



BUSINESS PLAN

2023
2026



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Contents: BUSINESS PLAN 2023



Section 1: REFLECTION	3
Section 2: OUR JOURNEY SO FAR	4
Section 3: OUR OPERATING ENVIRONMENT	5
Section 4: OUR STRATEGY	9
Section 5: OUR STRATEGIC PRIORITIES	11
Section 6: GOVERNANCE & RISK	22
Section 7: RESOURCES	24
Section 8: SUPPORTING DOCUMENTS AND STRATEGIES	26
APPENDIX A: OUR 3 YEAR STRATEGIC DELIVERY PLAN	28

Section 1: REFLECTION



Our original business plan was launched in April 2021, reflecting a period of change for our business, our customers, the housing sector and the world, against the backdrop of the impact of the Coronavirus pandemic. There was also significant change for Cloch in April 2021 when it became an independent Housing Association again, following a 9-year relationship with Oak Tree Housing Association from 2012.

Since the original business plan was written 2 years ago there has been further change affecting our external and internal operating environment and therefore the Board and Staff team felt it was important to refresh our business plan to reflect this.

We acknowledge that we are living and working in times of multiple crises, with soaring energy and food costs pushing some of our customers, who are already struggling, further into poverty. As a social landlord we are also facing our own cost pressures from the high inflation and high loan interest environment, impacting our operating costs, in particular housing maintenance, property insurance and loan funding costs. In consultation with our customers, we are having to make difficult decisions to support rent affordability. We are striving to minimise the rent increases required for our services, whilst ensuring our commitment to our customers' safety and wellbeing remain our priority, in addition to providing high quality services, which underpins everything that we do to maintain our homes.

Internally there have also been personnel changes, with our previous Finance Director taking on the role of Chief Executive in October 2022 and two new Leadership Team members in 2022, with a new Finance Director and Head of Housing Services. Our Board membership and roles have also changed with a new Chair and new members joining the Board who have brought ideas, new perspectives and skills to our existing strong and committed Board.

The staff team at Cloch are exceptional – they are dedicated, innovative and passionate about what we do and see the challenges presented as opportunities to consider how we deliver our business plan, ensuring we are investing our time, energy and resources in the most efficient and effective way to achieve best value for our customers. This business plan refresh will assist our Staff team, by being current and clear on the priorities and objectives moving into the new 2023/24 financial year and we look forward to achieving our goals and delivering our work plans over the life of this business plan.

Section 2: OUR JOURNEY SO FAR



Since forming in January 1968, we have worked to grow and develop housing in the east end of Greenock, Port Glasgow and Inverkip and to assist those who are in need, by reason of age, ill-health, disability, financial hardship or other disadvantage, as aligned to our charitable purpose. Our journey has involved transferring housing stock from the local authority and other Associations, demolition and new build programmes and building communities facing desolation. Our development activity halted in 2012, when we joined Oak Tree HA (OTHA) as a subsidiary following a period of volatility.

We are a charitable, not for profit social housing provider, regulated by the Scottish Housing Regulator (SHR). We currently own 1435 homes mainly in the east end of Greenock but also extend to Port Glasgow and Inverkip. Since 2013 we have worked hard to expand our portfolio of homes with 57 new homes built at our Kings Glen site and 12 new homes added through considered acquisitions. We have focussed on improving our services, including the development of the Cloch Plus project and in March 2023 we received confirmation of £328k grant funding spread over a 3-year period from the Scottish Government to help develop this service further. This will improve inclusive communities and support vulnerable individuals. We have also invested significantly in our assets including replacement of a failing District Heating and Power System serving 87 properties, major improvement works (Aberfoyle Road, Wellpark), complying with the Scottish Housing Quality Standard (SHQS) and the Energy Efficiency Standard for Social Housing (ESSH), as well as significant planned, cyclical and reactive expenditure on our properties.

As we move into the new 2023/24 financial year, we recognise this will be a challenging but exciting time for our business with customer service and partnership working being at the heart of our activities.

Section 3: OUR OPERATING ENVIRONMENT

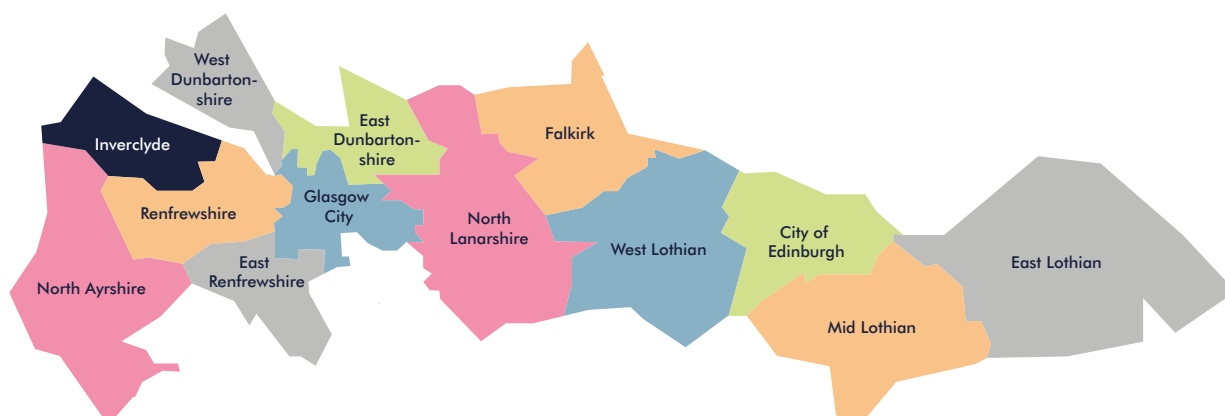


This business plan is a key document for us. It provides strategic direction, shapes our business and sets out how we manage performance and outcomes to support the values of the Association. To prepare a plan of this nature, it is essential to consider the wider operating environment in which we operate in Inverclyde and Scotland.

We are one of 4 locally based Registered Social Landlords (RSLs) in Inverclyde, and the smallest of these is Larkfield HA, which is part of the Link Group, a large regional housing association. The other 2 RSLs are OTHA and River Clyde Homes, (RCH). Other national Associations have stock in Inverclyde, usually of a more specialist nature.

→ GEOGRAPHIC POSITION

With an enviable position, only 25 miles from Glasgow City Centre and located on the south bank of the River Clyde, Inverclyde has a rich heritage having grown rapidly as a major shipbuilding centre during the 19th and 20th centuries. Since the decline of the shipbuilding and related industries post-war, there is now a more varied sector and economy involving the service sector, financial industry, leisure and tourism. With new schools and excellent attainment levels, Inverclyde has a lot going for it. However, paradoxically, Inverclyde boasts two unwelcome headlines of being the only mainland local authority area to face population decline and hosting the most deprived area in Scotland.



→ POVERTY

In the latest Scottish Index of Multiple Deprivation, (SIMD20), the Inverclyde Council Area was rated as the most deprived in Scotland with Greenock Town Centre the most deprived community - we operate in this area long with RCH. From the SIMD20 information, 76% of Cloch Housing Association stock is located within the 5% most deprived datazones, with 90% being located within the 15% most deprived datazones. Relative to the rest of Scotland all of these datazones have worsened in the rankings since SIMD16 was released. Income, employment and health are all significant concerns for our communities, as the term "deprivation" refers not only to low income but may also include fewer resources and opportunities, for example in health and education.

Inverclyde Child Action Poverty Report 2022-25 estimates that just under 1 in 4 (23.8%) children and young people in Inverclyde are living in relative poverty and over 1 in 10 (14%) are living in absolute poverty. The School Healthy Living survey 2021 highlighted 78.8% of primary school age children receive free school meals and school clothing grants, compared to 64% across Scotland. Just under half of all pupils in Inverclyde schools live in the areas of highest deprivation. This is well above the national average.

→ POPULATION DECLINE

Population fallen by 24% in 40 years
1981 = 101,000 → 2028 = 73,000

Over the past 40 years the number of people living in Inverclyde has fallen by 24% and this is expected to fall by a further 5% to around 73,000 by 2028. It was over 101,000 in 1981 and was 76,700 in June 2021.

→ POPULATION CHANGE

As well as reducing, our population is also changing in Inverclyde. The demographic projections show a decline in population of working age households in Inverclyde, however an increase of aging population and single households, which demonstrates the need for appropriate housing and related services. Inverclyde is also experiencing in-migration, with refugees being rehomed from Ukraine and Syria and this provides an opportunity to counteract the impact of the declining population.

→ HOUSING PROVISION COMPOSITION

There are approximately 39,466 residential homes across Inverclyde and the housing provision is dominated by owner occupation with 57% of homes in ownership versus 25% social housing homes, which is just below the national average of 27%. The private rented sector equates to 13% and there are circa 5% of homes that are vacant homes / second homes. There is clear evidence of affordability pressures in Inverclyde's private rented sector, with households on low to moderate incomes unable to afford market rents. The significant increase in mortgage rates, linking to the increase in Bank of England Base Rate from 0.25% at the beginning of 2022 to 4.25% by March 2023 has put pressure on affordability of home ownership. These factors highlight affordable housing options are central to meeting housing needs in Inverclyde.

→ ECONOMIC SITUATION - HOUSING AFFORDABILITY & INCOME POVERTY

Inverclyde is a vulnerable area in terms of high incidences of poverty, addictions, and economic and social disadvantage. This has been exacerbated over the past year with the impact of the cost-of-living crisis where we are living and working in times of multiple crises. Soaring energy and food costs are pushing customers, who were already struggling, further into poverty.

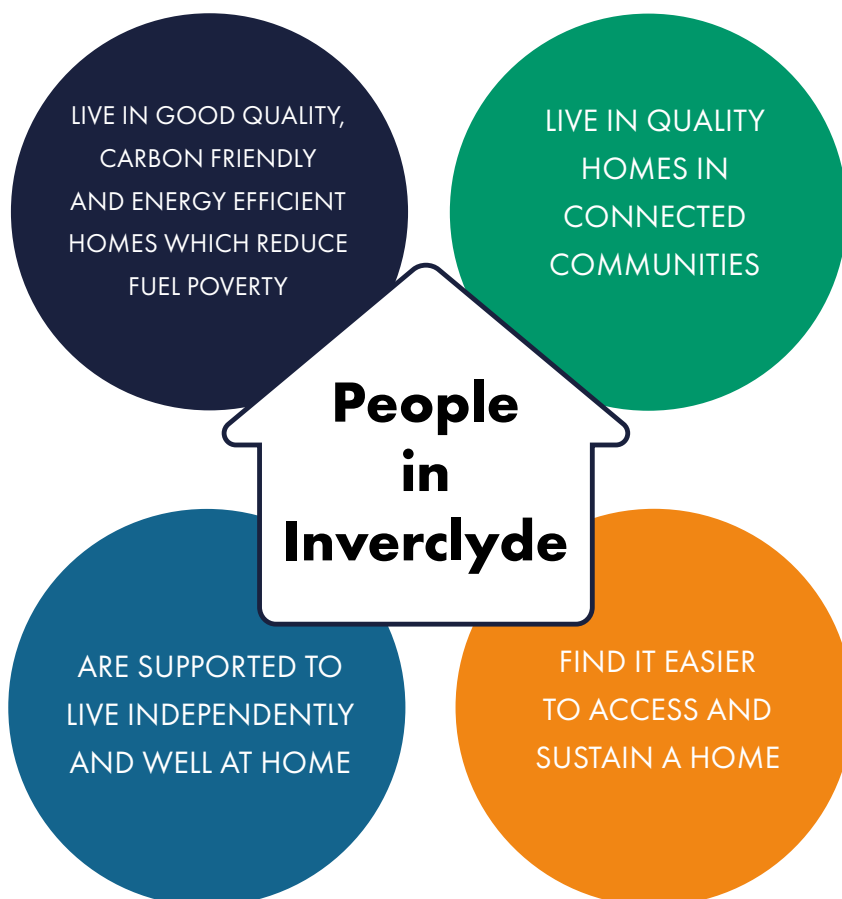
Analysis of housing affordability in Inverclyde reveals there are clear affordability pressures locally, particularly for those on low household incomes. More than half of all households in Inverclyde (53%) earn less than £25k and two thirds of households cannot afford the market entry point in Inverclyde, which is problematic given the dominance of owner occupation as a housing option in the area.

Average incomes in Inverclyde are 21% below the Scottish average at £31.2k and there is stark evidence of income inequality locally - while 27% of households earn over £40k, over half (53%) of households earn less than £25k.

→ LOCAL HOUSING STRATEGY

Inverclyde's Local Housing Strategy, (LHS), has recently been updated for the period 2022 – 2027, with a new vision and outcomes:

“Housing makes a strong contribution to ensuring Inverclyde is a place of choice, by delivering quality and affordable homes, a strong sense of community and a culture of wellbeing”



The local Housing Associations were represented during the LHS review process and Cloch is committed to playing its part in helping to achieve these outcomes for the LHS as outlined in our key service delivery plans.

Section 4: OUR STRATEGY



Our strategy provides an over-arching framework and guides all our activities. It helps us articulate our ambitions in a clear and consistent way, steer an agreed course towards achieving these, maintain our pace, and deliver the standards set by our Board. Our strategy comprises three core elements – our vision, values and objectives.

→ VISION

Since 2016, we have been working on developing customer services that reflect our culture of always improving and always looking for the best way to bring services to our customers. This vision now allows us to embed those thoughts throughout everything we do.

OUR VISION:

‘Homes and services which exceed customer expectations delivered by a strong and resilient organisation’

→ VALUES

Our values reflect the positive, modern, forward thinking approach that our Board and Staff have towards tenants, owners, service users and each other and guide our behaviours.

OUR VALUES:

- **Be Positive** in attitude
- **Be Better** and always look to improve everything you do
- **Be Kind** to yourself, to others and in your approach to our services
- **Be Responsible** for yourself, your customers and your community

STRATEGIC OBJECTIVES

This Business Plan is built around seven strategic objectives that are based on our vision and values. Each strategic objective is supported by more detailed strategic priorities on which we will focus our efforts throughout the duration of this plan. We have also set out our desired outcomes where we have asked ourselves “what will success look like?”.



Section 5: OUR STRATEGIC PRIORITIES



OBJECTIVE 1: To maximise the potential of our assets

Strategic Priority 1: INVEST IN CURRENT HOMES AND GROW THROUGH ACQUISITIONS

In 2021/22, we delivered 57 new affordable energy efficient homes in the Kings Glen estate in Greenock, which was our first new build development in almost 10 years. Our focus now is to continue to grow by bringing additional homes into our ownership for affordable renting via our Acquisition Strategy, which is supported by £1m of loan funding. In addition, we will maximise the potential of our assets by delivering the outcomes detailed in our Asset Management Strategy.

→ **Key Outcome: APPROPRIATE INVESTMENT IN OUR HOMES**

Strategic Priority 2: REVIEW OUR APPROACH TO ASSET MANAGEMENT

To ensure our properties are seen as homes for the future, we will review our Asset Management Strategy in 2023/24 to take account of the outcome of our 2021 Stock Condition Survey, future energy efficient improvement plans and our 2023/24 customer satisfaction survey results. This will ensure our long term investment in maintenance and improvement activities across our communities is targeted and value for money for our investment. Where appropriate, we will continue to adopt a project approach which may involve more extensive work being carried out and bringing investment forward where appropriate. An example of this is our Wellpark Initiative where we took an integrated approach which included investment in our homes, a new local lettings approach and enhanced support, ensuring a more complete solution. As part of our asset management strategy, we will also carry out a cost benefit analysis of our existing office accommodation at Bogle Street to ensure it can continue to meet our business needs.

→ **Key Outcome: OUR HOMES REMAIN DESIRABLE**

Strategic Priority 3: IMPROVE THE ENVIRONMENTAL APPEAL IN OUR COMMUNITIES

We will work with other key partners to improve the areas in which our residents live, work and play. We will contribute practically and financially to improving estates and will focus also on how our properties look externally as well as internally. In addition to ongoing maintenance, we have identified four areas where we plan to undertake significant environmental works, including improvements to landscaping, communal pathways and bin stores.

→ **Key Outcome: MORE TENANTS SATISFIED WITH HOW WE MANAGE THEIR NEIGHBOURHOOD**

Strategic Priority 4: DEVELOP AN ENERGY EFFICIENCY PLAN FOR OUR HOMES, NEIGHBOURHOODS AND BUSINESS

We will ensure that all our properties meet the Scottish Housing Quality Standard and the Energy Efficiency Standards for Social Housing (EESHS), where possible. We are currently preparing for the introduction of the new national indicators due to be confirmed in 2023, which we and others will use to monitor our performance against the EESHS2 standards, (2032 compliance target date). To help deliver this we will work in partnership with Inverclyde Council in relation to their local heat and energy efficiency strategies, which will under-pin an area-based approach to heat and energy efficiency planning and delivery. Our aim will always be to ensure that our tenants live in warm homes and are helped to eradicate fuel poverty. In addition, our practices as a business will be focussed on an energy efficient approach in terms of procurement, materials, waste and recycling and we plan to undertake a carbon footprint assessment to help us monitor our progress in this area.

→ **Key Outcome: A PLAN IS IN PLACE**

OBJECTIVE 2: To offer our customers the best opportunity to succeed

Strategic Priority 5: REVIEW THE IMPACT OF THE COST-OF-LIVING CRISIS

The cost-of-living crisis has resulted in a demanding and difficult period for our customers and for us as a business. The impact of multiple economic and political factors has resulted in a high inflation and interest rate environment and over the next few years we expect to continue to encounter challenges to service delivery, operational activities and financial planning. However, we will try and mitigate the impact of the cost-of-living crisis where possible, taking account of rent affordability via our Value for Money and Wider Action Strategies and approach to partnership working.

→ **Key Outcome: DELIVER THE OUTCOMES OF OUR WIDER ACTION STRATEGY**

Strategic Priority 6: ENHANCE AND EXPAND OUR TENANCY SUPPORT AND PROVISION

We recognise the challenges facing households are even more complex linking to the energy and cost-of-living crisis and the impact of the pandemic on peoples' mental health and wellbeing. We have been able to enhance our approach to tenant support at this difficult time, through additional funding secured in 2022/23 to help keep people and homes warm. We introduced the Cloch Plus furniture project in 2022 to address the issue of furniture poverty linked to tenancy support and this offers furnished tenancies, additional tenancy support and access to white goods. With this project a year old we plan to review the impact in 2023/24 to evaluate the benefits, helping inform future expansion plans.

Supported by grant funding from the Scottish Government confirmed in March 2023, our Cloch Plus project is being extended further and in 2023/24 we will build on the progress made last year by establishing a dedicated staff resource to embed our tenancy sustainment services and support for people living in our communities with a focus on community health and wellbeing initiatives. The success of this project links strongly with relationships with our partnership network. The grant funding received will also support our local partner, Starter Packs, enabling more essential home start up packs to be provided to people in need within Inverclyde.

→ **Key Outcome: TENANCIES ARE SUSTAINED**

Strategic Priority 7: PROMOTE EMPLOYABILITY AND TRAINING OPPORTUNITIES

Over the past few years, we have delivered a very successful Modern Apprentice and Graduate programme and are committed to seeing this continue. Through our membership of IFLAIR (a consortium of local RSLs who procure jointly), we will continue to make good use of community benefit clauses within our contracts and seek to create and promote employment and training opportunities for the people of Inverclyde through our procurement activity and partnership working with suppliers. We will also maintain our links and support with local education providers by attending job fairs, providing work experience and seeking opportunities to promote the Social Housing Sector as a great place to work.

→ **Key Outcome: LOCAL TRAINING AND EMPLOYMENT OPPORTUNITIES ARE PROMOTED**

Strategic Priority 8: PROMOTE OUR "WIDER REACH" WITHIN THE COMMUNITY

We are concerned with more than just providing housing. As a recognised community anchor, we will continue to be involved with a range of partners and activities which are important to the community e.g. our partnership with Smarter Buys, our Young Clochie Club, Community Tracks and the Inverclyde Heritage Network, etc. Many of our activities are linked to our housing role but our work with young people, arts and environmental initiatives (e.g. our eco work with electric bikes) are more about community and individual personal development, with our staff volunteer programme also in place to support local people and communities. Our Wider Action Strategy will focus on helping our customers and the wider community mitigate against the cost-of-living crisis by focusing on health, wellbeing, poverty (in terms of fuel, furniture, food and financial) and the environment.

→ **Key Outcome: MORE WIDER ACTION PROJECTS ARE SUPPORTED**

Strategic Priority 9: IMPROVE OPPORTUNITIES FOR THOSE FACING HOMELESSNESS IN INVERCLYDE

Changing the offer to homeless households in Inverclyde is vital by ensuring that support, assistance and experience is improved. This will include working closely with our partners (e.g. Inverclyde Council and Inverclyde Health and Social Care Partnership) to contribute to Housing First, Rapid Rehousing and supported and furnished tenancies being available. We will support these initiatives both directly and indirectly, ensuring that, together, we make a significant contribution to the needs of vulnerable households in Inverclyde.

→ **Key Outcome: IMPROVED OPPORTUNITIES FOR HOMELESS HOUSEHOLDS**

STRATEGIC OBJECTIVE 3: To involve our customers and wider communities

Strategic Priority 10: ENHANCE TENANT AND COMMUNITY INVOLVEMENT

It is important that we have a range of skills, knowledge and experience on our Board of Management. The important thing for our governance is making sure we have the right people focussed on the strategic direction of the Association. The role of our customers is vital in this activity, and we will introduce new ways to capture our customers' voice in strategic planning, supported by our refreshed Customer Engagement Strategy and initiatives delivered by our Customer Involvement Team.

We will continue with our community involvement schemes by supporting and participating in local community events, e.g. through the Cloch Plus project and also our work with local schools and young people, offering and promoting local apprenticeships and building partnerships with other local community providers to promote their services to our customers and the wider community.

→ **Key Outcome: INCREASED CUSTOMER & COMMUNITY INVOLVEMENT**

Strategic Priority 11: DEVELOP OUR APPROACH TO GATHERING AND USING CUSTOMER INSIGHT

We will review how we gather and use customer information and feedback to help shape our future services, maximising on opportunities to seek views and assess satisfaction levels from our customers and engage with them in a more immediate and tailored way.

→ **Key Outcome: SERVICES AND COMMUNICATION METHODS INFORMED BY CUSTOMER FEEDBACK**

Strategic Priority 12: STRENGTHEN OUR DIGITAL SERVICES TO SUPPORT PARTICIPATION

In recent years, we have updated our services through the use of MyCloch portal which allows our customers to engage with us and conduct business electronically. Our plans are to develop this further and push more online services out to our customers making their interactions with us and management of their tenancies or factoring accounts available 24/7 and easy to use. We have also been working in partnership with 14 other landlords, to develop These Homes, which is a digital letting service designed to improve access to affordable rented properties across Scotland.

→ **Key Outcome: INCREASED TAKE UP OF DIGITAL SERVICES**

STRATEGIC OBJECTIVE 4: To deliver innovation and collaboration

Strategic Priority 13: REVIEW OUR PROCUREMENT AND PARTNERSHIP WORKING ARRANGEMENTS

We will strive to be more innovative and creative in terms of our procurement and partnership working arrangements with suppliers and partners to help drive and improve efficiency, performance and outcomes. Within our procurement arrangements, we will strive to meet Government Climate targets. We work with several other housing providers and support agencies in our delivery of services, and we will continue to seek to improve, expand and refine arrangements where this is in the best interests of our business and our customers. Some examples of our work in this area relate to our IT services where our staff provide services to Oak Tree Housing Association. We will maintain our focus on making joint wider action grant funding applications with our local Housing partners to help expand the reach of support to tenants in Inverclyde and we continue to offer office accommodation space to some local charities, which in turn benefits our customers and the community.

We are currently working on an innovative project to redesign our approach to our reactive and void maintenance contracts, working collaboratively with our IFLAIR Housing Association partners. We will embed these new models of service delivery and will strive to achieve value for money, provide local employment opportunities and improve customer service.

→ **Key Outcome: A PARTNERSHIP WORKING PLAN IS IN PLACE**

Strategic Priority 14: FURTHER DEVELOP OUR IT SYSTEMS AND SOFTWARE

Our current IT systems use both cloud and on-premises server backups. We will carry out a full review of our existing systems and software as part of our risk management strategy and to ensure value for money. We will focus on enhanced efficiencies and effectiveness against our annual software costs and capital investment, making sure our staff team have the best tools to do their jobs.

→ **Key Outcome: IMPROVED WORKING PRACTICE**

Strategic Priority 15: SEEK TO MAXIMISE OUR SUPPORTED ACCOMMODATION

We provide properties for tenants who receive various levels of support, ranging from small scale ad hoc support through to 24hr support, depending on the needs of the individual. We have formal partnerships with various support providers (Scottish Association for Mental Health and the Richmond Fellowship) and this works very well. We extended our supported accommodation via our new build development at Kings Glen and plan to extend our provision further by increasing support from our current partners, as well as establishing new projects (e.g. such as our Cloch Plus project), and new partnerships. All of this will be aligned to the priorities of Inverclyde Health & Social Care Partnership and delivered through effective partnership and collaboration.

→ **Key Outcome: INCREASED SUPPORTED ACCOMMODATION PROVISION**

Strategic Priority 16: EXPLORE EXTERNAL FUNDING TO HELP OWNERS MAINTAIN AND IMPROVE THEIR PROPERTIES

We will continue to work with Inverclyde Council and the Scottish Government to explore funding for owners in our communities to help keep their homes energy efficient. We have a track record of securing HEEPS funds and expect to see similar funds open up as the Government seeks to deliver its new Housing to 2040 strategy. We will identify new funding opportunities as they arise and will promote and signpost our factored owners to these as a matter of priority.

→ **Key Outcome: OPPORTUNITIES FOR OWNERS ARE PROMOTED**

STRATEGIC OBJECTIVE 5: To sustain a caring, forward-looking culture

Strategic Priority 17: EMBED A "CAN DO APPROACH"

Our people are crucial to our success. We believe in a "can do" approach to life and learning and will ensure that our staff are given the flexibility and opportunity to learn, develop and pursue those goals which may initially be considered as out of reach. Our People Strategy reflects changes to job remits, interview styles and appraisals to promote a growth mindset and we have also launched a mentoring programme and more flexible approach to how we deliver training and where we work, with a hybrid approach to office and home working in place. In 2023 we plan to review our People Strategy to ensure it supports our Business Plan refresh, ensuring our performance framework motivates our staff resources to deliver our key strategic objectives. We will also review our staffing structure and where required refresh this to ensure our staff resource delivers the business plan objectives and priorities in the most optimal way and taking account of succession planning.

→ **Key Outcome: BOARD AND STAFF FEEL SUPPORTED AND ENCOURAGED**

Strategic Priority 18: CONTINUE TO ADOPT MODERN WORKING PRACTICES

Using modern practices and systems helps our staff and our services work more efficiently and effectively. For example, our MyCloch portal allows staff to work from customers' homes using iPads. We will continue to explore innovation and our people will be encouraged to try new things, with any subsequent roll out based on research, consultation and training. We are committed to sharing experiences, successes and problems to ensure we learn as a team. We will also continue to engage with benchmarking groups to build capacity and understanding and to seize the opportunity to highlight our own areas of good practice and excellence.

→ **Key Outcome: OUR PEOPLE HAVE ALL THE TOOLS THEY NEED TO DO THEIR JOB EFFICIENTLY AND EFFECTIVELY**

Strategic Priority 19: EMBRACE CHANGE AND ENCOURAGE DIVERSITY

Change is inevitable, and in our business, we have chosen to embrace change. We will continue to explore new things, provide new services and question whether we can improve by working differently. We consider everyone as an individual and that approach is extended in all aspects of our service delivery. Through effective action planning across our business, we will encourage, support and protect diversity and this is underpinned by our values.

→ **Key Outcome: A DIVERSE AND INCLUSIVE CULTURE**

Strategic Priority 20: SUPPORT OUR PEOPLE

We know that feelings of wellbeing are fundamental to the overall health of our Staff Team and Board, enabling them to successfully overcome challenges and achieve goals set in their personal and working life. Individuals with high levels of well-being are more productive at work and are more likely to contribute to their communities. We appreciate the current external environment has brought new challenges that our Staff Team and Board are having to navigate and respond to. We are committed to supporting them, through a review of our People Strategy and specifically a new Wellbeing Plan, which focuses on promoting personal resilience, remaining agile and positive towards change and developing new skills.

→ **Key Outcome: A WELLBEING PLAN IS IN PLACE**

STRATEGIC OBJECTIVE 6: To make the best use of our resources & strengthen our organisational resilience & capacity

Strategic Priority 21: DEMONSTRATE EFFECTIVE GOVERNANCE AND FINANCIAL CONTROL

Having been part of a parent/subsidiary relationship for several years, we will carry out regular reviews of our governance arrangements, financial planning and risk management processes as we embed our position as an independent Housing Association. We will ensure we have the best possible governance, independent assurance, and systems in place to steer the organisation forward through the course of this Business Plan, with the aim of creating long term value for our customers. We will focus on ensuring we have a balance of skills within the Board composition and will help develop Board members by reviewing our Board recruitment, induction, appraisal and training programmes, to tailor these to respond to needs. In addition, we will ensure our business planning and reporting framework provide quality information on the internal and external operating environment to help the Board govern and direct the organisation effectively by aiding decision making and promoting responsibility, accountability, awareness, impartiality and transparency.

→ **Key Outcome: WE MEET THE REGULATORY STANDARDS OF GOVERNANCE & FINANCIAL MANAGEMENT**

Strategic Priority 22: MAINTAIN ROBUST RISK MANAGEMENT, BUSINESS CONTINUITY & DISASTER RECOVERY PRACTICES

We will continue to manage and mitigate risk where possible, through the quarterly reviews of our risk register and corresponding actions. We will also establish a succession plan to protect against sudden, unexpected change within the Staff Team and Board, with a focus on knowledge transfer, process refinement and long-term talent planning and retention. We will continue to review and test our disaster recovery and emergency planning protocols to prepare the business for all potential emergencies and will continue to review our IT systems on an ongoing basis. Our IT and Business Continuity Strategy will ensure that our data and services are protected and utilised in as efficient a manner as possible and ensure that we are as strong and resilient as we can be.

→ **Key Outcome: EFFECTIVE DISASTER RECOVERY AND RISK MANAGEMENT PLANS ARE IN PLACE**

Strategic Priority 23: EMBED A VALUE FOR MONEY APPROACH

We will focus on achieving best value in all of our activities, through procurement, resource planning and investment. We will develop a Value for Money Strategy which identifies the outputs from these principles demonstrating an efficient and effective way of managing our resources, balanced against rent affordability. We are also keen to understand our social value to Inverclyde and will explore different methodologies for measuring this.

→ **Key Outcome: WE DELIVER VALUE FOR MONEY**

Strategic Priority 24: STRENGTHEN OUR USE OF MARKET INTELLIGENCE

Understanding our operating environment and our customers is vital for us as a housing provider. We will develop a robust system to gather information on our operating environment, communities' needs, expectations, and concerns and will seek opportunities to influence local and national policy. We will also be undertaking our next tenant satisfaction survey in 2023/24 and will review the focus of this, particularly in light of the impact of the cost-of-living crisis on households. We will use this insight to inform our investment decisions and to shape improvements in our assets and services.

→ **Key Outcome: IMPROVED MARKET INFORMATION**

STRATEGIC OBJECTIVE 7: To ensure safety & compliance at all times

Strategic Priority 25: COMPLY WITH TENANT & RESIDENT SAFETY REGULATIONS

We will continue to ensure our homes are safe and free from health hazards. We have robust systems for managing and monitoring tenant safety and compliance, with processes in place to ensure gas, fire and electrical safety compliance. We will also ensure we have robust safety systems in place for other issues relating to specific housing stock such as lift safety, water hygiene, and asbestos management.

→ **Key Outcome: COMPLIANCE WITH TENANT SAFETY REGULATIONS**

Strategic Priority 26: DEVELOP OUR RESPONSE TO MONITORING AND RESPONDING TO MOULD AND DAMP CASES

We will continue to develop our response to acting on mould and damp cases, ensuring these are identified and dealt with promptly and effectively when raised by customers. We will build on our existing management process for staff and ensure training and development continues in this area. We will keep promoting information on our website and social media platforms, in addition to issuing an information leaflet to customers where cases have been identified. A mould management policy will also be developed in accordance with feedback from Housing Support Organisations such as CIH, SHARE & the SFHA.

→ **Key Outcome: A PLAN IS IN PLACE**

Strategic Priority 27: PROMOTE A CULTURE OF SAFETY

We will continue to ensure our staff have the necessary skills, knowledge, and authority to manage complex programmes of work around safety and compliance, with clear procedures in place and accurate records held. We will empower staff by giving them ownership of operational delivery, ensuring effective lines of communication are in place with our key suppliers who deliver tenant safety and compliance services. We will embed our responsibility supported by membership of the EVH Landlord Facilities Health, Safety and Welfare Management System which relates to compliance with Health and Safety issues when delivering services. The safety of our staff is paramount, and we will continue to support this via our Health and Safety Manual based on a model from EVH and supported by our internal management systems, including risk assessments, provision of PPE and training.

We will continue to update our Board regularly on Health and Safety matters and provide reports which monitor performance on compliance, ensuring the information is clear and concise. We will also regularly monitor and audit key parts of our processes both internally and via our internal audit programme, with findings reported to the Board to support their oversight of performance in this area.

→ **Key Outcome: EXCELLENT SAFETY RECORD MAINTAINED**

Strategic Priority 28: CUSTOMERS KNOW THEIR OBLIGATION TO HELP ACHIEVE COMPLIANCE

We will provide information to customers that clearly set out the importance of tenant safety measures, our obligations as a landlord and required actions to ensure compliance. We will also highlight the importance of customers providing us with access to their home, to help us meet compliance legislation. We will continue to promote topic specific safety campaigns such as gas safety or prevention of energy theft on our social media platforms and in our newsletter.

Where access to the home is required, we will offer flexible appointments and a way to make and change appointment times to suit. We will continue to implement a range of approaches to attempt to contact customers, including recorded or hand delivered letters, by phone or text, through social media or visits. We will escalate engagement with customers who do not provide early access to homes and at this stage we will consider any vulnerabilities or additional support needs which may be affecting arrangements. We will involve our Housing Team for these cases, working closely with customers to assist.

→ **Key Outcome: THE NUMBER OF NO ACCESSSES ARE REDUCED**

SECTION 6: GOVERNANCE & RISK



→ GOVERNANCE

We play a role in many lives, as a landlord, service provider, partner, employer and active community anchor organisation. The day to day running of our business is managed by our staff team who work towards certain goals and objectives, including those laid out in this Business Plan.

The main users of our services are our tenants who are encouraged to become share members of the Association, which provides them with the opportunity to join our Board of Management and attend our Annual General Meeting where information is reported on the financial performance of the Association and decisions are made about Board composition. When our Board is full we have 12 members coming from a host of backgrounds and sectors.

As a registered social landlord and registered charity, our Board and staff must ensure compliance with a range of legislation and regulatory standards. This ranges from housing, employment and health and safety legislation through to regulatory standards from the Scottish Housing Regulator, OSCR (Office of the Scottish Charity Register) and the Financial Conduct Authority.

→ RISK MANAGEMENT

Our Board is responsible for overseeing risk management and is currently assisted by our Finance & Corporate Services Committee which is charged with monitoring the management of high-level risks, reviewing the risk appetite, ensuring proper controls are in place and reviewing our approach to risk management.

WE TAKE A COMPREHENSIVE APPROACH TO RISK MANAGEMENT TO ENSURE THAT:

- 1 WE ARE MORE FLEXIBLE AND RESPONSIVE TO NEW INTERNAL AND EXTERNAL DEMANDS.
- 2 WE ARE ABLE TO MAKE INFORMED DECISIONS.
- 3 WE CAN PROVIDE ASSURANCE TO OUR BOARD.
- 4 WE REDUCE INCIDENTS AND CONTROL FAILURES.
- 5 WE ARE ABLE TO ACHIEVE OUR KEY TARGETS AND PRIORITIES.

WE HAVE EMBEDDED A ROBUST PROCESS IN WHICH RISKS ARE IDENTIFIED, ASSESSED, CONTROLLED, MONITORED AND REVIEWED. OUR NEW FRAMEWORK IS DESIGNED TO:

- 1 EMBED RISK MANAGEMENT INTO OUR CULTURE.
- 2 RAISE AWARENESS OF THE NEED FOR RISK MANAGEMENT.
- 3 ENCOURAGE A POSITIVE APPROACH TO RISK MANAGEMENT.
- 4 SUPPORT IMPROVED DECISION-MAKING, INNOVATION AND PERFORMANCE THROUGH A GOOD UNDERSTANDING OF RISKS AND THEIR LIKELY IMPACT.
- 5 MANAGE RISK IN ACCORDANCE WITH GOOD PRACTICE.

SECTION 7: RESOURCES



Our business is on a sound financial footing and has a robust financial plan in place, based on informed assumptions. Our Board have clear oversight of the short, medium and long term financial plans of the organisation.

→ TREASURY MANAGEMENT

Our current financial plan projects £12.5M of outstanding loan funding as at 1/4/2023, with an additional circa £6M available to be drawn down through a revolving credit facility. The revolving credit facility provides flexibility for Cloch to fund its Acquisition Strategy, which focusses on expanding our property portfolio by buying properties from the local housing market, that support our Asset Management Strategy objectives, whilst avoiding holding high cash balances. The projected loan funding within our financial plan is forecast to reduce to £8.4M by March 2026.

We have a robust treasury management plan which is reviewed quarterly and as of March 2023 our average mortgage rate was 3.63%, with circa 50% of the total loan funding fixed. We have around 60% of our properties secured against the loan funding.

→ IMPROVED FINANCIAL STRENGTH

Since 2013, there has been a significant improvement in our financial strength when comparing our latest audited Annual Accounts (2021/22) to previous years, for example:

- Net current assets improving from a negative position of (£1.015M) in March 2013 to a positive position of £1.246M as at March 2022.
- Current ratio, which measures how many times we can repay debts due in one year from current assets has improved from 0.72 in March 2013 to 1.4 by March 2022.
- Cash held has improved from £2.28M in March 2013 to £3.89M by March 2022.
- The loan value outstanding, (due in more than 1 year), has reduced from £19.5M in March 2013 to £13.5m by March 2022.
- Our net worth has grown, increasing from £6.11 M in March 2013 to £17.8M by March 2022 – a 190% increase.

These improvements were achieved by a range of activities including:

- Improved financial management and budgetary control.
- Refinancing loans in terms of extending the terms for repayment and structure of facilities.
- Re-negotiating mortgage rates;
- Increasing the return on cash held;
- Securing savings from the shared services and joint contract procurement; and
- Reviewing and updating Factoring debt processes.

Benchmarking our current financial performance against the Scottish Housing Regulator's Scottish average ratios for 2021/22, (which is the latest available information), highlights:

- Solid financial strength, evidenced by the interest cover and gearing ratios;
- Solid financial performance, evidenced by the profitability ratios; and
- Good performance in terms of operational efficiency, evidenced by the arrears, bad debt, staff cost ratios.

→ FINANCIAL PLANNING

Our focus and objective is to outperform the financial plan assumptions, for example, through effective void, arrears and bad debt management. When actual performance outperforms the financial plan assumption, this will then feed through to the rent uplift decision.

Our future annual rent uplifts within the 30-year plan are:

- Inflation less 4% for 2023/24, the impact of the cost-of-living crisis on our customers' finances has been recognised and the rent increase has been set at 6%;
- From the years' 2024/25 to 2042/43 the rent uplift assumption is based on inflation plus 0.5%;
- From 2043/44 and thereafter, the rent uplift assumption is based on inflation only.

SECTION 8: SUPPORTING DOCUMENTS AND STRATEGIES



To achieve the objectives outlined in this Business Plan, there are several key plans and strategies (and a policy schedule) that support the core Business Plan in delivering our business objectives. The supporting documents go into the detail of each area and examine the impact each will have on the business.

- **People Strategy** – our People Strategy outlines the areas of focus for Cloch in terms of how we support and manage our people and activities planned to help us implement our Business Plan over the next 3 years.
- **Wider Action Strategy** – Many of our activities are non-housing related and focus on areas such as employability, health and wellbeing or environmental initiatives, for example. This strategy contains details of our activities in wider role activities throughout the duration of the Business Plan.
- **Customer Engagement Strategy** – Our Customer Engagement Strategy considers our customer interaction to ensure that our engagement is inclusive and representative to maximise our customer insight and feedback which will allow us to develop and tailor our service delivery.
- **Asset Management Strategy** – As a major landlord in Inverclyde, it is crucial that our assets are managed in a structured and comprehensive way to ensure they are maintained properly, and we have detailed information to make strategic decisions on investment in individual properties and groups of properties. During the course of this Business Plan, millions of pounds will be invested in our assets and having a strategic approach to that management and investment is pivotal for communities and Value for Money.
- **IT Strategy** – Investment and use of IT and digital platforms are key to our success as a growing, innovative and forward thinking organisation. This strategy outlines our plans for IT development taking into account the demands of the business and our service users.
- **Equalities and Diversity Strategy** – our approach to Equalities and Diversity is outlined in this Strategy highlighting the Cloch approach to developing an inclusive and diverse culture within the organisation and the communities we operate in.
- **Value for Money Strategy** – One of our main objectives at Cloch is to keep rents as low as we can and reduce the impact of increasing costs on our tenants. This Strategy highlights how we do that and what measures are taken to ensure that our decisions and procurement are based on value for money (VfM) principles.

- **Financial Analysis** – this analysis is updated annually outlining the financial strength of the business and detailing how we will fund our business plan moving forward.
- **Performance Framework & Departmental Plans** – Our detailed departmental plans look at the specific actions to be carried out within each area of the Business to meet our business strategies and targets, and ensuring corporate and legislative compliance.



APPENDIX A

OUR 3 YEAR STRATEGIC DELIVERY PLAN

Key Outcomes	Priority Actions	Performance Indicators	Baseline	Baseline			
			March 2023	23/24	24/25	25/26	
Strategic Objective 1: To maximise the potential of our assets							
1	Appropriate investment in our homes	Invest in current homes and grown through acquisition	Value of capitalised expenditure on our homes, including acquisition purchases	£1.60M budgeted	£1.58M	£1.24M	£1.23M
2	Our homes remain desirable	Review our approach to asset management	% tenants satisfied with quality of home	78%	93%	95%	95%
3	More tenants satisfied with how we manage their neighbourhood	Improve the environmental appeal in our communities	% tenants satisfied with Cloch's contribution to the management of the neighbourhood they live in	87%	89%	90%	91%
4	An energy efficiency plan is in place	Develop an energy efficiency plan for our homes, neighbourhoods and business	A plan is in place	No	Yes	Yes	Yes
Strategic Objective 2: To offer customers the best opportunity to succeed							
5	Deliver the outcomes of our Wider Action Strategy	Review the impact of the cost-of-living crisis	Outcomes detailed within the Wider Action Strategy are achieved	N/A	100%	100%	100%
6	Tenancies are sustained	Enhance and expand our tenancy support and provision	% of tenancies sustained for more than a year	89%	90%	91%	92%
7	Local training & employment opportunities are promoted	Promote employability and training opportunities	No. of opportunities promoted in the year	14 delivered	20	25	25
8	More wider action projects supported	Promote our wider reach in the community	No. of projects supported	15	16	18	20
9	Improved opportunities for homeless households.	Improve opportunities for those facing homelessness in Inverclyde	% of tenancies to those assessed as homeless sustained	100%	100%	100%	100%

Key Outcomes	Priority Actions	Performance Indicators	Baseline	Baseline			
			March 2023	23/24	24/25	25/26	
Strategic Objective 3: To involve our customers and wider communities							
10	Increase customer and community involvement	Enhance tenant and community involvement	No. of initiatives encouraging customer and community involvement	11	16	18	20
11	Services and communication methods informed by customer feedback	Develop our approach to gathering and using customer insight	No. of you said we did actions / initiatives	N/A	To be agreed	To be agreed	To be agreed
12	Increased take up of digital services	Strengthen our digital services to support participation	No. of tenants registered on the Cloch portal	900	950	1,000	1,050
Strategic Objective 4: To deliver innovation and collaboration							
13	A partnership working plan is in place	Review our procurement and partnership working arrangements	Partnership working plan in place	No	Yes	Yes	Yes
14	Improved working practices	Further develop our IT systems and software	% staff who report an efficient and effective set of working practices	76%	80%	82%	85%
15	Increase supported accommodation provision	Seek to maximise our portfolio of supported accommodation	No. of supported units provided	76	77	78	80
16	Opportunities for owners are promoted	Explore external funding to help owners maintain and improve their homes	No. of publicity/communications to owners highlighting funding/efficiency measures	4	5	6	7
Strategic Objective 5: To sustain a caring, forward-looking culture							
17	Board & Staff feel supported & encouraged	Embed a "can do approach"	% Board and staff feel supported & encouraged	86%	88%	90%	92%
18	Our people have all the tools they need to do their job effectively	Continue to adopt modern working practices	% staff who feel they have all the tools they need to do their job effectively	100%	100%	100%	100%
19	Our culture is diverse and inclusive	Embrace change & encourage diversity	No. of Equalities projects delivered/promoted	2	2	2	2
20	A wellbeing plan is in place	Support our people	% staff satisfied with the wellbeing plan	N/a	85%	87%	90%

Key Outcomes	Priority Actions	Performance Indicators	Baseline	Baseline			
			March 2023	23/24	24/25	25/26	
21	We meet the SHR's Regulatory Standards of Governance & Financial Management	Demonstrate effective governance & financial control	% Assurance and Compliance	100%	100%	100%	100%
22	Effective disaster recovery plans are in place	Maintain robust risk management, business continuity & disaster recovery practices	% Assurance through Audit of Function (Reasonable = 80% / Substantial = 95%) *Cumulative average of relevant internal audits	N/A	80%	90%	95%
23	We deliver value for money	Embed a value for money approach	% tenants who feel that the rent for their property represents good value for money	72%	75%	78%	82%
24	Improved market information	Strengthen our use of market intelligence	% Board satisfied with Market Information and this informs our business plan activities	100%	100%	100%	100%
Strategic Objective 7: To ensure safety & compliance at all times							
25	Compliance with Tenant Safety Regulations	Comply with Tenant & Resident Safety Regulations	ECIR and Gas Safety compliance * average of the above	99%	99%	99%	99%
26	A plan is in place to respond to and monitor mould and damp cases	Develop our response to monitoring and responding to Mould and Damp cases	A plan is in place	N/A	Yes	Yes	Yes
27	Excellent safety record is maintained	Promote a culture of safety	Zero incidences relating to RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences)	Zero	Zero	Zero	Zero
28	The number of no accesses are reduced	Customers know their obligation to help achieve compliance	No. of no accesses, (per household)	527	505	485	465



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