



Manor Estates Group Strategic Plan 2022 – 2027
(Year 2 update 2023 – 2027)

Approved by:

Manor Estates Housing Association Board –22 February 2023

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1.0 Executive Summary

Welcome to our Strategic Plan which sets out our Plans for the period 2022 to 2027. This Plan (updated February 2023) sets out what we want to achieve, as a Group, over the next four years. It also sets out the foundations for our activities beyond the life of this Plan.

The Plan was written during the backdrop of the CoVid global pandemic, which had a huge impact on everyone. We are also starting to explore the challenges of combatting climate change and the desire to live in a carbon neutral Scotland by 2045. Added into the mix is the pressure of an ageing population, health inequalities, homelessness, changing technology and now the cost of living crisis. These are all massive issues individually and collectively that create a volatile and uncertain environment for us to be working in.

The Plan outlines the strategy for the Group to March 2027 and sets out how we will achieve our mission to “ Provide excellent quality affordable homes and services that create safe, resilient and inclusive communities”. This document is our Year 2 update and sets out what our next priorities and activities are going to be.

The overall strategic direction of the Association as detailed in this Plan, will be subject to annual updates and will be subject to a full review at the end of the five-year period in 2027. 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.

Our subsidiary MEAL will continue to play a vital role in the Group’s strategic direction, by offering mid-market properties for rent and commercial factoring services.

The financial plans that underpin our strategy have been developed to show how we will fund all our activities over the next five years and beyond. In addition, they demonstrate that we are meeting our lenders’ financial covenants and ensuring our rents and services are affordable and deliver value for money to our customers.

This strategy is about placing people in the centre of everything that we do, whether that is our customers, staff or Board members. We believe that by delivering all the activities in the Plan over the next five years, we will be able to make a real difference to the people and communities within which we work. We are committed to making “our houses, your homes”.

2.0 Who we are

Manor Estates group is made up of two entities, each providing a range of landlord and factoring services to almost 3,000 households throughout Edinburgh and parts of Fife.

Manor Estates Housing Association (MEHA) is the registered social landlord and charity. It was established in 1995 following a large scale stock transfer of housing from Scottish Homes (The National Housing Agency). It provides landlord services to 1014 social rented properties and factoring services to 1,700 home owners (most having acquired their homes through Right to Buy or subsequent resales).

Current stock as at 31 December 2022:

	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%
Total	1014	80	1094	100.00%

	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%
Total	1014	80	1094	100.00%

The Association is a member of ARCHIE (Alliance of Registered Co-operatives and Housing Associations, Independent in Edinburgh) along with six other organisations. ARCHIE was launched in March 2019, primarily to share skills, experience and resources allowing members to deliver an enhanced service to our customers and the wider community.

We have been awarded the Investors in People Gold award (2022). At the moment we have a staff team of 31, the majority of whom are office based.

The Association is governed by a Board of volunteers who meet at least eight times throughout the year to lead and direct the work of the Association. We have one sub-

committee, the Audit Committee, that meets four times a year. It is responsible for overseeing the Association’s accounting and internal control systems and the Association’s external and internal audit.

Manor Estates Associates Limited (MEAL) is the private letting agent and commercial factoring agent for the Group. It was established in 2008 and currently manages 80 Mid-Market Rent homes and provides commercial factoring services to 20 home owners.

MEAL has a separate Board that meets at least four times a year.

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.

3.0 Group Mission, Vision, Values and objectives

Our Mission :	Provide excellent quality affordable homes and services that create safe, resilient and inclusive communities”.
Our Vision:	our houses, your homes

At Manor we believe in making a difference to the lives of individuals and their communities, through the provision of housing and associated services. We aim to provide housing that is of good quality, affordable and serviced to a high standard . We will encourage and offer support to individuals to make our houses their homes.

We believe in the role of surroundings and community in making a house feel like a home, and will support our tenants and owners in developing those where they live.

We prioritise having the appropriate skills, attitudes and focus on wellbeing of our people (our staff, leaders and Board), as we know that impacts on what we deliver, and how that is experienced by our customers.

The Group's Values:

As we work towards achieving our Mission, we have identified four corporate values that those who work with us, those who lead us and those for whom we provide a service, experience us as being.

 Our Values	
<i>Committed</i>	<i>We do what we say we will</i>
<i>People Focussed</i>	<i>We will treat you as an individual</i>
<i>Professional</i>	<i>We will be fair, transparent and respectful</i>
<i>Agile</i>	<i>We will constantly evolve in a changing environment</i>

4. Strategic Objectives

To achieve our Mission and Vision, we will focus on a number of activities, all of which have measurable outcomes and indicators. The following table provides the reporting and monitoring framework against which we will report progress to the Board on a six monthly basis.

Ref	2022 – 2027 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
1	We will provide homes that are sustainable, environmentally sound and accessible	Attain compliance with EESSH2 by 2032	<p>% of stock (that can be treated) achieving EPC band C or above by 2025</p> <p>% of stock (that can be treated) achieve EESSH2 Compliance by 2032</p>	<p>100% of stock achieve band C or above</p> <p>100% of stock are EESSH2 compliant</p>
		Establish MEHA property standard	% of properties that meet the standard	<p>Property standard established</p> <p>100% of properties achieving standard</p> <p>All void properties are appraised for continued rental or considered for disposal</p>
		Work with others to develop new build housing opportunities	Number of new build properties added to stock figure both MMR and social	Increased stock numbers (MEHA and MEAL)

Ref	2022 – 2027 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
		Deliver the Asset Management Strategy	See Asset Management Strategy for details	Asset Management Strategy delivered
		<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>100% of Adaptations spend achieved</p> <p>Demand for adaptations met</p> <p>If required, additional funding secured and 100% spent</p> <p>100% properties with pre-existing adaptations are allocated to those requiring them</p>
		Target those households that currently do not have energy efficient or no heating in place	The number of households with energy efficient heating systems installed	100% of households to have energy efficient heating systems installed
		Provide information/guidance to households on how to heat their homes efficiently and effectively	Number of households being assisted by energy advice project	<p>Establish energy advice project</p> <p>100% of new tenants receive information from gas contractor at</p>

Ref	2022 – 2027 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
				<p>recommission of services on how to make best use of their heating</p> <p>Detailed information on website offering advice and signpost to agencies who offer specialist advice</p> <p>75 households referred to energy advice project each year</p>
		Work towards Net Zero 2050, researching methods to upgrade stock	<p>Plan in place for retrofit stock</p> <p>Plan in place for new build stock (post 2025)</p>	<p>Regular attendance at specialist forums</p> <p>Plan in place for all stock</p> <p>Current stock assessed for compliance</p>
		Develop a Sustainability Plan	Plan outlined for homes and the office	Targets to be established
	Our properties will be homes that will remain affordable to live in	Review rent and service charges each year and	The number of households paying over 30% of their household	Less than 10% of households will pay more than 30% of

Ref	2022 – 2027 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
		compare with other RSLs	income on rent and service charges	income towards rent and service charge
		Rent affordability calculator/tool reviewed and agreed by Board for internal use Web information?	In use by November 2022 when rent increase proposals come to Board	Revised tool used to measure affordability of MEHA rent and service charge levels
		Target those in rent arrears	Level of rent arrears	Rent arrears to be less than 2% by 2027 (target subject to annual review due to variables out with direct control)
		Either in partnership with other organisations or signposting a range of advice and information which will aid tenants sustain their tenancy	Number of tenants referred to: <ul style="list-style-type: none"> • Welfare Rights • Energy Advice • Debt Advice The amount of additional income attained Satisfaction level with services	80 tenants referred to welfare rights service 75 tenants referred to energy advice service as above 100 (20 per year) tenants referred to debt advice service – dependant on continuation of current arrangement or further

Ref	2022 – 2027 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
				<p>partnership being established</p> <p>85% satisfaction levels with services achieved.</p>
		<p>Deliver tenancy sustainment strategy</p>	<p>Tenancy Sustainment Budget expenditure</p> <p>% of new tenancies sustained in their first year</p> <p>Number of evictions per annum to rent arrears</p> <p>Number of abandonments per annum</p> <p>Number of tenancies sustained for the first five years</p>	<p>100% of Tenancy Sustainment Budget expenditure</p> <p>95% of new tenancies sustained in their first year</p> <p>Less than 2 evictions per annum to rent arrears (target reduced from 4 to 2 based on 2022 performance)</p> <p>Less than 4 abandonments per annum</p> <p>95% of tenancies sustained for the first five years</p>

Ref	2022 – 2027 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
	We will maintain and manage all properties and our open spaces to the same consistently high standard for all customers	Deliver the 5-year Planned works programme	Planned Works procured Level of investment Satisfaction results for Planned works	Planned works programme delivered 100% of Planned works investment achieved per annum 75% satisfaction levels achieved for Planned works
		Deliver cyclical programme	Satisfaction results for cyclical works	85% satisfaction levels achieved for gas servicing Develop monitoring of satisfaction levels with other cyclical works
		Deliver reactive repair service	Satisfaction results for reactive repairs % of repairs right first time	90% satisfaction levels achieved for reactive works 92% achieving right first time
		Develop an open space standard	Open space standard outlined Number of estates that meet the standard	Open space standard established 75% of estates meeting required standard

Ref	2022 – 2027 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
			<p>Develop open space register</p> <p>The number of estate management inspections carried out</p> <p>Garden Maintenance Assistance uptake per annum</p>	<p>Open Space register formulated</p> <p>100% of estate management inspections carried out</p> <p>100% garden maintenance assistance budget spent</p>
		Customer satisfaction levels	<p>Customer satisfaction regarding neighbourhood</p> <p>Number of service requests about estate management</p>	<p>90% customer satisfaction with neighbourhood (currently 85)</p> <p>100% of service requests acknowledged within 5 working days and resolved within 30 working days</p>
		Review and enhance factoring arrangements, administration and engagement with owners	Review of factoring arrangements in light of new Code of Conduct for Factoring	Revised written statement of service in place

Ref	2022 – 2027 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
			<p>All factoring procedures reviewed and updated</p> <p>Review long term debt arrangements</p> <p>Increased satisfaction level with factoring service</p>	<p>Compliance with new Code of Conduct for Factoring</p> <p>Reduction in the number of cases with debt</p> <p>Increase in the number of cases with formal arrangements in place</p> <p>75% satisfaction level from owners</p>
	<p>We will deliver services to meet the needs of individual customers</p>	<p>3 yearly customer satisfaction surveys</p>	<p>Satisfaction levels with overall service deliver</p> <p>Comparison of satisfaction levels against Scottish average (ARC)</p>	<p>96% satisfied with overall service delivery (currently 92%)</p> <p>Customer satisfaction levels are greater than or equal to the Scottish average</p> <p>Customer satisfaction levels are greater than or equal to the members of ARCHIE</p>

Ref	2022 – 2027 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
		Deliver ICT strategy in relation to the website and portal	See ICT strategy for deliverables	ICT strategy delivered
		Customer portal	The number of transactions on the portal (owners and tenants) % of tenants registered % of owners registered	30% of tenants registered on the customer portal Portal launched for owners 25% of owners using the customer portal
		Contractors' performance	Contractor KPIs (identify them) Satisfaction levels Appointments kept Right First Time	Our contractor KPIs to surpass target
		Explore opportunities for new joint ventures, partnerships to deliver new services that benefit our tenants	To be developed in alignment with the new service	At least one new service to be delivered in the lifetime of the plan
	We will have enhanced our visibility to our customers	Deliver the Customer engagement strategy	See Customer Engagement Strategy deliverables	Customer Engagement strategy delivered

Ref	2022 – 2027 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
		Estate walkabout with residents	Number of estate walkabouts carried out each year Number of residents involved	20% of estate walkabouts carried out each year
		Improve signage in our communities to encourage feedback	Common stair noticeboards	Common stair noticeboards in all stairs/ common areas Consultation/discussion with tenants about how they wish to use these
		Options for community activity – litter picks, Planting, etc	Activities Planned	2 activities per year
	We will ensure our services are high quality	The Association is compliant with GDPR and FOI	GDPR and FOI enquiries	100% of GDPR and FOI enquiries are responded to within timescales
		Complaints are dealt with in line with SPSO guidance	Stage 1 complaints responded within 5 days Stage 2 complaints responded within 20 days	100% stage 1 complaints are responded within 5 working days 100% of stage 2 complaints have been responded to within 20 working days

Ref	2022 – 2027 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
		Complaints resolved internally	All complaints resolved without need for external intervention	100% of complaints resolved internally If referred, complaint not upheld by external body
		Customer satisfaction surveys	Customer satisfaction level results	96% of customers satisfied with overall services that are provided (currently 92%)
		MEHA to perform above the Scottish average figures (ARC data)	Performance levels compared to Scottish average Performance levels compared to peer landlords	To be above the Scottish average for all areas of ARC. Performance levels are greater than or equal to the Scottish average Performance levels are greater than or equal to the members of ARCHIE
		Internal audit of customer service areas	Results from internal audits	Substantial assurance in respect of service delivery audits

Ref	2022 – 2027 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
		Factoring services	No complaints on compliance with written statement of services	Provide services in accordance with written statement of services
		Maintain website and portal		Information on website and portal is up-to-date and accurate
		Customer service standards	Promote and work in accordance with customer service standards	Customer service standards reviewed Customer service standards are adhered to
	We will invest in safer resilient and supportive communities	Develop a Community Fund	Community Fund to be established Level of contribution from community benefits	Community Fund established 100% of funding allocated
		Tenant and Resident Safety Strategy	See Tenant and Resident Safety Strategy deliverables.	Tenant and resident safety strategy delivered
			% of Gas servicing carried out in a year (MEHA and MEAL)	100% of properties to have an annual gas service (MEHA and MEAL)
		Work in partnership with others to address	Levels of ASB reported	Number of ASB cases closed within timescale

Ref	2022 – 2027 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
		community safety and tackle anti-social behaviour issues		
	We will know and understand our communities	Carry out a tenant census every 3 years	Tenant census carried out	Census carried out
		Collect equalities data	10% of tenants' equalities data	10% of tenants' equalities data capture each year
		Profile the areas where MEHA and MEAL have stock (> 10 units)	Number of area profiles developed	Profiles of areas developed
	We will create communities where people want to live and feel proud of	Customer satisfaction surveys	Level of customer satisfaction	90% of customers are satisfied with neighbourhood
		Allocations	Number of refusals	Less than 5% of lets refused
		Increase use of common area/facilities in Retirement Schemes	Number of residents Use of facilities by other organisations	Increased use of common areas within retirement schemes
		Good neighbour/good garden awards	Open to all customers	Levels of participation in awards
	We will be an agile and robust organisation	Annual Compliance report	Level of compliance achieved	Achieve 100% compliance with Association Rules
		Financial regulations	See financial regulations	Full compliance with our financial regulations

Ref	2022 – 2027 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
		Invest appropriately to attain Value for Money in the delivery of services	Comply with procurement requirements in Administration and ICT	Full compliance of Procurement Policy across the Corporate Services department and service functions.
			Comply with procurement requirements in Housing Management	Full compliance of Procurement Policy across the Housing Management department and service functions.
			Comply with procurement requirements in Property Services	Full compliance of Procurement Policy across the Property Services department and service functions.
		Audited financial statements and external auditors' management letter	External Auditors Report approved by MEHA and MEAL Boards	Unqualified Auditors Reports and minor items (if any) listed on the Management Reports Audited Financial Statements Return sent by 30 September
		Annual return on the Charter	Charter return approved by Board Charter Return submitted to SHR	Charter return to SHR delivered by 31 May

Ref	2022 – 2027 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
		Loan Portfolio return	Loan portfolio approved by the MEHA Board Loan portfolio submitted to SHR	Loan portfolio submitted to SHR by 31 Aug
		Five-year financial projection	Five Year Financial Projection to be approved by the Board Five Year Financial Projection submitted to SHR	Five-year financial projections completed and submitted to SHR by 31 May
		Ensure compliance with lenders covenants	Quarterly Management Accounts submitted, covenants achieved / surpassed and returns sent in time	Present Financial covenants: Interest Cover Ratio 110%;Debt Service Ratio 90%; Rolling 2 year Debt Service ratio 95%. Submit all returns in time with set timescales
		Appraise and ensure compliance with all necessary regulatory requirements Review of all standards carried out during 2020/21, approved by Board and assurance	Compliance with Scottish Housing Regulator's Governance Standards All standards are reviewed	Full compliance with Letting Agents Code of Conduct and Property Factors Code of Conduct 100% compliance with Register of returns

Ref	2022 – 2027 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
		statement submitted to SHR	Assurance statement submitted to SHR on time	Assurance Statement submitted
		Increase quality of services with minimum extra cost to customers	Review procedures Process mapping of activities	98% customer satisfaction with services
		Continue investment in ICT to ensure robust and agile	Investment according to ICT Strategy achieved	100% investment in ICT systems incurred as Planned
		Risk Management	Bi-monthly review of risk register Six monthly risk management Board report	All new and existing risks are managed and appropriate action taken to mitigate impact
	We will have invested in our staff and Board's welfare	Sickness absence	Level of sickness absence	Less than 3% days lost as a result of sickness absence
		Healthy Working Lives	Level of accreditation achieved	Maintain Silver accreditation
		Levels of staff satisfaction levels	Annual staff satisfaction survey Pulse survey results	75% rate the Association > 8 out of 10 as a good place to work (Annual stress/wellbeing survey)
		Staff turnover	Level of staff turnover	< 5% staff turnover

Ref	2022 – 2027 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
		Training	% of attendance at “all” staff training events	85% attendance
		Level of Board engagement	% of meetings attended % of training attended	75% of meetings attended 75% of training attended
		Invest in our ICT	Staff and Boards have the appropriate equipment and software to work from home.	All staff and Boards have appropriate office equipment and software to enable safe working from home
		Staff Training	Annual Training Plan delivered	All staff to have an individual training Plan
		Review of all Board members to be carried out annually	Review carried out Collective training Plan (annual) developed Individual training Plan developed	All Board members to have an annual review Annual collective training Plan developed Individual Board member training Plan
	We will support a culture that is professional, respectful, approachable and promotes accountability	IIP Accreditation	Level of accreditation achieved	Maintain Gold accreditation
		Best Not for Profit company	Placing achieved	Be in the top 100 best not for profit companies

Ref	2022 – 2027 Strategic Objective	Current Approach(es) to achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Results
		All staff to have 6 weekly 1:1s and a mid and full appraisal every year	Compliance with Staff performance policy The number of staff with an agreed training Plan in place	All staff have at least 6 1:1s, mid-year and annual appraisal All staff have an agreed training Plan in place
		All Staff Meetings	Number of staff meetings held per annum	At least 8 staff meetings to be held during the year
		Monthly Team Meetings	Number of team meetings held per annum	At least 12 team meetings held per annum

5. Operating Principles:

- The Group is committed to achieving value for money in all activities. We will seek to use its capital, assets, revenue and resources effectively and in a commercial manner that will benefit our customers in all its actions.

6. Financial Planning and Treasury Management

7.1 The annual 25 year financial Plan consists of the budget Statement of Comprehensive Income (SOCl) (with covenant calculations) for each year, Statement of Cash Flows (SOcF) and Statement of Financial Positions (SOFP). Figures for the first 5 years of this Plan (2023 to 2028) 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:

	2023/24	2024/25	2025/26 and beyond
Rent increase	7%	5%	3.5%
General Inflation	5.2%	1.4%	2%
Salary increase	5.25%	3%	3%
Planned Maintenance Inflation	7.7%	1.9%	2.5%
Interest	5.2%	4.7%	4.4%
Voids	0.6%	0.6%	0.6%
Bad Debts	0.47%	0.49%	0.49%

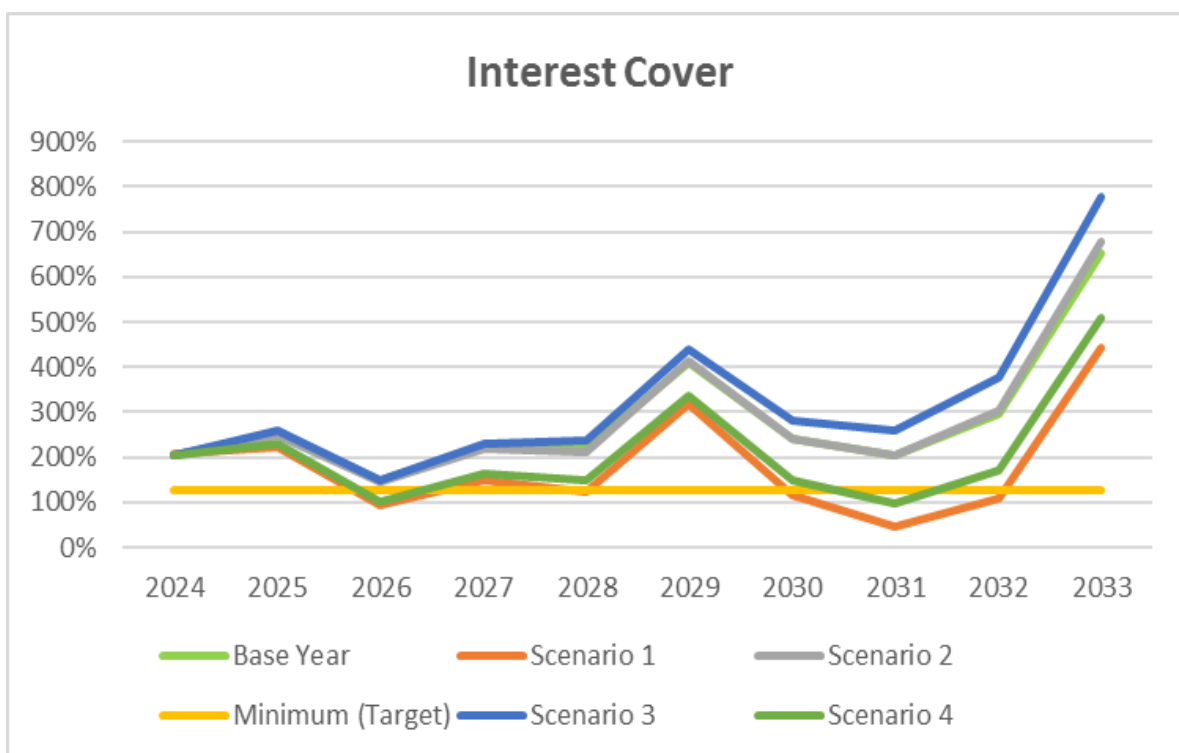
7.3 To assist us in setting the rent increase, a range of scenarios (varying key factors) have been calculated (scenario sensitivity analysis date shown in Appendix B). The graphs below illustrate the effect of the various scenarios when compared with the base year (the figures attached as appendix A) 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 2027/28 on.

7.4 These scenarios can be described as:

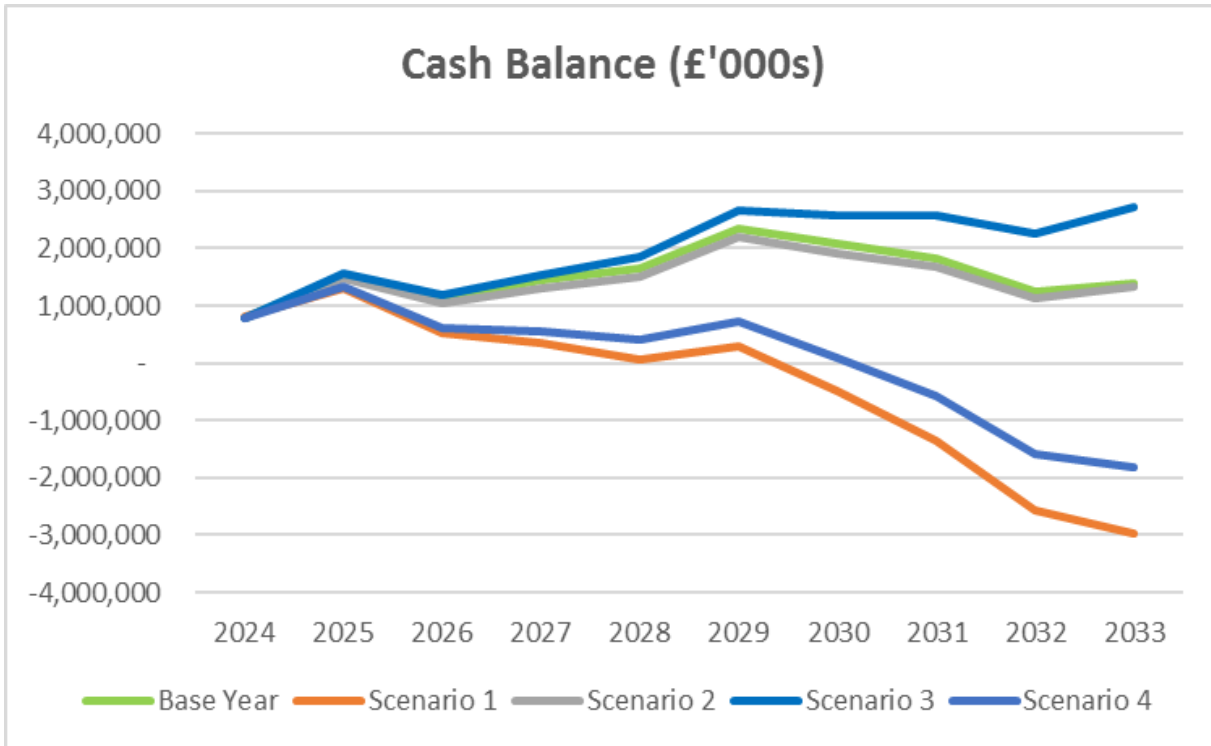
- **Scenario 1:** There occurs a general worsening of factors with inflation still high, capped rent increase, high interest rate

- **Scenario 2:** There occurs a period where inflation is higher than BOE projections, rent cap in place.
- **Scenario 3:** There occurs a period where inflation is lower than BOE projections but lower rent than needed in final year.
- **Scenario 4:** There occurs a double dip in inflation as it increases again in the third year, rent much lower than base for both years 2 and 3.

The net effect these different scenarios have on MEHA’s present financial covenant and cash balances for the first 10 years of the 25 year financial plan are as follows:



Interest Cover: MEHA’s lender, Santander require MEHA to ensure that it can cover the cost of MEHA’s interest by 125% (as shown by the yellow line). As illustrated above, in Scenarios 1 and 4, they fail in year 2025/26 and 2030/31. The worst case scenario (scenario 1) breaks this in 3 other years (2027/28, 2029/30 and 3031/32).



Cash Balance: In this comparison of cash balances, only the scenarios 1 and 4 return a negative cash balance.

The following table illustrates the decreasing debt level under the present loan arrangement until 31st 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. The repayment terms of the more recent loans are estimated at this point in time.

Year ended	2024	2025	2026	2027	2028
Balance of original loan	£1.2m	£0m			
Sandiland loan	£9m	£9m	£8.1	£7.2m	£6.3
South Queensferry Loan	£1m	£2	£3m	£3m	£3m

ESSH loans (est)			£0.5m	£1.5m	£2m
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SUMMARY SOCI FOR 2023-2028

	2023/24	2025	2026	2027	2028
INCOME					
NET RENTS	5,665,228	5,971,046	6,180,033	6,395,419	6,575,600
OWNER OCCUPIERS	409,034	430,062	440,753	450,289	460,034
OTHER INCOME	240,806	111,288	82,585	78,917	87,225
SERVICE CHARGES	233,044	243,143	250,997	259,112	267,498
LEASE CHARGE	456,811	470,043	555,088	566,190	598,144
HAG	320,000	320,000	320,000	320,000	320,000
	7,324,923	7,545,581	7,829,455	8,069,927	8,308,501
EXPENDITURE					
LOAN INTEREST	799,485	762,138	749,563	645,281	551,100
MAINTENANCE COSTS	1,504,678	1,559,642	2,734,365	2,655,628	3,445,354
SERVICE CHARGES	256,363	291,194	240,614	260,414	302,820
STAFF COSTS	1,480,929	1,560,475	1,607,289	1,655,508	1,705,173
ADMINISTRATION COSTS	63,066	64,378	65,832	67,320	68,841
OFFICE OVERHEADS	630,462	622,588	644,619	650,785	662,164
DEPRECIATION	854,886	874,802	881,631	898,780	927,253
OTHER EXPENSES	151,200	109,414	124,105	114,021	116,396
TOTAL EXPENDITURE	5,741,069	5,844,631	7,048,019	6,947,737	7,779,102
SURPLUS / DEFICIT	1,583,854	1,700,950	781,436	1,122,190	529,400
INTEREST COVER MIN 125% (as adjusted for CA investment)	204%	256%	149%	223%	220%

	2023/24	2025	2026	2027	2028
HOUSING STOCK	45,327,710	46,133,907	48,570,709	49,690,523	49,759,234
OFFICE PROPERTY	1,137,800	1,115,600	1,093,400	1,105,521	1,083,028
OFFICE EQUIPMENT	206,377	239,211	216,507	211,933	207,665
MMR FURNISHINGS	38,620	109,736	128,218	95,895	157,620
	1,382,797	1,464,547	1,438,125	1,413,349	1,448,313
INVESTMENTS	100	100	100	100	100
	46,710,607	47,598,553	50,008,935	51,103,972	51,207,647
RENTAL DEBTORS	95,090	115,989	137,619	160,003	183,018
OTHER DEBTORS & PREPAYMENTS	138,120	112,516	88,526	64,585	40,937
BANK & CASH BALANCES	789,681	1,526,531	1,142,713	1,440,422	1,662,604
	1,022,891	1,755,036	1,368,858	1,665,009	1,886,558
CREDITORS & ACCRUALS	(1,045,035)	(1,054,263)	(1,067,596)	(1,080,714)	(1,096,799)
TAX & SOCIAL SECURITY	(30,594)	(32,934)	(35,345)	(37,829)	(40,387)
LOANS UNDER 1 YEAR	(1,303,203)	(926,603)	(926,603)	(902,818)	(900,000)
DEFERRED HAG	0	0	0	0	0
	(2,378,832)	(2,013,800)	(2,029,544)	(2,021,361)	(2,037,186)
NET CURRENT ASSETS	(1,355,941)	(258,764)	(660,686)	(356,352)	(150,628)
CREDITORS OVER 1 YEAR					
LOAN	(10,000,000)	(10,100,000)	(10,700,000)	(10,800,000)	(10,400,000)
EET	(56,025)	(29,422)	(2,819)	(1)	0
FIRE DETECTORS	644	650	650	650	650
HAG	(12,215,838)	(12,426,620)	(13,080,246)	(13,260,246)	(13,440,246)
PENSION	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
PENSION DB	209,000	209,000	209,000	209,000	209,000
	(22,064,219)	(22,348,392)	(23,575,415)	(23,852,597)	(23,632,596)
NET ASSETS	23,290,447	24,991,397	25,772,833	26,895,023	27,424,423
REPRESENTED BY RESERVES					
SHARES	(85)	(85)	(85)	(85)	(85)
ORDINARY RESERVES	(23,290,362)	(24,991,312)	(25,772,748)	(26,894,938)	(27,424,338)
	(23,290,447)	(24,991,397)	(25,772,833)	(26,895,023)	(27,424,423)

SUMMARY SOCF FOR 2023-2028

	2023/24	2025	2026	2027	2028
EST BALANCE B/F	2,328,003	789,681	1,526,531	1,142,713	1,440,422
INCOME	6,982,004	7,201,937	7,485,115	7,724,784	7,962,635
OPERATIONAL EXPENDITURE exc non CA planned maintenance	(4,571,533)	(4,699,755)	(4,715,927)	(4,705,197)	(4,743,932)
non CA planned maintenance	(274,125)	(230,119)	(1,408,017)	(1,301,458)	(2,062,775)
GRANT AID				500,000	500,000
CAPITALISED COMPONENTS	(1,197,747)	(979,802)	(857,671)	(1,290,043)	(822,895)
CAPITAL EXPENDITURE	(130,000)	(199,086)	(98,900)	(119,914)	(208,033)
SANTANDER NEW LOAN	1,000,000	1,000,000	1,500,000	1,000,000	500,000
REPAYMENTS TO SANTANDER	(1,200,000)	(1,200,000)	(900,000)	(900,000)	(900,000)
ENVIRO GRANT REPAYMENTS	(26,603)	(26,603)	(26,603)	(26,603)	(2,818)
FIRE DETECTION LOAN REPAYMENTS	(76,644)	(76,644)			
DEVELOPMENT HAG	350,000	530,782	973,626		
DEVELOPMENT COSTS	(2,393,674)	(583,860)	(2,335,442)	(583,860)	
FORECAST BALANCE C/F	789,681	1,526,531	1,142,713	1,440,422	1,662,604

Appendix B Scenario Sensitivity Analysis Data

Base information	Scenario 1 Worst case in every variable	Scenario 2 Rent cap, high inflation	Scenario 3 Lower inflation	Scenario 4 Double inflation dip
Rent increase: Year 1: 7% Year 2: 5% Year 3: 3.5%	Rent increase: Year 1: 7% Year 2: 5% Year 3: 5%	Rent increase: Year 1: 7% Year 2: 5% Year 3: 5%	Rent increase: Year 1: 7% Year 2: 5% Year 3: 3%	Rent increase: Year 1: 7% Year 2: 2% Year 3: 3%
Inflation: Year 1: 5.2% Year 2: 1.4% Year 3: 2%	Inflation: Year 1: 10% Year 2: 8% Year 3: 6%	Inflation: Year 1: 5.2% Year 2: 3.5% Year 3: 2%	Inflation: Year 1: 3% Year 2: 1% Year 3: 1%	Inflation: Year 1: 5.2% Year 2: 1.4% Year 3: 4%
Salary increases: Year 1: 5.25% Year 2: 3% Year 3: 3%	Salary increases: Year 1: 5.25% Year 2: 6% Year 3: 4%	Salary increases: Year 1: 5.25% Year 2: 2.5% Year 3: 2.5%	Salary increases: Year 1: 5.25% Year 2: 0.5% Year 3: 0.5%	Salary increases: Year 1: 5.25% Year 2: 2% Year 3: 3%
Construction inflation: Year 1: 7.7% Year 2: 1.9% Year 3: 2.5%	Construction inflation: Year 1: 12% Year 2: 10% Year 3: 8%	Construction inflation: Year 1: 7.2% Year 2: 5.5% Year 3: 4%	Construction inflation: Year 1: 5% Year 2: 3% Year 3: 3%	Construction inflation: Year 1: 7.2% Year 2: 3.4% Year 3: 6%
Interest: Year 1: 5.2% Year 2: 4.7% Year 3: 4.4%	Interest: Year 1: 5% Year 2: 5% Year 3: 5%	Interest: Year 1: 5.2% Year 2: 4.7% Year 3: 4.4%	Interest: Year 1: 5.2% Year 2: 4.7% Year 3: 4.4%	Interest: Year 1: 5.2% Year 2: 4.7% Year 3: 4.4%
Voids: Year 1: 0.6% Year 2: 0.6% Year 3: 0.6%	Voids: Year 1: 0.6% Year 2: 0.6% Year 3: 0.6%	Voids: Year 1: 0.6% Year 2: 0.6% Year 3: 0.6%	Voids: Year 1: 0.6% Year 2: 0.6% Year 3: 0.6%	Voids: Year 1: 0.6% Year 2: 0.6% Year 3: 0.6%
Bad Debts: Year 1: 0.47% Year 2: 0.49% Year 3: 0.49%	Bad Debts: Year 1: 0.47% Year 2: 0.49% Year 3: 0.49%	Bad Debts: Year 1: 0.47% Year 2: 0.47% Year 3: 0.47%	Bad Debts: Year 1: 0.47% Year 2: 0.47% Year 3: 0.47%	Bad Debts: Year 1: 0.47% Year 2: 0.47% Year 3: 0.47%

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 every six months 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. **GDPR** – the Association does not manage its information correctly and as a result could be in breach of GDPR legislation.
5. **Estate management** 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 ..					
5 Catastrophic					
4 Major					1, 2, 4 and 5

3 Moderate					
2 Minor					
1 Insignificant					
Likelihood ...	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost Certain
Risk Description			Likelihood	Impact	Exposure
1. Operating environment - impact of cost of living and higher levels of unemployment amongst tenants, benefit reductions; benefit cap; universal credit and direct payments, leading to increased arrears and bad debts			5	4	Catastrophic
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.			5	4	Catastrophic
3. Cyber security breaches, impacting on our ICT systems			5	5	Catastrophic
4. GDPR – the Association does not manage its information correctly and as a result could be in breach of GDPR legislation			4	5	Catastrophic
5. Estate management and the unwillingness of owners to participate in schemes of common repair or improvement			5	4	Catastrophic

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
<p>1. Operating environment - impact of cost of living and higher levels of unemployment amongst tenants, benefit reductions; benefit cap; universal credit and direct payments, leading to increased arrears and bad debts</p>	<ul style="list-style-type: none"> • Include in financial scenario Planning – potential negative impacts of welfare benefit adjustments. • Revise regularly our Welfare Reform Strategy • Develop improved benefits advice and training for staff 	5	3	Moderate
<p>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.</p>	<ul style="list-style-type: none"> • Review contingency Plans test Plans where possible. • Maintain watching brief on performance and financial health of principal contractors • Maintain contact with local sector / alternative Contractor capacity • Maintain buyer status Public Contracts Scotland, to access Contractors in marketplace. 	5	3	Moderate

3. Cyber security breaches, impacting on our ICT systems	<ul style="list-style-type: none"> • Ensure effective partnership working with contractors and agents. • Implement recently agreed ICT strategy. 	4	4	Major
4. GDPR – the Association does not manage its information correctly and as a result could be in breach of GDPR legislation	<ul style="list-style-type: none"> • Include GDPR on team meetings • Regular training/awareness for staff and Board 	4	4	Major
5. Estate management and the unwillingness of owners to participate in schemes of common repair or improvement.	<ul style="list-style-type: none"> • Develop revised strategy for common area Maintenance • Engage with owners in mixed tenure estates and encourage active participation. • Ensure factoring operational business systems are efficient 	5	3	Moderate

Residual Risks

Impact ..					
5 Catastrophic					
4 Major				3 & 4.	

3 Moderate					1, 2 & 5
2 Minor					
1 Insignificant					
Likelihood	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost Certain

Appendix (D): Group service Delivery and Business Effectiveness KPIs

Indicator	Target 2022/23
Current rent arrears as % of rent due current tenants	2.1%
Former tenant rent arrears as % of rent due	0.4%
Rent collected as % of rent due	98%
Rent loss due to voids (%)	0.6%
Average days to relet voids	30 days
Average time to complete emergency repairs	2 Hours
Average time to complete non-emergency repairs	Urgent – 3 days Routine – 8 days
Repair appointments kept (%)	95%
Repairs completed right first time (%)	95%
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 th of each month	100%
Authorised accounts payable invoices are paid within 30 days of receipt	80%
All internal audits	All achieve at least reasonable assurance
External Audit	Clean audit report

Appendix (E) Operating Environment

The Group does not operate in isolation and can be at risk to changes out with our control whether political, social or economic. As a Group we need to be continually evolving and be able to respond quickly to changes within the housing system. To do this this effectively we have a number of key strategic documents that underpin all our activities in the Strategic Plan as well as draw from our key partners strategies. Copies of which can be obtained on request:

Internal Reference document/strategies:

- Manor Estates (Group) Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis (November 2022) – reviewed annually
- Manor Estates (Group) Political, Economic, Social, Technological, Legal and Environmental (PESTLE) Analysis (November 2022) – reviewed annually
- 25-year Business Plan;
- Treasury Management Policy (2021);
- Asset Management Strategy;
- Risk Management Strategy;
- Energy Efficiency Strategy (2021), and
- ICT Strategy

External reference documents/strategies:

- City of Edinburgh Council “City Housing Strategy, 2018, November 2017
- City of Edinburgh Council Strategic Housing Investment Plan 2018 – 2023, November 2018
- Edinburgh Health and Social Care Partnership Strategic Plan 2019 – 2022
- 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