



BUSINESS PLAN 2023 - 2026

CALVAY HOUSING ASSOCIATION

**The Calvay Centre
16 Calvay Rd, Barlanark, Glasgow, G33 4RE
Tel 0141 771 7722
www.calvay.org.uk**

CONTENTS

1	INTRODUCTION	4
2	EXECUTIVE SUMMARY	5
3	VALUES, VISION AND MISSION	7
3.1	Values	
3.2	Vision	
3.3	Mission	
4	OUR STRATEGIC OBJECTIVES	8
5	BACKGROUND	10
5.1	Our History	
5.2	Major Milestones in the Association's History	
5.3	Services provided by the Association	
5.4	Our Committee and Office Bearers	
5.5	Management Committee and Sub-committee Meetings	
5.6	Management Committee Recruitment	
5.7	Our Staff	
5.8	Our Customers	
5.9	Ethnicity	
5.10	Payment Profile	
5.11	Our Stock	
5.12	Our Partners, Advisers and Agents	
5.13	Rent Arrears	
5.14	Our Rents	
6	ASSET MANAGEMENT	23
6.1	Stock Condition Survey	
6.2	Thirty Year Plans	
6.3	EESH and SHQS	
6.4	Risks to our Asset Management Strategy	
7	OUR OPERATING ENVIRONMENT	25
7.1	PESTEL Analysis	
7.2	SWOT Analysis	
7.3	Risk Matrix	
7.4	Our Approach to Human Right & Equalities	
7.5	Our Approach to Stakeholder Engagement	

8	STRATEGIC PRIORITIES	38
8.1	Regulatory Compliance	
8.2	Performance Management	
8.3	Providing Good Quality Affordable Homes	
8.4	Health & Safety	
8.5	Customer Voice/Tenant Scrutiny	
8.6	Improved Performance Information	
8.7	Equalities Improvement	
8.8	Wider Role	
9	VALUE FOR MONEY	41
9.1	Value for Money	
10	FINANCIAL PROJECTIONS	42
10.1	Introduction	
10.2	Current Operating Environment	
10.3	Assumptions and Comment	
	APPENDICES	50
A	SFHA Affordability Test	
B	Comparison of weekly rents between Calvay HA and some other Glasgow/Edinburgh RSLs	
C	Planned Maintenance Programme	

Introduction

1 Introduction

Calvay Housing Association began its life over 30 years ago when tenants of Glasgow City Council in the Barlanark area decided to get involved with improving their neighbourhood.

Today, Calvay Housing Association is one of many community-controlled housing associations in Glasgow and one of several in the Greater Easterhouse area. The Association owns over 850 properties, provides a factoring service to property owners and serves a small number of shared owners. Over the next two years, the Association has plans to deliver more homes in the Barlanark area, with a development programme for 43 new homes due for completion by July 2023.

The governing body of Calvay is its Management Committee elected annually by the members of the Association. The majority of the Committee are tenants of the Association which reflects both the roots of the Association and the commitment of the Association to remain strongly rooted in the community it serves.

This Business Plan is a three year plan focusing on the three years from 2023-2024 to 2025-2026.

In this plan you will find the Values, Vision and Mission of the Association agreed by the Association's Management Committee. The Values, Vision and Mission are the guiding principles for the Association.

The financial projections in this Business Plan will be refreshed on an annual basis.

Executive Summary

2 Executive Summary

This Business Plan covers the three financial years from 2023-2024 to 2025-2026. Its purpose is to explain the strategic direction on priorities agreed by the Association’s governing body, its Management Committee, and to outline the delivery plans which will allow the Association to meet its aspirations.

The document sets out our aims and objectives over that period to develop our business. We have looked at the economy, the political environment, our opportunities and challenges and, above all, the needs of the community – with a focus on value for money and affordability, and our development. We are a confident, forward-thinking independent housing association who works for the benefit of the residents of Barlanark. We are proud of our achievements and will always work to put our community first. While looking to the future, we will never forget our journey, our achievements, nor the efforts of everyone who has worked to make Calvay HA the success it is today.

The Business Plan provides a strategic framework for managing our services and our overall business over the next three years. It also informs our relationships with Calvay’s customers, funders, regulators and partner organisations.

The Business Plan identifies many external and local factors that impact our business strategy. Responding to such factors is always important but is particularly so at present when social landlords are exposed to many uncertainties and risks, and many of our tenants are also struggling. The key pressures include:

<ul style="list-style-type: none">• The impact of high inflation and the cost of living crisis (including significant increases in domestic fuel costs) on Calvay HA tenants	<ul style="list-style-type: none">• The developing economic impact of the war in Ukraine
<ul style="list-style-type: none">• The impact of inflation and increasing interest rates on Calvay HA as a business	<ul style="list-style-type: none">• Continuing cuts in Glasgow City Council budgets for essential neighbourhood services
<ul style="list-style-type: none">• Rising property maintenance costs, caused by Brexit and other global economic factors	<ul style="list-style-type: none">• Climate change obligations for Scotland’s housing to be met over the next 10 years
<ul style="list-style-type: none">• Universal Credit migration, which is damaging to tenants and Calvay’s income streams	<ul style="list-style-type: none">• The significantly below inflation rent increase on 1st April 2023 (real-term 5% income cut)

The Business Plan shows how Calvay will monitor (and, wherever possible, address) risks caused by our operating environment. This will be a bigger challenge in areas we cannot control, such as inflation and the performance of the economy. In such cases, we will assess the impact and incorporate this in our decision making on those matters we do control, e.g. how we can most effectively use the resources available to us and our budgets and spending.

In November 2021, Committee agreed the following Strategic Objectives for Calvay HA

1. Provide a high quality housing service
2. Demonstrate strong performance and compliance
3. Be a good employer
4. Invest in and support our community
5. Practice robust governance
6. Be responsible, forward-thinking and innovative

We will use these Strategic Objectives as our guiding principles over the next three years.

Calvay's finances are strong – we have cash reserves which will allow us to deal with a considerable amount of financial stress. Following the Scottish Government's decision to pass legislation allowing them to cap or freeze rent past the end of March 2023, we stress tested our finances. Assuming no changes are made to our previous spending plans, and no attempt is made to catch-up rent in future years, the drop in cash over the long term for the agreed 5% rent increase for 2023/2024 is projected to be 35%, but covenants are not breached. A rent freeze would have resulted in year 30 cash dropping by 73% and a covenant breach arising in year 6.

Our rents are low compared to the Scottish average, and broadly affordable when evaluated using the SFHA's affordability tool. Affordability is tightest for single person households.

We aim to have all of our property inspected as part of stock condition survey every five years. The information from our stock condition survey is used to inform our costed Thirty Year Plan to ensure these plans are financially viable over the long term and to inform how much we need to increase the rent each year to pay for our investment plans.

Values, Vision and Mission

3 Values, Vision and Mission

3.1 Values

Calvay Housing Association Values

- ◆ Customer Focus
- ◆ Professionalism
- ◆ Integrity
- ◆ Respect

3.2 Vision

Calvay Housing Association's Vision

Calvay will be a well-managed mixed neighbourhood
with a good community spirit

3.3 Mission

Calvay Housing Association's Mission

We are a community-based organisation providing a great place for
our tenants and factored owners to live

Our Strategic Objectives

4 Our Strategic Objectives

Following a facilitated Committee Away Day which took place in November 2021, the following Strategic Objectives were agreed by Committee in December 2021:

- **Provide a high quality housing service**
- **Demonstrate strong performance and compliance**
- **Be a good employer**
- **Invest in and support our community**
- **Practice robust governance**
- **Be responsible, forward-thinking and innovative**

These are the actions we are going to take to deliver our Strategic Objectives:

Provide a high quality housing service

We will do this by:

- Engaging with our tenants fairly and actively
- Developing a customer charter and menu of services
- Investing in our properties and maintaining them effectively and sustainably
- Being an efficient factor

Demonstrate strong performance and compliance

We will do this by:

- Asking our tenants what they expect of us
- Being accountable for the performance standards we deliver
- Adopting an improvement focus in all that we do
- Actively assessing our compliance through our governance and operational management

Be a good employer

We will do this by:

- Supporting staff to deliver high quality services
- Offering learning and development opportunities
- Providing a positive and safe working environment
- Offering competitive terms and conditions that enable us to maintain rent levels that are affordable to tenants

Invest in and support our community

We will do this by:

- Providing financial and staff support for community initiatives
- Working in partnership with the community and other agencies
- Building new homes to meet identified need, where it is viable to do so
- Providing financial and other advice to maximise tenants' incomes

Practice robust governance

We will do this by:

- Ensuring our Management Committee has the necessary skills, knowledge and experience
- Monitoring performance and compliance regularly and managing risk effectively
- Engaging actively with our regulators and funders
- Ensuring that Calway is adequately resourced to meet our responsibilities and objectives

Be responsible, forward-thinking and innovative

We will do this by:

- Promoting environmental sustainability
- Using our open spaces well
- Developing and adopting innovative models of service delivery
- Maximising our use of digital services and communication

Background

5 Background

5.1 Our History

In 1984, Calvay's tenants agreed to set up Calvay Co-operative and in 1985 the Co-operative was registered with the Registrar of Friendly Societies and as a housing association. Calvay Co-operative was one of the first three community ownership groups in Scotland. This was the beginning of a movement, which has seen the formation of many similar organisations throughout Scotland.

In 2004, Calvay amended its rules to that of a housing association to take advantage of the increased business opportunities afforded under the less restrictive Association model. A subsequent rule change in 2007 took this a step further when the Association adopted Charitable Status to take advantage of the financial breaks offered to regulated charities.

In 2011, the Association passed a further milestone in its development with the transfer of over 400 homes from GHA in a process known as Second Stage Transfer.

During 2023, 43 new homes will be completed by Cruden Homes at Garvel Crescent and Blyth Road.

The Association is a community-controlled organisation, with strategic control in the hands of a voluntary Management Committee. With the support of the staff and consultants, the Committee set the policies and strategies for the Association. At the Annual General Meeting, members receive reports on progress.

Since 1985, the Association has transformed the Calvay area, both physically and through the creation of a lively and sustainable community.



Garvel Crescent July 22

5.2 Milestones in the Association's History

- 1984 Calvay's tenants agree to set up Calvay Co-operative.
- 1985 The Co-operative was registered with the Registrar of Friendly Societies and as a housing association. Calvay Co-operative was one of the first three community ownership groups in Scotland.
- 1986 First phase of tenement improvement completed at Calvay Crescent, a further five phases would follow between 1986 and 1995.
- 1992 Community Centre opens to provide local amenity space for community activities.
- 1994 First phase of new-build housing completed at Barlanark Crescent, another four phases follow between 1997 and 2010.
- 2004 Appointed as Local Housing Organisation to manage ex-Glasgow City Council stock by Glasgow Housing Association.
- 2004 Calvay amends its rules to that of a housing association.
- 2005 £200k of Street Scape Improvements at Calvay Crescent completed.
- 2005 £500k of Street Scape Improvements at Barlanark Rd completed.
- 2007 Completes extension and refurb of Calvay Centre, to provide nursery, office, ITC suite and community hall improvements.
- 2007 Calvay changes its rules and adopts Charitable Status to take advantage of the financial breaks offered to regulated charities.
- 2010 Completes St Judes and Manse Site new-builds to provide 81 new homes under the city-wide re-provisioning programme to assist GHA demolition programme.
- 2011 Transfer of over 400 homes from GHA in a process known as Second Stage Transfer
- 2014 Completes extension to Community Centre to provide fully accessible offices for all Calvay staff, with improved customer facilities and refurbished community hall.
- 2015 Old office at 55 Calvay Rd converted to provide 4 x 2apt flats.
- 2018 Opening of refurbished play area in middle of Calvay Crescent.
- 2020 Calvay changes its rules to ensure compliance with the requirements of Scottish Housing Regulator (Using SFHA Charitable Model Rules (Scotland) 2020).
- 2021 Calvay Community Café opens.
- 2023 Completion of Garvel Crescent/Blyth Road development of 43 properties.

5.3 Services provided by the Association

Calvay Housing Association provides a variety of services to its tenants, potential tenants and factored owners. The main services are listed below.

- **Rent collection** – the following payment methods are accepted:
 - Direct Debit
 - At PayPoint Outlets (including cash payments)
 - Cheques made payable to Calvay Housing Association
 - Credit/debit cards at the office
 - Credit/debit card payments via allpay and
 - Credit/debit cards by phoning the office.

Note, we discourage the use of cash at our office as we do not keep money on the premises.

- **Repairs and maintenance** – repairs can be reported by phone, email or in person
- **Housing allocations and transfers** – Calvay is a member of the Greater Easterhouse Common Housing Register (made up of Calvay HA, Easthall Park Co-op, Gardeen HA and Lochfield Park HA)
- **Change to tenancies** – successions, assignations, joint and sole tenancy requests
- **Estate management** – stair cleaning, landscaping, neighbour complaints
- **Factoring** – providing services to owners
- **Welfare Rights advice** – the Association promotes benefit uptake, offers debt and money advice, tax credit advice, fuel advice and benefit appeals
- **Major repairs** – the Association has a major repairs programme including both internal components, e.g. kitchens, bathrooms and boilers, as well as external components, e.g. guttering, roofs and close doors/entry systems

The Calvay Centre

Calvay Housing Association is the owner of the Calvay Centre. As well providing an office base for the Association, there are three other tenants:

Singh Superstore - a self-contained shop attached to the Calvay Centre. This shop has been trading in the area for many years, offering convenience shopping for local residents.

Quarriers Charity - Quarriers provide practical care and support for vulnerable children, adults and families who face extremely challenging circumstances. They challenge poverty and inequality of opportunity to bring about positive changes in people's lives.

Calvay Community Café – run by Johns Café and Takeaway. The café is open Monday to Saturday and provides a place to meet for local people. Prices are intentionally very reasonable so they can serve as wide a range of customers as possible.



A wide range of activities take place at the Calvay Centre, such as:

- A Community Café
- Bingo
- Bike Doctor
- Gym classes
- English classes
- Stay and Play pre-school activities
- Children's dance classes
- Youth group
- After school homework club
- Springboig and Barlanark Community Council

Affiliations

The Association is a member of, or affiliated to a number of organisations. EVH, SFHA and SHARE all provide training and other support services to the Association. EVH negotiate the salary increase on behalf of their members. EVH also provide HR, recruitment and training. Members of Calvay's Committee are currently serving on the Committees of both EVH and SHARE.

GWSF concentrates its efforts on community-controlled housing associations mostly based in Glasgow and the West, while EHRA is a relatively informal grouping of housing associations and Co-ops working in Greater Easterhouse.

- EVH - Employers in Voluntary Housing
- SFHA - Scottish Federation of Housing Associations
- SHARE - Provider of training for housing associations
- GWSF - Glasgow and West of Scotland Forum
- EHRA - Easterhouse Housing and Regeneration Alliance

5.4 Our Committee Structure and Office Bearers

Calvay Housing Association 2022/2023 Management Committee



Chair
Jim Gourlay



Vice-Chair
Alison A'Hara



Secretary
Christopher Warwick



Treasurer
Bryce Wilson



Committee Member
Julia Okun



Committee Member
Sandra McIlroy



Committee Member
Stacy Shaw



Committee Member
Steven Blomer



Co-opted Committee Member
Jim Munro



Co-opted Committee Member
Geri Mogan

Committee in March 2023

5.5 Management Committee and Sub-committee Meetings

During the committee year from September 2022 – August 2023, 10 Management Committee meetings are planned.

Calvay currently has three sub-committees: Audit and Risk (meets quarterly), Property Services (also meets quarterly) and Staffing (scheduled to meet twice).

Together, there are 20 Management Committee and Sub-committee meetings, plus the Annual General Meeting planned.

Audit and Risk Sub-committee sets the internal audit programme, receives internal audit reports, reviews the fraud register, is presented with the compliance calendar (showing required actions have been completed) and reviews the strategic risk register.

Property Services Sub-committee deals with a number of delegated property related matters.

Staffing Sub-committee deals with staffing matters such as receiving reports on staff absence and staff surveys.

The Committee directs the work of the Association and uses the advice of professional external bodies to obtain their opinions on matters that are not in the Committee Members' fields of expertise.

5.6 Management Committee Recruitment

While new members were elected to the Committee at the 2022 AGM, there were, after the AGM, only eight Committee Members. This is too few in terms of ensuring the Committee has a broad range of both skills and experience.

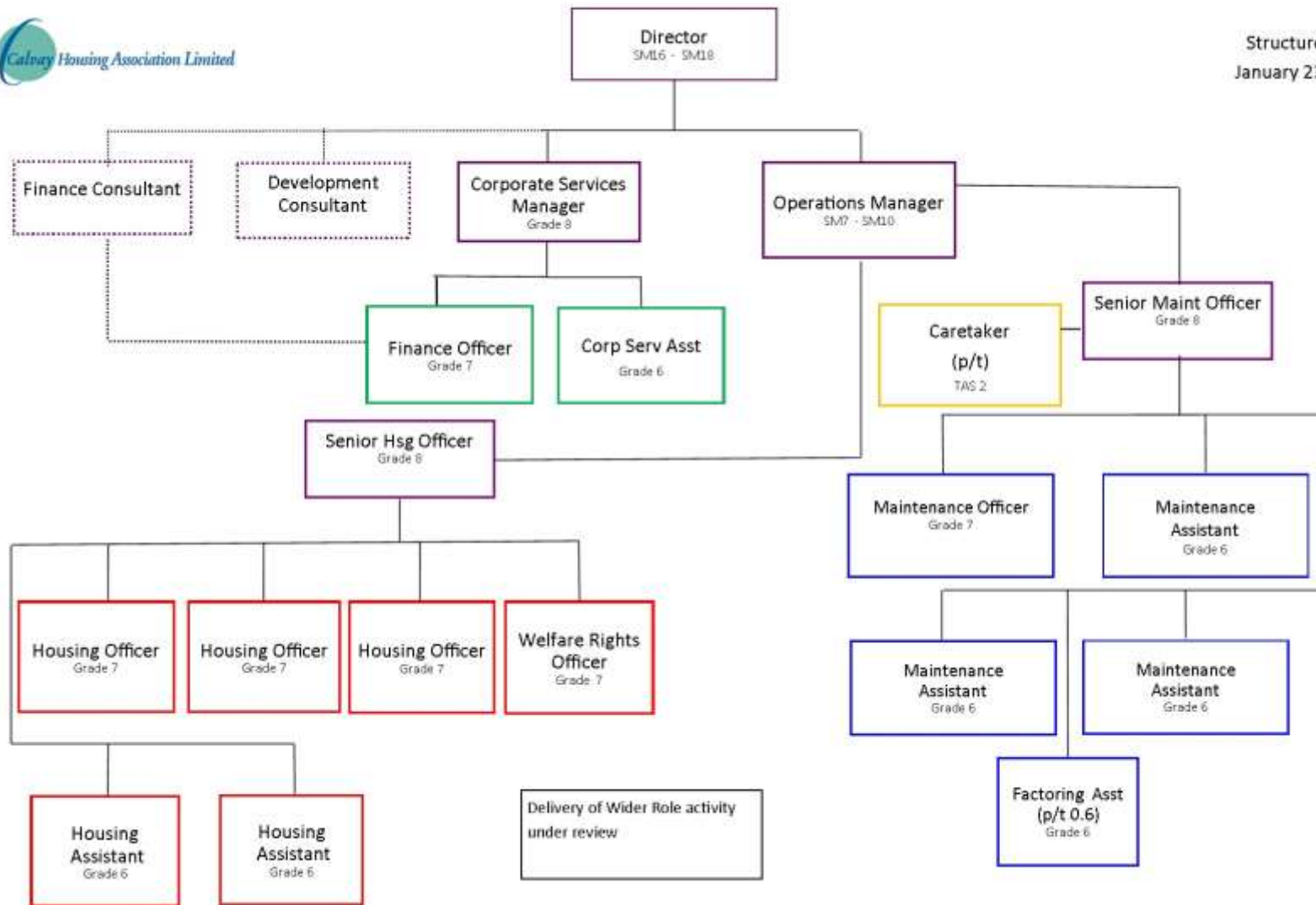
To strengthen the Committee, two co-optees were appointed to the Committee, bringing numbers up to 10. These new Committee Members have strengthened the Committee in terms of its skills and experience.

We will also continue to use a variety of techniques to seek new tenant Committee Members, e.g. advertising in the quarterly Calvay News newsletter.

5.7 Our Staff



Structure
January 23



5.8 Our Customers

Barlanark, Calvay's area of operation, is a diverse community, providing homes to a wide variety of people.

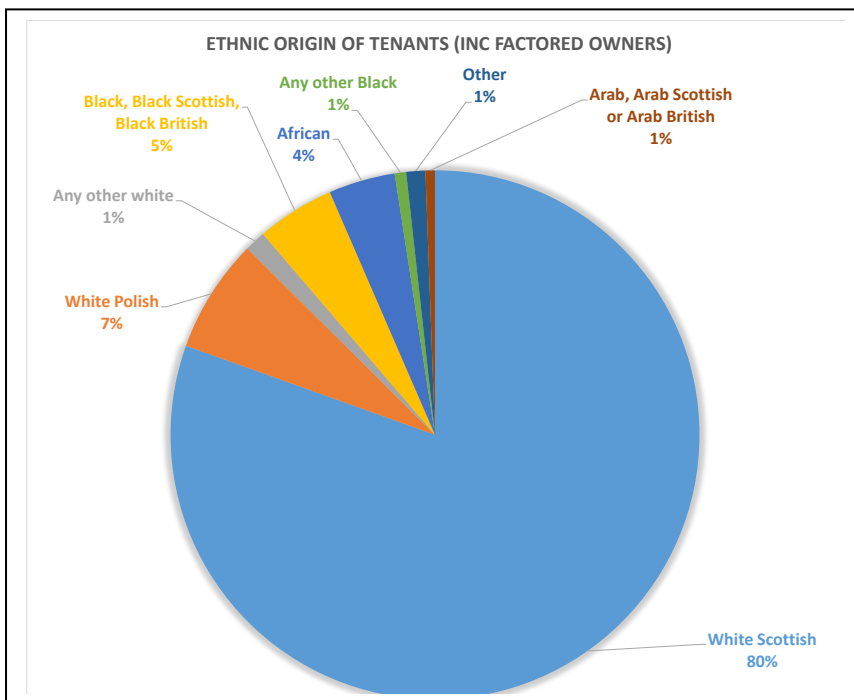
5.9 Ethnicity

The chart below shows that 80% of Calvay's tenants identify themselves as White Scottish. Only 6% identify as being Asian or Black. This contrasts with Glasgow as a whole, where (according to the 2011 census) 11% of the population identify themselves as being either Asian or Black.

88% of the Management Committee identifies as being White Scottish or White British, while 82% of the tenants as a whole fall into these two categories.

100% of the Management Committee identifies as White, whereas only 89% of tenants identify similarly.

During the three year period of this Business Plan, we will be taking action to promote membership of the Committee to under-represented groups.



5.10 Payment Profile

Households in receipt of Housing Benefit/Universal Credit				
No. of Households	Year	Not receiving Housing Benefit	Receiving Housing Benefit	Receiving Universal Credit
840 (one shared o'ship property bought 100% end Aug 22)	2022	483	357	208
841	2019	319	492	30

Universal Credit (UC) replaces six other benefits with a single monthly payment for those who are of working age, out of work or on a low income.

Calvay employs a full-time, permanent Welfare Rights Officer. The Welfare Rights Officer has been kept very busy dealing with UC, other welfare benefits issues and money advice more generally.

Staff attend regular Welfare Reform forums which ensures we have good knowledge and are following best practice with regards to Universal Credit.

More people are now having to make a claim for Universal Credit and in the coming months and years, people will be moved over to UC through a process called 'managed migration'. Managed migration is due to be completed by 2024. Claiming UC involves having to keep an online journal that must be kept up-to-date by the claimant - this can be difficult to manage for many people, and if they do not check their journal or miss an appointment, this can lead to sanctions and their money being stopped. Older people under state pension age are the ones most at risk, as many have limited or no internet knowledge and do not understand the process.

Supporting UC claimants is time consuming due to the complexity of the process, the necessity of managing claims online and the unfamiliarity of many clients with internet-based services.

5.11 Our Stock

House types and size

Apartment Size	Houses	Tenement	4 in a block	Other flat/ maisonette	Total
1 Apt	0	42	0	0	42
2 Apt	0	81	38	30	149
3 Apt	77	274	14	7	372
4 Apt	56	148	0	1	205
5 Apt +	47	2	0	8	57
Total	180	547	52	46	825

Apartment size categories are based on a count of the number of bedrooms and living/dining rooms. Kitchens, bathrooms, toilets and utility rooms are not included.

5.12 Our Partners, Advisers and Agents

Calvey HA works with a variety of external partners, advisers and agents to deliver services to tenants and factored owners. In a larger organisation, some of these tasks are normally performed by employees, but where less than a full week of work is required for a specialised task, e.g. financial management, it makes sense to use an external supplier. Other providers, such as lenders and solicitors, are typically bought in by housing associations and co-ops.

- Financial consultant – FMD Financial Services
- Development consultant – Gill Montgomery
- Association banking services – Royal Bank of Scotland
- Housing management and finance software – SDM
- Computer support services – Clearview Networks Ltd
- External auditor – Azets (from audit of 2022/2023 financial year)
- Internal auditor – Wylie Bisset
- Lenders – Clydesdale Bank and Nationwide Building Society
- Solicitors (general) – T C Young
- Solicitors (factoring) - Mellicks
- Solicitors (general housing) – Kelly and Co
- Committee appraisal and governance support – The Indigo House Group
- Business planning support and organisational review – North Star Consulting
- Data Protection support (including GDPR and FoI) – Really Good Data Protection
- Insurance broker – Bruce Stevenson
- Builder (new properties at Garvel Road and Blyth Road) – Cruden Building

5.13 Rent Arrears

Rent arrears

The gross rent arrears at 31 March 2022 were £100,381 with the Association collecting 99.9% of rent due, which is marginally (-0.4%) lower than peer organisations.

Percentage of total rent due collected							
	Calvay HA	Average of comparator landlords	Difference from average	Ardenglen HA	Pineview HA	Prospect Community HA	Wellhouse HA
2021/2022	99.9%	100.3%	-0.4% worse	100.1%	99%	100.6%	101.6%
2020/2021	100%	99.3%	0.7% better	100.5%	99.4%	99.9%	97.2%
2019/2020	100.3%	98.6%	1.7% better	97.8%	98.7%	99.8%	98.4%

Data from Scottish Housing Regulator's Landlord Comparison tool

5.14 Our Rents

The table below shows Calvay's rents compared to the Scottish Average.

For all sizes of home, the Association is less expensive than the Scottish average and, except for 5 apartments, significantly so. Our rent harmonisation process continues to be implemented and, as part of this rent harmonisation process, while some 5+ apartment rents are being frozen, others are being increased by more than the average annual increase. In April 2023 our rents will increase by 5%.

Size of home	Number owned	Calvay weekly rent	Scottish average	Difference between Calvay and Scottish average	% increase applied in Apr 2022
1 apartment	42	£54.57	£75.95	28.2% lower	
2 apartment	149	£69.92	£81.32	14.0% lower	
3 apartment	372	£76.36	£84.18	9.3% lower	
4 apartment	205	£83.28	£91.48	9.0% lower	
5 apartment	57	£98.99	£100.74	1.7% lower	
Total	825				4.2%

Data from Scottish Housing Network

Affordability Considerations

SFHA and Housemark have developed an affordability toolkit to allow more nuanced assessment of the effect of rent levels on various household types. The tool can be used to measure how affordable a certain rent level might be for those on “moderate incomes”. The data that the tool uses is at a local authority level.

Affordability is of fundamental concern, given the current level of inflation. Many tenants are concerned about their ability to pay their rent as it is, and increasingly worried about rising energy and food costs. The pressure on household budgets for those on low and moderate incomes is immense.

The SFHA’s tool calculates what percentage of notional income would be spent on rent in any given model scenario. ***An affordable rent is considered to be one which is less than 25% of income.*** A result above 30% would fail the affordability test, and between 25% and 30% would have potential for concern and difficulty.

The toolkit showed outcomes (as detailed in Appendix A below) by household size and type in Glasgow City Council area. Table 1 excludes Council Tax, whilst Table 2 includes Council Tax.

On this measure, our rents are affordable, albeit slightly less so for single person households, than other property/occupancy types.

In addition, when comparing Calvay’s rents to peer organisations and the Scottish average, we find that Calvay rents are considerably lower and therefore more affordable than those of similar organisations. See Appendix B below, Comparison of weekly rents between Calvay HA and some other Glasgow/Edinburgh RSLs.

Asset Management

6 Asset Management

One of the key benefits of being a social landlord is that surplus generated by the Association can be used to reinvest in Association properties.

6.1 Stock Condition Survey

Calvay carries out a 'rolling' Stock Condition Survey (SCS). We aim to survey 20% of our property each year to find out about and record its internal and external condition, meaning we should survey all our properties every five years. Note, we are currently behind schedule, partly due to the difficulty in gaining access to properties during the COVID pandemic, however we are catching up and will reach a point where all properties are surveyed each five years. The SCS is carried out by surveyors Brown and Wallace. Information gathered via the SCS allows us to determine whether our properties meet the Scottish Housing Quality Standard (SHQS).

6.2 Thirty Year Plans

The information from the SCS is used to create and update a Thirty Year Investment Plan for the Association's properties. We will update our Investment Plans every year in light of the information we receive from the Stock Condition Survey. The costs of implementing the Thirty Year Investment Plan are then used to populate the Thirty Year Financial Plan.

6.3 Energy Efficiency Standard for Social Housing (ESSH) and Scottish Housing Quality Standard (SHQS)

Eleven properties do not meet Energy Efficiency Standard for Social Housing (ESSH) because tenants have refused to have their electrical heating systems upgraded to gas central heating. As a direct result of these ESSH failures, these same 11 properties also fail to meet the Scottish Housing Quality Standard (SHQS). To bring these few remaining properties up to a standard where they meet ESSH, and therefore SHQS, we contact the tenants each year to ask if they will allow us to upgrade their property. We also upgrade the heating system of any property with an electrical heating system to gas central heating when it becomes void. In a typical year, one such property will become void allowing us to carry out the necessary upgrade.

6.4 Risks to our Asset Management Strategy

Our current preferred method of heating our properties (including our new-build properties currently under construction) is gas-fired high-efficiency combination boilers. In the medium term, as fossil fuel gas has to be phased out, we will need to install alternative heating systems. Additionally, while our new-build properties (especially the ones currently under construction) are already reasonably energy efficient, our older tenemental stock, which was built post-war in the 1950s, will be challenging to improve. We anticipate needing to invest significantly in improving both the fabric and heating systems, however predicting with any degree of precision what the costs will be to achieve this improvement is difficult, since it relies on either existing technology (such as heat pump technology) which is yet to be installed at scale in the UK or emerging technology, such as hydrogen fired boilers which are currently only at trial stage.

An emerging risk is the current economic situation. Our previous plans worked on the assumption that we increase rents annually by CPI plus 0.5%, however this assumption was agreed before the COVID pandemic and current cost of living crisis. In April 2023 we increased our rent by 5% at a time when inflation was over 10%.

Our Operating Environment

7 Our Operating Environment

This section of the plan examines our external operating environment, that is the conditions, entities, events and factors surrounding the Association that influence its activities and choices, and determine its opportunities and risks. The PESTEL analysis concentrates on the Association's external environment. Section 5 also includes a SWOT analysis which considers a mixture of internal and external factors. Finally, there is a risk analysis which reviews the risks the Association faces and categorises these risks depending on how they are to be dealt with. The three categories into which risks are placed are:

- Treat - take action to mitigate
- Transfer - pass the risk to someone else
- Tolerate - live with the risk, but with a full understanding of the consequences of doing so

7.1 PESTEL Analysis

POLITICAL		
Factor	Issues	Responses
Change in government	<ul style="list-style-type: none"> Whether the Scottish Government or Westminster Government, a change (particularly if it happens unexpectedly and/or quickly) could impact on Calvay's operations 	<ul style="list-style-type: none"> Keep up-to-date with policy briefings from GWSF, SFHA and others Maintain healthy financial position to increase ability to deal with any adverse consequences
Changes to funding for Social	<ul style="list-style-type: none"> Policy decisions could change grant rate available 	<ul style="list-style-type: none"> Maintain good relationship with officers and councillors
Increased demand	<ul style="list-style-type: none"> More people looking to rent social housing, allocations process becomes more onerous 	<ul style="list-style-type: none"> Continue co-operate with local HAs/Co-ops on local housing register so workload is shared
Brexit	<ul style="list-style-type: none"> Increases in labour and materials costs Possible sanctions against UK for breaching international treaties 	<ul style="list-style-type: none"> Maintain healthy financial position to increase ability to deal with any adverse consequences Monitor advice from regulator and others
War in Ukraine	<ul style="list-style-type: none"> Supply chains disrupted Increase in cost of materials 	
Welfare Reforms	<ul style="list-style-type: none"> Loss of income for tenants and the Association 	<ul style="list-style-type: none"> Identify those most likely to be affected by UC/other changes and offer support (Welfare Benefits Officer)
Scottish Independence	<ul style="list-style-type: none"> Second referendum Difficult to predict issues – potential medium-term issues if Scotland adopts own currency for loan re-pricing 	<ul style="list-style-type: none"> Monitor, horizon scan and keep informed via partner organisations, e.g. SFHA, if movement on this issue
Rent Control/Rent Freeze	<ul style="list-style-type: none"> The SG imposed a rent freeze until April 2023 Westminster is consulting on rent controls for English HAs 	<ul style="list-style-type: none"> Work through representative bodies, e.g. SFHA and GWSF, to lobby so that SG understands the consequences of rent controls or a rent freeze Model various rent increase scenarios

ECONOMIC		
Factor	Issues	Responses
More demand for housing	<ul style="list-style-type: none"> • Demand exceeds supply 	<ul style="list-style-type: none"> • Continue to co-operate with local HAs/Co-ops on local housing register so workload is shared
Interest rate changes	<ul style="list-style-type: none"> • Interest rates have increased and, while inflation is currently expected to reduce, this could change. The regulator has raised this as an issue HAs should consider 	<ul style="list-style-type: none"> • Keep a percentage of loans on fixed rate to protect against increases. Achieve this through considering fixes as Nationwide loan is drawn-down for current development
Inflation	<ul style="list-style-type: none"> • Inflationary pressure continues – inflation does not reduce and could actually continue to rise • Inflation outpaces salaries and benefits • Inflation increases costs for building maintenance • Pressure to increase staff salaries 	<ul style="list-style-type: none"> • Carefully monitor increases, especially construction costs inflation • Use fixed-price Design and Build contracts for any future development • Increase budget(s) in relevant areas if necessary and, if necessary, consider higher rent increases
Recession	<ul style="list-style-type: none"> • Recession impacts disproportionately on low wage earners; rent affordability • Consequent rise in arrears 	<ul style="list-style-type: none"> • Promote financial inclusion service more widely • Continue to monitor arrears closely
Cost of living crisis – particularly domestic energy costs	<ul style="list-style-type: none"> • Massive increase in domestic fuel costs • Rise in arrears as more people forced to make rent/eat/heat decisions 	<ul style="list-style-type: none"> • Secure maximum discretionary funding • Offer benefits checks • Possible use of Calway Centre for homework clubs/ warm space

SOCIAL		
Factor	Issues	Responses
Real pay reductions	<ul style="list-style-type: none"> Affordability of rent 	<ul style="list-style-type: none"> Periodic use of SFHA affordability tool Benchmark rent levels against suitable comparators
Ageing population	<ul style="list-style-type: none"> Many properties not suitable for people with reduced mobility (prm), especially tenements above ground floor 	<ul style="list-style-type: none"> Work with OTs to adapt homes where possible Ensure prospective tenants understand limitations of walk-up properties If developing new properties, take into consideration need to rehouse older people from walk-up properties
Recruitment of people with specialist skills	<ul style="list-style-type: none"> Potential existential threat to Calvay if governance fails 	<ul style="list-style-type: none"> Run Committee recruitment Ensure Committee well run Publicise Association's success
Customer focus	<ul style="list-style-type: none"> Need to ensure all tenants, residents, owners and other stakeholders receive first class customer service 	<ul style="list-style-type: none"> Customer 'journeys' mapped New member of staff appointed with tenant engagement remit Working group to improve Calvay's customer focus
Customer expectations	<ul style="list-style-type: none"> Preference for main-door properties rather than tenemental properties 	<ul style="list-style-type: none"> Ensure tenemental properties are an attractive offer Develop predominantly main-door properties

TECHNOLOGICAL		
Factor	Issues	Responses
Increased use of smartphones	<ul style="list-style-type: none"> Smartphones being used as default method of communication Multiple apps being used Digital exclusion – not everyone has a smartphone, is confident using it and has enough data allowance 	<ul style="list-style-type: none"> Need to invest to keep up with developments and gain benefits Offer range of alternative ways to communicate Offer support and training (IT suite)
Website and Calvay Info Screens	<ul style="list-style-type: none"> Website needs to increase its functionality 	<ul style="list-style-type: none"> Update website Ensure staff trained and ongoing responsibility for maintenance of site is agreed
Customer self-service	<ul style="list-style-type: none"> Sector move to self-serve/online first model Low uptake of Calvay self-service for rent and repair checking Not everyone has access to internet 	<ul style="list-style-type: none"> Introduce ‘quick wins’ e.g. reporting repairs online Promote use of online rent and repair checking Investigate online models, particularly those built on SDM) e.g. those used by East Lothian HA
Technology use to involve community	<ul style="list-style-type: none"> Low engagement of local community with Calvay 	<ul style="list-style-type: none"> Use technology to engage with traditionally ‘hard to reach’ groups e.g. younger people
Social media – involve younger people	<ul style="list-style-type: none"> Social media is increasingly being used by customers Possibility of reputational damage – viral messages 	<ul style="list-style-type: none"> Develop online engagement policy Ensure sufficient staffing to support policy
Cyber attack	<ul style="list-style-type: none"> Increased risk of cyber attacks 	<ul style="list-style-type: none"> Increase staff awareness of cyber crime Ensure insurance in this area is fit for purpose Consider repeat of ‘penetration testing’
Digital inclusion	<ul style="list-style-type: none"> Some people being excluded 	<ul style="list-style-type: none"> Wider role officer – deliver digital inclusion (equipment/internet/training)
Internet of Things	<ul style="list-style-type: none"> New technology Privacy issues 	<ul style="list-style-type: none"> Keep up-to-date with developments Ensure privacy issues understood and addressed

ENVIRONMENTAL		
Factor	Issues	Responses
Landscaping	<ul style="list-style-type: none"> Some inappropriate use of trees Litter and dog mess continue to be a problem 	<ul style="list-style-type: none"> Survey trees, taking action as appropriate Consider service delivery in relation to maintaining environment
Climate change - possible increased frequency of	<ul style="list-style-type: none"> Damage to Association property, especially from flooding Vulnerable tenants, in particular, may suffer 	<ul style="list-style-type: none"> Consider properties' resilience to extreme weather Develop contingency plans Build community resilience
Electricity use	<ul style="list-style-type: none"> The Association is responsible for lighting which has not yet been changed to low energy bulbs 	<ul style="list-style-type: none"> Review lighting requirements Switch to low-energy (LED) options More use of renewable energy Monitor energy use better
Recycling	<ul style="list-style-type: none"> Reuse more locally 	<ul style="list-style-type: none"> Work with partners to encourage tenants to recycle furniture Reduce waste and recycle more in office
Street	<ul style="list-style-type: none"> Streets inadequately cleaned 	<ul style="list-style-type: none"> Liaise with GCC to get better service delivered
Flood risk	<ul style="list-style-type: none"> Barlanark Road has experienced flooding in the past 	<ul style="list-style-type: none"> Monitor for any 'near misses' where water accumulation occurs

LEGAL		
Factor	Issues	Responses
Scottish Housing Act	<ul style="list-style-type: none"> Changes to SST - tenants will have more rights 	<ul style="list-style-type: none"> Ensure we understand implications of Act and change procedures accordingly
General Data Protection	<ul style="list-style-type: none"> New regulations now in force 	<ul style="list-style-type: none"> Use SFHA/TC Young guidance to ensure compliance Train Committee and staff Ensure data sharing agreements in place
Scottish Housing Regulator	<ul style="list-style-type: none"> Requirement for self-assessment Increased emphasis on rent affordability 	<ul style="list-style-type: none"> Network with other HAs to find out if there are any changes in attitude Ensure compliance Undertake a Governance Review
Freedom of Information for HAs	<ul style="list-style-type: none"> FoI has now applied to HAs for over three years We must have a Data Protection Officer 	<ul style="list-style-type: none"> Prepare for FoI Train staff Use a company, RGDP, as our data protection officer
Increase in regulatory burden	<ul style="list-style-type: none"> Increases in regulation disproportionately affect small/medium HAs such as Calvay HA 	<ul style="list-style-type: none"> Pursue joint working through EHRA Staff training to ensure up-to-date with regulatory requirements Check we are meeting all regulatory requirements Check we are making all necessary financial and other returns

Political

The Scottish Government's (SG) rent control measures are a significant political factor. While SG has decided to allow RSLs to set their own rent levels from 1st April 2023, future decisions could constrain our ability to set our own rents.

In England, the government has adopted a far more interventionist approach than has been the case in Scotland, with rent controls on social housing, including rent reductions of 1% per year for each of the four years from April 2016. Currently, the Westminster Government is consulting on what the increase should be from April 2023 in England, with a 5% increase their stated preferred option.

The actions of Westminster Government in relation to benefits, e.g. the ongoing roll-out of Universal Credit, are important political factors Calway currently faces. The Scottish Government has mitigated some of the effects of UK Government benefit reductions, e.g. by taking action to ensure that the effects of the 'bedroom tax' are not felt by Scottish tenants.

Brexit, COVID, the Ukrainian war and, further away in time, Scottish Independence could have an effect on the interest rates the Association has to pay. The effects of Brexit have subsequently been compounded by COVID and then the Ukrainian war, and while it is difficult to determine the extent to which the effect of any one of these three can be disaggregated from the other two, we have experienced negative effects, such as increases in building costs, which have been attributed to these three factors.

There is political uncertainty generated by the possibility of a Scottish Independence Referendum. Scottish independence would have significant (but currently unknown) political implications, however these effects are a medium-term rather than a short-term prospect.

Economic

While unemployment and interest rates have, until recently, been generally low, inflation increased significantly during 2022 and remained high into the early part of 2023. While wages have also risen, these rises have tended to be below inflation. Many working people are therefore continuing to experience real wage decreases. It also seems unlikely that working-age benefits will keep pace with double-digit inflation. Some negative economic factors, such as the huge increase in fuel bills, despite government intervention, will disproportionately affect people on lower incomes. This is a serious concern for the Association, both in terms of the impact it will have on our customers and the potential effect on our rent arrears.

Recent fiscal measures announced by the UK Government had an immediate negative effect on the economy, with the Bank of England clearly stating it will not hesitate to raise interest rates if it considers this is necessary. Calway plans to consider fixing a portion of its interest loan repayments when the Nationwide loan is drawn-down.

Social

Calvay's tenants are now more ethnically diverse than was the case three years ago. The SHR has put increased emphasis on ensuring compliance with the Equalities Act 2010. We will need to put extra effort and resources into ensuring our services match the changing nature of our tenants across a wide range of the nine protected characteristics.

Technological

While the Association has continued to offer a personal, local service to its tenants, there are digital developments which to date have not been pursued.

Over COVID, more people communicated with us remotely, as face-to-face contact was, at various times, restricted or prohibited entirely.

Digital trends include mobile phones being used as the primary (or only) phone used by tenants and the use of text messaging/apps (such as WhatsApp) by a wide demographic as a preferred method of communication.

Environmental

The possibility of an increase in the number of adverse weather events and that these adverse weather events will become more severe, needs to be considered. Ensuring our homes are well maintained and community resilience is enhanced is a mitigating response to this threat.

Carbon reduction measures in relation to global warming will impact Calvay. A clear example is the phasing-out of (fossil fuel) gas-fired boilers which, in Scotland, are due to be banned in new-build properties from 2024. While the properties currently being built do have gas-fired boilers, they are also highly energy efficient and include features such as solar panels. The greater challenge for us is going to be how to treat and improve the energy efficiency rating of our older stock, e.g. Calvay Crescent.

Legal

Changes to legislation, e.g. the General Data Protection Regulations and the application of the Freedom of Information Act to RSLs, require effort to ensure ongoing compliance.

With the passage of time, the regulatory burden generally is highly likely to continue to increase and the Association will need to spend more time and resources to ensure it remains compliant. Since 2019, the SHR has required RSLs to submit an Annual Assurance Statement and currently the SHR is focussing on equalities data collection. Recently, the SHR has issued guidance on dealing with damp and mould (Feb 23). Calvay's current regulatory status with the SHR is "Compliant, Under Review".

7.2 SWOT Analysis

INTERNAL			
STRENGTHS	How we can take advantage of these	WEAKNESSES	How we can counter these
<ul style="list-style-type: none"> High-performing high levels of customer satisfaction Stable well-trained staff team Finance – strong position, have “headroom” Good range, mix of stock, community centre, housing services/wider role Reputation, good reputation within sector High demand for properties Affordable rents Good terms and conditions for staff Resilience - business continuity during COVID Active external relationships (EHRA/GWSF) 	<ul style="list-style-type: none"> Can use strong staff and Committee commitment to make changes necessary to improve service further 	<ul style="list-style-type: none"> Structure – Committee numbers reducing, more expertise needed on Committee, ageing staff Finance – missed opportunities for funding Marketing – lack of self-promotion Reputation – service users not being aware Calvay is not responsible for certain services (cleansing, GCC owned open spaces, etc), therefore reputation is affected Customer voice needs strengthening 	<ul style="list-style-type: none"> Recruit more Committee Members Improve governance Review IT provision to identify areas of concern Improve communications with tenants, other customers and other interested parties by e.g. press releases/articles in trade press
EXTERNAL			
OPPORTUNITIES	How we can take advantage of these	THREATS	How we can counter these
<ul style="list-style-type: none"> Increase in funding for social housing Technology could assist in involving the wider community More economic migrants, therefore more demand for housing Recycling/reuse more locally Some small potential development sites Increased GCC funding for development Closer/more effective working with EHRA Wider Role 	<ul style="list-style-type: none"> Deliver development programme Promote more use of recycling, both in office and by tenants Appoint Wider Role Officer 	<ul style="list-style-type: none"> Higher interest rates on loans High building costs Universal Credit Digital exclusion Cyber attack Climate change - more extreme weather GDPR Regulation – increasing SHR regulation SHR intervention ESSH2 – need for significant investment Future rent freeze/rent control 	<ul style="list-style-type: none"> Control costs, maintain reserves Remain financially strong Continue to promote Welfare Rights advice service Ensure governance is fully compliant Address any SHR in relation to governance

7.3 Risk Analysis

Strategic Risk Matrix January 2023 (showing risks where Assurance Level is Low or Medium)

Risk No.	Category	Description and Impact of Risk	Risk Owner	Inherent Likelihood (before)	Inherent Impact (before)	Before Likelihood Score	Before Impact Score	Inherent Risk Rating Before	Mitigation/Control Measures	Residual Likelihood (after)	Residual Impact (after)	After Likelihood Score	After Impact Score	Residual Risk Rating After	Assurance Level	Assurance and Quarterly Review Update
SR19	Health and Safety	Piece of rendering fall from building Possibility of serious injury to tenants	Property Services Manager	Likely	Major	4	4	16	Structural Engineers instructed	Likely	Major	4	4	16	Low Assurance	
SR21	Financial	Cost pressures: Inflation Contractor costs	Director	Almost Certain	Major	5	4	20	Revisit budgets, business plans	Almost Certain	Moderate	5	3	15	Low Assurance	
SR13	Financial	Increased requirement to invest in property to meet EESSH2 - Unknown costs	Finance Consultant	Almost Certain	Major	5	4	20	Robust financial plans showing a planned surplus Keep up to date with possible solutions such as GSHP / Hydrogen boiler Consider 'Fabric First' approach	Almost Certain	Moderate	5	3	15	Low Assurance	
SR22	Governance	Calvey not compliant with Regulatory Standards	Director	Almost Certain	Major	5	4	20	Co-operation with SHR Appointed HR consultant Commissioned Governance Review	Almost Certain	Moderate	5	3	15	Low Assurance	
SR17	Financial	Rent increase limited or frozen by SG	Property Services Manager	Likely	Major	4	4	16	Reduce costs including postponing major repairs	Likely	Moderate	4	3	12	Medium Assurance	
SR1	Financial	Inflation, especially fuel and food costs increasing causing a Cost of Living Crisis and many tenants experiencing fuel poverty	Director	Almost Certain	Major	5	4	20	- Publicise Welfare Rights Service - Secure relief funding - Risk Management Policy	Almost Certain	Minor	5	2	10	Medium Assurance	Welfare Rights Officer appointed
SR14	Financial	Increased loan repayment costs as interest rates rise	Finance Consultant	Almost Certain	Moderate	5	3	15	Fix interest rates on a portion of our loans	Almost Certain	Minor	5	2	10	Medium Assurance	
SR4	Legislative/Regulatory	Governance issues for example committee numbers falling to seven or fewer	Director	Likely	Major	4	4	16	- Committee Succession plan - Co-opt Committee Members - [2nd] Governance Review (and implement its recommendations)	Likely	Moderate	4	3	12	Medium Assurance	Number of committee members monitored Committee members
SR10	Technological	Cyber Security Hack resulting in data breach Hack resulting in data loss Hack resulting in direct financial loss e.g. fraud	Director	Likely	Major	4	4	16	- ICT Strategy - Privacy Policy and training - Business Continuity Policy, incorporating Crisis Management Plan - Server Virtualization - Hardware, Data Loss and Cyber Crime Insurance Cover - Backup Schedule (NAS, Off-site and cloud) - Off Site Data Storage - Data Loss and Cyber Crime Insurance - Network Penetration Testing - ICT Acceptable Usage Policy - Payment Card Industry Compliant	Possibly	Moderate	3	3	9	Medium Assurance	
SR20	Technological	SDM - change in ownership - future uncertain	Director	Possibly	Moderate	3	3	9	Investigation of alternative suppliers	Possibly	Moderate	3	3	9	Medium Assurance	
SR8	Legislative/Regulatory	New SHR Regulations / Requirements	Director	Likely	Major	4	4	16	- Review of SHR website guidance - Training - EHRA Director's meetings - Membership of GWSF / SFHA	Likely	Minor	4	2	8	Medium Assurance	Appropriate documents uploaded to Decision Time
SR9	Health and Safety	Close Fires causing harm to tenants, including serious harm or death	Property Services Manager	Possibly	Major	3	4	12	Clear Close Policy Implementation of Clear Close Policy Tenant Information	Unlikely	Major	2	4	8	Medium Assurance	Reporting to Property Service Sub-committee

7.4 Our Approach to Human Rights and Equalities

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

The Scottish Social Housing Charter (SSHC) sets out the requirements for landlords to find ways of understanding the rights and needs of different customers and delivering services that meet these needs. We report on this standard by collating Equal Opportunities monitoring. The SHR Framework requires social landlords to have assurance and evidence that it considers equality and human rights issues properly when making all its decisions, in the design and review of internal and external policies, and in its day-to-day service delivery. To comply with these duties, landlords must collect data relating to each of the protected characteristics for their existing tenants, new tenants, people on waiting lists, governing body members and staff, and report on this requirement.

We must, therefore, maintain a strong focus on Human Rights and Equalities during the period of this plan. We will:

- Put in place an Equality Data Collection Framework, and provide training and guidance for staff
- Develop a new Equality, Diversity & Human Rights Strategy and Action Plan
- Prepare and develop our systems of reporting to provide the assurance to our Board and to the SHR that demonstrates how we use equalities data to inform service delivery

7.5 Our Approach to Stakeholder Engagement

Customers

Our customers are at the heart of our business. They are our most important stakeholder group and include tenants, residents and other service users. We are committed to achieving customer service excellence in all that we do. We always strive to treat our customers with respect and be responsive to their needs. We value the views of our customers, and actively seek ways in which to engage with and listen to our customers, involving them and working with them to develop and deliver the services they want.

Staff

We understand that our people are our greatest resource. Our staff are committed to delivering an excellent level of service to our communities, and we value and support all of our people and encourage them to achieve their maximum potential. Our staff are motivated, supported and developed to ensure that the organisation provides excellent services to tenants and other customers, and achieves our ambitious objectives.

Volunteers

Volunteers play an important role at Calvay. We are very fortunate to have dedicated, skilled and enthusiastic volunteers who support and complement our staff teams.

Regulators

Calvay HA is registered with and regulated by the Scottish Housing Regulator (SHR). The Association is committed to ensuring that we return to compliance with all of the seven Standards contained within the SHR's Regulatory Framework. We will continue to provide the regulator with an Annual Assurance Statement by the end of October each year, and we will work closely with the regulator to ensure we continue to meet the regulatory standards of governance and financial management.

We are also a registered charity regulated by OSCR and as a community benefit society we are overseen by the Financial Conduct Authority.

Scottish Government

The Scottish Government has supported a number of our key programmes and initiatives with funding (e.g. our development programme) and this has enabled us to deliver innovative programmes within our communities. We take account of the Scottish Government's national policy priorities when developing and delivering our services.

Partners

Calvay is an established 'community anchor' and we work with local partners to deliver community projects. Our aim is to work with a range of partners to deliver lasting benefits to local communities and to have a positive influence on the housing sector in general. Our partners may be small local organisations or groups, or they can be large national organisations. Key partners include SFHA, CIH, SHARE, Employers in Voluntary Housing, Glasgow and West of Scotland Forum, Glasgow City Council and the Scottish Government, as well as local community-based voluntary groups and local businesses/organisations.

Lenders

We understand the importance of loans and treasury management to our business and maintain a strong professional relationship with our lenders. Finance is important to allow us to build new homes and refurbish our existing stock.

We recognise the necessity of compliance with the terms set out in its loans with current lenders, Clydesdale Yorkshire Banking Group (CYBG) and the Nationwide Building Society (Nationwide). We communicate with our lenders in an open, professional and timely manner to ensure that our lenders are aware of our plans, and that we are meeting all of our obligations within the terms of our loan agreements and covenants.

Suppliers/Contractors

We have strong working relationships with a variety of suppliers and contractors. Our relationships are built on mutual respect and integrity. We will ensure that we continue to develop and maintain sound positive relationships in line with good practice in procurement, contract management and professional services.

Strategic Priorities

8 Strategic Priorities 2023 - 2024

8.1 Regulatory Compliance

The Scottish Housing Regulator is currently engaging with Calvay about our governance. The independently supported Committee Skills Appraisal identified failures in compliance with Regulatory Standards. As a result, our regulatory status is “working toward compliance” A key strategic priority for 2023 – 2024 is to return Calvay to regulatory compliance. A key priority will be to upskill the Committee so they are both fully familiar and able to ensure compliance with the regulatory standards.

8.2 Performance Management

Having an appropriate performance management framework in place is essential to ensuring Calvay is able to deliver the priorities agreed by Committee. The foundation for the performance management framework is the set of strategic priorities agreed by Committee. These form the measure by which our success over the forthcoming three year business planning period will be assessed. Having a set of agreed strategic priorities in place will allow the work of the staff team to be aligned with the priorities identified by Committee. We are currently working with Gravitate HR to ensure our performance management framework is fit for purpose.

8.3 Providing Good Quality Affordable Homes

Calvay is currently developing 43 properties on our Garvel Crescent and Blyth Road sites. This is a significant and important project for the Association. Successful completion, hand-over and letting of these properties is therefore an important objective for 2023 – 2024. In addition to this, we will continue to explore the potential for future development opportunities. In relation to our existing property, we will explore funding options so we can improve sustainability, particularly in relation to thermal efficiency of our older stock. Affordability and specifically ensuring that our homes remain within reach of those on modest income, especially within the context of the cost-of-living crisis, will be given a greater focus in 23/24.

8.4 Health & Safety

During late 2022, two issues with property in Calvay Crescent (but which may also apply to Calvay’s stock in Calvay Road and Barlanark Road) became apparent. The first was delamination of material from balconies at the top of Calvay Crescent. The second was the failure of a piece of rendering which fell from height from the rear elevation of a property in Calvay Crescent. Ensuring the safety of our properties is of utmost importance. For 2023 – 2024 key actions are to:

- fully evaluate the scope of the issues with the rendering,
- develop solutions (including funding solutions) and

- procure a contract (which may well be a multi-year contract, given the scope of the potential works) to rectify the identified faults with the rendering and balconies, etc.

We will also be reviewing our record keeping around key tenant H&S matters to ensure our data recording is fully accurate and fit for purpose, which will in turn give us greater assurance over our compliance. The five key areas covered will be:

- Gas safety
- Electrical safety
- Asbestos safety
- Legionella safety and
- Fire safety (including the installation of fire and carbon monoxide detectors)

Finally, we will be working to ensure that our homes are free of damp and mould, that we respond in a timely fashion to reports of damp and especially mould, and that we are recording our work in relation to this area of work.

8.5 Customer Voice/Tenant Scrutiny

Calvay's Annual Assurance Statement and self-assessment identified the need to improve the customer voice at Calvay. One way to achieve this is by establishing a Tenant Scrutiny Panel. Using support from an appropriate external provider, such as TIS or TPAS, a Tenant Scrutiny Panel will be established during 2023 – 2024. During the period of the Business Plan, we will (again with the support of an experienced external provider) strengthen our approach to tenant participation and extend our use of scrutiny panels to include customers other than tenants e.g. factored owners.

8.6 Improved Performance Information

A key part of Calvay's performance reporting is the ARC. Ensuring ARC data is robust is both important to ensure regulatory compliance and also to fully understand the performance of the business.

While the SHR provides guidance about ARC data, there are a number of ways in which inconsistencies can be introduced. Firstly, it is possible to interpret some of the guidance in more than one way, therefore having a good understanding of the regulator's intentions is important. Secondly, the way in which data is reported by our IT systems can introduce errors e.g. if the reporting tools are not set up correctly. Thirdly, the data we are collecting needs to be accurately identified and recorded.

During 2023 – 2024 we will work with an external provider to validate our 2022 – 2023 ARC submission and improve our data collection.

Performance information is, however, wider than the ARC. Accurately measuring what we do is critical to ensuring we have the tools to manage the business. We will therefore also work to consolidate and improve our KPI reporting, focussing on the quarterly reporting to Committee and ensuring the management team have good, clean data to manage the Association.

Improvements will also be made in the way that assurance data is made available to Committee (based on the latest SFHA guidance). This will be combined with a detailed annual review of a portion of Calvay's assurance information by Committee Members.

8.7 Equalities Improvement

The overall objective of this strategic priority is to ensure our services provide equality of opportunity and outcomes for our customers, thus improving Calvay's compliance with the Equality Act 2010. A variety of separate but complementary work streams will be delivered to support this objective including:

- Develop and agree an Equalities Action Plan which will include targets with timescales
- Collect equality data based on SFHA guidance and use to tailor our services to meet diverse need and workplace/Committee diversity
- Introduce robust Equality Impact Assessments
- Review and revise Calvay's Equal Opportunities Policy

8.8 Wider Role

Deliver a comprehensive wider role programme over a three year period (which coincides with the period of this Business Plan, 2023-2024 to 2025-2026). Areas of work to include:

- Food insecurity
- Social isolation and loneliness
- Digital isolation
- Improving health and wellbeing

Delivery will be co-ordinated by a Wider Role Manager and a Centre Manager. Funding for these additional Wider Role activities has been provided by Calvay's successful Investing in Communities Fund application. Further funding opportunities will be pursued, as they become available.

Note, this work will build on Calvay's current investment in Wider Role which includes funding a full-time Welfare Rights Officer, supporting the operation of the Calvay Community Café, successfully applying for and distributing financial support to vulnerable households, and the work of volunteers enabling the use of the Calvay Centre Hall for a wide range of existing activities such as Children's Gym Class, Children's Dance Class, Youth Club, Homework Club, Bingo, Games Club, IT Suite (this latter provided and maintained by a local college), Book Exchange, Meetings of Springboig and Barlanark Community Council, EHRA meetings and one-off events such as children's Christmas meal and pensioners' Christmas meal.

Value for Money

9 Value for Money

We intend to achieve value for money by applying the following principles:

- Ensuring customer views shape our approach to service delivery as per our Tenant Participation Strategy
- Improving the way we do things to be more efficient
- Using our assets in the best possible way – we will use ICT in an appropriate way for an organisation of our size and try to ensure our homes, and how we let them, provide the maximum value and benefit
- Obtaining VFM through the way we procure by implementing our procurement strategy, selecting the Most Economically Advantageous Tender and, where possible, jointly procuring with other RSLs to obtain the best value from suppliers
- Maximising the value from our people by increasing their skills and encouraging further training and career development
- Increasing non-rental income from grants to fund community projects, development and energy efficiency initiatives
- Partnership working with other community organisations
- Providing community benefit and promoting inclusion through our wider action projects
- Increasing the wellbeing and wealth of our customers through the work of our Welfare Rights Officer

Financial

10 Financial Projections

10.1 Introduction

The Association is currently involved in core stock management and maintenance activity managing 840 rented units (including 15 shared owners) and 107 owner occupier properties at the commencement of the plan period. A forty three unit new build project shall complete in the early part of 23/24. In addition, the Association owns and manages the Calvay Centre which runs community activities, operates a community café and has one commercial tenant.

A surplus of around £650k is expected for 22/23 with net assets totalling £12.3m inclusive of cash balances of around £2.6m. A surplus of around £290k is projected for 23/24.

10.2 Current Operating Environment

In considering the main assumptions to be employed within the business planning model recognition requires to be taken of the current financial and political climate which the Association is expecting to operate within.

Main factors include:-

- Global economic and political climate - including Brexit, Covid and Ukraine
- High CPI inflation
- Rising repair costs
- UK and Scottish Government priorities
- EESSH2 and decarbonisation agenda
- Increasing interest rates

Within this plan the following material assumptions should be noted:-

- New build completes early 23/24
- No further new build activity
- Inflation levels at 5 % year 2, then 2% over the long term
- Real rent rise of 1% for next 5 years and CPI inflation only thereafter
- Voids and Bad Debts average at 1.6% pa for 5 years then 2% pa
- Reactive maintenance costs at £504 per unit year 1
- Cyclical and estate maintenance costs average £686 per unit
- Major repair costs at £34.3k per unit over long term
- Real maintenance cost increases at 0.5% over 30 years
- New wider role posts funded by grant
- Real increases of 0.5% in management costs until year 10
- Loan interest rates (pre margin) at 4.5% for 2 years then 4% long term
- Average annual spend of £8.3k on other fixed assets
- Rent arrears increase to 5% for long term
- All debt repaid by year 9
- Cash exceeds debt by year 8

10.3 Assumptions and Comment

Base Date and Stock Levels

All financial information is based at 2023/2024 levels.

The Association's rented housing stock levels at the start of 2023/24 comprises of 840 general rented units.

Rental Policy

Comparisons with other local RSLs notes that Calvay's rent levels for 21/22 are within 2% of others with 1 and 5 apts being around 7% higher.

Scottish average rent levels are 28.2%, 14%, 9.3%, 9% and 1.7% higher for 1 to 5 apartment properties respectively.

The projections assume a real rent rise of 1% for the next 5 years then CPI inflation only rises thereafter. This is a current planning assumption and shall be considered on an annual basis. The Association recognises the potential for affordability issues and the SFHA affordability tool confirms no material concerns in terms of affordability.

At the current time inflation has increased compared to recent years and the 23/24 rent rise of 5% is around 5% below inflation.

In the event that no real rent increases are applied then this has an adverse impact on the year 30 cash position of around £8.6m. Subject to no other changes this could be managed by the Association although with severely depleted cash reserves.

	Average Weekly RSL Rents 21/22							
	Blairtumnock	Easthall Park HA	Gardeen HA	Lochfield Park	Provanhall HA	Ruchazie HA	Wellhouse HA	Calvay HA
1 Apt	£53.65	£43.48	-	-	-	-	-	£54.57
2 Apt	£65.36	£69.58	£65.45	£69.26	£64.84	£70.69	£70.65	£69.92
3 Apt	£72.59	£72.22	£75.22	£78.68	£70.73	£77.13	£77.98	£76.36
4 Apt	£81.27	£87.73	£81.00	£88.03	£85.39	£80.18	£87.00	£83.28
5+ Apt	£88.55	£95.73	£97.25	£97.52	£96.52	£88.90	£96.15	£98.99

Currently around 30 % of tenants are in receipt of full housing benefit with 11% on partial benefit. Around 26% of tenants are on Universal Credit. Around 48.4% of the monthly rent charge is paid for by housing benefit and universal credit. Gross rent arrears for mainstream units at December 2022 were 3.01%.

The ability of the Association to vary rent increases will depend upon changes in the economy and performance compared with the approved business plan.

Voids and Bad Debts

For the year to 31 March 2022 voids and bad debts for the Association's stock were at a level of 0.81% and 0.25%. In the previous 4 years void losses averaged 0.37% with bad debts at 0.43%. Total costs are assumed

at 2% long term. This represents an increase of rent losses over the long term to reflect ongoing welfare reform and prudent financial planning. This increase is a business planning assumption as opposed to a specific target.

A 1% change in voids and bad debts has an overall impact of around £1.97m over the long term. Subject to no other changes an increase could be managed by the Association.

Other Income

Sums include Stage 3 grants for medical adaptations plus factoring fees from owner occupiers and income from the Calvary Centre and for wider role activity.

Sensitivities were run to gauge adverse impacts in a material fall in net income. A £50k per annum reduction in net income had an adverse impact of £2.4m over the long term. Subject to no other changes this could be managed by the Association.

Major Repairs

Major repairs costs are based on the planned maintenance programmes produced by Brown and Wallace and reviewed and amended by the Association.

It is envisaged that on average around £34.3k per unit shall be incurred over the plan period. In the first 10 years 27% of total spend shall take place, followed by a further 45% of spend up to year 20, with the balance of 28% being spent in the last 10 years. Real cost increases are assumed at 0.5% per annum for the full plan period.

The Association currently fully complies with EESSH requirements other than 10 properties where tenants have refused to switch from electric to gas central heating. Work is ongoing to consider the budget implications of EESSH 2

A 10% difference in major repair costs has a £4.8m impact on the year 30 cash position and if no real cost increases are applied on any major repair costs then an improvement of £3.5m arises.

The Association is currently considering how best to deal with problems identified with the exterior fabric of some the earliest properties it acquired. There are two issues, the first relates to delamination to balconies and the second is an instance of failed rendering. A variety of solutions are being explored including the possibility of carrying out an External Wall Insulation (EWI) programme which would include the identified problems with the balconies and potential problems with the rendering in its scope. Details attaching to costs and possible grant support are currently being reviewed and later updates to projections, including, potentially, loan covenant changes, may be required.

Taking account of our knowledge of the stock, the Association is satisfied that costs can be contained within sums provided for in the financial model.

Cyclical Maintenance

Cyclical costs per unit are estimated at an average of £285 per unit over the plan period. A further sum of around £401 per unit is also allowed for other estate costs. These costs are based on existing surveys. Real cost increases are assumed at 0.5% per annum throughout the plan period. Costs include paint work, gas servicing, electrical inspections, gutter cleaning, stair lighting, landscaping, close cleaning and bulk uplift.

Expenditure per unit on cyclical/estate costs totalled £510 per unit in 20/21 and £544 per unit in 21/22.

Taking account of our knowledge of the stock, the Association is satisfied that costs can be contained within sums provided for in the financial model.

Reactive Maintenance

Expenditure per unit on rented stock totalled £343 per unit on average for the previous 5 years to 31 March 2022. Costs in 21/22 totalled a higher £473 per unit which included an element of spend for catch up post Covid.

The financial model include average costs at £542 per unit inclusive of real cost rises at 0.5% for the full 30 year period.

A 10% increase in reactive costs has an adverse impact of £2.3m over the plan period. Subject to no other material adverse changes this position could be managed by the Association.

Taking account of our knowledge of the stock, the Association is satisfied that costs can be contained within sums provided for in the financial model.

Other Costs

Costs relate to the wider action, stage 3 and Calvay Centre costs.

Management and Administration

The Association's management costs in the Association's annual accounts refer to staff and overhead costs relating to the rented stock. Costs for 21/22 totalled £1,344 per unit and average £1,574 per unit over the long term. Overheads as a % of turnover average 6.86%. This is at the lower end of peer comparisons.

Management costs are assumed as increasing in real terms by 0.5% per annum until year 10. This is a prudent planning assumption as opposed to a specific target. In the event of inflation only cost increases a £2.5m saving results.

Other Fixed Assets

The long term projections have included replacement costs for furniture, fittings, replacements and equipment over the plan period. Average annual spend of around £8.3k per annum is allowed.

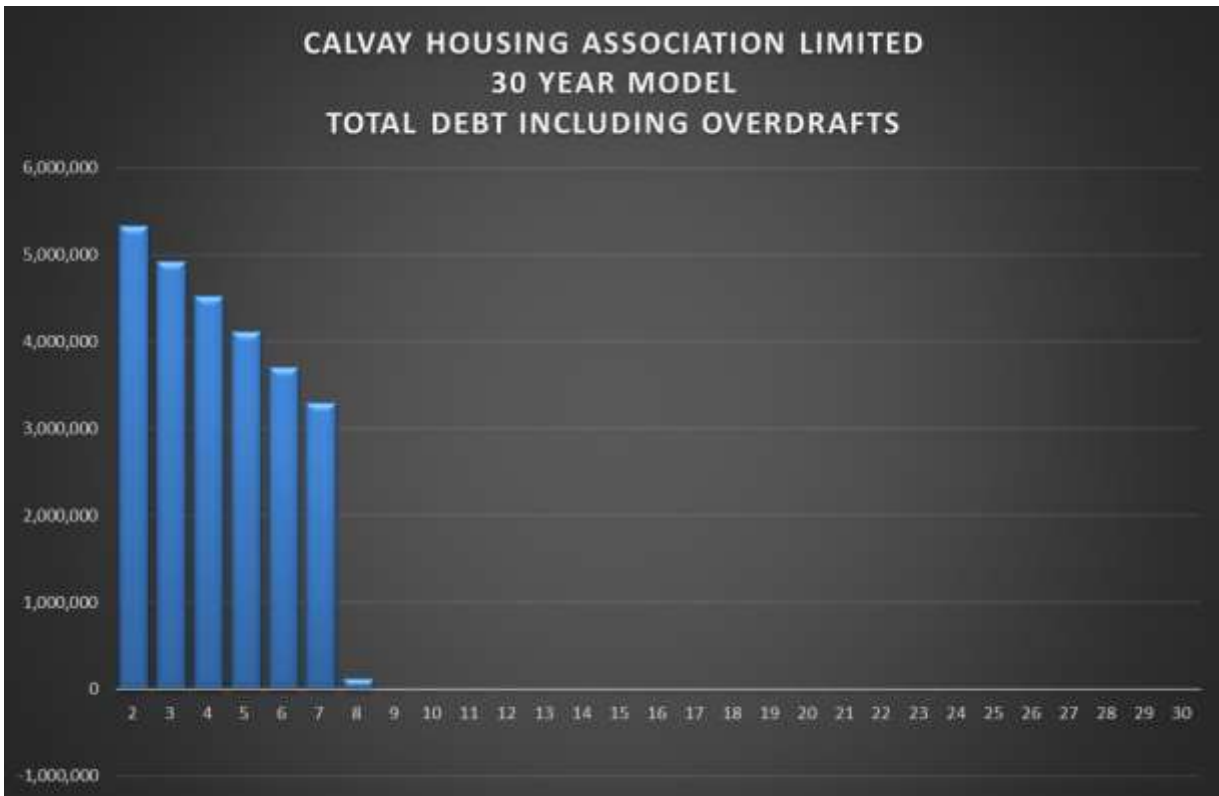
Loan Finance and Stock Value

Loan debt at 31 March 22 totalled £2.662m with all debt being with the Clydesdale Bank on a variable rate basis at a margin of 1.8%. Further debt from Nationwide of £3.6m shall be drawn down to contribute towards new build costs, is for a 10 year period and is at a margin of 1.5%. An element of fixed rate debt shall be considered during 23/24.

The loan covenant analysis confirms no issues with loan covenant compliance during the plan period.

The base case model indicates that by Year 8 cash resources are projected to exceed debt levels and all debt is modelled as repaid by year 9. This shall be kept under consideration and further short term borrowing can be secured if required.

Around 72% of stock shall be unencumbered once the new build project is completed and once 384 units are removed from security by Clydesdale Bank. At existing use values unencumbered stock shall total around £16m.

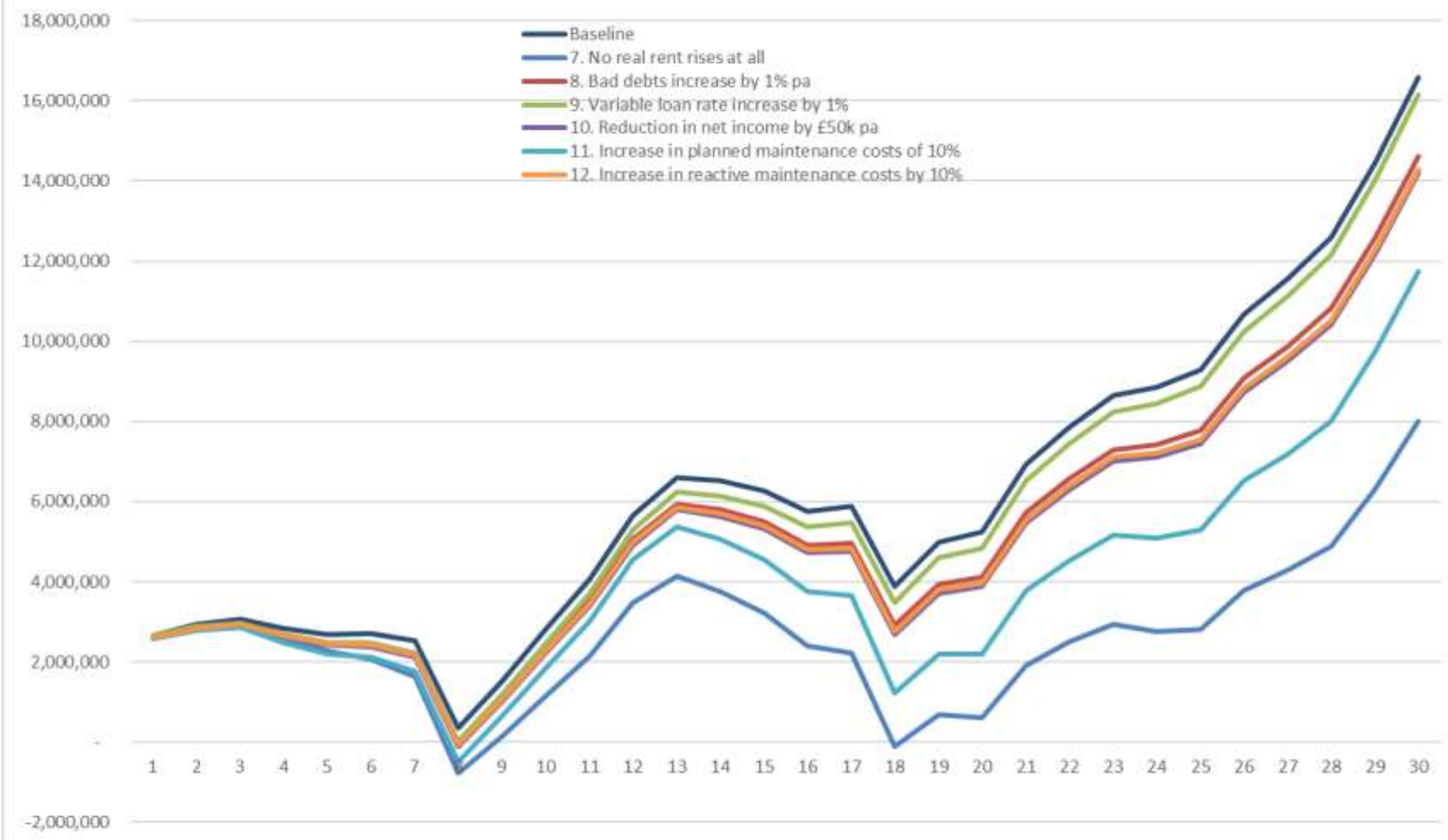


Sensitivity Analysis

Sensitivities are largely modelled on varying rent increases, rent losses, management and maintenance costs, inflation and changes to net income.

The majority of sensitivities have been modelled on an individual basis. It is recognised that a combination of changes in assumptions is a clear possibility. One of the purposes of regular budgeting and the monitoring of financial results is to ensure that the financial position remains on target. In the event of material adverse variances this allows corrective action to be put in place.

Negative Sensitivity Analysis



Risks to the Delivery of Financial Plans

The Association regularly considers risks facing the organisation and updates its risk register accordingly.

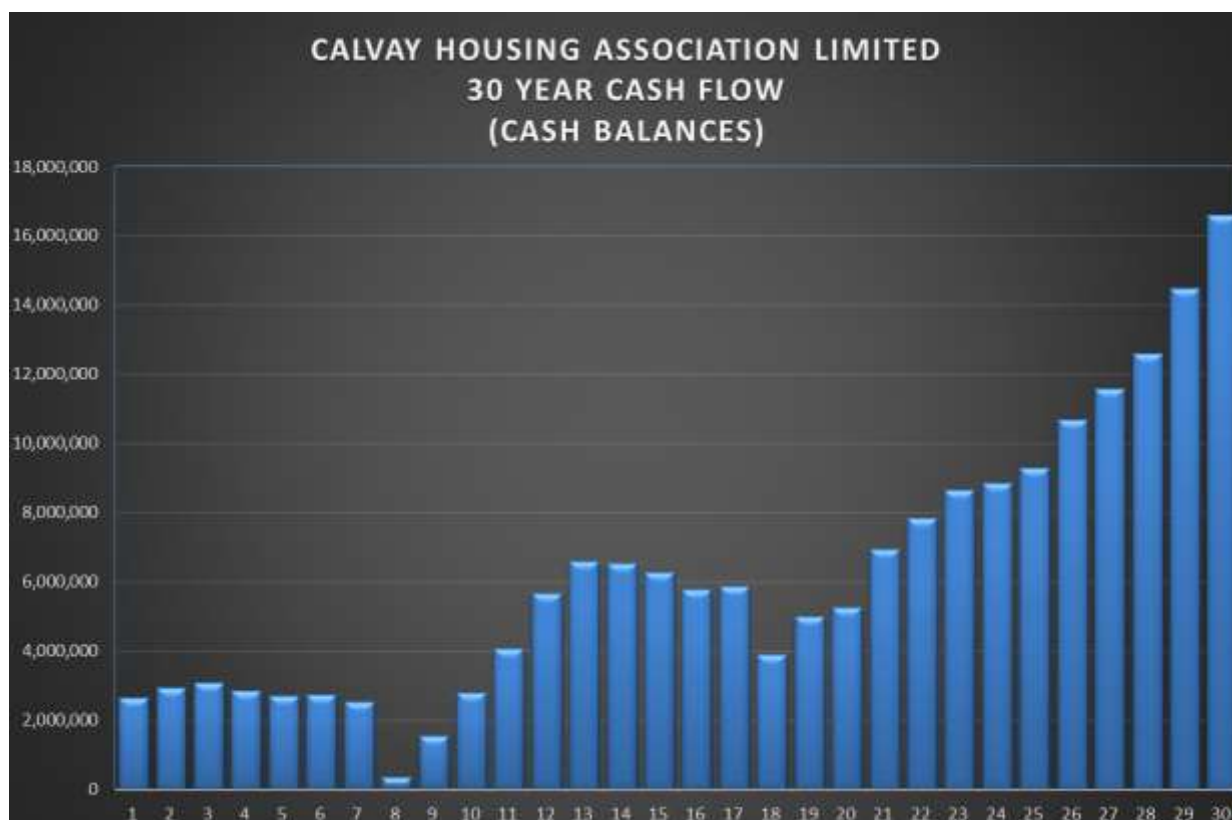
Risks associated with new build activity, high inflation, welfare reform, EESSH 2 and the costs of running the business continue as the main risks for the Association.

Summary

The Association commences the plan period with total reserves of around £12.3m.

Whilst we cannot expect to be precise over a 30 year period it is sensible to project forward based on realistic assumptions and expectations. The bottom line cash position of the Association provides an indication of the level of comfort available to manage risk changes in circumstances.

Based on reasonable assumptions the Association's financial projections show an ability to generate annual surpluses and confirm adequate liquidity in order to allow implementation of the financial plans. No issues arise in respect of loan covenant compliance and the Association continues to operate satisfactorily. Changes in actuarial assumptions shall be accounted for as information becomes available post each year end.



In the first 5 years surpluses of £1.7m add to the net assets of the organisation and cash balances average £2.8m. No SHQS or EESSH difficulties are expected, total major repair spend is £4.8m and debt capital repayments total £1.9m. This is after additional rental losses have been provided for and the assumption of real cost rises in management and maintenance costs.

The next five year period to year 10 project surpluses of £2.8m, loan repayments of £4.1m result (clearing all debt), and major repair spend of £4.5m is estimated. Cash reserves average £1.98m over this 5 year period.

For the 5 year period to year 15 losses of around £1.3m are projected but minor adjustment to major repair timings can remedy this position if required. No debt is in place during this time and cash balances average £5.8m.

Thereafter the cash balances vary dependent upon major repair timings and a final year 30 cash balance of around £16m results.

The sensitivity analysis undertaken by the Association shows that each of the adverse scenarios could, assuming they arise as single events, be capable of being managed by the Association. Some factors remain within the Association's control such as rental policy, staffing levels, the timing of maintenance contracts and any combination of adverse scenarios would require to be managed by the Association on an ongoing basis.

The Association shall continue to produce its long term projections on an annual basis. The short term annual budget exercise considers the first 12 months of the plan period in detail and the quarterly management accounts shall be used to monitor achievement of the short term budget. As long as the short term position remains broadly in line with the annual budget then the Association's overall financial plans shall remain on target.

Appendix A – SFHA Affordability Test

Table 1 below summarises Average Rents for 23/24 based on a 5% increase from 22/23 rents.

APT size	Average Weekly Rent 22/23	Add 5% increase	Average Weekly Rent 23/24
1 Apt	£57.42	£2.87	£60.29
2 Apt	£72.94	£3.65	£76.58
3 Apt	£80.07	£4.00	£84.08
4 Apt	£87.12	£4.36	£91.48
5 Apt+	£103.40	£5.17	£108.57

Table 2 below, uses colour coding as follows:

	Pass – below 25%
	Concern – 25-30%
	Fail – above 30%

Table 2. Affordability by Property Size, Weekly Rent and Household Income

Property Size	Proposed Weekly Rent	Household Size & Type	%age of income on rent	Income left after rent	Result
1 apt	£60.21	Single person moderate income	18.0%	£274.86	
1 apt	£60.21	Single person >23 min wage	20.3%	£235.67	
2 apt	£76.58	Single person moderate income	22.9%	£258.49	
2 apt	£76.58	Single person minimum wage	25.9%	£219.30	
2 apt	£76.58	Single pensioner	20.8%	£292.00	
2 apt	£76.58	Couple pensioners	15.2%	£426.02	
2 apt	£76.58	Couple, 1 x PT, 1 x FT	15.2%	£426.02	
2 apt	£76.58	Couple 2 x FT	11.4%	£593.56	
3 apt	£84.08	Couple 1 x PT, 1 x FT	16.7%	£418.52	
3 apt	£84.08	Single person moderate income	25.1%	£250.99	
3 apt	£84.08	Single person >23 minimum wage	28.4%	£211.80	
3 apt	£84.08	Small family 2 children on moderate income	11.9%	£619.57	
3 apt	£84.08	Small family 2 children min wage	13.5%	£537.27	
3 apt	£84.08	Single parent, 2 children min wage	17.8%	£389.33	

3 apt	£84.08	Single parent, 2 children moderate income	15.7%	£452.03	
3 apt	£84.08	Pensioner Couple	16.7%	£418.52	
3 apt	£84.08	Single Pensioner	22.08%	£284.50	
4 apt	£91.48	Small family 2 children moderate income	13%	£612.17	
4 apt	£91.48	Small family 2 children on min wage	14.7%	£529.87	
4 apt	£91.48	Single Parent 2 children moderate income	17.1%	£444.63	
4 apt	£91.48	Single Parent 2 children min wage	19.3%	£381.93	
5 apt	£108.57	Small family 2 children moderate income	15.4%	£595.08	
5 apt	£108.57	Small family 2 children min wage	17.5%	£512.78	

Annual Survey of Hours and Earnings (ASHE)

These are calculated based on the Office for National Statistics' Annual Survey of Hours and Earnings. This gives gross incomes from PAYE for local authorities. It does not include incomes from self-employment or benefits. The figures shown in the tool are net, reflecting income tax and national insurance thresholds and bands.

Moderate incomes are calculated based on the 30th percentile for each local authority, which is above housing benefit eligibility. The justification for using these moderate incomes is that incomes converge around this point once housing benefit and tax credits are included in lower incomes. Following the Joseph Rowntree Foundation's Living rent methodology, the household incomes are weighted to account for additional income for adults and child benefit entitlements.

Source: Housemark SFHA Rent Setting Guide and Toolkit. November 2022

Calvay's rent policy is to increase rents by CPI plus 0.5%. The reason for this is that inflation for buildings and maintenance costs are normally higher than the general rate of inflation Further discussion about rent increases can be found in the PESTLE section of this plan (above).

Appendix B Comparison of average weekly rents between Calvay HA and some other Glasgow/Edinburgh RSLs

	Calvay HA	Average of four comparators in this table	Difference from average	Ardenglen HA	Pineview HA	Prospect Community HA	Wellhouse HA
2 Apartment							
2021/2022	£69.92	£73.63	£3.71 lower	£71.54	£67.37	£80.75	£70.65
2020/2021	£69.14	£73.35	£4.21 lower	£71.54	£67.37	£80.29	£69.47
2019/2020	£68.14	£72.87	£4.73 lower	£70.85	£65.81	£79.29	£67.78
3 Apartment							
2021/2022	£76.36	£80.40	£4.04 lower	£80.86	£77.23	£88.33	£77.98
2020/2021	£75.26	£79.90	£4.64 lower	£80.86	£77.20	£87.59	£76.66
2019/2020	£73.44	£78.25	£4.81 lower	£78.18	£76.04	£86.49	£74.79
4 Apartment							
2021/2022	£83.28	£92.76	£9.48 lower	£89.33	£86.73	£102.02	£87
2020/2021	£82.02	£92.24	£10.22 lower	£89.33	£86.73	£101.34	£85.56
2019/2020	£80.31	£91.09	£10.78 lower	£87.10	£85.65	£99.72	£83.47
5 Apartment							
2021/2022	£98.99	£102.67	£3.68 lower	£101.91	£95.56	£117.20	£96.15
2020/2021	£98.03	£102.01	£3.98 lower	£101.91	£95.56	£116.35	£94.64
2019/2020	£96.13	£97.26	£1.13 lower	£78.79	£94.23	£114.56	£92.33

Data from Scottish Housing Regulator's Landlord Comparison tool

1 Apartment excluded due to only Ardenglen of the comparator landlords having any 1 apt properties

Appendix C – 30 Year Cash Flow

CALVAY HOUSING ASSOCIATION LIMITED

*** Cashflow ***

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
INCOME										
Rental Income - Basic	3,899,810	4,163,150	4,288,877	4,418,401	4,551,837	4,689,303	4,783,089	4,878,750	4,976,325	5,075,852
Rental Income - Excess	0	0	0	0	0	0	0	0	0	0
Less : Voids	38,998	33,305	34,311	35,347	36,415	46,893	47,831	48,788	49,763	50,759
	0	3,860,812	4,129,845	4,254,566	4,383,054	4,515,422	4,642,410	4,735,258	4,829,963	4,926,562
Other Rents-Shared Owners & Service Charges	0	0	0	0	0	0	0	0	0	0
Total Rental Income	3,860,812	4,129,845	4,254,566	4,383,054	4,515,422	4,642,410	4,735,258	4,829,963	4,926,562	5,025,093
Interest Earned	0	0	0	0	0	0	0	0	0	0
Other Income	157,335	165,202	168,506	171,876	175,313	178,820	182,396	186,044	189,765	193,560
TOTAL INCOME	4,018,147	4,295,047	4,423,072	4,554,930	4,690,736	4,821,229	4,917,654	5,016,007	5,116,327	5,218,654
EXPENDITURE	-	-	-	-	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	55,713	-	-	-	-	61,512
Planned Maintenance - Balance Sheet	577,735	310,312	710,131	557,195	659,267	604,694	694,109	357,924	327,730	469,951
REVENUE	-	-	-	-	-	-	-	-	-	-
Planned Maintenance - Revenue	126,949	334,935	121,853	756,488	608,524	550,634	777,469	319,144	143,558	208,483
Cyclical Maintenance	351,255	198,867	242,385	228,104	226,168	289,690	255,411	299,788	394,236	232,067
Reactive Maintenance	434,291	469,620	481,407	493,491	505,877	518,575	531,591	544,934	558,612	572,633
Direct Services	328,581	346,735	355,438	364,360	373,505	382,880	392,490	402,342	412,441	422,793
Management and Administration	1,405,853	1,398,391	1,442,408	1,483,981	1,521,229	1,556,223	1,595,284	1,635,326	1,676,373	1,718,450
Bad Debts	38,998	33,305	34,311	35,347	36,415	46,893	47,831	48,788	49,763	50,759
Other costs	198,002	207,902	212,060	216,301	220,627	225,040	229,541	234,132	238,814	243,590
Past Service Deficit Payments	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
Loan Repayments	581,311	674,106	698,431	680,581	660,457	642,167	613,603	3,356,615	124,360	-
	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE	4,042,975	3,974,172	4,298,424	4,815,848	4,867,782	4,816,796	5,137,329	7,198,991	3,925,888	3,980,238
NET SURPLUS / DEFICIT IN THE YEAR	(24,828)	320,874	124,648	(260,918)	(177,046)	4,433	(219,676)	(2,182,984)	1,190,439	1,238,416
CUMULATIVE SURPLUS / DEFICIT	(24,828)	296,047	420,694	159,776	(17,270)	(12,837)	(232,513)	(2,415,497)	(1,225,058)	13,358
0	0	0	0	0	0	0	0	0	0	0
FUNDING										
Opening Balance	2,634,058	0	0	0	0	0	0	0	0	0
Creditors - Cash Movement	0	0	0	0	0	0	0	0	0	0
Debtors - Cash Movement	0	(63,541)	(4,400)	(4,533)	(4,670)	(4,811)	(3,283)	(3,348)	(3,415)	(3,483)
Shared Owners acquire	-	-	-	-	-	-	-	-	-	-
Land and Buildings additions	(2,312,577)	-	-	0	0	0	0	0	0	0
Loan Finance Received	2,312,577	0	0	0	0	0	0	0	0	0
Grant Received	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	2,634,059	(63,541)	(4,400)	(4,533)	(4,670)	(4,811)	(3,283)	(3,348)	(3,415)	(3,483)
0	2,609,231	257,333	120,247	-265,452	-181,717	-378	-222,958	-2,186,332	1,187,024	1,234,932
INTEREST RECEIVABLE	34,000	27,719	29,884	29,457	27,516	26,880	26,032	14,246	9,392	21,596
INTEREST PAYABLE ON OVERDRAFTS	0	0	0	0	0	0	0	0	0	0
CUMULATIVE SURPLUS / DEFICIT	2,643,231	2,928,283	3,078,414	2,842,420	2,688,219	2,714,721	2,517,795	345,709	1,542,125	2,798,653

CALVAY HOUSING ASSOCIATION LIMITED

*** Cashflow ***

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
INCOME										
Rental Income - Basic	5,177,369	5,280,916	5,386,535	5,494,265	5,604,151	5,716,234	5,830,558	5,947,169	6,066,113	6,187,435
Rental Income - Excess	0	0	0	0	0	0	0	0	0	0
Less : Voids	51,774	52,809	53,865	54,943	56,042	57,162	58,306	59,472	60,661	61,874
	5,125,595	5,228,107	5,332,669	5,439,323	5,548,109	5,659,071	5,772,253	5,887,698	6,005,452	6,125,561
Other Rents-Shared Owners & Service Charges	0	0	0	0	0	0	0	0	0	0
Total Rental Income	5,125,595	5,228,107	5,332,669	5,439,323	5,548,109	5,659,071	5,772,253	5,887,698	6,005,452	6,125,561
Interest Earned	0	0	0	0	0	0	0	0	0	0
Other Income	197,431	201,380	205,408	209,516	213,706	217,980	222,340	226,787	231,322	235,949
TOTAL INCOME	5,323,027	5,429,487	5,538,077	5,648,838	5,761,815	5,877,051	5,994,593	6,114,484	6,236,774	6,361,510
EXPENDITURE										
CAPITAL										
Fixed Assets	-	-	-	-	67,914	-	-	-	-	74,983
Planned Maintenance - Balance Sheet	375,072	176,160	767,571	976,932	945,858	1,017,790	755,771	2,833,127	899,034	1,212,673
REVENUE										
Planned Maintenance - Revenue	290,106	312,213	337,927	1,187,952	1,410,144	1,668,058	1,241,006	1,380,979	267,850	844,891
Cyclical Maintenance	354,000	254,815	335,303	348,333	294,979	334,814	444,280	360,454	347,771	297,355
Reactive Maintenance	587,006	601,740	616,844	632,327	648,198	664,468	681,146	698,243	715,768	733,734
Direct Services	433,405	444,283	455,435	466,866	478,585	490,597	502,911	515,534	528,474	541,739
Management and Administration	1,752,819	1,787,875	1,823,633	1,860,105	1,897,307	1,935,254	1,973,959	2,013,438	2,053,707	2,094,781
Bad Debts	51,774	52,809	53,865	54,943	56,042	57,162	58,306	59,472	60,661	61,874
Other costs	248,462	253,431	258,500	263,670	268,944	274,322	279,809	285,405	291,113	296,935
Past Service Deficit Payments										
Loan Repayments	(0)	(0)	(0)	(0)	(0)	(0)	(0)	-	-	-
TOTAL EXPENDITURE	4,092,644	3,883,327	4,649,078	5,791,128	6,067,970	6,442,465	5,937,188	8,146,651	5,164,378	6,158,966
NET SURPLUS / DEFICIT IN THE YEAR	1,230,383	1,546,160	888,999	(142,289)	(306,155)	(565,414)	57,405	(2,032,167)	1,072,396	202,544
CUMULATIVE SURPLUS / DEFICIT	1,243,740	2,789,900	3,678,899	3,536,610	3,230,455	2,665,041	2,722,446	690,280	1,762,676	1,965,220
FUNDING										
Opening Balance	0	0	0	0	0	0	0	0	0	0
Creditors - Cash Movement	0	0	0	0	0	0	0	0	0	0
Debtors - Cash Movement	(3,553)	(3,624)	(3,697)	(3,771)	(3,846)	(3,923)	(4,001)	(4,081)	(4,163)	(4,246)
Shared Owners acquire	-	-	-	-	-	-	-	-	-	-
Land and Buildings additions	0	0	0	0	0	0	0	0	0	0
Loan Finance Received	0	0	0	0	0	0	0	0	0	0
Grant Received	0	0	0	0	0	0	0	0	0	0
	(3,553)	(3,624)	(3,697)	(3,771)	(3,846)	(3,923)	(4,001)	(4,081)	(4,163)	(4,246)
	1,226,830	1,542,536	885,302	(146,060)	-310,001	-569,337	53,403	(2,036,248)	1,068,233	198,298
INTEREST RECEIVABLE	34,121	48,309	60,931	65,237	63,609	59,848	57,867	48,531	44,176	50,951
INTEREST PAYABLE ON OVERDRAFTS	0	0	0	0	0	0	0	0	0	0
CUMULATIVE SURPLUS / DEFICIT	4,059,603	5,650,448	6,596,681	6,515,858	6,269,466	5,759,977	5,871,247	3,883,530	4,995,940	5,245,189

CALVAY HOUSING ASSOCIATION LIMITED

*** Cashflow ***

	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	TOTAL
INCOME											
Rental Income - Basic	6,311,184	6,437,407	6,566,156	6,697,479	6,831,428	6,968,057	7,107,418	7,249,566	7,394,558	7,542,449	171,521,841
Rental Income - Excess	0	0	0	0	0	0	0	0	0	0	0
Less : Voids	63,112	64,374	65,662	66,975	68,314	69,681	71,074	72,496	73,946	75,424	1,680,374
	<u>6,248,072</u>	<u>6,373,033</u>	<u>6,500,494</u>	<u>6,630,504</u>	<u>6,763,114</u>	<u>6,898,376</u>	<u>7,036,344</u>	<u>7,177,071</u>	<u>7,320,612</u>	<u>7,467,024</u>	<u>169,841,467</u>
Other Rents-Shared Owners & Service Charges	0	0	0	0	0	0	0	0	0	0	0
Total Rental Income	6,248,072	6,373,033	6,500,494	6,630,504	6,763,114	6,898,376	7,036,344	7,177,071	7,320,612	7,467,024	169,841,467
Interest Earned	0	0	0	0	0	0	0	0	0	0	0
Other Income	240,668	245,481	250,391	255,399	260,507	265,717	271,031	276,452	281,981	287,620	6,565,880
TOTAL INCOME	6,488,740	6,618,515	6,750,885	6,885,903	7,023,621	7,164,093	7,307,375	7,453,522	7,602,593	7,754,645	176,407,347
EXPENDITURE											
CAPITAL											
Fixed Assets	-	-	-	-	82,787	-	-	-	-	-	342,910
Planned Maintenance - Balance Sheet	287,915	989,240	890,918	1,327,432	920,897	1,014,247	1,013,556	440,870	531,181	638,806	23,284,098
REVENUE											
Planned Maintenance - Revenue	284,190	488,193	712,322	975,009	995,842	218,838	786,311	1,219,827	314,100	54,996	18,938,790
Cyclical Maintenance	483,744	394,855	435,954	401,976	520,648	400,141	377,373	461,862	482,376	464,356	10,513,359
Reactive Maintenance	752,151	771,030	790,383	810,221	830,558	851,405	872,775	894,682	917,138	940,159	20,121,008
Direct Services	555,337	569,275	583,564	598,212	613,227	628,619	644,397	660,572	677,152	694,148	14,863,898
Management and Administration	2,136,676	2,179,410	2,222,998	2,267,458	2,312,807	2,359,063	2,406,245	2,454,369	2,503,457	2,553,526	58,022,402
Bad Debts	63,112	64,374	65,662	66,975	68,314	69,681	71,074	72,496	73,946	75,424	1,680,374
Other costs	302,874	308,932	315,110	321,412	327,841	334,397	341,085	347,907	354,865	361,963	8,262,989
Past Service Deficit Payments	-	-	-	-	-	-	-	-	-	-	-
Loan Repayments	-	-	-	-	-	-	-	-	-	-	8,031,631
TOTAL EXPENDITURE	4,865,999	5,765,310	6,016,912	6,768,695	6,672,921	5,876,391	6,512,816	6,552,585	5,854,214	5,783,379	164,061,459
NET SURPLUS / DEFICIT IN THE YEAR	1,622,741	853,205	733,973	117,208	350,700	1,287,702	794,559	900,937	1,748,379	1,971,266	12,345,888
CUMULATIVE SURPLUS / DEFICIT	3,587,961	4,441,166	5,175,138	5,292,346	5,643,046	6,930,748	7,725,307	8,626,244	10,374,622	12,345,888	
FUNDING											
Opening Balance	0	0	0	0	0	0	0	0	0	0	2,634,058
Creditors - Cash Movement	0	0	0	0	0	0	0	0	0	0	0
Debtors - Cash Movement	(4,331)	(4,418)	(4,506)	(4,596)	(4,688)	(4,782)	(4,878)	(4,975)	(5,075)	(5,176)	(181,816)
Shared Owners acquire	-	-	-	-	-	-	-	-	-	-	-
Land and Buildings additions	0	0	0	0	0	0	0	0	0	0	(2,312,577)
Loan Finance Received	0	0	0	0	0	0	0	0	0	0	2,312,577
Grant Received	0	0	0	0	0	0	0	0	0	0	0
	<u>(4,331)</u>	<u>(4,418)</u>	<u>(4,506)</u>	<u>(4,596)</u>	<u>(4,688)</u>	<u>(4,782)</u>	<u>(4,878)</u>	<u>(4,975)</u>	<u>(5,075)</u>	<u>(5,176)</u>	<u>2,452,242</u>
	1,618,410	848,787	729,467	112,611	346,012	1,282,920	789,681	895,962	1,743,304	1,966,090	14,798,130
INTEREST RECEIVABLE	60,544	73,485	82,111	87,143	90,308	99,355	110,712	120,247	134,646	154,539	1,793,392
INTEREST PAYABLE ON OVERDRAFTS	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE SURPLUS / DEFICIT	6,924,142	7,846,415	8,657,993	8,857,747	9,294,066	10,676,342	11,576,735	12,592,944	14,470,893	16,591,523	16,591,523