

Making a Difference

Providing Affordable Homes in Strong Communities



LANARKSHIRE
HOUSING ASSOCIATION LTD

CORPORATE PLAN
2016-2021

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PREFACE TO STRATEGIC PLANS BY THE CHIEF EXECUTIVE

This PLAN identifies the key issues which are the most relevant to a specific departmental responsibility within the organisational structure of Lanarkshire Housing Association (LHA). Its specialist background is outlined in a Foreword by the Chairperson of the relevant Sub-Committee. It can be read as a standalone document in relation to the service priorities of the department, but it is important to acknowledge that its goals are integral to a wider planning framework which incorporates all THREE of LHA's departmental strategic documents, as follows :

1. The Corporate Plan
2. The Housing Plan
3. The Capital Investment Plan (formerly known as the Development Plan)

Each of the above PLANS is linked to LHA's desire to support people in achieving a better future for themselves and their families. This aspiration is summarised by our VISION of the social and economic benefits in providing affordable, sustainable homes within strong communities during the plan period of 2016-2021. This VISION is intended to set out fairly succinctly our desire to move forward by developing our corporate and social responsibilities in a realistic, appropriate, inspirational, ambitious and distinctive way, and it is plainly stated as being :

“To benefit communities in Lanarkshire by protecting the global environment and engaging with stakeholders to find better ways to invest scarce resources in providing affordable homes for the future and delivering greater social value in our housing related services.”

There are numerous resources and driving factors that have fed into the growth of our strategic thinking, including (but not limited to) the following :

- The Scottish Government's strategic priorities – the context of affordable housing provisions and the funding regime in Scotland
- The Scottish Social Housing Charter – the standards and outcomes expected of RSLs in Scotland by the Charter
- The Scottish Housing Regulator – registration requirements, regulation status (landlord performance report and official notices) and the Determination of Accounting Requirements (December 2014)
- Strategic Housing Investment Plans – Local Authorities' housing strategies

- LHA's Core Values (acronym, “ACCEPT”) :
 - Accountability
 - Customer satisfaction
 - Care for the environment
 - Ethical practice
 - Public service
 - Teamwork
- The Scottish Public Services Ombudsman – the principles of good practice in responsive complaints procedures
- The National Housing Federation (NHF) guidance on excellence in Governance
- The Office of the Scottish Charity Regulator – rules and regulations of charitable status
- Acts of Parliament relating to housing, welfare, planning, employment, environmental and building standards – all relevant UK and Scottish legislation such as (but not limited to) :
 - Welfare Reform Act 2012
 - Universal Credit (Waiting Days) (Amendment) Regulations 2015
 - Housing (Scotland) Acts (2014/2010/2006)
 - Equality Act 2010
 - Climate Change (Scotland) Act 2009
 - Co-operative and Community Benefit Societies Act 2014
 - Heat Network (Metering and Billing) Regulations 2014
 - Property Factors (Scotland) Act 2011
 - Antisocial Behaviour etc. (Scotland) Act 2004
 - Building (Scotland) Act 2003 and the Building (Procedure) (Scotland) Regulations 2004
 - Ethical Standards in Public Life etc. (Scotland) Act 2000
 - Environmental Protection Act 1990
 - Data Protection Act 1998
 - Health & Safety at Work etc Act (1974) and other Employment legislation
 - Human Rights Act 1998

As a valued stakeholder, I hope you will find our PLANS to be a useful insight into the Association's ambitions to play a pivotal role in securing the growth of much needed, high quality, affordable housing provisions in Lanarkshire as well as delivering more integrated housing related services that will help to strengthen our local communities, provide employment opportunities and improve people's lives.

James Stevenson
Chief Executive

FOREWORD BY CHAIRPERSON – FIONA TONNER

In the past years the Management Committee and the staff have worked very hard to improve the quality of the services we provide whilst also increasing the role and influence of our customers in the decision making processes. We have sought to establish greater means of participation and engagement with our customers to ensure that we continue to deliver the desired quality of service whilst recording improved performance figures across the range of key measures of service delivery. We have welcomed the introduction of the Scottish Social Housing Charter (“the Charter”) by the Scottish Housing Regulator, and the Annual Return on the Charter (ARC) has made us focus more clearly on customer needs and expectations. Over the past three years we have invested over £2.5m in capital projects, increasing the supply of affordable housing in the local community and improving our existing housing stock. In the same period we have ensured that the balance sheet of the business remains strong with our key loan covenants being achieved comfortably.

One of the strengths of our strategic planning is that it has allowed us to respond effectively to the challenges of the past three years. The changing political and economic environment now requires us to undertake a fundamental review of what our aims, objectives and priorities should be for the next five years (2016-2021).

We have agreed that everything we do will be founded upon a set of core values which reflect our desire to improve the quality of life for people in the communities we serve. At the heart of these values are fundamental principles of accountability, customer satisfaction, care for the environment, ethical practice, public service and teamwork.

We know government funding is severely constrained and many of our tenants will be affected by the changes in welfare benefits such as the “bedroom tax” and Universal Credit. Demand outweighs supply for good quality, affordable housing in Lanarkshire and we are aware that some of our tenants will not be able to find employment. In recent years we have been working hard to ensure that our business is in better shape to face up to these challenges and we are beginning to see improvements as a result.

Our business is built on serving local communities through harnessing the voluntary commitment of local people. By supporting this founding principle we aim to provide excellent homes and services, improve the environment and help local people to live in safer, healthier communities. This will continue to be our main focus and we will work together with tenants, other residents, customers, partners, staff and committee members to help realise our vision.

For the next five years our main goal will be to help our tenants and other residents cope with these challenging times. We will continue to arrange appropriate advice for people on the impact of welfare reforms, offer them help to access other supportive agencies and continue to deliver valued services to the most vulnerable in our communities. We are also looking forward to achieving an even more responsive repairs service by implementing improvements in our contractors’ performance.

Although we are a registered charity we still have to ensure we remain a viable business. We can only deliver our aims and objectives by having a strong financial position and continuously improving the way we manage our business, so we know there is more to do in terms of controlling overheads, increasing our operating surplus and maintaining our housing assets in the long term.

We will also look for opportunities to work with prospective partners to deliver even greater social benefits to local neighbourhoods.

By focusing on clear objectives and priorities as determined from our strategic planning process and our own internal business risk assessments, we hope to ensure that LHA will continue to flourish as a provider of good quality affordable housing services that will strengthen local communities.

ACHIEVEMENTS AGAINST CORPORATE PLAN 2012-2015

2012-2015 Strategic Plan Objectives	Current Position (July 2015)
Update the life cycle costing programme and integrate financial planning of the identified programme with the remaining tasks in the Standard Delivery Plan for the Scottish Housing Quality Standard (SHQS).	The life cycle costing programme was updated in March 2013, as part of the same exercise as a stock condition survey which included assessments of SHQS compliance. The financial outputs are being used to plan the future capital investment programme.
Put a procurement framework in place for the next 3 years' planned maintenance and SHQS improvements.	A balancing quality and price selection process was used to set up a framework for 2011/12–2013/14 and extended to 2014/15.
Complete all SHQS improvement work by 2015.	All work was completed by the 2015 deadline.
Keep the role of Lanarkshire Initiatives Limited under review.	The management agreement between LHA and Lanarkshire Initiatives Limited was renewed in June 2014.
Strengthen rent collection to maintain current tenant arrears at/or below benchmark target.	Rent arrears have remained below benchmark target for three consecutive years.
Implement a revised Void Management Strategy to reduce relet times.	Our revised strategy successfully reduced relet times to 13 days at 30 June 2015, with targets generally achieved during the period of the plan.
Implement the requirements of the Scottish Social Housing Charter (the Charter).	The Housing (Scotland) Act 2010 introduced the Charter, with our first Annual Return on the Charter (ARC) completed in 2014. The Charter performance report was issued to tenants in October 2014 which outlines our performance against charter indicators.
Build upon existing tenant participation initiatives to ensure activities remain responsive to customer's needs.	A range of participation options are provided to ensure customer views and priorities are reflected in service improvements. Assistance was provided to build the capacity of Registered Tenant Organisations (RTOs) through independent advice and assistance provided by TIS.
We shall ensure reactive repairs are carried out efficiently and economically and within target response times.	We set challenging targets for all categories of repairs, with performance currently marginally below benchmark targets.
Maintain status as an Investor in People.	Re-accreditation to Investor in People was achieved in November 2012.

ACHIEVEMENTS AGAINST CORPORATE PLAN 2012-2015

2012-2015 Strategic Plan Objectives	Current Position (July 2015)
Ensure full compliance with the Statement of Recommended Practice (SORP) 2010 and in particular introduce component accounting in the financial reporting of the housing stock.	Full compliance with SORP 2010 and component accounting as determined by the external auditor Scott Moncrieff, was achieved in accordance with the required timescale.
Strategy for growth through acquisition to be developed.	Further growth in housing stock was achieved through participation in the Mortgage to Rent scheme and acquisitions from the open market. A total of 41 units have been made available for social housing using these strategies.
Promote environmentally friendly and sustainable business practices.	Recycling of aluminium, plastics, paper and cardboard has been introduced throughout the office.
Develop a Succession Policy for the Chief Executive.	Succession Policy for the Chief Executive was approved by Committee in April 2012.
Rent Reviews assessed against criteria of affordability and against the wider economic climate.	Annual Rent Reviews in recent years have been below inflation and in the past two financial years, the proposed increase has been reduced due to views expressed by tenants following the consultation exercise on rent reviews.
Review governance framework to ensure compliance with the Scottish Social Housing Charter.	Governance arrangements have been reviewed and compliance is being achieved after the Charter.
Investment in hardware and software to deliver increased operational efficiency.	Complete renewal of all desktop hardware was achieved in August 2014 following the successful upgrade of the Housing and Maintenance software to the latest version.
Wholesale review of the Internal Management Plan (IMP) to ensure that it effectively addresses the needs of the business and remains a relevant planning tool.	This wholesale review of the IMP was undertaken in August 2014. The IMP is subject to annual review to update its contents.
Continue to meet the covenant conditions that have been put in place by lenders and report on compliance at least annually.	Full compliance with all covenants have been achieved through the period. Reporting on compliance has been integrated into a key benchmark report which is reported on at every Management Committee.

1.0 INTRODUCTION

It is important that LHA reviews its strategic aims on a regular basis to reflect the major changes in the external and internal environment in which we operate, whether that is through government policy, regulation, the wider economy, internal management structures, governance or public and private funding arrangements.

LHA currently has an integrated strategic planning system in operation which is illustrated in the diagram shown in **Appendix 1**.

Our experience shows that a 3-year plan period is now perceived as a relatively short timescale to achieve a truly “visionary” approach about where we wish to be in the future and that it would make more strategic sense to adopt a 5-year timespan.

Three key strategic documents aimed at meeting the future challenges have been produced, as follows :

1. Corporate Plan (2016-2021) which provides a summary of the strategic planning framework, our vision for the future, objectives and priorities for the short and medium term and targets for financial outcomes and key performance indicators.
2. Housing Plan (2016-2021) which highlights the service priorities, our means of delivering the outcomes expected by the Scottish Social Housing Charter, detailed aims and objectives of both the housing management and maintenance functions and how we will measure our achievements.
3. Capital Investment Plan (2016-2021) which details the policy and funding context for investment in capital projects i.e. new affordable housing and also future major planned repairs and renewals. The plan sets out key objectives and priorities for investment and includes the means of measuring our success.

2.0 STRATEGIC PLANNING FRAMEWORK

The Strategic Planning Framework has been produced from the discussion paper “Developing a Corporate Vision and implementing Strategic Plans for the next 5-year period (2016-2021)”. This paper was the subject of an internal consultation exercise and was adopted as the basis of our strategic planning by the Management Committee in April 2015. The key issues are highlighted below :

2.1 Global Issues

2.1.1 Environmental issues and climate change

An issue of increasing importance is the evolution of Environmental Law and its relationship to known contaminants with respect to whether or not land is fit for human habitation.

A more significant area of responsibility for LHA is to play a role in the reduction of the use of fossil fuels and contribute to targets on renewable energy. Clearly LHA on its own is only a minor player, but besides regulatory requirements there are obvious actions that can be considered and planned for, such as :

- Improving energy efficiency of the housing stock (more insulation, more efficient heating systems)
- Applying newer technology in new housing provisions (e.g. photovoltaics to convert solar energy into electricity)
- Reducing energy use and waste within the business itself; move to low/zero CO2 emission vehicles, upgrade lighting (LED), discourage the use of “stand-by” on electrical appliances, increase recycling capabilities, etc.
- Mitigating the growing risk of environmental litigation

2.1.2 Supply and demand in social housing

The growth in supply of affordable housing is compatible with our vision but to make progress LHA must establish a sustainable model for funding any future growth.

It is generally acknowledged that the supply of affordable housing is acutely short. To play any role in increasing the supply of social and affordable housing we will have to consider our funding requirements in more innovative ways whilst being fully aware of associated financial risks. Our commitments over the plan period can be outlined, in principle, as follows :

- We need to keep up to date with wider national and local arrangements through other bodies (such as pension funds and bond markets) to raise investment in affordable housing and tap into available resources for growth where feasible
- We need to look at individual housing acquisitions, such as “Mortgage to Rent”, as a more significant opportunity for organic growth
- We need to set ourselves an achievable target for organic growth during the period of our Plan. A target of between 0.5% to 1.0% per annum growth in housing stock is perceived to be realistic and achievable
- In the medium term we will need to consider and rethink our service delivery model to become more efficient with scarce resources, e.g. moving to greater use of mobile technologies, new financial models, greater integration and/or sharing of key services with other similar providers
- The Housing (Scotland) Act 2014 abolishes the Right to Buy (RTB) for all council and housing association tenants. No further RTB sales will take place beyond 31 July 2016 resulting in no further losses in affordable social housing stock, which will assist in meeting our growth targets

2.1.3 Shifting demographics

Population trends, particularly the projected increase in the number of older people in the next decade, is going to play an increasing role in the determination of housing policy. Our goals will be based on the following key issues :

- We need to recognise the changing population trends whereby there will be an increased housing demand for elderly people accompanied by more acute pressures on traditional health care systems
- We will consider the need for appropriate support services where there will be a trend to move away from institutional care towards community and home support

2.1.4 Population movements

The delivery of public services will be affected by the movement of people from rural to urban areas along with the immigration to Scotland from the EU. This will create problems for access to affordable housing.

There will be more pressure on already densely populated urban areas as people move into towns and cities looking for employment opportunities, and proximity to key social services. We will review services in light of the following guiding principles :

- We will consider issues of poverty and access to “affordable housing” such as mid market rent, social rent, fuel poverty and the impact of welfare changes
- We will consider crime prevention measures, health and social housing issues, as well as potential immigration from the EU

2.1.5 New technology

The primary driver for change in the delivery of services has been the rapid development of technology. LHA must assess and evaluate the opportunities and threats that these new developments present.

We need to consider how we can continuously modernise our operations whilst protecting the security and integrity of our data by making progress in the context of the following key aims :

- We will consider mobile technology, cloud computing and e-government as means of finding new efficiencies in our business operations, including easier methods of secure financial transactions
- We will also need to ensure compliance with privacy requirements, data protection and promote software security and integration in key services
- Our aim is to have better informed and more involved tenants and customers and achieve a more inclusive approach
- We will identify and deploy the most appropriate technologies and software to improve our communications with stakeholders. This will include website development, appropriate use of social media and financial transactions using the latest secure technologies
- We will continue to be vigilant against the risks of cyber-crime and data theft

2.1.6 Disabilities awareness

As a commitment to equality of opportunity LHA has attained the Positive about Disabled People accreditation which helps to provide disabled people with employment opportunities.

The range of recognised disabilities is being widened with new methods of medical diagnoses and treatment. There is increased awareness of the economic and social benefits in providing services that help people with disabilities to achieve greater participation within society. In order to respond to this challenge we will take an approach on the following basis :

- We will consider additional service demands that properly reflect the range of disabilities affecting people BOTH as employees and customers
- We will strengthen our positive recruitment and enabling roles by giving a commitment to retain our Positive about Disabled People accreditation and encourage equal access to employment opportunities for disabled people

2.1.7 New priorities in service delivery

Following on from the above considerations, FOUR fundamental issues have been identified that will dictate new or revised approaches to our delivery of all corporate and business services over the plan period 2016–2021 :

- a) Energy efficiency
- b) Service integration (including IT)
- c) New development risk
- d) Accounting rules and financial systems

The issues involved in each of the above are summarised below :

a) Energy efficiency

The UK Government has pledged to reduce the UK's greenhouse gas emissions by at least 80% below base-year levels by 2050, to be achieved through action at home and abroad.

The first three carbon budgets were set in law in May 2009 and require emissions to be reduced by at least 34% by 2020. With nuclear power generating 16% of total UK electricity, this means that only about one-quarter of our electricity generation is currently low carbon.

All cavity walls and lofts in homes, where practicable, are expected to be insulated by 2020. The fuel efficiency of internal combustion engine cars will improve dramatically, with CO2 emissions from new cars set to fall by around one-third. Many of our existing coal-fired power stations will likely close, replaced primarily by gas and renewables. More efficient buildings and cars will cut fuel costs. More diverse sources of electricity will improve energy security and reduce exposure to fossil fuel imports and associated price volatility.

The Energy Company Obligation places a duty on energy companies both to reduce emissions through undertaking solid wall insulation and to tackle fuel poverty by installing central heating systems, replacing boilers, and subsidising cavity wall and loft insulation. In parallel, Smart Meters will be deployed in homes to support consumers in managing their energy expenditure intelligently. This may well create difficulties for landlords like LHA operating "district" or "community" heating systems and the UK legislation addresses this issue through The Heat Network (Metering and Billing) Regulations 2014.

In 2009, about 37% of UK emissions were produced from heating and powering homes and buildings. By 2050, all buildings are expected to have an emissions footprint close to zero. Buildings will need to become far better insulated, use more energy-efficient products and obtain their heating from low carbon sources. In the Scottish Government's Sustainable Housing Strategy actions relating to skills and training have been integrated into the relevant theme, focusing on the energy efficiency aspects of sustainability, while recognising the wider aspects of the agenda and, in particular, the importance of house condition. This strategy was intended to stimulate action that impacts positively on climate change and hence on the environment and we have undertaken to play a positive role in managing our housing stock and general business operations accordingly.

b) Service integration (including IT)

Governments and public sector bodies are increasingly recognising that different social services are intrinsically connected and we should take a more holistic approach, including the potential for more effective shared technology platforms (a current example being the Common Housing Register).

The UK government is now exploring the potential of integrating various systems and service models to provide a “single window” of customer service delivery. This could provide advantages to both government and citizens in terms of efficiency and removing barriers to access. It is intended to offer a more inclusive and customer-centred approach that brings together multiple services and welfare provisions in addressing customer needs.

Following the outcome of the Scottish Independence Referendum the agreed recommendations for extra powers by the Smith Commission have yet to be fully put in place in Scotland after it published its report in December 2014. The Scotland Bill 2015 was introduced to Parliament on 25 May 2015. This Bill is intended to allow more decisions affecting Scotland to be taken in Scotland. However, Universal Credit (UC) is being rolled-out across the country. The UK government’s existing plans will see new claims to current benefits closed during 2016. This will mean that all new benefit claimants across the country will claim UC instead of the benefits it replaces (Jobseekers Allowance, Housing Benefit, Working Tax Credit, Child Tax Credit, Employment and Support Allowance and Income Support). Most existing benefit claimants will be moved over to UC during 2016 and 2017. However, it now seems that many claimants will not be on UC by the end of 2017. We understand that decisions on the later stages of the UC rollout will be informed by the completion of a new IT system as this will determine the final details of how people move to UC.

There is also a “benefit cap” which sets a limit on the amount of welfare payments a claimant can receive. The current maximum amounts are £500 per week for couples and single parent households and £350 per week for single adults. There will be some exemptions from this “cap”.

LHA needs to be prepared for the potential impact of these welfare reforms in order to mitigate the increased business risks. The key themes we will focus on are efficient housing services systems, homes that meet people’s needs, high quality sustainable homes and sustainable communities.

The main areas of predicted key risks are perceived to be :

- Shortage of one-bedroom properties
- Tenants losing income available for housing through benefit changes and “sanctions”
- Demand outstripping supply in the social and private rented sectors
- Discretionary housing payments from the local council being more critical in mitigating rent arrears
- More resources being needed to actively manage rent arrears and the potential for evictions
- Tenants cutting down on essentials and borrowing to make up rent shortfalls (a potential for increased use of “food banks” and “pay-day lenders”)
- Reduced support structures for independent living and homelessness (affecting requirements for temporary accommodation)
- Reduced availability of resources to meet upgraded housing quality standards in both the social and private rented sectors
- Households being forced to move if rents go higher than local housing allowances (local housing allowance is the method of working out the maximum Housing Benefit entitlement a private tenant can receive)
- The potential for a wider social impact of residential instability and the challenges then faced in promoting the positive aspects of neighbourhood and community
- Local Authorities are predicted to experience an increase in demand for a variety of social/support services as welfare reforms are rolled out

Sources of evidence that we will be able to use relative to such predicted risks will be :

- Numbers of evictions
- Levels of rent arrears
- LHA’s overall financial stability
- Staff workload (relating to specific housing services)

- Level of new house building for social/affordable rents, mid-market rent and low cost home ownership
- Growth/shrinkage in the private rented sector
- Measures of poverty (e.g. household incomes, rent affordability, fuel poverty, use of food banks)
- Levels of homelessness
- Quality of housing - e.g. SHQS, Energy Efficiency Standard For Social Housing (EESHS)
- Service standards for tenants (the Charter outcomes)
- Supported accommodation – the DWP has published regulations extending the types of supported housing where housing costs do not count towards the “benefit cap” and where tenants will not have their housing costs paid through UC
- Temporary accommodation requirements

Accordingly, our strategic approach will require more attention being given to the risk assessments and the measurements of actual outcomes against some of the predicted impacts of the government’s welfare reforms.

c) New development risk

Over the period of the last strategic planning exercise (2012-2015) LHA realised the risk of legal issues relating to allegations over “contaminated” land, where we recognised and brought the government’s attention to wider implications for social justice and communities. The relevant legal aspects may be summarised as follows :

- The land on which housing may be constructed may formerly have been used for industrial purposes and be understood to require remediation to deal with potential contaminants before its redevelopment can be considered (i.e. ‘brownfield’ land)
- Public or private sector owners of the land may be responsible for the remediation works to make such land suitable for future residential development before it is sold to a developer
- It may be alleged at a future date, after the sale of the land, that the original owner failed to meet the appropriate standards for such environmental remediation works
- Any housing subsequently built on such land whether housing for sale, shared ownership or affordable rent could have obtained the necessary Local Authority’s planning approval and building consent subject to appropriate remediation being carried out. It is not necessarily the responsibility of the planning authority to ensure such remediation is fully and properly implemented
- Contaminants may be left in the ground (some known as Volatile Organic Compounds or VOCs) which can allegedly find a pathway to reach the air within such newly constructed houses in sufficient quantities to allegedly cause harm to the health of the occupants
- An RSL acting in good faith in its role as a social landlord could find itself isolated in having to fund a legal defence against associated personal injury claims despite the fact that it did not instigate policy in ‘brownfield’ land development or take part in the remediation strategy for the land in question

An RSL could incur substantial legal costs, not all of which would be recoverable even if the pursuers’ claims fail.

As government funding for such legal expenses is highly unlikely, this knowledge will clearly inform our decisions about business risk assessment and the third party warranties we expect to see in new build development on ‘brownfield’ sites in future.

d) Accounting rules and financial systems

The most significant changes to accounting requirements relate to component accounting, depreciation and pension liabilities and these are fully explained in LHA’s audited accounts.

At present these issues do not present a significant threat to LHA’s overall financial health but we will closely monitor the impact of these issues as well as our borrowing arrangements and compliance with associated loan covenants, as part of our treasury management policy.

It is our intention to ensure we always have sufficient cash and assets to meet our short and long-term financial commitments and our debt levels are sustainable taking account of potential interest rate changes.

Internal audit is seen as an area in which we will be able to improve existing systems and help to reduce risks.

LHA complies with the Determination of Accounting Requirements (December 2014) as published by the SHR, which took effect from January 2015, and will comply with all future amendments thereafter.

2.1.8 As a means of addressing the above social and corporate issues it is our intention to implement and maintain the following primary actions :

- We will carry out appropriate risk assessments related to the above FOUR fundamental issues and review the need for appropriate resources to address these and mitigate all significant risks identified
- We will assess potential areas for service sharing arrangements with other appropriate authorities with a view to delivering greater social value and cost efficiencies. We will undertake a review of any model shared service agreements that cut down on duplication of provisions like help desks, service contracts and infrastructure
- We will examine the potential for partnership agreements with other organisations in the public and private sectors that have a shared vision for sustainable and affordable housing in stronger communities. We acknowledge that the private sector can take bigger risks in terms of innovation in the development process, for example. In undertaking any such plans we will implement appropriate and robust financial systems to mitigate any prospect of fraud or abuse.
- We will regularly monitor and check compliance with regulatory notifications on appropriate Accounting requirements and associated guidance on the means of ensuring good governance from the NHF (or SFHA). Key risk assessments will be more fully developed in relation to pension liabilities, component accounting, depreciation strategy and development risk (particularly 'brownfield' sites)
- We will implement more effective internal audit structures, closely linked to provisions of performance statistics for KPIs and the Annual Return on the Charter
- We will promote all aspects of the Equality Act 2010, and pay more specific attention to access to employment and housing for people with disabilities. We will at all times meet the principles of being Positive about Disabled People
- Corporate Services will implement appropriate skills and training programmes for voluntary committee members and introduce a more robust system of self-appraisal for the Governing Body
- Corporate Services will co-operate closely with Housing Services in determining the annual Rent Review. There is a consultation process with tenants which informs them of how their rent (and other income) is spent under the categories of staff costs, repairs & improvements, business overheads, loan costs and other property costs

The Management Committee has currently agreed a maximum threshold for staff costs of 32% of total revenue income. Other thresholds may be considered in future consultations organised by Corporate Services and Housing Services during the course of this Plan period 2016–2021.

2.2 National issues – Scottish Government Strategy

The national issues primarily influence the Capital Investment Plan. The strategic factors influencing our actions are as follows :

2.2.1 Planning at national level includes references to the following :

- Homes fit for the 21st Century (2011-2020) which includes setting homelessness targets, SHQS to be achieved by April 2015, zero fuel poverty by November 2015 (where practicable) and EESSH to be achieved by December 2020
- A Housing Needs and Demand Assessment
- The Local Housing Strategy
- Local Authority SHIPs (Strategic Housing Investment Plans)
- Single Outcome Agreements
- Strategic Housing Investment Framework
- Resource Planning Assumptions
- Housing, Land Supply and Land Use

2.2.2 The Scottish Government's strategic goal which is :

"To build the new, high quality, affordable homes (including social housing) to meet current need and the demand arising from our growing and ageing population."

In order to promote this overall aim Corporate Services will undertake to examine the viability of new build and development funding in terms of :

- Public subsidy/grant levels
- Multi tenure and cross subsidy
- Shared funding of developments
- Potential new sources of funding

The Government intends to invest grants in ways which lever in far more resources from elsewhere in order to maximise the supply of affordable homes. LHA must formulate a response to this. In doing so we will take account of:

- The National Housing Trust (NHT) model
- Shared equity possibilities
- Innovation & Investment Fund facilities
- Mortgage to Rent potential

2.2.3 The Scottish Government's key aims and objectives are :

- To build 30,000 affordable homes; two-thirds of which will be for "social rent" (2012-2017)
- To promote direct social housing provisions by local authorities
- To substantially expand the "mid-market" rentals
- To implement a 3-year investment programme based on Resource Planning Assumptions
- To return empty homes for use as affordable/social housing
- To expand funding opportunities through a Scottish Housing Bond and large scale pension fund investment potential

2.2.4 Development programmes :

Our main purpose is to provide good quality homes in strong communities and, in assessing how this might be achieved, we must :

- Undertake a broad assessment of the development risks
- Assess the match between local SHIPs and LHA's aims and objectives
- Assess Government policy shifts and the levels of public subsidy/grants available
- Undertake a "mid-market" assessment and determine if there are local areas where there is a clear demand for such properties

2.2.5 The relevant issues for LHA's development growth are as follows :

- Availability of standard "bank" mortgages – prospects of future lending
- New household formation (ageing population, family breakdown, etc.) - people renting for longer, not buying
- Shared ownership potential
- Funding gap or shortfall between overall cost and sustainable finance
- Joint ventures as an alternative approach to shared risk
- Justifiable rent increases and low income households
- Local Authority pension funds as sources of finance
- Establishing the right balance of activities between protecting existing stock and new provisions, i.e. making hard choices between development and supporting existing communities
- Promoting our community legitimacy – ensuring local participation in development processes
- Getting the best return for both landlord and tenant
- Recognising the importance of preserving our existing asset investment in people and neighbourhoods

2.3 LHA's Corporate considerations :

The resulting corporate issues that need to be adequately assessed for risk as part of any future programme to provide new affordable housing are as follows :

2.3.1 Barriers to LHA development growth

Smaller RSLs face similar challenges to larger ones in terms of issues around rents, welfare reforms and affordability. Their local focus may help in interactions with tenants in dealing with these issues, but they do not have the same range of resource as larger landlords in terms of developing strategic approaches

to these challenges. It is also the case that many smaller RSLs are mixed businesses and growth may be as much about developing services as about building new homes.

2.3.2 Organisational capacity

Even where there is clear financial capacity available to a smaller RSL, a lack of organisational capacity (the particular skills, expertise, contacts and experience essential to the delivery of housing developments) may limit its ability to fully exploit that capacity.

2.3.3 Ability to quantify risk properly

RSLs that want to develop their business have to be clear and realistic about what can actually be delivered, particularly at a time when RSLs face a number of challenges in delivering their core aims. While it is understandable that smaller RSLs may be cautious, it is also the case that there is a danger of focusing purely on the risk of particular actions, rather than setting these against the potential gains, particularly in terms of meeting overall priorities. Properly quantifying risk is therefore very important for an RSL. Effective appraisal of risk should also involve having in place mechanisms and policies to mitigate the identified risk and having good contingency plans.

2.3.4 Ability to borrow

In a more difficult market, some banks may be unwilling to offer funds to new clients or to offer small tranches of funds on competitive terms, although there are increasing signs of improved credit availability. The length of the loan is important and RSLs need to ensure that the covenant and security requirements are compatible with their growth ambition.

2.3.5 Access to development land

Finding land in the right place at the right price is a key issue for all RSLs that wish to develop. Smaller RSLs are often outbid by other bodies, including larger RSLs. Whether this is a significant barrier for an RSL may be determined partly by the local land market and partly by an ability to utilise area based relationships to help secure development.

2.3.6 Ability to increase rents and maintain affordability

This cannot simply be linked to price inflation. It must reflect real costs related to standards of service and the quality of housing to be maintained. However, all RSLs must meet their Charter obligations in terms of the tenant consultation process in setting rents and service charges.

3.0 OPERATING CONTEXT AND VISION

The outcome of LHA's internal consultation exercise on developing a vision, can broadly be summarised as follows :

3.1 LHA's key **Purpose** has been agreed as being :

“To provide good quality social and affordable housing and associated services”

3.2 LHA's Core **Values** (using the acronym “**ACCEPT**”) have been adopted as :

Accountability

Customer Satisfaction

Care for the Environment

Ethical Practice

Public Service

Teamwork

These values are more fully developed in the following diagram and represent a guiding philosophy for the whole organisation :

OUR GUIDING PHILOSOPHY - "ACCEPT" CORE VALUES

ACCOUNTABILITY



- clearly defined duties and obligations for staff and committees
- benchmarks / targets for performance standards (KPIs)
- individual and collective responsibility
- rewards and sanctions
- regulatory guidance / control mechanisms

CUSTOMER SATISFACTION



- feedback from our customers by listening and responding to their concerns
- appropriate opportunities for tenant participation
- a performance culture that challenges us to exceed expectations and deliver more cost-effective and efficient services of a high standard
- the pursuit of excellence in the goods and services we provide

CARE FOR THE ENVIRONMENT



- the need to address the 'climate change' agenda
- the need to examine and review our impact on the environment
- the need to achieve lower carbon emissions, sustainable growth and continuous improvement

ETHICAL PRACTICE



- the need to be open and transparent about our actions and decisions
- rules on individual and commercial confidentiality
- our Corporate Social Responsibilities (CSRs)
- the need to be positive about disabled people and abide by the important principles of equality

PUBLIC SERVICE



- the ethos of serving the public to the best of our abilities
- the duty to promote a good corporate and personal reputation
- the need to work with partners in the public and private sectors
- the need to support and appreciate the spirit of voluntarism at the heart of the local housing association movement

TEAMWORK



- we must value individuals but work together as a team
- the need to motivate our people to collaborate effectively and work in harmony with a shared sense of purpose and achievement.
- the need to foster and develop our human resources and voluntary committee contribution by enriching people's skills and encouraging them to reach their full potential

3.3 LHA's basic MISSION statement has therefore been restated as :

"To provide good quality, affordable housing services in strong local communities within a voluntary framework of governance, along with associated commercial services of social value through a wholly owned subsidiary company"

3.4 LHA's VIVID DESCRIPTION may be summarised and noted as :

- LHA is a highly rated Registered Social Landlord (RSL), regulated by the Scottish Housing Regulator (SHR), operating within the Lanarkshire area
- LHA is also a registered Charity, operating on a 'not-for-profit' basis
- LHA is a community benefit society. As a "Registered Society" under the Act, it must be run primarily for the benefit of the community at large, rather than for the members of the society
- LHA is additionally registered as a Property Factor, and so aims to protect homeowners by adopting minimum service standards for factoring. The Property Factors Act came into force on 1 October 2012 and applies to all residential property and land managers whether they are private sector businesses, local authorities or housing associations
- LHA is controlled by a voluntary Governing Body (the Management Committee) and has equal shareholding members
- Lanarkshire Initiatives Limited (LIL) is a subsidiary company of LHA that is a separate commercial enterprise undertaking wider action in helping sustain local communities. Its profits (if any) can be made over to LHA as charitable donations

3.5 LHA's corporate VISION has been adopted as :

"To benefit communities in Lanarkshire by protecting the global environment and engaging with stakeholders to find better ways to invest scarce resources in providing affordable homes for the future and delivering greater social value in our housing related services"

3.6 LHA's key business Aims and Objectives :

- Ensure all our homes continue to meet or exceed the Scottish Housing Quality Standard (SHQS) and the Energy Efficiency Standard for Social Housing (EESH) by 2020
- Deliver fair, accessible and responsive customer services, especially those of a Registered Social Landlord as required by the Scottish Social Housing Charter ("the Charter")
- Consult and agree on key measures to regularly maintain and improve the standard and quality of our homes
- Improve the energy efficiency of our business operations and reduce associated carbon emissions
- Pursue high standards of service by listening to tenants and customers and setting realistic and challenging performance targets
- Seek cost-effective funding opportunities with like-minded partners in Lanarkshire to build new, sustainable and affordable homes of mixed tenure (affordable rent, shared ownership, mid-market rent, etc.)
- Achieve our Corporate and Social Responsibilities (CSRs) through excellence in governance, linked to a strong ethical code that follows good practice and avoids conflicts of interest

The overall strategic objectives are presented in the diagram overleaf :

CORPORATE OBJECTIVES AND PRIORITIES 2016-2021

OBJECTIVE 1

To meet or exceed the requirements of the Scottish Social Housing Charter (the Charter) and deliver fair, accessible, and responsive customer services

- We have submitted our Annual Return on the Charter (ARC) for 2014/2015 to the Scottish Housing Regulator (SHR) and our Charter outcomes have improved in most key areas since last year
- We aim to produce a more detailed annual ARC Report starting from October 2015 to be circulated to all key stakeholders with appropriate feedback options
- We aim to improve on our achievements in meeting maintenance response times, especially in routine repairs
- We aim to improve communications with our tenants through a modernised website, quarterly newsletters, tenant focus groups/panels and extend our use of mobile technology and interactive social media
- Our new Corporate "Vision" for 2016–2021 will help us create more focused departmental strategic plans in consultation with key stakeholders

OBJECTIVE 2

To ensure all of our homes meet or exceed the Scottish Housing Quality Standard (SHQS) and the Energy Efficiency Standard for Social Housing (ESSH)

- During 2014/2015 we managed to ensure that 100% of our houses met the SHQS; we aim to ensure that we maintain our stock in such a way that we preserve our 100% record in this area
- A key challenge is to improve the energy efficiency of those houses that fall below the expected standards. We aim to do this through appropriate surveys, improved home insulation, delivering greater heating efficiency and the use of new technologies where feasible
- We will include a specific section in our annual ARC Report giving details of our achievements relating to the ESSH

OBJECTIVE 3

To improve our consultation opportunities to tenants on key measures to regularly maintain and improve the standard and quality of their homes

- We are pleased to have high levels of tenant satisfaction with our services and the facilities we make available for tenant participation (verified by our independent 2015 survey outcomes); however we are determined not to be complacent about this and will continue to pursue excellence in setting realistic and challenging performance targets in all operational areas
- We aim to improve our outcomes in reactive response times, communicate more clearly about tenant participation in those matters where tenants can be offered more choice and establish additional forums through which tenants can more readily express their concerns
- We will support and subscribe to the approved regulatory procedures for handling complaints and significant performance failures

OBJECTIVE 4

To improve the energy efficiency of our business operations and reduce associated carbon emissions

- We undertake to review the impact of every aspect of our business operations on the environment
- We aim to deliver savings in overheads by regularly assessing the potential for reducing business fuel charges by comparing energy suppliers, introducing energy saving technology, reducing waste and increasing our capacity to recycle material more effectively

OBJECTIVE 5

To examine prospects for organic growth of the business through affordable development and acquisition opportunities

- We will provide regular reports to the Governing Body on the financial strength of the business and its associated ability to source appropriate funding in the public and private sectors for the provision of additional affordable homes
- We will risk assess the prospects of entering into appropriate partnerships with other organisations with the aim of providing sustainable and affordable homes of mixed tenure (social rent, shared ownership, mid-market rent, etc.)

OBJECTIVE 6

Achieve our Corporate and Social Responsibilities (CSRs) through excellence in governance and financial management, linked to ethical codes of practice

- We aim to strengthen our internal audit functions and continue to employ strong and independent external auditors who can report directly to our governing body
- From 2016 our external auditors will be afforded at least one opportunity per year to report to the Management Committee without staff being present
- We will strengthen financial reporting to the Management Committee paying particular attention to clarity and transparency in key areas such as rent arrears, void properties, staff overheads including pension liabilities, loan covenants, etc.
- We will continue to report directly to the Management Committee on all matters pertaining to Employment Law and Health & Safety at work
- We will pursue appropriate policies that avoid the potential for any conflicts of interest

4.1 Our goals and objectives have been set with the aim of achieving progress based on the following fundamental principles :

- Safeguarding LHA's assets
- Upholding our economic, social and environmental responsibilities
- Transparency and probity in all financial matters
- An annual external Audit, approved by Committee and adopted at an AGM (with an action plan linked to the Auditor's management report)
- The facility for the Management Committee to meet with external Auditors annually without paid staff being present
- An annual Business Plan approved by committee
- Consultation with tenants on the annual Rent Review and how their rent was spent
- Quarterly management accounts monitored by the management team and a Sub-Committee
- A budget strategy based on a robust financial framework
- Long-term viability through appropriate risk assessments of activities, analysis of income and expenditure (including life-cycle costs) and financial projections
- Effective treasury management to ensure we obtain competitive margins for both fixed-rate and variable-rate loans
- Internal audit (independent from external audit) on a planned and ad-hoc basis that will scrutinise all functions as required and report accordingly
- Input from and consultation with the senior management team on major policy reviews
- Management of resources for agreed planned maintenance
- Monitoring and publicising KPIs and Benchmarks as detailed within our Annual Performance Report
- Reviewing staffing requirements in Corporate Services to provide effective, efficient and economic administrative support to committees and other departments where necessary

Detailed financial projections for the five year period of the plan have been prepared and are detailed in **Appendix 2** to this plan along with the key financial measures and ratios that we aim to achieve.

4.2 CORPORATE (FINANCIAL AND ADMINISTRATIVE)

Short Term Objectives 2016-17

- To commit resources to the investment in information technology that will provide efficiencies and economies in service delivery. This will primarily concentrate on integrating mobile technologies into our working practices which will result in a more responsive and cost effective service being delivered to customers
- As part of the Communications Policy; to develop the use of social media as a method of engagement with the stakeholders. The potential of social media in RSLs is to raise our profile as a landlord, enhance levels of tenant participation and empower stakeholders
- Further enhance the Communications Policy through the implementation of an SMS text messaging service for direct communications with customers. This will provide a quick cost effective method of providing key information to customers, reducing the need for paper correspondence thus lowering overheads and paper consumption. The implementation of this SMS text messaging service will comply with all relevant data protection legislation
- Review the human resources and employment law documentation currently in use, and update in line with changes in employment legislation and good practice

- The website will be redesigned to make it a more functional interactive tool for all stakeholders. An integral component of the redesign is to have a customer portal which will provide web access to their key tenancy data; including their rent account; to view balances, make payments, report repairs etc.
- Monitor, review and develop the performance culture in all areas of the business, encouraging staff to take ownership of corporate goals through appropriate incentives. Measure the effectiveness of SMART targets (KPIs), Benchmarks, trends analysis, audited financial outcomes and 360-degree feedback where feasible
- Extend the range of payment solutions available to all customers through the use of web based banking. In addition making the full range of payment solutions available to property management customers
- Provide a free wireless network in the public areas of LHA's offices to allow all visitors to make use of the internet, should they require it
- Maintain and develop our status as an Investor in People in our important role as a local Employer
- Ensure full compliance with Statement of Recommended Practice (SORP) 2014 in the financial statements to be produced for the financial year ending 31 March 2016. Detailed discussions and close liaison on the implementation of SORP 2014 will be required
- Management of cashflow to be enhanced through the introduction of BACS/Faster Payments in the payment of suppliers. Certainty will be achieved in the date on which funds leave LHA's bank account, maximising funds available for investment
- Improvements in the assessment of the internal control framework will be achieved through a more rigorous system of internal validation and verification. System audits will be introduced on a regular basis with the results reported to the appropriate committee
- Continue to assess rent increases as part of the wider economy and perform benchmarking against other RSLs in the local area to ensure rents are maintained at affordable levels.
- Through the Treasury Management Policy, determine the optimum method for delivering higher investment returns on excess cash balances whilst ensuring there is no exposure to any additional risk
- To continue to assess Mortgage to Rent (MTR) and other property acquisitions on business viability grounds and to ensure that the process is accountable and transparent to Committee
- To continue to ensure full compliance with the Scottish Public Service Ombudsman (SPSO) model of Complaints Handling through our Complaints Policy
- Any pension fund liability as determined by the actuaries appointed by the Strathclyde Pension Fund along with the ongoing funding requirements of the employer shall continue to be reported to Committee on an annual basis.
- Continue to report to Committee on Health & Safety performance, highlighting in particular when risk assessments have been reviewed, updated and implemented
- Monitoring and reporting on performance against targets in financial statements will continue and scrutiny on the business overheads will continue to ensure that in all procurement, value for money will be achieved
- A tender for external audit services will be required in 2016 in line with accepted models of good practice for an appointment to audit the financial statements in 2017. An integral component of this process will be to ensure that the relevant LHA Rules are complied with in regard to any appointment of a new auditor

4.3 CORPORATE (FINANCIAL AND ADMINISTRATIVE)

Medium Term Objectives 2018-21

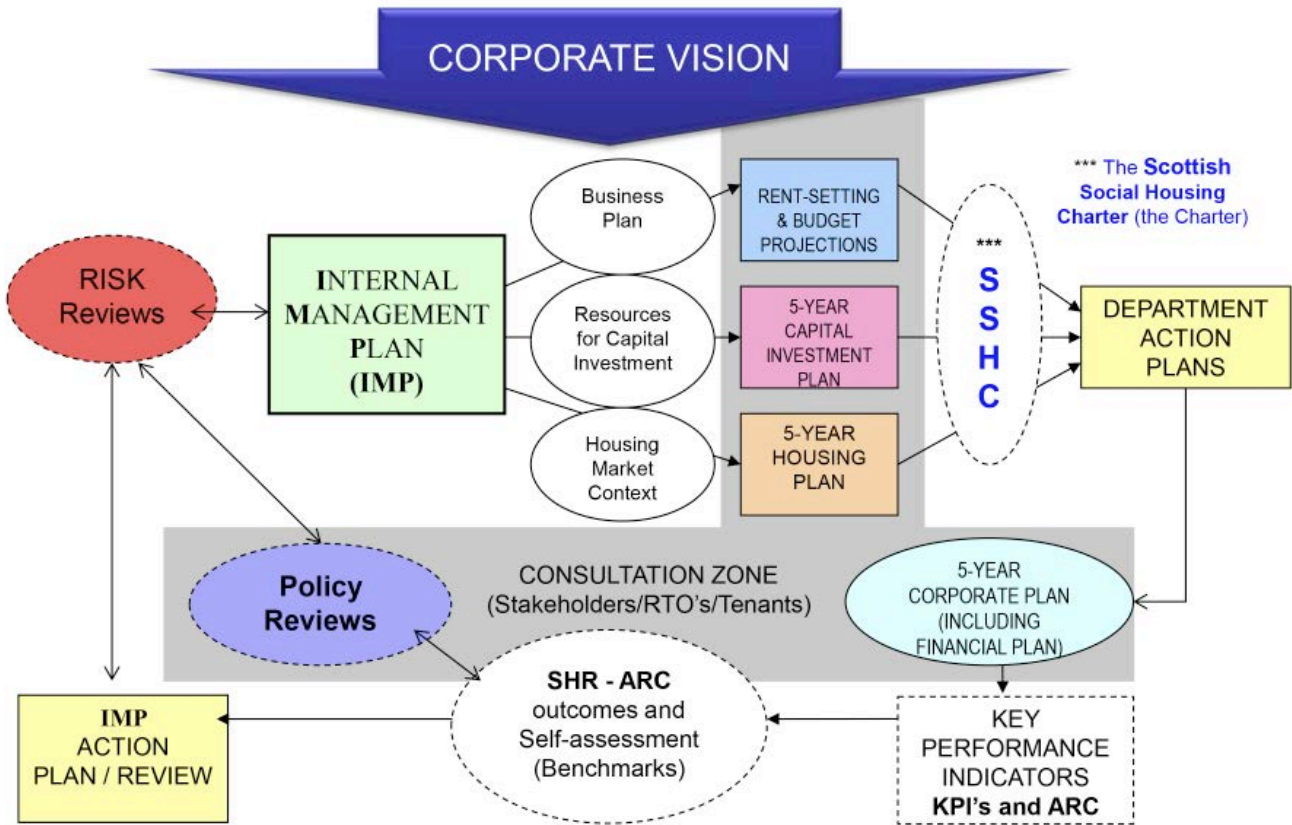
- An audit of our energy efficiency and environmental impact will be undertaken with the objective of reducing our overall carbon footprint
- Review and update the Communications Policy to raise awareness of cyber-crime and protection of data and if appropriate, provide training on the responsible and safe use of internet, email and mobile devices to protect the integrity of our IT networks
- Reductions in the carbon emissions from our fleet of leased vehicles will be pursued and targets for reductions will be subject to consultation with both staff and Committee prior to their introduction
- To develop further the key performance indicators that are produced from the Annual Return on the Charter and to enhance the benchmarking amongst peer RSLs
- Enhance the website for all stakeholders with a restricted portal for governing body members where access to key documents, policies and agenda papers could be accessed. The possibility of developing a secure area for staff where details of their employment, pay history and tax information could be accessed, should also be investigated
- An environmental assessment on the acquisition of any new asset must take place prior to purchase
- Hybrid or electric vehicles must be considered for any commercial vehicles being purchased or leased for business use. An assessment on the cost benefit of such low emission vehicles will be made available to Committee prior to any final decision being made
- Review the role of Lanarkshire Initiatives Limited within the group structure and continue to examine business or community regeneration opportunities that the company may be suitable for as and when they arise
- Seek to fully implement Excellence in Governance as published by the National Housing Federation and amended for Scottish RSLs
- Investigate the possibility of introducing a document imaging system as a means of reducing paper consumption
- To release security over housing stock at the earliest opportunity with the repayment of long term debt. This will provide free resources to invest in the future long term maintenance of the housing stock. It will also allow flexibility in negotiations with lenders on future borrowings with a larger supply of unencumbered assets
- The long term financial projections will be updated to take into account any revisions made to the Life Cycle Costing Model. A sensitivity analysis will be performed to stress test the model, and this will highlight any area within the model that might have an impact on the future viability of the business

5.0 OVERVIEW AND SCRUTINY

Scrutiny of the planning effectiveness will be on the basis that :

- The Governing Body (Management Committee) has ultimate responsibility for ensuring that the fundamental Vision and associated principles of the company's **Internal Management Plan** are adhered to (including all Governance and Policy Issues)
- The Corporate Governance & Finance Sub-Committee will oversee the effectiveness of the 5-Year Corporate Plan
- The Housing Services Sub-Committee will have the responsibility for measuring the success of the 5-Year Housing Plan (Management and Maintenance) in delivering continuous improvement in customer services and tenant participation
- The Development & Technical Sub-Committee will scrutinise the success of the 5-Year Capital Investment Plan in delivering quality in new housing projects and in planned maintenance contracts

Strategic Planning - Relationships



Financial Indicator	Definition	Performance	Outcome												
Interest Cover	A measure of how easily the business can meet its debt servicing payments from trading.	<table border="1"> <tr><td>2015/16</td><td>311.1%</td></tr> <tr><td>2016/17</td><td>257.7%</td></tr> <tr><td>2017/18</td><td>333.2%</td></tr> <tr><td>2018/19</td><td>296.9%</td></tr> <tr><td>2019/20</td><td>291.3%</td></tr> <tr><td>2020/21</td><td>337.3%</td></tr> </table>	2015/16	311.1%	2016/17	257.7%	2017/18	333.2%	2018/19	296.9%	2019/20	291.3%	2020/21	337.3%	Outcome comfortably exceeds our minimum benchmark figure of 110% over the period of the plan.
2015/16	311.1%														
2016/17	257.7%														
2017/18	333.2%														
2018/19	296.9%														
2019/20	291.3%														
2020/21	337.3%														
Gearing	A measure of how much debt funding the business has as a percentage.	<table border="1"> <tr><td>2015/16</td><td>19.1%</td></tr> <tr><td>2016/17</td><td>17.9%</td></tr> <tr><td>2017/18</td><td>16.3%</td></tr> <tr><td>2018/19</td><td>14.9%</td></tr> <tr><td>2019/20</td><td>13.8%</td></tr> <tr><td>2020/21</td><td>12.4%</td></tr> </table>	2015/16	19.1%	2016/17	17.9%	2017/18	16.3%	2018/19	14.9%	2019/20	13.8%	2020/21	12.4%	Over the period of the plan, the business is committed to reducing its long term debt by approximately £3m.
2015/16	19.1%														
2016/17	17.9%														
2017/18	16.3%														
2018/19	14.9%														
2019/20	13.8%														
2020/21	12.4%														
Rent Arrears	A measure of how efficient the business is in managing to collect rent from tenants.	<table border="1"> <tr><td>2015/16</td><td>1.0%</td></tr> <tr><td>2016/17</td><td>2.0%</td></tr> <tr><td>2017/18</td><td>3.0%</td></tr> <tr><td>2018/19</td><td>3.1%</td></tr> <tr><td>2019/20</td><td>2.8%</td></tr> <tr><td>2020/21</td><td>2.6%</td></tr> </table>	2015/16	1.0%	2016/17	2.0%	2017/18	3.0%	2018/19	3.1%	2019/20	2.8%	2020/21	2.6%	Arrears will increase as the implementation of Universal Credit is rolled out. Measures to support those tenants who require assistance will be provided.
2015/16	1.0%														
2016/17	2.0%														
2017/18	3.0%														
2018/19	3.1%														
2019/20	2.8%														
2020/21	2.6%														

Financial Indicator	Definition	Performance	Outcome												
Bad Debts	Total of bad debts written off as a percentage of total turnover	<table border="1"> <tr><td>2015/16</td><td>0.6%</td></tr> <tr><td>2016/17</td><td>1.2%</td></tr> <tr><td>2017/18</td><td>1.9%</td></tr> <tr><td>2018/19</td><td>2.1%</td></tr> <tr><td>2019/20</td><td>1.9%</td></tr> <tr><td>2020/21</td><td>1.7%</td></tr> </table>	2015/16	0.6%	2016/17	1.2%	2017/18	1.9%	2018/19	2.1%	2019/20	1.9%	2020/21	1.7%	With the wider implementation of Universal Credit the losses from bad debts will also inevitably increase.
2015/16	0.6%														
2016/17	1.2%														
2017/18	1.9%														
2018/19	2.1%														
2019/20	1.9%														
2020/21	1.7%														
Staff Costs	Total of salaries, social security and pension costs as a percentage of total turnover.	<table border="1"> <tr><td>2015/16</td><td>27.8%</td></tr> <tr><td>2016/17</td><td>27.7%</td></tr> <tr><td>2017/18</td><td>28.4%</td></tr> <tr><td>2018/19</td><td>28.3%</td></tr> <tr><td>2019/20</td><td>28.2%</td></tr> <tr><td>2020/21</td><td>28.1%</td></tr> </table>	2015/16	27.8%	2016/17	27.7%	2017/18	28.4%	2018/19	28.3%	2019/20	28.2%	2020/21	28.1%	Internal benchmark is to ensure that measure does not exceed 30% in any given year and this target is achieved comfortably.
2015/16	27.8%														
2016/17	27.7%														
2017/18	28.4%														
2018/19	28.3%														
2019/20	28.2%														
2020/21	28.1%														
Quick Ratio	A measure of how easily the business can meet short term commitments from cash reserves.	<table border="1"> <tr><td>2015/16</td><td>1.7</td></tr> <tr><td>2016/17</td><td>2.5</td></tr> <tr><td>2017/18</td><td>3.0</td></tr> <tr><td>2018/19</td><td>3.2</td></tr> <tr><td>2019/20</td><td>3.7</td></tr> <tr><td>2020/21</td><td>4.2</td></tr> </table>	2015/16	1.7	2016/17	2.5	2017/18	3.0	2018/19	3.2	2019/20	3.7	2020/21	4.2	Year on year improvement in this performance measure indicates the underlying financial health of the business.
2015/16	1.7														
2016/17	2.5														
2017/18	3.0														
2018/19	3.2														
2019/20	3.7														
2020/21	4.2														

<p>Net Surplus</p>	<p>A measure of profitability with surplus before interest and taxation being expressed as a percentage of total turnover.</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2015/16</td> <td>32.8%</td> </tr> <tr> <td>2016/17</td> <td>28.9%</td> </tr> <tr> <td>2017/18</td> <td>32.5%</td> </tr> <tr> <td>2018/19</td> <td>34.7%</td> </tr> <tr> <td>2019/20</td> <td>36.4%</td> </tr> <tr> <td>2020/21</td> <td>36.8%</td> </tr> </tbody> </table>	Year	Percentage	2015/16	32.8%	2016/17	28.9%	2017/18	32.5%	2018/19	34.7%	2019/20	36.4%	2020/21	36.8%	<p>Strong surplus figures are predicted whilst planned maintenance is capitalised to comply with the Housing SORP. Planned maintenance for the period is fully funded.</p>
Year	Percentage																
2015/16	32.8%																
2016/17	28.9%																
2017/18	32.5%																
2018/19	34.7%																
2019/20	36.4%																
2020/21	36.8%																
<p>Cash</p>	<p>Cash balances as projected over the period of the plan.</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>Cash Balance</th> </tr> </thead> <tbody> <tr> <td>2015/16</td> <td>2,547.9</td> </tr> <tr> <td>2016/17</td> <td>2,506.2</td> </tr> <tr> <td>2017/18</td> <td>2,654.4</td> </tr> <tr> <td>2018/19</td> <td>2,675.9</td> </tr> <tr> <td>2019/20</td> <td>2,642.9</td> </tr> <tr> <td>2020/21</td> <td>2,739.7</td> </tr> </tbody> </table>	Year	Cash Balance	2015/16	2,547.9	2016/17	2,506.2	2017/18	2,654.4	2018/19	2,675.9	2019/20	2,642.9	2020/21	2,739.7	<p>Growth in cash reserves is expected ensuring that planned maintenance projects and other investment priorities over the period are fully funded and the business remains cash rich.</p>
Year	Cash Balance																
2015/16	2,547.9																
2016/17	2,506.2																
2017/18	2,654.4																
2018/19	2,675.9																
2019/20	2,642.9																
2020/21	2,739.7																



LANARKSHIRE
HOUSING ASSOCIATION LTD

CORPORATE PLAN 2016-2021

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Registered Society under the Co-operative and Community Benefit Societies Act 2014: Reg. No 1941R(S)
Registered as a Society Charity: Reg. No. (SCO42523)
Registered with the Scottish Housing Regulator: Social Landlord No. 202
Registered under the Property Factors (Scotland) Act 2011: Reg. No. PF000275



CarbonNeutral.com
CO₂ emissions reduced to
net zero in accordance with
The CarbonNeutral Protocol

Making a Difference

Providing Affordable Homes in Strong Communities