



Manor Estates Group Strategic Plan 2019 – 2022  
(Updated year 3: 2021 – 2022)

Approved by:

Manor Estates Housing Association Board – 27 January 2021

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## **1.0 Executive Summary**

This is the reviewed and updated Strategic Plan of the Manor Estates Group and sets out the organisation's direction, strategy and key priorities for the remainder of the period of the plan i.e. 2021 to 2022. This revision does not depart significantly from the strategic direction outlined in the 2019/22 Corporate Plan, rather it builds upon and refines it.

The Plan outlines the strategy for the Group up until March 2022 and sets out how we achieve our aim to provide good quality housing and services which help improve people's lives and the well-being of local communities

The overall strategic direction of the Association as detailed in this plan, will be subject to annual updates and will be comprehensively reviewed at the end of the three-year period i.e. 2022. This Strategic Plan is complimented by an Annual Business Delivery Plan which translates the strategic vision and business priorities into operational objectives, with associated corporate and departmental targets.

## **2.0 Introduction**

### *Background and Operating Environment of the Manor Estates Group*

The Manor Estates Group is made of two entities: the registered social landlord and charity Manor Estates Housing Association and the letting and factoring agent, Manor Estates Associations Limited.

### *Manor Estates Housing Association (MEHA)*

Manor Estates Housing Association is a registered social landlord which was established in 1995 following a large scale stock transfer of housing from Scottish Homes. The Association has charitable status. Of the 956 houses acquired in 1995, around 200 have been sold under the provisions of the Right to Buy. In the last 15 years the Association has acquired more than 230 additional properties as a direct consequence of either new build development activity, a transfer of engagements and properties being acquired via the Mortgage to Rent scheme.

The Association currently manages 1014 Social rented properties which are mainly located across Edinburgh. It also provides factoring services to 1,700 home owners, most having acquired their homes through Right to Buy or subsequent resales. High standards of maintenance within common areas and effective estate management are central to ensuring neighbourhoods are attractive and safe for all our customers.

The Association is governed by a Board of volunteers drawn from its membership, although co-option of individuals with specialist expertise or knowledge is considered from time to time.

### *Manor Estates Associates Limited*

In 2008 a subsidiary company, Manor Estates Associates Limited (MEAL) was established, to provide private renting and factoring services. It currently manages 80 Mid-Market Rent homes, 7 garages and provides commercial factoring services to 20 home owners. It is also the route through we provide ad hoc services to smaller Housing Associations.

A separate business plan has been developed for MEAL setting out its areas of activity, scope for business development and financial projections. Any financial surpluses generated by MEAL are gift aided to the Association to assist in meeting its charitable purposes.

### *The Group Strategic Plan*

The Strategic Plan sets a clear direction for the Group's operational activity by establishing its priorities and setting key business goals. The plan articulates how the group uses its resources and develops available opportunities. It is core to our approach to business planning and links to other key planning documents.

In setting the context for the Group's operational activities, the plan reviews and takes account of the wider environment within which Manor Estates operates, both currently and in the future as set out in the following additional documents, copies of which can be obtained on request:

- Manor Estates (Group) Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis (November 2020)
- Manor Estates (Group) Political, Economic, Social, Technological, Legal and Environmental (PESTLE) Analysis (November 2020)
- City of Edinburgh Council "City Housing Strategy, 2018, November 2017
- Edinburgh Health and Social Care Partnership Strategic plan 2016 – 2019
- City of Edinburgh Council, "Strategic direction for tackling Homelessness in Edinburgh", February 2017
- Scottish Housing Regulator "Scottish Social Housing Charter, standards and outcomes" April 2012
- Regulatory Standards of Governance and Financial Management
- City of Edinburgh Council, "Programme for the Capital: The City of Edinburgh Council Business Plan 2017 – 2022, August 2017
- City of Edinburgh Council Rapid Rehousing Plan

## *Supporting Group Strategies and Plans*

The strategy is supported by a range of specific internal documents as listed below, copies which are available on request:

- 25-year Business Plan;
- Treasury Management Policy;
- Asset Management Strategy;
- Risk Management Strategy;
- Business Development Strategy;
- Energy Efficiency Strategy
- Sustainability Strategy
- Development Strategy; and
- ICT Strategy

### **3.0 Group Vision, Values and objectives**

Manor Estates Group is committed to maintaining a focus on delivering high quality and appropriate services to all its customers while maintaining its social purpose and values.

#### **The Group's Vision:**

*“To provide good quality housing and services which help improve people’s lives and the well-being of local communities”*

#### **The Group's Values:**

To address and deliver the vision of the association, both board members and staff adhere to the following common values:

<b><i>Being Professional:</i></b>	<b><i>“We will demonstrate knowledge and confidence in our work. We will be open and honest and communicate clearly”.</i></b>
<b><i>Customer Focused:</i></b>	<b><i>“We will provide high quality and reliable services. We will engage, listen and respond to our customers, delivering what we say we will”</i></b>
<b><i>Embracing Teamwork:</i></b>	<b><i>“We will respect our colleagues and partners, treating them fairly, and contribute to a mutually supportive and inclusive working environment which benefits our customers”</i></b>
<b><i>Maintaining Quality:</i></b>	<b><i>“We will provide consistently high quality services and seek to improve what we do by adapting positively to change”</i></b>

## **Impact of Covid 19**

The Association's ability to deliver all its services and planned activities in 2020/21 (year 2 of the Plan) has been impacted upon by the global pandemic, Covid 19. The Association had to change the way it undertook some of its key activities throughout the year to ensure the safety of our staff and customers. We acknowledge that our overall progress against some of our planned activities in 2020/21 has been hampered or delayed as a result and therefore our ability to achieve everything we wanted to throughout the lifespan of the plan. The Association will plan and endeavour to make up for lost time throughout the course of the final year of the strategic plan, 2021/22, whilst acknowledging that it may yet be some time before we are able to return to normal working practices. .

Ref	2019 – 2022 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
1	Invest in and develop the assets of the organisation, using our resources effectively to build and maintain good quality homes and neighbouring environments	<p>Review the Association's property and resources, minimising our exposure to non - productive assets</p> <p>Option appraisal on additional use of the community centres</p>	<p>Development of a stock rationalisation and disposal strategy</p> <p>Disposal of properties in accordance with Disposal Strategy</p> <p>Amount of time that the Community facilities are used</p>	<p>Stock rationalisation and disposal strategy is in place</p> <p>All void properties that do not meet standard have been disposed of</p> <p>All void properties are appraised for continued rental or disposal</p> <p>Increase use of the community facilities in the retirement schemes.</p>
		Work with others to pursue the development of new-build housing opportunities	Increase in stock figures	Increase in stock figures – up to 1,150 properties
		Attain SHQS and EESSH 1 compliance	Level of SHQS Compliance	100% of properties meet SHQS excluding properties with

Ref	2019 – 2022 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
		Develop understanding of EESSH 2 requirements and develop plan to deliver full compliance by 2032	<p>Level of EESSH 1 Compliance</p> <p>Level of EESSH 2 compliance</p>	<p>exemptions and abeyances</p> <p>85% of properties meet EESSH excluding properties with exemptions</p> <p>80% of properties meet EESSH 2 excluding properties with exemptions</p>
		<p>Have in place effective and costs efficient reactive, cyclical and planned works arrangements underpinned by comprehensive procurement</p> <p>Develop Asset Management strategy</p>	<p>Planned Works procured</p> <p>Planned works programmed in accordance with Asset Management Strategy</p> <p>Asset Management Strategy developed</p>	<p>Delivery of 100% of Planned works completed in accordance with annual programme</p> <p>Asset management Strategy approved by the Board</p>
		Improve the quality of common area maintenance and	Uptake of Garden Aid Scheme	Level of uptake of Garden aid scheme



Ref	2019 – 2022 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
		<p>environmental standards irrespective of tenure</p> <p>Develop plan to encourage customer engagement</p>	<p>Number of Estate management inspections carried out</p>	<p>100% of estates inspected per annum</p>
		<p>Invest resources in tenant and community safety initiatives, particularly in respect of fire risk management.</p> <p>Develop Tenant and Resident Safety Strategy</p>	<p>Full compliance with revised Tolerable Standard Fire Detection and Carbon Monoxide Detection by Feb 2021</p> <p>Tenant and Resident Safety Strategy developed</p>	<p>100% of all MEHA properties fitted with a fire detection system</p> <p>Tenant and Resident Safety Strategy approved by Board</p>
		<p>Review and enhance factoring arrangements, administration and engagement with owners</p> <p>Appoint consultant to review factoring procedures</p>	<p>Review of factoring arrangements in light of new Code of Conduct for Factoring</p> <p>Review long term debt arrangements</p> <p>All factoring procedures reviewed and updated</p>	<p>Revised written statement of service in place</p> <p>Compliance with new Code of Conduct for Factoring</p> <p>95% “Current Debt” recovery target met</p>

Ref	2019 – 2022 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
		Develop an engagement approach for owners	Increased satisfaction level with factoring service	75% satisfaction level from owners
		<p>Make the most effective use of adaptation funding and other resources to assist vulnerable tenants establish and sustain their tenancies</p> <p>Continue to strengthen links with Advice and Assessment Team</p> <p>Work closely with delayed discharge team</p>	<p>Full spend of allocated funding each year</p> <p>Additional funding secured</p> <p>Properties with pre-existing adaptations to be allocated to those that require them</p>	<p>Adaptations funding spend fully achieved</p> <p>Demand for adaptations met</p> <p>Additional funding secured</p> <p>95 properties with pre-existing adaptations are allocated to those requiring them</p> <p>.</p>
		Assess and develop alternative uses for the common ground owned by the Association	Develop a common ground register	Common ground register developed
2	Improve the energy efficiency of the housing stock while providing advice and services to householders which mitigate fuel poverty	Continue to improve and develop high quality, energy efficient homes	Compliance with EESSH 1	85% of properties meet EESSH excluding properties with exemptions

Ref	2019 – 2022 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
		Utilising both internal and external resources, attain EESSH 1 compliance		
		Research new technology, products and funding streams to address energy efficiency and compliance with EESSH 2		
		Inform, educate and provide advice to tenants as to how to minimise fuel poverty	Establish new Leith service in conjunction with Changeworks and POLHA	75 tenants referred to energy advice service per annum .
		Develop self help guide on website	Number of views of self help guide on website Number of households without heating systems	New format of information on website
		Target engagement with those households that do not have energy efficient or no heating systems in place	Number of households have efficiency heating systems installed	98% of households have an efficient heating system installed in their property (where not obstructed by tenant choice)

Ref	2019 – 2022 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
3	Develop and apply supportive services which aid current and future householders to sustain their tenancies	Taking account of customer aspirations, develop, refine and operate appropriate communication, information sharing and engagement mechanisms	Level of customer engagement	<p>Implementation of Customer Engagement Strategy</p> <p>Increase membership of Armchair Panel and report on outcomes of any work they are involved in</p> <p>Trial 'live chat' option on Twitter</p> <p>Pilot estate walkabouts with residents on one or two estates</p> <p>Develop consultation register that enables us to contact tenants using method that best suits them</p>
		Establish either directly, in partnership, or by signposting to other agencies, a range of advice and information services which will aid tenants sustain their	Number of tenants referred to <ul style="list-style-type: none"> <li>▪ Welfare Rights</li> <li>▪ Energy Advice</li> <li>▪ Debt Advice</li> </ul>	At least 70 tenants referred to welfare rights and debt advice per annum .

Ref	2019 – 2022 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
		tenancies and reduce financial exclusion  Develop debt advice project with ARCHIE members		At least 75 tenants receive energy advice
		Focus association resources on tenancy sustainment and neighbourhood cohesion activities	Monitor spend of tenancy sustainment budget  Number of new tenancies sustained for over one year	100% of Tenancy Sustainment budget spent  95% of new tenancies sustained for more than one year  Less than 4 abandonments 4 and evictions each year
		Increase levels of customer digital engagement	Develop tenant portal  Broadband within all three retirement schemes	Number of digital transactions/enquiries increased each year  Broadband in the three schemes
4	Support all of Manor Estates activities by ensuring the application of good governance, sound financial control, and risk mitigation complimented by effective and efficient administration	Appraise and ensure compliance with all necessary regulatory requirements	Compliance with Scottish Housing Regulator's Governance Standards	Full compliance with Letting Agents Code of Conduct and Property Factors Code of Conduct

Ref	2019 – 2022 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
		Review of all standards carried out during 2020/21, approved by Board and assurance statement submitted to SHR	All standards are reviewed  Assurance statement submitted to SHR on time	100% compliance with Register of returns  Assurance Statement submitted
		Ensure the Association is compliant with GDPR and FOI obligations	Compliance with FOI and GDPR	All requests dealt with in accordance with guidance
		Complaint handling is in line with SPSO guidance	All stage 1 and stage 2 Complaints are responded to on time  Number of complaints referred to SPSO and First Tier Tribunal	100% of stage 1 complaints are responded to within 5 days  100% of stage 2 complaints are responded to within 20 days
		Effectively manage the financial resources of the organisation and ensure its on – going and long term viability	Monitoring of monthly management accounts and budget review  25 year budget	Association remains financially viable over 25 years  Full compliance with treasury management policy

Ref	2019 – 2022 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
			Compliance with treasury management policy	Clean Audit Report
		Ensure staff are equipped, supported, motivated and trained to deliver the aims? of the organisation	<p>Compliance with Staff performance policy</p> <p>The number of staff with an agreed training plan in place</p> <p>Staff have the appropriate equipment to work from home</p> <p>Staff working days lost through sickness</p> <p>Positive feedback from staff</p> <p>External recognition awarded</p>	<p>All staff have at least 6 1:1s, mid-year and annual appraisal</p> <p>All staff have an agreed training plan in place</p> <p>All staff have appropriate office equipment to enable safe working from home</p> <p>Absence rate of less than 3%</p> <p>Maintained HWL accreditation</p> <p>Positive results from staff survey and Healthy Working Life's</p> <p>Maintain IIP accreditation</p>

Ref	2019 – 2022 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
		Facilitate training, communications and engagement with Board members, to ensure they are equipped and briefed to perform their role as governing body members.	Board member attendance at Board meetings and events  75% of recommended/organised activities completed by Board members	At least 75% attendance at Board meetings on average per annum  Minimum of 75% of identified activities to meet learning and development needs completed by the Board members
		Invest appropriately to attain Value for Money in the delivery of administrative, ICT and service delivery practices	Comply with procurement requirements	Full compliance of Procurement Policy across all departments and service functions



## 5.0 Value for Money

The Group is committed and plan for improving and attaining Value for Money in all activities.

It is the intention of the Group to develop a suite of measures and to establish agreed and acceptable standards of practice and service delivery, which strive towards the attainment of Value for Money in all we do.

### What does Value for Money Mean?

The Association will seek to use its capital, assets, revenue and resources effectively and in a commercial, business– like manner for the benefit of its customers in all its actions.

In essence Value for Money means – **“Doing the right things, in the right way and at the right price”**. It does not mean doing things cheaply, but rather making decisions which are based on effectiveness, efficiency and economy criteria. Invariably there is a consequence of cost reduction on service quality and care will always be taken by the Association to ensure that appropriate and necessary consideration is given to the trade-off between quality and price.

## 6.0 Asset Management

The Association stock figures have remained static through the period of the current Strategic Plan.

### Current stock as at 31 December 2020:

	Social Stock	Mid- Market Stock	Total Stock	%
House	378	0	378	34.55%
Tenement	410	80	490	44.79%
4 in a Block	150	0	150	13.71%
Other flat / maisonette	76	0	76	6.95%
<b>Total</b>	<b>1014</b>	<b>80</b>	<b>1094</b>	<b>100.00%</b>

	Social Stock	Mid- Market Stock	Total Stock	%
Pre 1919	4	0	4	0.37%
1919-1944	17	0	17	1.55%
1945-1964	426	0	426	38.94%
1965-1982	188	0	188	17.18%
1983-2002	310	0	310	28.34%
Post 2002	69	80	149	13.62%
<b>Total</b>	<b>1014</b>	<b>80</b>	<b>1094</b>	<b>100.00%</b>

## 7.0 Financial Planning and Treasury Management

7.1 The annual 25 year financial plan consists of the budget Income and Expenditure Account (with covenant calculations) for each year, cash flows and balance sheets. Figures for the first 5 years of this plan (2021/22 to 2026) are attached as Appendix a. They demonstrate our continued viability over the period both in terms of generating surpluses and covenant compliance.

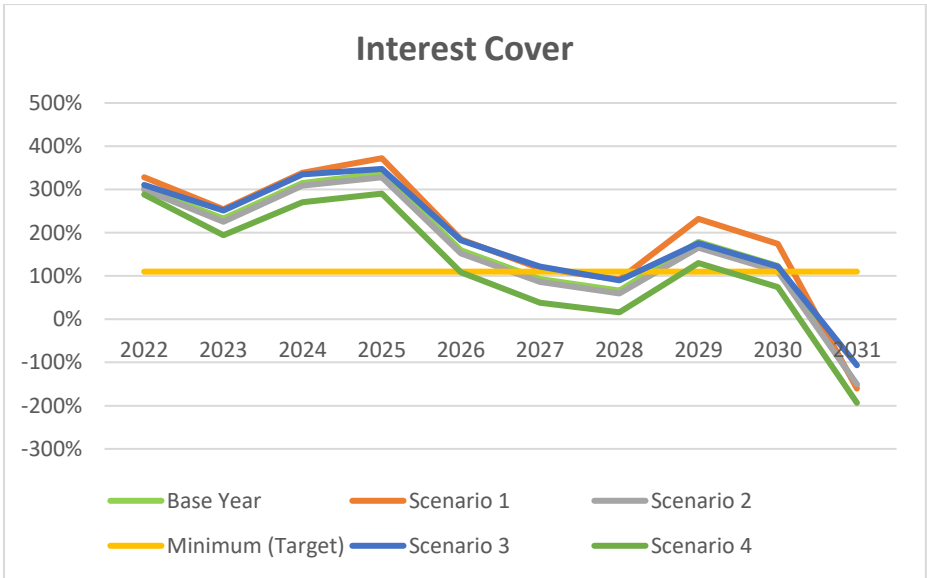
7.2 In drawing up our financial projections for the next five years we have had to make a series of assumptions. This year's 25 year financial plan has been based on the following assumptions:

	2021/22	2022/23	2023/24 and beyond
<b>Rent increase</b>	0.5%	2.5%	2.2%
<b>General Inflation</b>	2.1%	2%	2.1%
<b>Salary increase</b>	1%	2.1%	2.1%
<b>Planned Maintenance Inflation</b>	4.1%	4%	4.1%

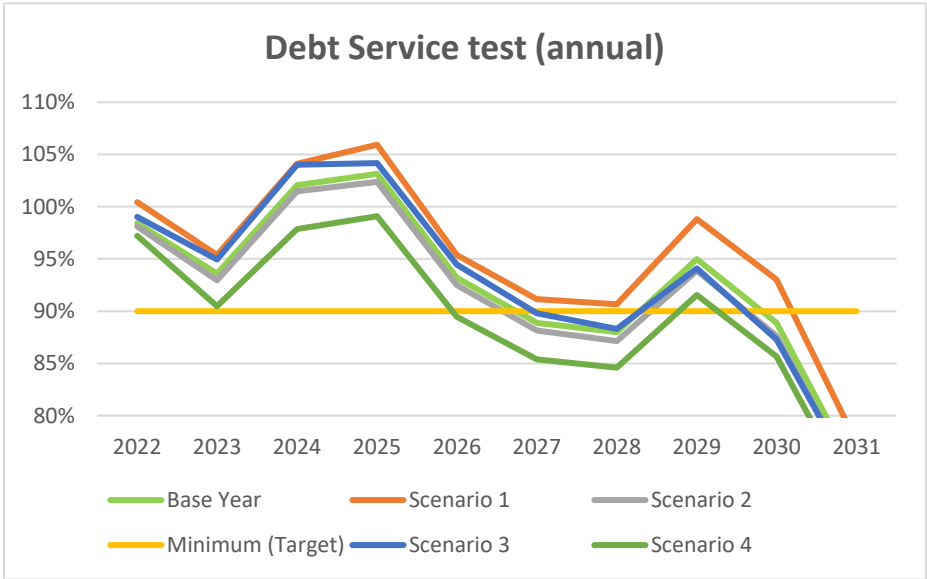
7.3 To assist us in setting the rent increase, a range of scenarios (varying key factors) have been calculated (scenario figures shown in Appendix b). The graphs below illustrate the effect of the various scenarios when compared with the base year (the figures attached as appendix a) for the first 10 years of the plan and provide reassurance that the Association is generally resilient to fundamental changes in economic conditions during the early years. However the effect of the increased investment required to meet EESSH 2 lowers the Associations resilience from 2026 on.

7.4 These scenarios can be described as:

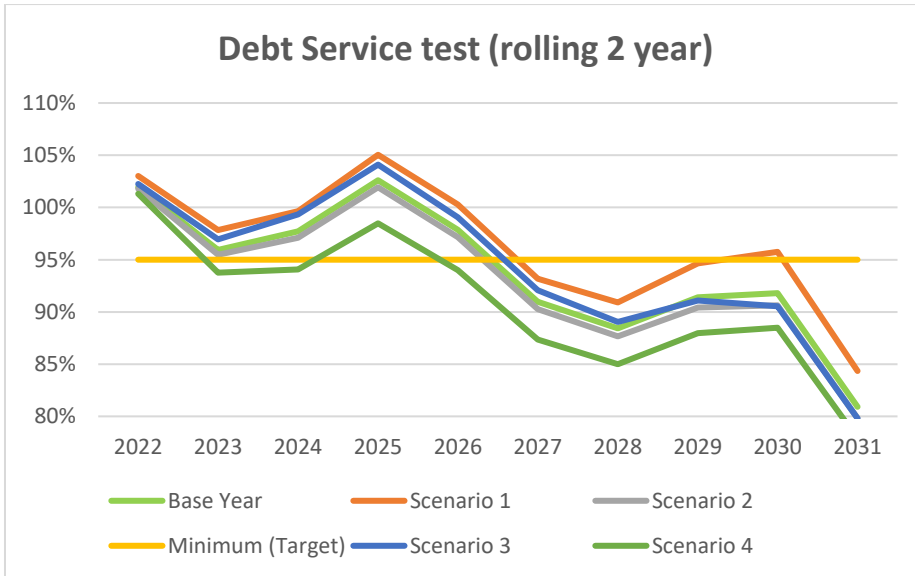
- **Scenario 1:** There occurs a general uplift in inflation from 2020 onwards.
- **Scenario 2:** There occurs a period of low inflation and low rent increases
- **Scenario 3:** The UK economy enters a period of deflation
- **Scenario 4:** Rents are reduced while construction inflation increases



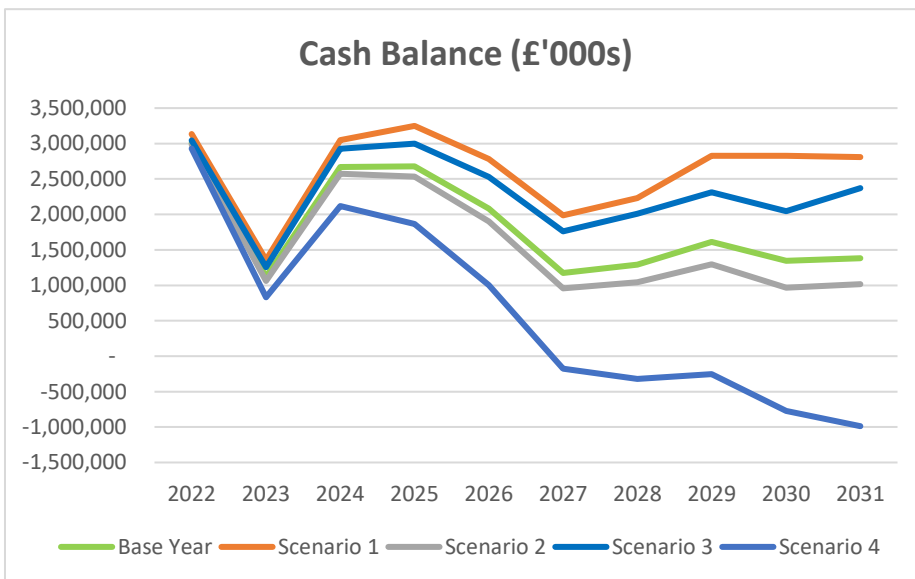
Interest Cover: MEHA’s lender, Santander require MEHA to ensure that it can cover the cost of MEHA’s interest by 110%. As illustrated above, each scenario would result in this covenant being met for the first 5 years of the 25 year plan.



Debt Servicing (annual): In this covenant, Santander want to ensure that MEHA’s total expenditure doesn’t exceed 90% of its income. Each scenario, would result in the covenant being met for the first 5 years of the plan, though scenario 4 comes close to breaching it in 2023.



Debt Servicing (over 2 years): In this covenant, Santander want to ensure that MEHA’s total expenditure doesn’t exceed 95% of its income over two years. As can be seen here, scenario 4 breaches this covenant in 2023 and 2024.



Cash Balance: In this comparison of cash balances, all scenarios except scenario 4, return a positive cash balance.

7.5 Treasury Management . As a result of the Association’s loan prepayment of £1.8m in 2018/19 there was no loan repayment necessary in 2019/20 and there will be a reduced repayment in 2020/21.

The following table illustrates the decreasing debt level under the present loan arrangement until 31<sup>st</sup> March 2025, by which time the Association’s original loan will

have been fully paid off, the remaining debt having been accrued as a direct result of more recent new build development and the planned development in South Queensferry.

<b>Year ended</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Balance</b>	£13.8m	£12.6m	£12.4m	£12.7m	£11.5m

7.6 During the year to 31 March 2020, the Association started fire and carbon monoxide detector replacement which will be completed in 2021/22 (delayed due to Covid 19). A 5 year loan for the work will be provided by the Scottish Ministers at 0% interest and will be repayable in equal instalments over the 5 year period.

## **8.0 Risk Management and Mitigation**

The Association has in place a detailed Risk Management Strategy. Reports on potential risks of threats likely to impact on the work and well-being of the organisation are developed by the Senior Management Team and submitted to the Audit Committee quarterly along with mitigating actions as a risk map. Major risks are identified and referred to the Board at six monthly intervals for their review, consideration and reassurance.

The high level risks identified and considered most critical to the future well-being of the organisation and its delivery of services.

1. **Operating environment** - impact of covid and higher levels of unemployment amongst tenants, benefit reductions; benefit cap; universal credit and direct payments, leading to increased arrears and bad debts The impact of welfare benefit cuts compounded by general austerity and its impact on tenants and customers
2. **Liquidation of principal contractor** - a contractor on whom the Association relies in order to deliver services, ceases to trade or where its ability to deliver services are severely compromised.
3. Cyber security breaches, impacting on ICT systems
4. Estate / neighbourhood degradation and the unwillingness of owners to participate in schemes of common repair or improvement

**Inherent Corporate Risks** – those risks ranked, based on the assumption there are no control mechanisms in place to moderate the impact on the Association

## Inherent Risks

Impact ..					
<b>5 Catastrophic</b>				<b>3.</b>	
<b>4 Major</b>				<b>2.</b>	<b>1. 4. .</b>
<b>3 Moderate</b>					
<b>2 Minor</b>					
<b>1 Insignificant</b>					
<b>Likelihood ...</b>	<b>1 Rare</b>	<b>2 Unlikely</b>	<b>3 Possible</b>	<b>4 Likely</b>	<b>5 Almost Certain</b>
Risk Description		Likelihood	Impact	Exposure	
1. <b>Operating environment</b> - impact of covid and higher levels of unemployment amongst tenants, benefit reductions; benefit cap; universal credit and direct payments, leading to increased arrears and bad debts		<b>5</b>	<b>4</b>	<b>Catastrophic</b>	
2. <b>Liquidation of principal contractor</b> - a contractor on whom the Association relies in order to deliver services, ceases to trade or where its ability to deliver services are severely compromised.		<b>4</b>	<b>4</b>	<b>Major</b>	
3. Cyber security breaches, impacting on our ICT systems		<b>4</b>	<b>5</b>	<b>Catastrophic</b>	
4. Estate / neighbourhood degradation and the unwillingness of owners to		<b>5</b>	<b>4</b>	<b>Catastrophic</b>	

participate in schemes of common repair or improvement			
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Establishing actions to either Tolerate, Treat, Transfer or Terminate the risk has resulted in the undernoted actions being adopted:

As a result, Inherent Risks are reclassified on a Residual Risk matrix which identifies and records risks posed after mitigating actions have been taken. The residual corporate risk map is set out below

Risk Description	Control Measures	Revised Likelihood	Revised Impact	Residual Exposure
<b>Operating environment</b> - impact of covid and higher levels of unemployment amongst tenants, benefit reductions; benefit cap; universal credit and direct payments, leading to increased arrears and bad debts	<ul style="list-style-type: none"> <li>• Include in financial scenario planning – potential negative impacts of welfare benefit adjustments.</li> <li>• Revise regularly our Welfare Reform Strategy</li> <li>• Develop improved benefits advice and training for staff</li> </ul>	<b>5</b>	<b>3</b>	<b>Moderate</b>
<b>Liquidation of principal contractor</b> - a contractor on whom the Association relies in order to deliver services, ceases to trade or where its ability to deliver services are severely compromised.	<p>Review contingency plans test plans where possible.</p> <ul style="list-style-type: none"> <li>• Maintain watching brief on performance and financial health of principal contractors</li> <li>• Maintain contact with local sector / alternative Contractor capacity</li> <li>• Maintain buyer status Public Contracts Scotland, to access Contractors in marketplace.</li> </ul>	<b>4</b>	<b>3</b>	<b>Moderate</b>


Cyber security breaches, impacting on our ICT systems	<ul style="list-style-type: none"> <li>• Ensure effective partnership working with contractors and agents.</li> <li>• Implement recently agreed ICT strategy.</li> </ul>	<b>3</b>	<b>4</b>	<b>Moderate</b>
Estate / neighbourhood degradation and the unwillingness of owners to participate in schemes of common repair or improvement.	<ul style="list-style-type: none"> <li>• Develop revised strategy for common area Maintenance</li> <li>• Engage with owners in mixed tenure estates and encourage active participation.</li> <li>• Ensure factoring operational business systems are efficient</li> </ul>	<b>5</b>	<b>3</b>	<b>Moderate</b>

### Residual Risks

<b>Impact</b> ..					
<b>5</b> <b>Catastrophic</b>					
<b>4</b> <b>Major</b>			<b>3.</b>	<b>.</b>	
<b>3</b> <b>Moderate</b>				<b>2</b>	<b>1. &amp; 4.</b>
<b>2</b> <b>Minor</b>					
<b>1</b> <b>Insignificant</b>					
<b>Likelihood ....</b>	<b>1</b> <b>Rare</b>	<b>2</b> <b>Unlikely</b>	<b>3</b> <b>Possible</b>	<b>4</b> <b>Likely</b>	<b>5</b> <b>Almost Certain</b>



## Appendix (a): Budgets (5 year forecast)

		DRAFT SUMMARY INCOME AND EXPENDITURE BUDGET				
		2021/22	2023	2024	2025	2026
<b>INCOME</b>						
NET RENTS		5,168,224	5,297,430	5,500,624	5,621,638	5,745,314
OWNER OCCUPIERS		294,152	291,989	298,247	304,640	311,170
OTHER INCOME		180,750	80,960	60,988	69,584	70,857
SERVICE CHARGES		217,008	222,206	227,059	232,019	237,086
LEASE CHARGE		392,832	400,689	409,103	499,014	509,493
HAG		320,000	320,000	320,000	320,000	320,000
		6,572,966	6,613,274	6,816,023	7,046,895	7,193,921
<b>EXPENDITURE</b>						
LOAN INTEREST		547,610	574,426	619,925	590,208	553,700
MAINTENANCE COSTS		1,293,057	1,422,728	1,571,338	1,607,372	2,808,319
SERVICE CHARGES		203,389	208,474	218,907	258,874	233,428
STAFF COSTS		1,220,365	1,245,993	1,272,159	1,298,874	1,326,151
ADMINISTRATION COSTS		165,841	190,324	183,349	188,467	191,768
OFFICE OVERHEADS		543,138	533,059	542,117	569,502	565,610
DEPRECIATION		834,723	829,772	828,201	840,726	858,140
OTHER EXPENSES		128,800	95,808	88,448	90,305	101,972
		4,936,925	5,100,583	5,324,442	5,444,328	6,639,086
<b>SURPLUS / DEFICIT</b>		1,636,042	1,512,690	1,491,580	1,602,567	554,834
<b>INTEREST COVER MIN 110%</b> (as adjusted for CA investment)		303%	233%	315%	337%	159%
<b>DEBT SERVICE TEST (Annual) 90%</b>		98%	94%	102%	103%	93%
<b>DEBT SERVICE TEST (2 yr b/w) 95%</b>		102%	96%	98%	103%	98%



**BUDGET BALANCE SHEET FOR THE 5 YEARS TO 2026**

	2021/22	2023	2024	2025	2026
HOUSING STOCK	43,493,491	47,191,434	47,077,851	47,015,017	46,929,211
OFFICE PROPERTY	80,001	60,001	40,001	24,254	3,191
OFFICE EQUIPMENT	200,338	187,170	175,334	170,694	188,338
MMR FURNISHINGS	53,950	66,218	45,950	114,565	127,608
	<b>334,289</b>	<b>313,389</b>	<b>261,284</b>	<b>309,513</b>	<b>319,136</b>
INVESTMENTS	100	100	100	100	100
	<b>43,827,880</b>	<b>47,504,922</b>	<b>47,339,235</b>	<b>47,324,630</b>	<b>47,248,448</b>
RENTAL DEBTORS	101,338	119,884	139,136	158,812	178,920
OTHER DEBTORS & PREPAYMENTS	255,083	220,316	194,685	169,957	146,924
BANK & CASH BALANCES	3,005,891	1,118,163	2,669,585	2,680,012	2,082,993
	<b>3,362,311</b>	<b>1,458,363</b>	<b>3,003,406</b>	<b>3,008,780</b>	<b>2,408,837</b>
CREDITORS & ACCRUALS	( 960,530)	( 969,025)	( 978,140)	( 987,641)	( 1,001,294)
TAX & SOCIAL SECURITY	( 28,847)	( 30,716)	( 32,624)	( 34,572)	( 36,561)
LOANS UNDER 1 YEAR	( 1,303,203)	( 1,303,247)	( 1,303,247)	( 926,603)	( 926,603)
DEFERRED HAG	( 313,069)	( 313,069)	( 313,069)	( 313,069)	( 313,069)
	<b>( 2,605,648)</b>	<b>( 2,616,057)</b>	<b>( 2,627,079)</b>	<b>( 2,261,885)</b>	<b>( 2,277,528)</b>
NET CURRENT ASSETS	756,663	( 1,157,694)	376,326	746,895	131,309
CREDITORS OVER 1 YEAR					
LOAN	( 11,400,000)	( 11,200,000)	( 11,500,000)	( 10,600,000)	( 9,700,000)
EET	( 108,628)	( 82,025)	( 55,422)	( 28,819)	( 2,216)
FIRE DETECTORS	( 153,246)	( 76,644)	0	0	0
HAG	( 12,679,052)	( 13,398,052)	( 13,078,052)	( 12,758,052)	( 12,438,052)
PENSION	( 13,673)	0	0	0	0
DILAPIDATIONS	0	0	0	0	0
PENSION DB	( 152,127)	0	0	0	0
	<b>( 24,506,726)</b>	<b>( 24,756,721)</b>	<b>( 24,633,474)</b>	<b>( 23,386,871)</b>	<b>( 22,140,268)</b>
<b>NET ASSETS</b>	<b>20,077,817</b>	<b>21,590,507</b>	<b>23,082,087</b>	<b>24,684,654</b>	<b>25,239,489</b>
REPRESENTED BY RESERVES					
SHARES	( 82)	( 82)	( 82)	( 82)	( 82)
ORDINARY RESERVES	( 20,077,735)	( 21,590,425)	( 23,082,005)	( 24,684,572)	( 25,239,407)
	<b>( 20,077,817)</b>	<b>( 21,590,507)</b>	<b>( 23,082,087)</b>	<b>( 24,684,654)</b>	<b>( 25,239,489)</b>



## Appendix (b): Scenario Sensitivity Analysis Data

<b>Base information</b>	<b>Scenario 1 Increased inflation</b>	<b>Scenario 2 Increased inflation and rent</b>	<b>Scenario 3 Deflation</b>	<b>Scenario 4 Rent Reduction</b>
<b>Rent increase:</b> Year 1: <b>0.5%</b> Year 2: <b>2.5%</b> Year 3: <b>2.2%</b>	Rent increase: Year 1: 3.5% Year 2: 3.75% Year 3: 3.75%	Rent increase: Year 1: 0% Year 2: 1.5% Year 3: 2%	Rent increase: Year 1: 1% Year 2: 1.5% Year 3: 1.5%	Rent increase: Year 1: <b>-1%</b> Year 2: 0% Year 3: 1%
<b>Inflation:</b> Year 1: <b>2.1%</b> Year 2: <b>2%</b> Year 3: <b>2.1%</b>	Inflation: Year 1: 3.5% Year 2: 4% Year 3: 4%	Inflation: Year 1: 0.3% Year 2: 1% Year 3: 1.5%	Inflation: Year 1: -1% Year 2: 0% Year 3: 0%	Inflation: Year 1: 2.5% Year 2: 2.1% Year 3: 2%
<b>Salary increases:</b> Year 1: <b>1%</b> Year 2: <b>2.1%</b> Year 3: <b>2.1%</b>	Salary increases: Year 1: 3.0% Year 2: 3.5% Year 3: 3.5%	Salary increases: Year 1: 0.5% Year 2: 1% Year 3: 1.5%	Salary increases: Year 1: 0% Year 2: 0% Year 3: 1%	Salary increases: Year 1: 1% Year 2: 1% Year 3: 1%
<b>Construction inflation:</b> Year 1: <b>4.1%</b> Year 2: <b>4%</b> Year 3: <b>4.1%</b>	Construction inflation: Year 1: 7.5% Year 2: 8% Year 3: 8%	Construction inflation: Year 1: 2.3% Year 2: 3% Year 3: 3.5%	Construction inflation: Year 1: -2% Year 2: -1% Year 3: 0%	Construction inflation: Year 1: 5% Year 2: 4.6% Year 3: 4.5%

Appendix (c): Governance and Board Membership

**Manor Estates Housing Group: Board Memberships and  
as at 1<sup>st</sup> April 2021**

<u>Name</u>	<u>Manor Estates</u>	<u>Audit Committee</u>	<u>Manor Estates Associates Limited</u>
Rachel Hutton	√		
Andrew Scott	√	√	
Nigel Hicks	√	√	
Carole Tait			√
Mike Trant	√	√	
Andrew Clark	√	√	
Sam Mills	√		√
Brian McMurray			√
Andrew Moodie			√
Geoff Kitchener	√		
Daniel Duff	√		
Phil Rowsby	√		

*The Board of the Association meets on nine occasions each year (there being no meetings in February, July and December.), the Audit Committee and MEAL Board both meet quarterly.*

**Short Biography of Board members**

Rachel Hutton	Employability Adviser with Edinburgh RSL, Board member since September 2014 and elected Chair October 2020
Andrew Scott	IT consultant and business process specialist. He has extensive commercial and private sector experience as well as previously worked with and for RSLs in the past. Board member since January 2019 and elected Vice Chair in October 2020
Nigel Hicks	Retired Housing Association Finance Director – Board member since September 2014, elected chair – December 2016 until September 2020
Carol Tait	Finance Assistant with major Scottish Institution and tenant, Board member since October 2011

Mike Trant	Retired Housing Association Asset Management and Policy manager, Board member since January 2017
Andrew Clark	Retired former housing association Finance and Corporate Services Director, Board member since October 2017. Chair of Audit Committee since ?
Sam Mills	Head of projects with a charity, she has considerable experience of the energy and fuel poverty mitigation sector, environmental management, fundraising partnership working, Board member since January 2019. Is also a member of the MEAL Board
Brian McMurray	A chartered accountant, independent Board member and chair of MEAL, a board member since 2019
Andrew Moodie	A senior officer in a large Registered Social Landlord, with experience of commercial letting, MEAL Board member since 2019
Geoff Kitchener	Retired Customer Service Manager Tenant of the Association, elected to the Board September 2020
Daniel Duff	Retired Procurement Manager, Tenant of the Association, elected to the Board September 2020
<u>Phil Rowsby</u>	Employed by Heriot Watt University. Co-opted to the Board October 2020

## Appendix (d): Senior Management Team

### **Short Biography of Senior Management Team**

Claire Ironside CEO	Joined the Association in September 2019, she is responsible for the governance and strategic direction of the Association. Former Director of Customer Services at Port of Leith HA, she has a post graduate degree in Housing Studies, a Common Purpose graduate and a member of the Chartered Institute of Housing. She has over twenty-five years of working in housing and regeneration in Edinburgh and the Lothians.
Carolyn Hughes Housing Management Director/Depute CEO	<p>Joined the Association in December 2004, she is responsible for leading the Housing Management Team ensuring that tenancy services meet legislative and good practice requirements. As the depute CEO she supports the CEO in dealing with a range of HR and Governance issues.</p> <p>A graduate of Edinburgh University, she is a member of the Chartered Institute of Housing and has worked in a number of housing roles with both housing associations and local authorities. She also spent a short time with Communities Scotland, now the Scottish Housing Regulator</p>
Amanda Hay Property Services Director	Joined the Association in December 1997, she is responsible for asset management, procurement planning, programming the long term upgrades to the properties, including the installation of energy efficiency measures, and for the factoring service. She has a degree in Quantity Surveying and is a member of the Royal Institution of Chartered Surveyors, has previously worked in private practice quantity surveying firm, for British Railways Contracting Division and Inland Revenue Assets and Facilities Management.
Kathryn Miller Corporate Services Director	Joined the Association in August 2007, responsible for the Association's Finances, ICT, reception and office. She has previously worked with both SFHA and Old Town Housing association and has 27 years' experience in the Housing movement. She is a fellow Chartered Accountant and has a Master's in Business Administration.

## Appendix (d): Group service Delivery and Business Effectiveness KPIs

Indicator	Target 2021/22
Current rent arrears as % of rent due current tenants	3%
Former tenant rent arrears as % of rent due	0.75%
Rent collected as % of rent due	97%
Rent loss due to voids (%)	0.6%
Average days to relet voids	20
Average time to complete emergency repairs	2 Hours
Average time to complete non-emergency repairs	13 days
Repair appointments kept (%)	98% Under review to extract tenant no access
Repairs completed right first time (%)	97%
Tenant satisfied with repairs (%)	90%
Gas servicing carried out within 12 months of previous service	100%
Complaints are responded to and closed within agreed time deadlines	100%
Staff who have provided the required paperwork are paid accurately on the 28 <sup>th</sup> of each month	100%
Authorised accounts payable invoices are paid within 28 days of receipt	80%
All internal audits	All achieve reasonable assurance
External Audit	Clean audit report