couples with or without children and lone parents and, single households were reduced in November 2016. Currently we only have a minimal number of tenants affected by the benefit caps, the majority of which receive full assistance, with others receiving partial assistance.
- The significant delays in rolling out Universal Credit across the UK. The original date for full migration was October 2017. However, it was announced, earlier in 2018, that the Universal Full Service would roll out for Glasgow in September 2018. The date for our full roll out was 26th September 2018. The landlord portal to assist us in managing this will not be ready until December, however we have named staff at the DWP to help in the interim.

6.3.3 To date we only have a very small number of tenants who are in receipt of UC, most of which are single claimants and the rest have one child. As at the end of September 2018, some of these tenants were in arrears. However, we have been successful in obtaining Alternative Payment Arrangements (APA) where needed.

6.3.4 We have welcomed the introduction of the Universal Credit Scottish Choices (also known as the Scottish Flexibilities) which enable UC claimants to choose:

- To be paid monthly or twice monthly and,
- To have their housing cost in their award of UC paid direct to their landlord

6.3.5 These choices have been made available to new UC claimants since the 4th October 2017, if they are within a full service area. In addition existing claimants who were in receipt of UC before 4th October 2017 have been eligible for these choices since 31st January 2018; again they must be within a full service area.

6.3.6 As Glasgow moved to full service in September 2018 these choices will become accessible to new and existing claimants. This presents an opportunity for us to work with our tenants who are and will be UC claimants to encourage payments of the housing element of their UC direct to Rosehill. This would help to mitigate the anticipated adverse impact on rent arrears of direct housing cost payments to tenants. However, we recognise that not all tenants will choose to do so and as such direct payments to tenants may still pose a risk to our rental income. We will be encouraging new tenants' to request payment direct to Rosehill from the start of their tenancies.

6.3.7 However Welfare Reform still poses a significant threat to Rosehill and is likely to exacerbate poverty amongst our tenants. Examples of this are:

- the removal of the housing benefit family premium for new claimants and new births;
- No addition in Child Tax Credit, Universal Credit or Housing Benefit for a third child born after 5th April 2017;

- New parents on Universal Credit will need to prepare for work when a child turns 2 years of age and find work when they turn 3;
- The work allowance in UC has been reduced and the backdating of claims will be reduced to 4 weeks;
- The rate of certain working age benefits, certain elements of tax credits and child benefits are frozen at their 2015/16 levels for four years.

6.3.8 We have been preparing for Welfare Reform over the last 5 years, with a particular focus on introducing measures which help to mitigate the impact of UC and the threat posed by the introduction of direct payments to tenants.

Welfare Rights Service

6.3.9 We launched our own Welfare Rights Service in 2013, which replaced the service we bought-in from Greater Pollok C.A.B. This service gives our tenants access to welfare benefits advice and assistance with claiming benefits. Since January 2015 our Welfare Rights Advisor has managed to secure a total of £67,835 in housing benefit and discretionary housing payments which has contributed to reducing and in some cases clearing tenants' rent arrears. The service is proving to be invaluable for our tenants and us, and we will continue to monitor its benefit to our tenants and the impact on our performance in terms of rent arrears' levels. Customer satisfaction data is collected for this service. The current year's satisfaction level remains at 100%, we also collect customer case studies and the impact of the service on people's lives is extremely positive.

Contact

6.3.10 We have increased personal contact with tenants to better understand and support them. We recognise that currently there are a number of tenants who we do not have much contact with because their rents are paid directly to us. However once UC applies this picture is likely to change and we will see an increase in the contact we will need to have with our tenants.

6.3.11 Our approach to contact is two pronged: general contact and targeted contact. We will continue to issue information, using methods such as our newsletter, to reach all of our tenants to raise their awareness of the various changes being introduced under Welfare Reform. From our knowledge of our tenants we will then carry out more targeted contact where we believe specific aspects of Welfare Reform affect particular tenants.

6.3.12 We believe that good, effective engagement with our tenants is key to helping our tenants prepare and manage the impact of various changes to the benefit system.

Tenant Profile

- 6.3.13 We have been building up a Profile of our Tenants to enable us to better understand their needs which in turn will help us design our services more effectively and target those tenants who need more support.
- 6.3.14 We will continue with our efforts as we need to place ourselves in the best possible position for supporting our tenants to meet the challenges of Welfare Reform. The increased personal contact, previously mentioned, will help with this aim.

Restructuring of Housing Services Team

- 6.3.15 In March 2015 the restructuring of the Housing Services Team into two sub teams was fully implemented. The team "Generic" deal with all housing management functions with the exception of rent arrears and has a particular focus on neighbourhood management. The other team "Income Maximisation" is dedicated to maximising income through the prevention, management and recovery of rent arrears. The Welfare Rights Advisor is part of this team. An evaluation on the split teams carried out in August 2016 demonstrated that this approach is proving effective with improved results in both teams. There has been a steady reduction in rent arrears since the launch of the dedicated Income Maximisation Team and our Welfare Rights Advisor has helped a number of our tenants maximise their incomes.

Extension of Payment Options

- 6.3.16 In an effort to counteract the potential challenges of direct payments being made to tenants for their housing costs under UC we decided to launch a Direct Debit payment option. We continue to run a campaign to raise tenants' awareness of this secure, convenient and easy way to pay their rent.

Access to Bank Accounts

- 6.3.17 The Tenant Census part of our Tenant Satisfaction Survey in 2013 revealed that 95% of our tenants had access to a bank or savings account, 86% of which were in the form of a basic, standard bank account and 8% had post office accounts. Whilst this is a positive picture, due to the information now being 5 years old, we will undertake an awareness campaign amongst our tenants about the importance of having a bank account.

Rent Affordability

- 6.3.18 We fully recognise that the need for rents to be affordable is crucial now more than ever. The tough economic climate over the last several years has presented many people with a range of challenges. Country-wide, people have experienced wage freezes or cuts, those on benefits have felt the effects of the raft of Welfare Reforms introduced by the UK government, people are being faced with a choice of "heat or eat" and more and more people are turning to foodbanks.

6.3.19 The resultant impact for landlords is that rent arrears are likely to increase, as is staff time spent on supporting and managing tenants with arrears and, associated costs such as legal costs.

6.3.20 Currently 37% of our tenants, who are of working age, are in receipt of housing benefit and 1% receive the Universal credit housing element; this figure increases to 52% when we look at all of our tenants who are in receipt of housing benefit. We are aware that we have a very small number of tenants, at this point, who are affected by the benefit cap which creates a shortfall between their rent and the housing benefit received. However as mentioned previously the majority of these tenants are receiving some level of assistance (DHP) to cover the shortfall.

6.3.21 We have established, using the Thriving Places Data Profile, that those living in Priesthill and Househillwood are more likely to be in part-time or low paid work. Whilst we currently do not hold overly comprehensive data about our tenants and, in particular, financial data we believe that the picture for Priesthill and Househillwood is reflective of our tenants as well.

Rent Levels

6.3.22 The following information is based on the 2017/18 ARC. It compares our rent levels against other landlords operating in the area to provide a local comparison and also against the Scottish Average.

Table 14: Average weekly rents 2017/18 by apartment size

2 apts

Rosehill	Barrhead H.A.	Glen Oaks H.A.	Glasgow H.A.	Sanctuary Scotland H.A.	Scottish Average
£63.92	£73.72	£77.78	£73.40	£73.44	£73.33

3 apts

Rosehill	Barrhead H.A.	Glen Oaks H.A.	Glasgow H.A.	Sanctuary Scotland H.A.	Scottish Average
£71.91	£86.46	£81.64	£79.19	£84.35	£74.94

4 apts

Rosehill	Barrhead H.A.	Glen Oaks H.A.	Glasgow H.A.	Sanctuary Scotland H.A.	Scottish Average
£71.53	£92.55	£88.72	£92.71	£92.38	£81.37

5 apt +

Rosehill	Barrhead H.A.	Glen Oaks H.A.	Glasgow H.A.	Sanctuary Scotland H.A.	Scottish Average
£76.39	£112.90	£110.29	£101.72	£98.32	£90.39

Table 15: Average weekly rents 2017/18 for all properties

Rosehill	Barrhead H.A.	Glen Oaks H.A.	Glasgow H.A.	Sanctuary Scotland H.A.	Scottish Average
£71.31	£83.68	£85.05	£80.37	£86.18	£76.23

6.3.23 As can be seen from Table 14, Rosehill’s average weekly rents compare favourably with the average rent levels shown for the other landlords and Scotland as a whole. Our rents for all property sizes are lower, and in some cases significantly lower, than the other landlords and the Scottish Average.

6.3.24 From information taken from The Regulator’s website we can also compare our average weekly rents to the RSL average. In the tables above the Scottish average figure includes local authority rents which typically, across the country, are lower than RSL rents. Table 16 below shows how our rents compare to the RSL average.

Table 16: Average weekly rents 2017/18 by apartment size

Size	Rosehill	RSL Average
2apt	£63.92	£79.76
3apt	£71.91	£80.39
4apt	£71.53	£88.87
5apt+	£76.39	£98.47

Table 17: Average weekly rents 2017/18 for all properties

Rosehill	RSL Average
£71.31	£82.28

6.3.25 Tables 16 and 17 show that the average weekly rents in the RSL sector are higher than the overall Scottish averages. This demonstrates the findings that council rents are typically lower than Housing Association rents.

6.3.26 What might be a more interesting comparison is our rents against the local authority (LA) average. Table 18 below sets out the comparison.

Table 18: Average weekly rents 2017/18 by apartment size

Size	Rosehill	LA Average
2apt	£63.92	£66.26
3apt	£71.91	£70.43
4apt	£71.53	£75.39
5apt+	£76.39	£81.99

Table 19: Average weekly rents 2017/18 for all properties

Rosehill	LA Average
£71.31	£70.73*

*This includes rents for 1 apt properties

6.3.27 Table 18 above shows that, with the exception of the 3apt average rent, our average rents are lower than the LA average rents.

6.3.28 All of the above comparisons not only show that our rents are lower than other local landlords, but also that they are lower than the Scottish and RSL average and, more importantly, are on a par or lower than the LA average.

6.3.29 We believe the approach we have taken for the last nine years and will continue to take over the next 3 years, which is to cap any rent increases to inflation only, will keep our rents amongst the lowest in Scotland.

The SFHA Affordability Guide and Tool

6.3.30 The SFHA published, its much anticipated, revised Affordability Guidance in June 2017.

6.3.31 Using the affordability tool for our 2017/18 rents, produced the following results:

If the rent is less than 25% of the moderate income
If the rent is between 25% and 30% of the moderate income
If the rent is 30%+ of the moderate income

% of Moderate Income Spent on Rent				
2 apt/ 2 per				
Highest Weekly Rent (8 properties)	Single Person	Couple	Pensioner Couple	Single Pensioner
£70.69	26.4%	17.6%	19.3%	26.3%
% of Moderate Income Spent on Rent				
3 apt/4 per				
Highest Weekly Rent (66 properties)	Single Parent 1 child	Small family/2 children		
£79.15	22.8%	15.4%		

% of Moderate Income Spent on Rent		
4 apt/6 per (10 x properties)		
Highest Weekly Rent (10 properties)	Small Family/ 2 children	Large family/3 children
£87.61	17.1%	14.9%

6.3.32 In terms of our highest 2 apt rent, it is on the margins of affordable for Single Persons and Single Pensioners, and would be deemed affordable for Couples and Pensioner Couples. There are a further 21 properties with rent levels that would be on the margins of affordable, again for Single Persons and Single Pensioners (26% down to 25.6%, 25.8% down to 25.4% respectively). However the vast majority of our 2 apt rent levels (75%) are affordable to all 4 household types.

6.3.33 In relation to the rent levels for our 3 apt and 4 apts, if the highest rent levels are affordable to all household types shown, then all of our 3 and 4 apt rents are affordable.

3 apt/4 per (392 properties)		4 apt/6 per (347 properties)	
Single Parent 1 child	Small family/2 children	Small Family/ 2 children	Large family/3 children
22.8% down to 20.4%	15.4% down to 13.8%	17.1% down to 13.2%	14.9% down to 11.6%

6.3.34 HouseMark has joined up with SFHA to develop its rent affordability tool. We intend to use this going forward when setting new rents and monitoring our rent levels/rent increases.

Fuel Poverty/Affordable Warmth

6.3.35 Glasgow’s Housing Strategy (2017-2022) states that despite significant investment in energy efficiency measures in properties, fuel poverty has actually risen. The table below shows the rise in fuel poverty in Glasgow:

Table 20

Year	% of Population in fuel poverty
2002	14%
2011	33%
2016	34%

6.3.36 Of the 34%, some 8% are in extreme fuel poverty, which is, spending over 20% of their income on fuel costs. Over 45% of the people in fuel poverty in the city are elderly. (Source: Glasgow’s Housing Strategy 2017-22)

6.3.37 The Strategy states that the main reasons for fuel poverty increasing in the City are:

- Income – People on low income need to spend a higher proportion of their income on heating
- Fuel Costs – Year on year increases to fuel prices

6.3.38 Since 2010 solid fuel prices have increased by 13.5%, gas by 31.9% and electricity by 28%. Median gross annual pay for individual full time workers in Glasgow over the

same period has only increased by 16.49% meaning that fuel prices have risen at more than 1.5 times the rate of wages.

Energy Efficiency

- 6.3.39 As mentioned earlier in the section on Asset Management, we are already meeting the Energy Efficiency Standard for Social Housing 2020, with 100% of our properties already having achieved 100% compliance.

Energy Efficiency Advice

- 6.3.40 Despite all of our properties meeting EESSH we do recognise that some of our tenants will be experiencing fuel poverty based on the aforementioned findings of the Housing Strategy.
- 6.3.41 The Housing Strategy has identified advice and information as being a key means of mitigating fuel poverty, and reducing its impact on vulnerable households. We will work with agencies e.g. G-HEAT and Home Energy Scotland, who provide such advice and information and promote the benefits of obtaining such advice to our tenants.

General Data Protection Regulation (GDPR)

- 6.3.42 The new Data Protection legislation came into effect on 25th May 2018. To ensure our compliance by the deadline we set up a GDPR working group and worked closely with our Solicitors. Our Management Committee received regular progress reports on our compliance with GDPR. This resulted in all required documentation being in place by the 25th of May. We have also introduced enhanced security measures for the storing and sharing of personal data e.g. minimal use of paper files, server folders have restricted access to certain staff where required and use of encrypted emails when sending personal, sensitive or confidential data.
- 6.3.43 We will continue to look at ways of improving our practice and systems to ensure our continued compliance with GDPR.

Freedom of Information (FOI)

- 6.3.44 In December 2017 the Scottish Government produced its third consultation paper on extending the Freedom of Information (FOI) to the Registered Social Landlord Sector, with a draft Order which made both RSLs and their subsidiaries subject to FOI when carrying out “housing activities” as defined in the Housing (Scotland) Act 2010. This will allow members of the public to request access to information that RSLs hold. RSLs will need to comply with any requests unless there is a legal basis for refusing to do so.

- 6.3.45 We are aware that the SFHA, with technical input from TC Young, and the GWSF made submissions under the consultation process on behalf of their members in March 2018.
- 6.3.46 One of the main challenges of meeting FOI requirements is to balance this with our compliance with GDPR. We need to ensure compliance with both, but this may prove challenging as it would seem, in some respects, they are two conflicting statutory regimes.
- 6.3.47 The implementation date is still not known at this time; from information provided by GWSF, Ministers have indicated it will not be April 2019. The Forum is supporting a deadline extension to April 2020 to allow RSLs sufficient time to prepare. However, it is being suggested that the deadline might be October 2019.
- 6.3.48 Whether the deadline is October 2019 or April 2020, we recognise that we need to start preparing now and will, over the course of 2018/19, undertake committee and staff training, review our processes taking account of our need to continue to comply with GDPR and put in place a comprehensive policy and system for dealing with FOI requests. We will also consider the model Publication Framework published by the GWSF and SFHA and will use this as a basis for our preparations for complying with FOI.

Digital Inclusion

- 6.3.49 We have been considering ways to improve our use of ICT in our dealings with our tenants and are making more use of text and email when communicating. Our 2016 Tenant Satisfaction Survey revealed that 57% of our tenants access the internet and use social media using smart devices, computers and laptops. Currently we can send text and emails to almost two thirds of our tenants and we are making more use of on-line surveys when communicating with our tenants. All relevant frontline staff have been issued with mobile phones to enable direct access to staff by tenants.
- 6.3.50 However we recognise that we still have more to do to fully utilise digital technologies and intend to explore things such as mobile working and smarter communication. We also want to ensure that our tenants have access to digital technology and have the skills to utilise it. Tenants and those who are and will be in receipt of UC will need to be equipped to deal with making applications online.
- 6.3.51 To this end, we intend to develop a Digital Inclusion Strategy and have signed up to the Digital Participation Charter run by SCVO.

Regulatory expectations :Governance and Financial Management

- 6.3.52 The independent Scottish Housing Regulator was established on 1 April 2011 under the [Housing \(Scotland\) Act 2010](#). It has only one statutory objective, to:

"Safeguard and promote the interests of current and future tenants of social landlords, people who are or may become homeless, and people who use housing services provided by social landlords".

- 6.3.53 Within the Scottish Housing Regulator's Regulatory Framework it has, amongst other things, placed great emphasis on the importance of good governance. We do also, and have carried out a number of formal governance reviews. This ensures that the Management Committee continues to have effective control over the strategic direction of Rosehill and that good governance remains firmly at the core of what it does. We are committed to continually meeting the Regulatory Standards of Governance and Financial Management as set out by the Scottish Housing Regulator.
- 6.3.54 We recognise that good governance means that we need to continue to take transparent decisions, based on sound evidence, which are in the best interests of our tenants.
- 6.3.55 In line with the Regulatory Standards, we have a system of annual assessments and skills audits for our Committee both on an individual and collective basis. This includes an assessment against the Regulatory Standards. From these assessments the findings are used in our Management Committee recruitment drives.

Review of Regulatory Framework

- 6.3.56 The Regulator has been consulting over proposed changes to its regulation of Social Rented Housing in Scotland which has led to it publishing its detailed proposals in October 2018 for further consultation.
- 6.3.57 The proposed new framework, which is due for publication by the end of February 2019 and will become operational on 1st April 2019, includes guidance on how disposals and other changes should be notified to SHR once the consents regime has ended in March 2019. This follows on from the ONS reclassification of Housing Associations back to the Private Sector.
- 6.3.58 We will consider the draft new regulatory framework and participate in the consultation. We will consider and prepare for the planned changes by ensuring our systems, processes and practice are adequate for purpose.

Pensions

- 6.3.59 The pension scheme is a vital part of our remuneration package for staff and we recognise the value staff place on it. Every 3 years a Scheme Valuation is carried out. After the Scheme Valuation at 2009 a recovery plan was instigated to reduce the scheme deficit. Rosehill's contribution to the deficit was calculated at £35,000 per annum. A further triennial valuation was carried out at September 2012 which indicated that the financial position of the scheme had deteriorated further, and this together with a change in the method of apportioning the past service debt increased our contribution to £113,000 per annum rising by 3% per annum until 2027 when the

past service debt is cleared. We factored this increased payment into our cash flows and determined that it was affordable, taking into account the unprecedented low interest rates we are enjoying on our private loans and our financial position generally.

- 6.3.60 In 2015, we took independent advice to better understand the risks and costs to Rosehill associated with the scheme and to map our options. We decided to keep the pension scheme in its current form meantime. However, after taking further advice we introduced a Defined Contribution pension scheme for auto-enrolment and for any staff who do not wish to join a defined benefit scheme. This decision reduced costs and risk to Rosehill and reduced costs for those staff who decided to join or remain in the new scheme after auto-enrolment.
- 6.3.61 The 2015 triennial valuation results were positive with scheme assets up, and whilst liabilities are also up the net result is an improved funding level at 76%, compared to just 56% in 2012. The scheme deficit has reduced from £304m in 2012 to £198m in 2015. The improvement in the on-going funding level was as a result of better than expected investment returns and the impact of further deficit contribution payments – although a change in the assumptions used also resulted in a slight reduction in the value placed on the liabilities. The better than expected financial performance has resulted in the past service deficit recovery period being reduced by 5 years from 2027 to 2022.
- 6.3.62 The funding position as at 30th September 2017 further improved to 87% due again to better than expected investment returns, additional deficit contributions paid into the fund offset by a reduction in the yields of government bonds.
- 6.3.63 Assets stood at £852m against liabilities of £981m thereby reducing the deficit to £129m.
- 6.3.64 Work will commence shortly for the September 2018 official valuation although indicative results are unlikely to be known until mid-2019. Committee keeps the position with pensions under review and will review the current schemes available during 2019 once the next Valuation results are known.

The Scottish Social Housing Charter

- 6.3.65 The Charter, which was revised in April 2017, sets out 16 outcomes/standards over 7 areas of RSLs' activities which all RSLs are required to meet. To demonstrate we are meeting the Charter Standards an annual return (ARC) has to be submitted to the Scottish Housing Regulator.
- 6.3.66 The main challenges revolving around the Charter relate to promoting and sustaining tenant engagement, demonstrating our compliance with the Charter and the ARC, sustaining high levels of tenant satisfaction and ensuring our IT is fit for purpose.

- 6.3.67 As a result of our continued work with TPAS Scotland, our first Tenants' Group, Rosehill Tenants' Voice, was formed in January 2015. The Group has achieved a lot since then including: contributing to various policy reviews, annual rent increase process, review of Annual Performance Report. In addition the Group has undertaken scrutiny work in areas such as voids and rent arrears management. In terms of voids the scrutiny work led to the development of Lettable Standards for Empty Properties. We are currently reviewing the development of our Tenants' Group and our approach to tenant engagement generally.
- 6.3.68 As mentioned earlier we are making better use of email, text and online surveys to engage and consult with our tenants.
- 6.3.69 As mentioned elsewhere in the plan, we carried out a comprehensive Tenant Satisfaction Survey in June 2016. The findings and the key results of the survey have been fed into our business planning process and have influenced the key activities/priorities we plan to undertake over the life of this Plan.
- 6.3.70 We continue to carry out annual audits, conducted by an external consultant, on our ARC returns prior to submission. We believe this is an important safeguard to ensure the accuracy of our data and the robustness of our supporting evidence.
- 6.3.71 The Regulator publishes its Landlord Reports in August each year. We established from our latest Landlord Report (2017/18) and using the comparison tool on the Regulator's website, that Rosehill is generally performing well. Against all of the performance indicators, published in the Landlord Reports, Rosehill is doing better than the Scottish average. In addition for some of these our performance has improved from the previous year.
- 6.3.72 We have identified and worked with our IT Company to make improvements to our system to enable more system generated reports, to support the completion of our ARC Returns. There are still further improvements we would like to make to our existing system to ensure the inputting and extraction of data is efficient and robust as possible.
- 6.3.73 In April 2015 we launched a staff recognition scheme in the form of a Staff Ideas Box. Ideas must be based on three themes: Support and Encourage Tenant Engagement; Enhance Customer Service and Improve Efficiency. We believe these 3 themes will support our Charter Outcomes. We hope to continue to achieve two main outcomes from this scheme:
- 1) Staff feel valued for their contribution to Rosehill's work
 - 2) Improved service delivery and increased engagement with our tenants

The Housing (Scotland) Act 2014

- 6.3.74 The 2014 Act, which will introduce significant changes in many areas of housing management and practice for social landlords, will now come into force over 2019.

We have produced an Action Plan for implementing the various changes, which will include: revisions to certain policies e.g. Allocations Policy; consultation with tenants and other service users; implementation of new legal notices and a revised Scottish Secure Tenancy (and Short Scottish Secure Tenancy) for new tenants.

- 6.3.75 Whilst the changes relating to the rules on succession, assignation, sub-letting and joint tenancies don't come into effect until 1 November 2019, we are required to write to our tenants before 1 November 2018 telling them about the effect these changes will make to their tenancies.

SHQS 2015

- 6.3.76 We are satisfied that our housing stock fully meets the SHQS, and we are required to ensure that this remains the position. We will achieve this by updating condition surveys as required and continuing to invest in improvement works.

EESHS

- 6.3.77 All RSLs are required to meet the Energy Efficiency Standard for Social Housing by 2020 and we are already reporting that we have achieved the standard in 100% of our homes. As mentioned earlier we are aware that EESHS2 is on the horizon and we are keeping up-to-date with developments regarding the new standard.

General Community Engagement

- 6.3.78 We recognise that now is the time for us to play a wider role in the general local area we operate in, and that there are opportunities for us to also play a more active role in helping to improve the wider local environment, services and so on.

Brexit

- 6.3.79 The Scottish Government was in touch with GWSF and other housing bodies the day after the Referendum to reassure stakeholders of a 'business as usual' approach. To date, Brexit has had no immediate impact on our business.

- 6.3.80 Since then, in 2017, the key areas of concern highlighted in the report, The Potential Impact of Brexit on Housing Associations in Scotland, released by the Scottish Federation of Housing Associations, are the ongoing uncertainty; impact of uncertainty on financial markets and on private finance; and the possible impact on construction and workforce supply chain and costs. However, the report also found some organisations are more pragmatic and see some balance between the risks and opportunities of Brexit.

- 6.3.81 SFHA members prioritised their key areas of concern as follows:

- 1) Capacity of the construction industry to deliver new social housing developments

- 2) Financial investments via European funds for social housing
- 3) Equally weighted were: workforce capacity for service delivery and private sector investment in social housing
- 4) Potential changes in regulation and procurement
- 5) Demand for social housing and future developments

6.3.82 Clearly it is too early to speculate, at this stage, on any impacts on Rosehill. Like most Housing Associations and Co-operatives we will be monitoring the implications of Brexit on housing associations and, in particular, on any impact on the availability of lending and cost of loans.

Value for Money

6.3.83 The Scottish Social Housing Charter sets out the standards and outcomes that social rented landlords are required to meet. This provides the performance framework for landlords, part of which relates to providing value for money (VfM).

6.3.84 Providing houses and services that are value for money for people who want to live in our communities is a key strategic objective for Rosehill. As a result of being a HouseMark Scotland member, we intend to use the HouseMark business intelligence tool to fully understand what drives service delivery costs, and value across the organisation. Another anticipated benefit of HouseMark membership is the ability to benchmark our performance against a wide range of other registered social landlords across Scotland and the UK in relation to service costs and performance, and to use this information to inform our approach to demonstrating value for money.

6.3.85 As an indication of where we are, in terms of value for money, we are pleased to be able to say that:

- Our rent levels are the lowest compared to local RSLs;
- We have increased rents only by the rate of inflation for the last 9 years;
- All our houses meet SHQS and already meet EESSH;
- We have long-term, affordable, plans to replace the components in our houses;
- We achieve high satisfaction levels amongst our tenants which are above the Scottish Average (2017/18) across all but one of the satisfaction ARC indicators;
- We consult our tenants and strive to deliver services they require and value;
- We have lower than Scottish average rent arrears levels, which have steadily reduced each year (based on results from all ARC returns to date)
- We have better than Scottish average void rent loss;
- We re-let our voids quickly and well below the Scottish average (ARC 2017/18);
- We are building and acquiring more houses which lowers our unit costs

Sector Scorecard

6.3.86 We also participate in the Sector Scorecard which measures fifteen high level KPIs for housing providers to compare their performance and check that they are providing value for money.

- 6.3.87 Comparing our results with other housing providers enables us to demonstrate our financial health to our customers, lenders and to the Regulator. It also provides an opportunity for us to challenge the areas that we need to improve.
- 6.3.88 The themes measured in the Sector Scorecard are Business Health, Development, Outcomes Delivered, Effective Asset Management and Operating Efficiencies.
- 6.3.89 Our scorecard (2016/17) shows that we are performing well in relation to our peers. Our operating margin is higher than that of our Scottish peer group and is equal to the UK wide sector median. We perform particularly well when we measure our EBITDA (earnings before interest, taxes, depreciation and amortisation) demonstrating that we do not rely on loans to finance our activities.
- 6.3.90 Other areas where we have scored highly are customer satisfaction and the percentage of rent collected.
- 6.3.91 Our expenditure on developing new homes and the number of new homes delivered in the year was lower than that of our peer group and the UK sector median. However, our outcomes in these areas are expected to improve as our new build development nears completion.
- 6.3.92 However as the 2016/17 Sector Scorecard was a pilot, the participants recognised “that as this is the first year of data collection definitive conclusions cannot be made, especially for the measures that are subject to cyclical variation”.
- 6.3.93 A copy of our Sector Scorecard is attached at Appendix 6.

6.4 SWOT Analysis

- 6.4.1 Having considered the external environmental factors which could have an impact on us and identified the key objectives and associated risks, the next stage is to examine how well equipped we are to face these challenges and meet our objectives/priorities. We need to know where our Strengths lie and build on these; identify and address our Weaknesses; exploit Opportunities and counteract any Threats. The findings of the SWOT Analysis can be found on pages 33 - 35.
- 6.4.2 We have a number of strengths which put us in a strong position to respond to the challenges facing us, and deliver our Vision and Strategic Objectives, including:
- **Effective governance**, our arrangements mean that:
 - Our Committee and Staff are clear about their roles and responsibilities;
 - The relationship between Committee and Staff is appropriate, professional and respectful;
 - Management is held to account;
 - Our Committee and Staff will seek external advice and assistance when it is appropriate to do so or when required:

- **Good performance**, this is demonstrated by the benchmarking data set out in Section 5 (pages 25-28). In a number of areas our outcomes are better than the Scottish Average, of particular note are:
 - Our Gross Rent Arrears are 2.84% compared to Scottish Average of 5.18%;
 - Our average re-let times for empty properties is 6.74 days compared to Scottish Average of 30.72 days;
 - Our tenancy sustainment level is 97.06% compared to Scottish Average of 88.66%;
 - Our average completion time for non-emergency repairs is 2.66 days compared to Scottish Average of 6.38 days
 - All of our properties meet SHQS and EESSH.

(based on ARC 2017/18)

- **Good satisfaction rates amongst tenants**, achieving good performance positively impacts on satisfaction levels:
 - Our tenant satisfaction level for our repairs service is 98.99% compared to Scottish Average of 92.13%;
 - Our tenant satisfaction level for overall service is 93.33% compared to Scottish Average of 90.48%;
 - Our tenant satisfaction level for rent representing good value for money is 84.17% compared to Scottish Average of 83.19%.
 - Our tenant satisfaction that we are good at keeping them informed is 95.63% compared to the Scottish Average of 91.71%
 - Our tenant satisfaction with opportunities to participate is 87.92% compared to the Scottish Average of 85.92%
- **Financial strength**, we have worked hard to build this up since we began, making us one of the most financially robust RSLs of our size. This is particularly significant when taking into account that we have capped rent increases to inflation only since 2010 and will continue to do so for the life of this Plan. The result of all of this is, that we have the lowest rents locally and amongst the lowest in Scotland. However, we cannot underestimate the negative impact that Welfare Reform may have on our income and on our costs. In particular, we have seen a rise in our staffing costs as additional staff have been employed to meet the challenges presented by the Reforms. That said our strong financial foundation means that we can meet the combined challenges of reducing income and increasing costs confident that we will remain financially sound in the long-term.

6.4.3 The weaknesses and threats identified present varying degrees of risk to Rosehill, including:

- **Losing Key People (Committee and Staff)** in relation to Committee, we have tackled this by putting a recruitment procedure in place which focuses on the skills

gaps we need to fill. We will use this procedure in the run up to each of our AGMs. In relation to succession planning and the position of Chair, as part of our annual assessment process, we gauge interest amongst all Committee Members acting as Chair in the future. We also have a Vice-Chair position and the post-holder is able to step in to cover the role of Chair, on a temporary basis, should the need arise. In addition, there are a number of Committee Members who Chair Sub-Committees and who are building skills in those roles which are relevant to the position of Chair overall and Vice-Chair too. We also intend to provide training on Chairing for all Committee Members as part of our learning and development approach. We are keen to ensure that the position of Chair is open to any Committee Member who expresses interest. The position of Secretary is allocated to the Acting Director.

- In terms of staff, we are satisfied that Rosehill is able to attract high calibre candidates for senior positions; this was apparent when we filled the post of Housing Manager. We recently appointed our Depute Director, to the position of Acting Director, without hesitation and following on from advice from EVH. This appointment ensures that it is business as usual for Rosehill.
- **Limited engagement with wider community**, we will be recruiting for the post of Community Engagement Officer. The purpose of this post will include establishing Rosehill as an active community participant locally, helping to ensure that we work with other local groups and agencies to maximise engagement opportunities for our tenants and the wider local community. This will also help to raise our low profile in the wider area.
- **No partnership working with local RSLs**, we will consider opportunities for partnership working with other local RSLs. This could include joint training, procurement, local initiatives and sharing information.
- **ICT**, we have improved our ICT, in terms of hardware, security and software, over the past two years and this is now a continuous process. We will consider our overall aims for ICT during the life of this plan and decide either to continue improving what we have or moving to a new platform.
- **Limited availability of sites for development**, in addition to our plans for the former Gowanbank School site, there is one other small site for potential development. However, beyond these two sites it is likely to be the case that we will not be able to develop further new build housing, due to non-availability of suitable sites.

6.4.4 Taking the threats we have identified in relation to:

- **Welfare Reforms**, that have and are being introduced and the implications these will have for landlords primarily in relation to their rental income. The measures undertaken by the Scottish Government to use DHP to cover the shortfalls in the application of the “bedroom tax” and the benefit caps have helped to mitigate the

risk to rental income. This will be further mitigated when the Scottish Government abolishes “bedroom tax” once it receives the necessary devolved powers, which is anticipated to be 2020/21. The introduction of the “Scottish Flexibilities” for UC is much welcomed, as this could also help mitigate the negative impact on our rental income. We have implemented our own measures including: providing our own Welfare Rights Service, creating a dedicated Income Maximisation Team within our overall Housing Services Team and raising tenant awareness of Welfare Reform through newsletters, etc. We now know when full UC will be rolled out in Glasgow and are developing our own Strategy for responding to the challenges this will present.

- **Losing Key Senior Staff**, this threat has materialised with the departure of our Director. However, the succession planning put in place several years ago, with the creation of the post of Depute Director has helped to mitigate this threat. As mentioned, under addressing weaknesses, we recently appointed our Depute Director, to the position of Acting Director to ensure that it is business as usual for Rosehill.
- **Not properly handling the departure of our Senior Officer/appointing the wrong person**, this would not only adversely impact on our services but would also harm our reputation. To ensure matters are dealt with properly we have appointed external consultants to support the Management Committee through the various processes involved and we are satisfied that this threat will not materialise.
- **Losing Committee Members**, is a constant threat to all RSLs. However, the material threat is not being able to replace them. We will publicise more the role that Committee Members play in the running of Rosehill, and demonstrate the benefits which people can gain by being actively involved in their local community.
- **Regulatory and Legislative changes**, can have a big impact on our workloads; in the past we have successfully contended with SHQS, EESSH, and GDPR. We are dealing with the introduction of the requirements of the Housing (Scotland) Act 2014; the extension of the Freedom of Information Act to RSLs, changes to the requirements for smoke alarms in our properties and anticipating the introduction of EESSH2.
- **Pensions Liabilities**, we are mindful that costs could become unaffordable or unacceptable. During previous years we obtained independent advice to better understand the risks and costs to Rosehill associated with the scheme and to map out options available to us going forward. We introduced a defined contribution scheme for auto-enrolment purposes but kept the defined benefit scheme open as the results of the 2015 triannual valuation were much better than expected and there have been further improvements in the 2017 funding position. As mentioned elsewhere we will consider matters again, once the outcome of the next triannual valuation is known, in 2018/19.

- **RPI/CPI**, we have been restricting our rent increases to RPI only for the past 9 years and will do so again for the life of this plan. We understand that the housing element of benefits will continue to rise in line with landlords' rent increases. We use RPI because our costs rise, in the main, by RPI. We are satisfied that our rent levels are affordable to tenants and will continue to be affordable but will keep this under review.

Chapter 7: Risk Management

7.1 Risk Management

- 7.1.1 Fundamental to any business planning process is the need to consider the risks faced at strategic and operational level, and to then take action to mitigate identified risks. We have a comprehensive Risk Management Policy and Strategy and we regularly review our risk register to ensure it continues to reflect the current and most relevant risks to Rosehill.

7.2 Roles and Responsibilities

- 7.2.1 Risk exists throughout all levels of Rosehill business and as such input is required across the organisation at varying levels of involvement. However, to ensure the effective implementation of risk management and that all involved have a clear understanding of what is required, we have set out the key roles and responsibilities as follows:

Management Committee

- 7.2.2 The Management Committee will be involved in identifying and assessing key risks firstly as part of the annual business planning process and thereafter throughout the year as it considers reports presented to it. The Management Committee also has overall responsibility for overseeing and monitoring Rosehill's approach to risk management but has delegated this, in the first instance, to the Audit Sub-committee which will consider risk on a quarterly basis. The Management Committee is responsible for approving changes to Rosehill's policy, and for approving involvement in new activities and initiatives, taking full account of the risks involved.

Audit Sub-Committee

- 7.2.3 The Sub-Committee is responsible for monitoring material risks on a quarterly basis. In addition it will review any changes to the medium and low risks. The Sub-Committee reports to the Management Committee on any changes to the risk registers. The Audit Sub-Committee is also responsible for overseeing external and internal audit activity including approving the Annual Internal Audit Programme.

Staffing and Health and Safety Sub Committee

- 7.2.4 The Sub-Committee is responsible for ensuring that effective risk management is practised in relation to health and safety matters.

Senior Management and Management Team

- 7.2.5 Rosehill’s Director has overall responsibility for ensuring that this policy is implemented effectively. The Management Team, in conjunction, with the Management Committee will be involved in identifying and assessing key risk as part of the annual business planning process.
- 7.2.6 Ongoing, the Management Team are responsible for monitoring the material, medium and low risk registers on a monthly basis with any significant changes being reported at the next available Audit Sub-Committee meeting.
- 7.2.7 The Management Team is also responsible for ensuring identified risks associated with any proposed new projects, initiatives, activities are presented to the Management Committee in a timely fashion.

Managers and Staff Team

- 7.2.8 Managers are responsible for ensuring effective risk management in their business areas, as described in the Risk Register and in Rosehill’s policies and procedures. Managers are also responsible for holding monthly discussions with members of their own teams to consider and review day-to-day operational issues they have to deal with and their work to support the delivery of Rosehill’s Strategic Objectives.
- 7.2.9 All staff have an important contribution to make to risk management and participating fully in monthly team reviews will assist with this. Staff’s contribution can also be achieved by following Rosehill’s policies and procedures and by acting to safeguard Rosehill’s reputation and assets at all times.

7.3 Risk Mapping/Scoring and Registers

- 7.3.1 To determine the significance of different risks for Rosehill, we apply the following risk scoring mechanism:

Risk Scoring Mechanism			Risk Score				
Likelihood	5	Almost Certain	5	10	15	20	25
	4	Likely	4	8	12	16	20
	3	Possible	3	6	9	12	15
	2	Unlikely	2	4	6	8	10
	1	Very unlikely	1	2	3	4	5
Impact			1	2	3	4	5
			Insignificant	Minor	Moderate	Major	Extreme

7.3.2 We currently have identified a range of risks across Rosehill and to ensure we are concentrating on the most important risks, we have separated these into 3 distinct registers: Material; Medium and Low.

7.3.3 A copy of our full, current risk registers is attached at Appendix 7 and below is a summary of our current most Material Risks.

Risk Issue	Risk Rating	Risk Action	Controls
The impact of various Welfare Reforms on our financial resources	20	Treat	<p>Current: Range of measures including dedicated income team, creation of a Welfare Rights Advisor post, building tenant profile, continuing to raise tenant and staff awareness of WRs, availability of Scottish Flexibilities, trusted Partner status with DWP, prudent provisions for void and bad debt and budget increases for rent collection and legal costs.</p> <p>Planned: Production and implementation of Digital and Financial Inclusion Strategies, and action plan for UC roll out</p>
Inability to recruit/sustain Committee Members	15	Treat	<p>Current: Succession Plan, periodic recruitment drives, Induction Process including buddy system for new members Training/briefing sessions Opportunities to network including attending conferences, Crèche facilities</p> <p>Planned: Production of comprehensive Learning and Development Plan Improve Induction Process Review Delivery of Training Provision of Tablets (access committee papers/info) and any necessary digital training Set up e-learning training courses for Committee with an appropriate training provider</p>
Development Activities	15	Tolerate	<p>Current: Our Technical Services Manager is a QS and the consultants we have appointed have up-to-date and relevant development experience</p>

			<p>Detailed local knowledge, good understanding of our waiting list demand and Glasgow's local housing strategy, strategic housing investment plan and housing need and demand assessments</p> <p>Robust site investigations</p> <p>Best guess programme time allowed</p> <p>Design Team to maintain relationships with relevant parties</p> <p>Similar use proposed as surrounding area</p> <p>Monthly progress meetings and cost reports</p> <p>Experienced and known contractor appointed</p> <p>Clerk of Works appointed</p> <p>Regular project updates to Committee</p> <p>Accepted contract sum</p> <p>Instructions only issued by Contract Administrator</p> <p>Fixed design</p> <p>Approvals in place prior to tender acceptance</p> <p>Scheme of delegated authority</p> <p>Comprehensive financial development appraisals undertaken</p>
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7.4 Risk and Our Business Plan

7.4 .1 As part of our business planning process we need to consider the following:

- Are there any risks identified that would impact on the delivery of our Vision, Strategic Objectives and Business Plan commitments?
- Are there any risks identified relating to the delivery of our Vision, Strategic Objectives and Business Plan commitments?

7.4.2 Risks impacting on our delivery of our Vision...

7.4.2.1 We have considered the risks within our registers with a particular focus on the current Material risks. Each of the Material risks has the potential to create challenges in achieving our strategic objectives and delivering our business plan commitments. However we are satisfied that the controls we have in place and the further controls

we plan to implement will enable us to manage these risks. This is demonstrated by the risk ratings we have applied.

7.4.2.2 In turn our Material risks have influenced some of our key priorities/activities over the life of this plan. For example as we are aware of the risks associated with the full roll-out of Universal Credit, we will be produce and implement a Digital Inclusion Strategy and a Financial Inclusion Strategy.

7.4.3 Risks relating to the delivery of our Vision ...

7.4.3.1 We have also considered the specific risks relating to our strategic objectives and these have been fed into our risk management processes and ultimately our risk registers. As an example to deliver, in part, Strategic Objective 1 “Provide high quality and affordable homes through the maintenance and improvement of and investment in our housing and, the building of new houses that are well designed and efficient and meet identified needs.” we are currently building 48 new homes. In addition we intend to explore further development opportunities as the growth of Rosehill remains a key business objective. Following receipt of the Council’s programme letter for 2018/19, we are likely to build a further 65 new homes within the next 3-4 years and, there is the potential to build a further 8 houses in a smaller site. As an activity, development has specific associated risks and these are set out in our Risk Register. Following the assessment of the risks and the controls we have in place, we consider development as a material risk.

Chapter 8: Achieving our Strategic Objectives – What will success look like?

8.1 Overview

- 8.1.1 To ensure we deliver our Vision and achieve our Strategic Objectives, we have set out our key activities/priorities for the duration of this Plan.
- 8.1.2 The implementation of our activities is operational by nature and as such will be reviewed on an annual basis to consider the following:
- Our progress with implementation
 - The need to add other activities
 - Whether or not activities need to be pulled forward or pushed back
- 8.1.3 In the following pages we have grouped our key activities/priorities by the strategic objective they relate to. To enable us to monitor our progress and support the annual review we have produced an annual programme for the activities/priorities we aim to achieve. This process will be repeated each year i.e. at the end of each financial year we will review our progress with the annual programme and then produce the programme for the following year.
- 8.1.4 In addition to the key activities/priorities we have a range of targets to reflect the ARC Indicators and other key internal indicators. All of our targets are set and revised on an annual basis.
- 8.1.5 To support the achievement of our Strategic Objectives we have a management and monitoring framework in place which helps us to track our progress with key activities/priorities, highlight any issues and identify solutions/remedial action to be undertaken.
- 8.1.6 **Section Plans** – from the year’s priorities and activities, plans are produced for each of our main business areas: Governance & Corporate Services; Housing Services; Technical Services and Finance Services. Progress with these is monitored by the Management Committee on a quarterly basis. Progress with the operational key targets contained in the Section Plans are also monitored by the Management Committee on a quarterly basis.
- 8.1.7 **Work Plans** – from the Section Plans, work plans are produced for each staff member. Individual plans are developed through a cascading, shared approach within teams to deliver comprehensive and meaningful plans for all staff.
- 8.1.8 **Performance and Training Reviews** – Formal reviews are carried out twice per year for all staff (mid-year and year end) which are primarily based on progress with the annual work plans.

8.2 Programme of Activities/Priorities

8.2.1 Attached at Appendix 8 is the programme of our key activities and priorities for delivery over the life of this Plan. The activities and priorities identified are linked with the delivery of our seven strategic objectives.

8.3 Annual Programme of Activities/Priorities

8.3.1 Following on from the longer term Programme of Activities/Priorities we produce an annual programme to be delivered, which is attached at Appendix 9.

8.4 Annual Operational Targets

8.4.1 To further support the achievement of our strategic objectives we have identified our annual operational targets, most of which are based on the ARC Indicators. The targets can be found at Appendix 10.

8.5 Section Operational Plans

8.5.1 Having identified our key activities/priorities and set our targets for the coming year we have allocated these to Section Operational Plans for each of our main business areas:

- Governance & Corporate Services
- Housing Services
- Technical Services
- Finance Services

8.5.2 The Section Plans also include other key tasks that need to be achieved throughout the year. The Plans are attached at Appendix 11.

Chapter 9: Finance

Financial Viability

Financial planning is both an essential and integral part of our business planning process. Effective financial planning will:

- Ensure that we have sufficient resources to deliver our vision and achieve our strategic and operational objectives.
- Ensure that we remain a strong, efficient organisation and remain financially viable.
- Ensure we meet the financial covenants imposed upon us by our lenders.

9.1. Financial Projections

- 9.1.1 Our financial projections are updated on an annual basis and lay out in financial terms the impact of the business strategy outlined in this plan. The financial projections provide a forecast of our income and expenditure over a thirty year period. They also identify the impact of our plans on our cash flow and asset base over the planning period.
- 9.1.2 In preparing our financial projections we recognise the impact of the current financial and political environment in which we operate. Key environmental factors include the current economic climate, welfare reform and social housing grant subsidy levels.
- 9.1.3 Interest rates for both borrowing and lending are at historically low levels but must be assumed to increase in future years. Meanwhile pension provision and its associated costs will increase the financial burden on all employers.
- 9.1.4 The expectations of our tenants, increased levels of scrutiny by our lenders and the increased burden of regulation by the Scottish Housing Regulator must all be considered as part of the financial planning process.
- 9.1.5 All of the above factors influence the key underlying assumptions made in producing our financial projections.

Key Assumptions

The following assumptions have been made in the Financial Projections:

Inflation

- 9.1.6 Inflation has been assumed at 2% for the duration of the projections.

Value Added Tax

9.1.7 The majority of our revenue expenditure, with the exception of salaries, is subject to VAT. This has been assumed at 20% throughout the projections.

Property Numbers

9.1.8 We start the plan with 990 properties with a further 28 new build properties due for completion by April 2019. We have assumed 65 new properties at Gowanbank Primary School and a further 8 properties at Craigbank Nursery.

9.1.9 We have assumed a total of 52 acquisitions from owner occupiers in line with our acquisition strategy referred to earlier.

9.1.10 The following table summarises the property numbers assumed throughout the projections:

	Total No. of Properties
Year 1	1,023
Year 2	1,040
Year 3	1,054
Year 4	1,126
Year 5	1,141
Years 5 to 30	1,143

Rental and Service Charge Income

9.1.11 The main source of our income is rental income. The projections have been prepared on the assumption that rent and service charge increases will be limited to inflation for the entire duration of the projections.

Voids and Bad Debts

9.1.12 There is an assumed increase in rent loss to provide some cushioning for the uncertainty of welfare reform. Voids and bad debts have been set at 0.6% and 0.5% respectively for the first year of plan reflecting the current position. Voids have been assumed to increase to 1.0% and bad debts to 2% thereafter allowing for a total rent loss of almost three times the current position.

Reactive Repairs

9.1.13 Reactive repair costs have been assumed at £487 per unit. This is based on our analysis of the Scottish median for mainstream properties. Our actual expenditure for reactive repairs in recent years has been lower than this. A year-on-year 0.5% increase in real terms has been assumed for the duration of the projections.

Cyclical Maintenance

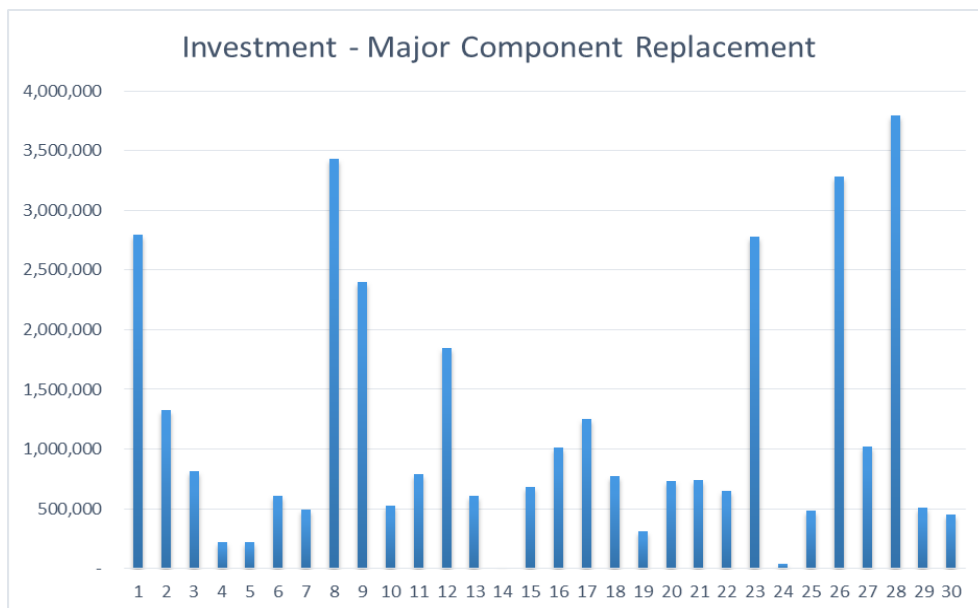
9.1.14 Cyclical maintenance costs include gas and other servicing costs, open space maintenance and painting. Costs have been profiled on a scheme by scheme basis for the duration of the projections. Costs range from £194 per unit to £530 per unit (at today's prices) annually. A year-on-year 0.5% increase in real terms has been assumed throughout the duration of the projections. Cyclical maintenance costs include a provision of £550,000 for the upgrading of our smoke and heat detectors to comply with the proposed new fire regulations.

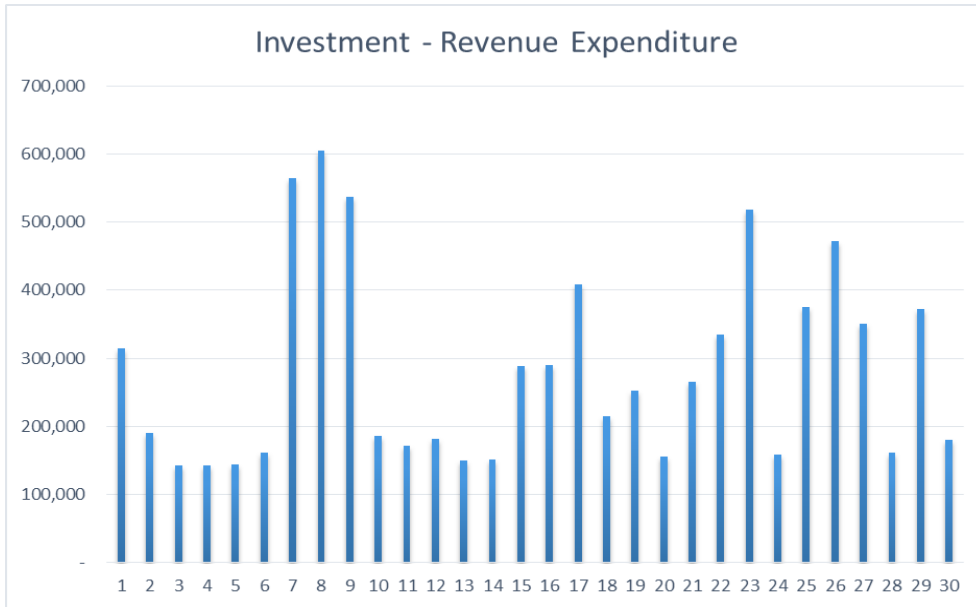
Investment

9.1.15 The model incorporates our most recent Life Cycle Costings prepared by external consultants in September 2018. A year-on-year 0.5% increase in real terms has been assumed throughout the duration of the projections.

9.1.16 Total investment in our properties over the 30 year period is £43million (at today's prices) equivalent to over £38,000 per property. This is split between major component replacements of £34.6million and revenue expenditure of £8.4 million.

Our investment profile is illustrated below:



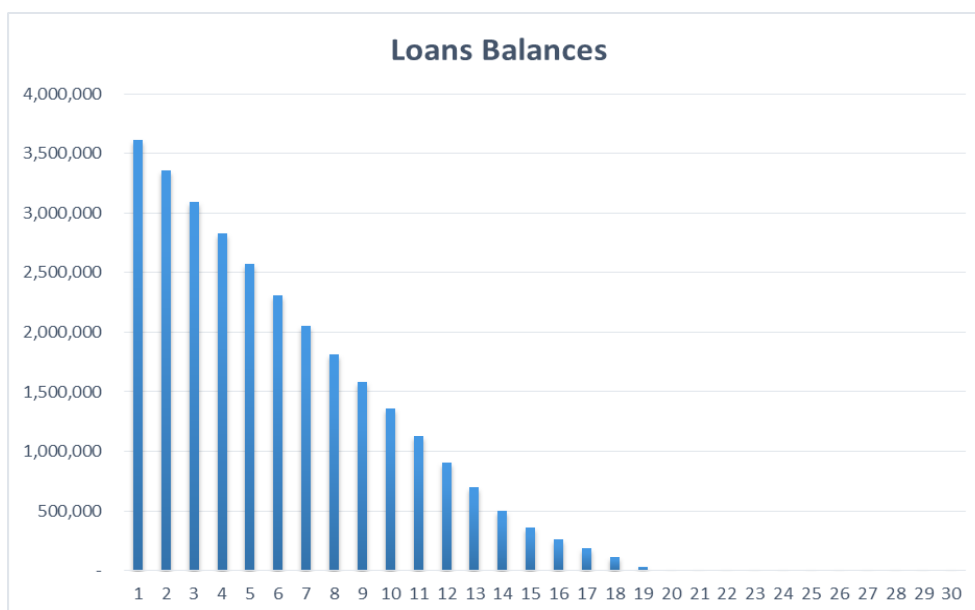


9.1.17 The highest expenditure is forecast in the years where we are projecting major components replacements and works to our original stock (378 properties).

Loans

9.1.18 The projections indicate that there is no requirement for additional finance to meet the strategic objectives laid out in the business plan. We have assumed that we will continue to repay our loans with the Bank of Scotland and the Clydesdale Bank over their remaining repayment terms. This will leave us debt free by year 19 of the projections. Loans margins range from BBR plus 0.45% to BBR plus 0.7% and are profiled on an individual basis. Our outstanding debt per unit at the beginning of the plan is almost £3.9m equivalent to £3,916 per unit. This is significantly below the Scottish Median of £10,331. Net debt per unit is £Nil (Scottish Median £6,996).

9.1.19 Our debt profile is illustrated below:



9.1.20 All of our loans are linked to the Bank of England Base rate (BBR) which is currently 0.75%. BBR has been assumed at 1% for the first year of the plan, gradually rising to 5% by Year 5.

Assumptions	BBR	All in Rate
Year 1	1.00%	1.45% to 1.70%
Year 2	1.50%	1.95% to 2.20%
Year 3	2.50%	2.95% to 3.20%
Year 4	3.50%	3.95% to 4.20%
Years 5 to 30	5.00%	5.45% to 5.70%

Interest Receivable

9.1.21 We have taken a prudent view when setting the interest rates that we can achieve on our investments. For the majority of the plan (from Year 5 onwards) we have assumed interest rates of 3% below BBR.

Interest Receivable	
Year 1	0.50%
Year 2	0.50%
Year 3	1.00%
Years 4 to 30	2.00%

Employee Costs

9.1.22 Staff costs in Year 1 of the plan reflect those included within our annual budget. We have assumed a staff complement of 17 in Years 2 and 3 of the projections reducing to 16 from Year 4 onwards. Provision has been made for staff increments, staff illness and parental leave. Employee costs have been assumed at inflation plus 0.5% for the duration of the projections.

Employee Costs per Unit at today's prices (including pension contributions)	
Year 1	£874
Year 2	£770
Year 3	£768
Year 4	£708
Year 5	£686

Pension Costs

9.1.23 We have taken a prudent approach when estimating our pension costs. We have assumed that all of our employees will join the SHAPS "1/60th" final salary scheme from Year 2 of the plan and that this scheme will continue for the duration of the projections. Employer contributions are assumed at 13.4% from Year 2 onwards. We offer a choice of either the final salary scheme or a defined contribution scheme to all of our employees. The majority of our staff are members of the final salary scheme, 2 members of staff contribute to the defined contribution scheme and 5 members of staff have opted out of pension provision.

9.1.24 The past service pension deficit is recognised as a liability within the financial projections and is profiled to be paid in full by Year 4 of the projections.

Management and Administration Expenses

9.1.25 Management and administration costs are assumed to increase by Inflation plus 0.5% per annum.

Other Costs

9.1.26 Other costs include an annual provision for wider role, tenant participation and donations and sponsorships. These costs are assumed to increase by inflation.

Development Assumptions

9.1.27 The plan assumes that our existing new build development of 48 properties will be complete by April 2019.

9.1.28 We are currently looking at the possibility of developing new homes on the sites of the former Gowanbank Primary School and Craigbank Nursery. Although we do not know if these developments will progress we have included them in our financial projections to demonstrate our financial capacity to finance these developments without the need for additional borrowing.

9.1.29 For the purposes of these projections we have assumed that 73 new homes will be built over the two sites at an average cost of £150,000 per unit and with grant funding of £72,000 per unit and the balance being funded from our existing cash resources.

9.1.30 Financing these developments will have a significant impact on our cash resources in the early years of the projections with our cash balances falling to a low of £2.6m in Year 3. However our underlying financial strength means that based on the assumptions above we will remain financially viable throughout the plan period.

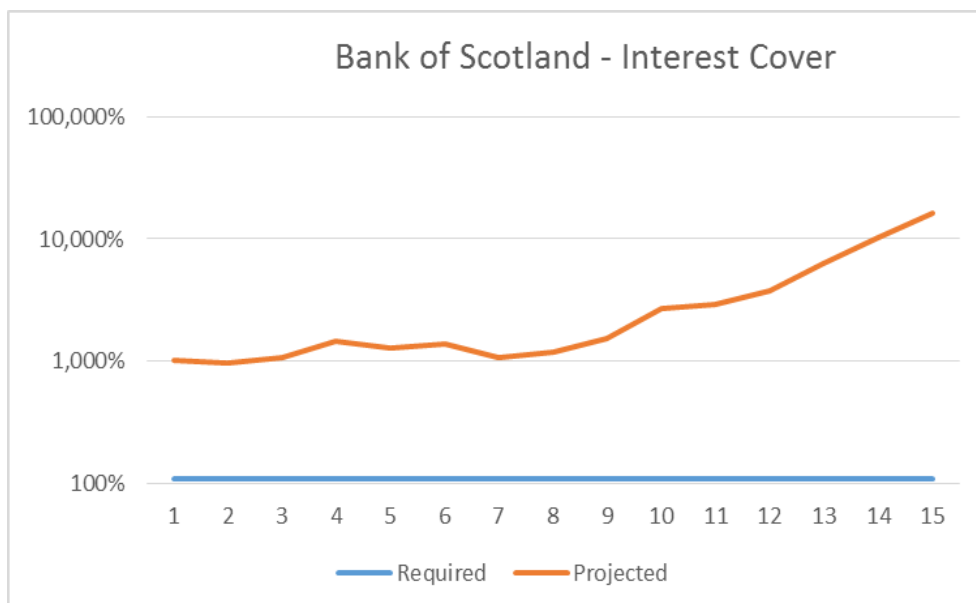
9.1.31 Detailed financial appraisals will be completed prior to us committing to these developments.

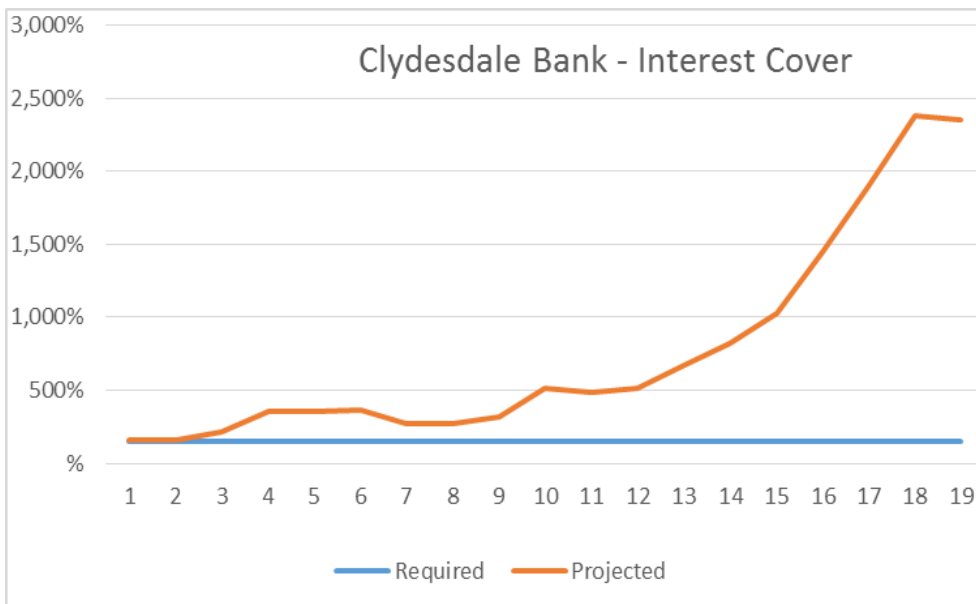
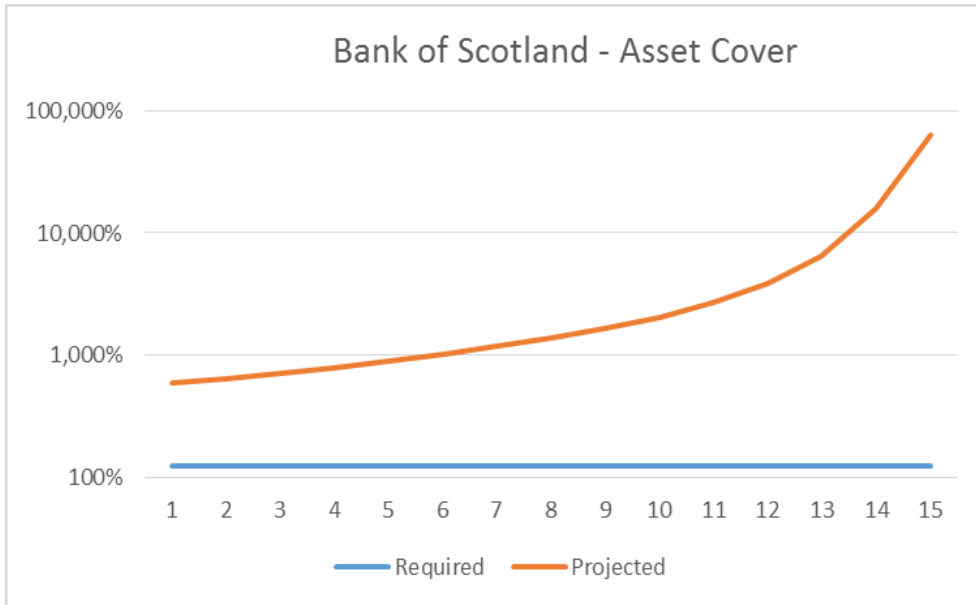
Loan Covenants

9.1.32 Loan covenants imposed by our lenders are met throughout the duration of the projections. Rosehill currently has 3 financial covenants, two with the Bank of Scotland and one with the Clydesdale Bank. Covenant definitions vary between both lenders.

9.1.33 The Bank of Scotland requires interest cover of at least 110% throughout the life of the loan and asset cover of at least 125%. The Clydesdale Bank requires interest cover of at least 150% throughout the life of the loan.

The following graphs demonstrate the effect of our business strategy on our covenants:





Benchmarking

9.1.34 Whilst preparing the financial projections we compared our projected income and projected costs against that of our peers to ensure that our assumptions are reasonable and to demonstrate that we are achieving value for money.

9.1.35 The majority of our income is from our rental income and it is important to ensure that our rents remain affordable for our tenants and prospective tenants. We have undertaken to restrict rent increases to inflation only for the duration of the business plan and have assumed that rents will be restricted to inflation only for the full duration of the projections. A comparison of our average rents with our peers is included in section 6.

9.1.36 We are also members of HouseMark, a national benchmarking organisation. This enables us to compare our data with other social housing providers, helping us to identify our strengths and giving an insight into our weaknesses.

Sensitivity Analysis

9.1.37 In order to minimise financial risk, we must ensure that our financial projections are not overly sensitive to realistic changes in the assumptions we have made. We have therefore carried out stress testing and sensitivity analysis on the main assumptions in our financial projections.

9.1.38 Overall we tested over fifteen different scenarios to the main assumptions. As the overall results in our financial projections remain positive throughout the plan period, we have focused our stress testing and sensitivity analysis to the negative or downside risks in our assumptions.

The overall impact of these adverse scenarios is summarised in the following table.

Revised assumptions	Cash flow impact		Sensitivity
1% increase in the rate of borrowing	- £188,466	-0.6%	low
1% increase in voids and bad debts	-£2,218,448	-6.6%	low
5% increase in planned maintenance	-£4,181,844	-12.5%	low
5% increase in management costs	-£3,037,633	-9.1%	low
10% increase in reactive repair costs	-£2,955,624	-8.8%	low
All of the Above	-£12,587,900	-37.6%	high
Pension Costs increase to 20% from Year 3	-£2,031,177	-6.1%	low
1% reduction in assumed inflation rate and deposit rate	-£8,078,022	-24.1%	high

9.1.39 It can be seen from the table that our financial projections are not sensitive to reasonable changes in the assumptions we have made.

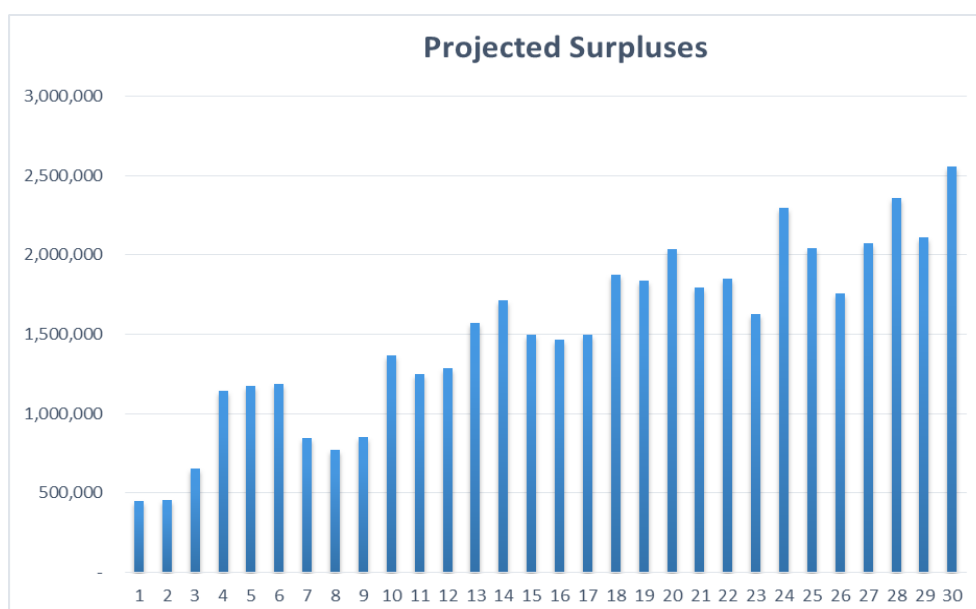
9.1.40 Our loan covenants with the Bank of Scotland are met in all of the above scenarios including the more extreme scenario of interest rates, voids and bad debts, planned and reactive maintenance and management costs increasing simultaneously. Our tests indicates that our Clydesdale Bank loan covenants may be breached in Years 2,

3, 7 and 8 of the projections. However we are confident that even if this extreme event was to materialise that we would be able to avoid a breach with careful budgeting.

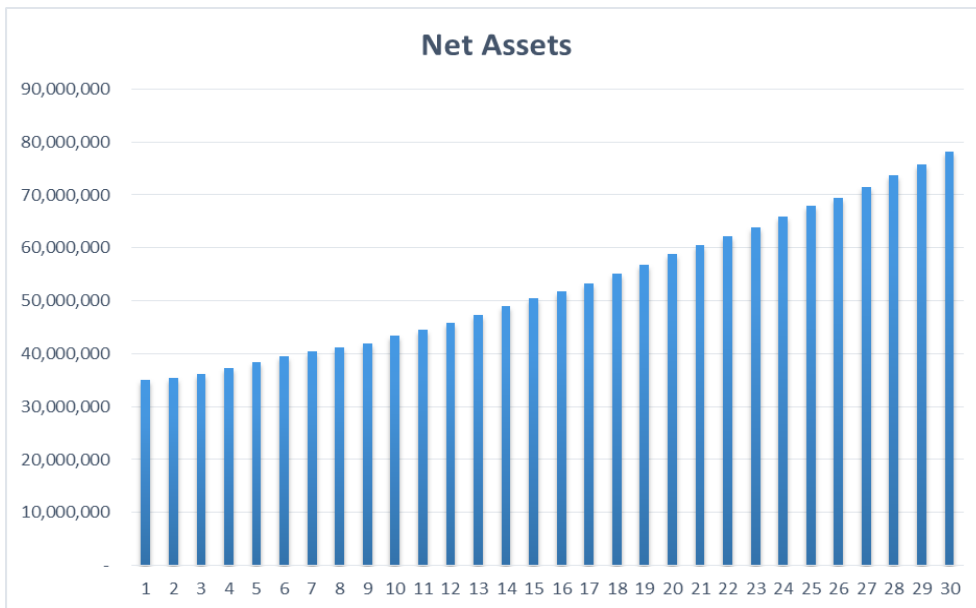
9.1.41 One of the scenarios tested was our ability to repay our borrowings with the Clydesdale Bank which at the start of the plan period were £1.5m. Our projections indicate that if we were to repay this loan and the potential developments at Gowanbank School and Craighbank Nursery were to proceed that our minimum cash balance would be £1.4m in Year 3 of the projections.

Outcomes

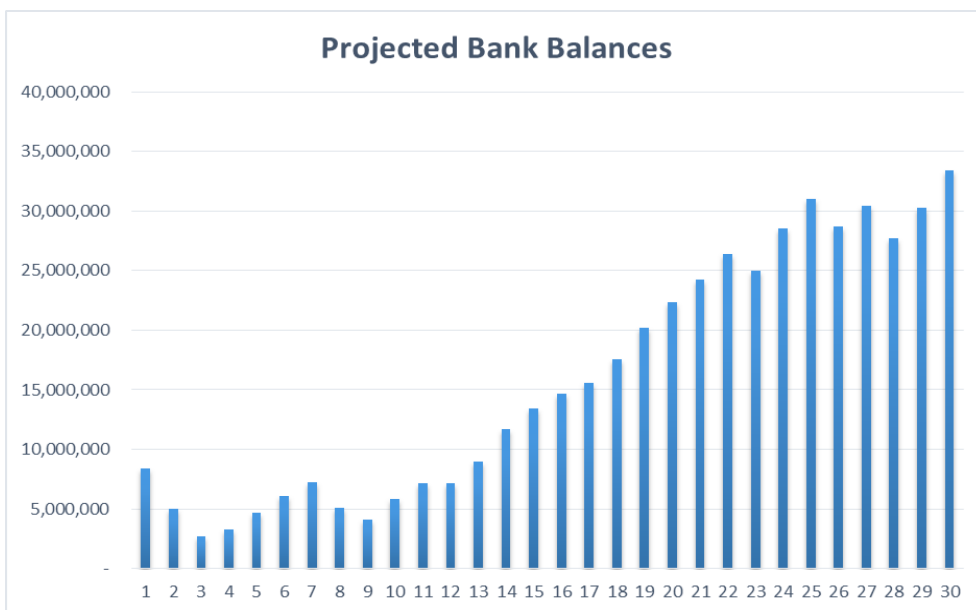
9.1.42 Our strategic and operational plans together with the assumptions mentioned above generate positive financial projections over the next thirty years with annual surpluses being projected year-on-year.



9.1.43 We start the plan with total net assets in excess of £34m projected to rise to over £78m by the end of the plan period of September 2048.



9.1.44 Cash balances are projected to increase to over £33.4m by the end of the thirty year plan period (£18.4m in real terms).



Summary

9.1.45 We commence the plan period in a positive position with total net assets at the start of the plan in excess of £34m and bank balances in excess of £12.8m.

9.1.46 Based upon reasonable assumptions, our financial projections indicate annual surpluses and positive liquidity that will allow us to implement all of our strategic and operational plans.

9.1.47 Our stress testing and sensitivity analysis shows that these plans are not likely to be disrupted by material changes in our operating environment and we are in a strong position to meet the challenges we face regarding the uncertainty of welfare reforms. The results of our sensitivity analysis demonstrate that our financial strength will ensure that we are able to withstand significantly higher levels of voids and bad debts than the increased levels provided for in the financial plan.

9.1.48 With large cash reserves we are in an excellent position to progress with our planned development and to take advantage of any opportunities that come our way.

9.1.49 A copy of the data underlying our 30 year projections is attached at Appendix 12.

Chapter 10: Long-term Viability

10.1 Our Competitive Advantage

10.1.1 Notwithstanding the current difficult economic and operational climates Rosehill is particularly well-placed to take advantage of opportunities as they arise. This is illustrated by:

- Our high value asset base with 46% of the stock being new-build
- Substantial cash-backed reserves
- Low levels of bank debt
- Over 36% of our properties are unencumbered
- Rent levels which are the lowest locally, lower than the Scottish and RSL averages and generally lower than the L.A. averages
- A strong track record in new build development, refurbishment, and component replacement
- SHQS fully met and EESSH standards met in 100% of our stock
- Strong relationships with key strategic agencies and an effective partnership with Glasgow City Council

10.2 Going Concern

10.2.1 The Financial Reporting Council's Practice Note 14 (Housing Association Audit) states:

"The Board of a Housing Association is responsible for assessing the ability of the Housing Association to continue as a going concern. The Board's assessment should be documented and rigorous in nature. The Board's process supporting its assessment should be proportionate in nature and depth depending upon the size, level of financial risk and complexity of the Housing Association and its operations."

10.2.2 Our Management Committee has short, medium and long-term financial plans which demonstrate that Rosehill has adequate financial and other resources to continue to operate for the foreseeable future; these are set out in our Annual Audit, five year annual returns and in our 30 year financial projections.

10.2.3 We have described what Rosehill intends to achieve during the life of this plan. We have also set out the strengths of the organisation and the challenges we face; we know the risks we might encounter and how we will deal with them, and we have fully costed our significant proposals including all of our long-term planned renewals and development activities; we have the staff, and other resources we need to deliver our plans, in place and we keep these under review.

10.2.4 We are financially very strong, we have significantly lower levels of long-term debt, compared to the Scottish average for all RSLs, and have no plans to borrow more; our arrears prevention work is effective and we have rent arrears under control; our rents

are amongst the lowest in Scotland and our void re-let times are very good. We intend to continue to increase rents only by the rate of inflation during the life of this plan as we have been doing for the past nine years. Our tenants benefit from our financial security through lower rents, inflation only rent increases and the comfort that we have fully costed 30 year projections with no need to borrow additional monies. This plan will deliver more Value for Money for all our tenants. We believe we are in this position because of effective control and very local accountability; it is no coincidence that, as the only RSL which operates exclusively in the local area, we provide quality housing at the lowest rents compared to others.

10.2.5 Our Scottish Social Housing Charter outcomes and Tenant Satisfaction levels are positive and we have good relationships with our key stakeholders.

10.3 Options Appraisal

10.3.1 On receiving the former Director's notification of his retirement at the end of September 2018, the Management Committee decided it needed to consider Rosehill's future and appointed external consultants to undertake an options appraisal and to provide independent assurance of our Business Plan.

10.3.2 The options explored were:

- Remain as an Independent RSL.
- Remain independent, but share services with another RSL.
- Join a larger housing association as a subsidiary (constitutional partnership).
- A merger with another RSL.
- A Transfer of Engagements to a larger RSL (ToE)

10.3.3 These options were considered in terms of the relative advantages and disadvantages of each from a financial and non-financial perspective.

10.3.4 The views of tenants, staff and stakeholders were sought during the option appraisal process. The consultation concluded:

"Rosehill provides a good service to its customers which generally is appreciated. Staff members are happy and there are no burning issues that would suggest that Rosehill could not remain Independent. The strong tenant opinion favoured a local solution to preserve local control and influence. A position supported by staff and GCC. We therefore would advocate that Rosehill remains Independent."

10.3.5 The Executive Summary of the Options Appraisal Report states:

"MHC and HRC have considered the evidence and concluded that it is in the best interests for the tenants of Rosehill Housing Co-operative Limited (Rosehill) that it should remain independent.

We believe that Rosehill is financially viable as a standalone registered social landlord; it is a high performing, responsive and locally accountable organisation. Its performance exceeds its peers in almost all areas of the business. It continues to attract local interest in governing the business and has a strong track record in good governance and accountability. It possesses strong Senior Management and Management teams with considerable experience of operating to a high standard in a changing and difficult economic environment.”

- 10.3.6 During discussions with the consultants, and on considering the Options Appraisal Report, the Management Committee concluded that the preferred outcome reinforced its belief that our current service delivery model is efficient and effective, fit for purpose, meets tenants’ needs and expectations, and delivers value for money and affordable rents whilst also safeguarding tenants’ interests. On this basis Committee decided Rosehill should remain independent.