PORT OF LEITH
HOUSING ASSOCIATION
Scottish Charity Number SCO 27945

PERSEVERE
DEVELOPMENTS
Company Registration Number SC388989

QUAY
COMMUNITY
IMPROVEMENTS
Company Registration Number SC538129

POLHA GROUP STRATEGIC PLAN 2015 – 2020 (Updated Year 5)

Approved by:
PoLHA Group Board – 7 March 2019

PoLHA GROUP STRATEGIC PLAN - 2015 – 2020

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EXECUTIVE SUMMARY

Having been established in 1975, Port of Leith Housing Association has maintained its focus on providing improved access to high quality, secure and affordable housing and support to enable people in greatest need to be able to live independently within the community. The Association has continued investing in its existing and new housing to support the ongoing regeneration of Leith and the wider north Edinburgh area and including the waterfront. There remain, however, existing pockets of deprivation and poor physical quality, including substantial areas of derelict land to redevelop and which present significant challenges and opportunities for us.

This Plan outlines the strategy for the Group up until 2020 and sets out the ambition to make our areas great places to live and, specifically, the focus on growing both the numbers of homes available and the range of services available. It shows that we are well on our way to deliver the ambition set in 2015 to deliver a further 500 homes by 2020 and invest in our existing homes to ensure they all meet the required quality standard. In view of the ongoing shortage of affordable housing, the plan demonstrates our ability to continue to invest £66m in order to deliver a further 505 additional homes over the next five years.

In summary, the strategy is to maintain the focus on the continued regeneration of Leith and North Edinburgh. This involves being ambitious to grow and extend housing options for people in housing need and our landlord services providing additional new housing for social and, through our subsidiary company Persevere Developments Ltd, new housing for mid market rent. It also includes being directly involved, through our new social enterprise subsidiary company Quay, with related activities supporting the general wellbeing of these communities. This includes extending our employability project (Community Works), and undertaking a range of other initiatives to promote the wider economic and social wellbeing of people within the community. It will require us to establish new ways to generate additional cross subsidy from mixed tenure development which can support new social rented housing.

1. INTRODUCTION

1.1 Background and Operating Environment of the PoLHA Group

1.1.1 The PoLHA Group

The PoLHA Group is made up of three entities: the registered social landlord and charity, Port of Leith Housing Association, the private rented sector letting agent, Persevere Developments Ltd and the community initiatives company, Quay Community Improvements CIC.

1.1.2 Port of Leith Housing Association (PoLHA)

1.1.2.1 Port of Leith Housing Association is the parent organisation having been founded in 1975 in response to a growing need for better management arrangements for a deteriorating stock of tenement-based properties. Initially,its existence focused largely on landlord responsibilities providing low cost good quality rental properties. The Association has grown continuously and developed its strategic thinking into a position where it recognises its potential to be a leader and influencer in developing high quality "places" to live.

1.1.2.2 The Association has historically seen its operations as being based largely in the area of the Burgh of Leith and north Edinburgh. It identifies itself as operating in an arc from the east edge of the Cramond district of Edinburgh through the top of Leith Walk and down to the town of Portobello in the south east.

1.1.2.3 As the largest social landlord in Leith, the Association currently owns and manages 2,975 homes of which 2,571 are for social rent, 128 for purchase under the Shared Ownership scheme and, through PDL, 276 for mid market rent.

1.1.2.3 Edinburgh has an acute need and demand for affordable housing. The housing list has more than 26,000 registered applicants. We receive a consistently high number of bids per vacant property, averaging over 200 throughout the past year, against a city-wide average for all social landlords of 150. Approximately 20,000 more affordable homes are needed over the next 10 years for individuals and families who cannot afford to rent or buy in the open market (ie an average of 2,000 additional new affordable homes are therefore needed each and every year to address this shortage).

1.1.3 Persevere Developments Ltd (PDL)

1.1.3.1 In 2010, Persevere Developments Ltd was established as a wholly owned subsidiary, to enable the Association to increase the range of affordable housing options available. It has achieved this through extending operations into the private rental sector and providing (mid market) rental opportunities to individuals and families on lower income levels who are not eligible for socially rented properties or who find open market housing costs for renting (or owning) unaffordable.

1.1.3.2 PDL currently leases 276 mid market homes from POLHA, which also provide management services for the properties.

1.1.3.3 Within the private sector, demand continues to outstrip supply, leaving a growing section of the population struggling to access either private rental housing or owner occupation. We can confidently predict therefore that there will continue to be a significant demand for the mid market rent product provided by PDL for the foreseeable future.

1.1.4 Quay Community Improvements CIC (Quay)

1.1.4.1 In 2015, it was decided that an innovative way of continuing to support work to improve both the local environmental and social fabric of the area is needed as financial resources from both national and local government to support this were being diminished.

1.1.4.2 The solution was to establish a new social enterprise able to deliver commercial services for profit which, in turn, would be reinvested back into the community in order to improve the local environment and tackle ongoing social issues. Quay was incorporated as the Association's second wholly-owned subsidiary and began operating in 2016. Its initial focus has been to develop the commercial elements of its remit and has started by providing cleaning services.

1.1.4.3 Quay is focussed on building its level of work into a position where it is making profits in the first instance which can then be invested back into the Leith and north Edinburgh communities.

1.2 The Group Strategic Plan

1.2.1 The purpose of this document is to set out the Group's vision and mission statements and show how each member organisation of the Group is striving (through their strategic objectives) to achieve the mission set and the vision held.

1.2.2 The Board in "group mode" concerns itself with ensuring the Group's Vision and Mission remain relevant in the broader environment in which the Group of organisations is operating.

1.2.3 The Board of each of the three organisations in the Group are required to develop objectives which contribute to the delivery the Group's overall Vision and mission.

1.2.4 This document contains a summary of the strategic objectives which have been set between the Group Board and the individual Boards of each entity.

1.2.5 The Plan has been informed by the overall contest and operating environment we operate within and set out in the following additional documents, copies of which can be obtained on request:

- PoLHA Group – Strengths, Weaknesses, Opportunities, and Strengths (SWOT) analysis – September 2018.
- North East Edinburgh and North West Edinburgh Locality Improvement Plans 2017-2022.
- Scottish Government, "Homes Fit for the 21st Century - The Scottish Government's Strategy and Action Plan for housing in the next decade 2011-2020", February 2011.
- Scottish Government "Achieving a Sustainable Future – Regeneration Strategy", November 2011.
- Scottish Government "Age, Home and Community: Strategy for Housing Scotland's Older People 2012-2021", December 2011.
- City of Edinburgh Council, "City Housing Strategy, 2018", November 2017.

- City of Edinburgh Council, “Strategic Housing Investment Plan 2018-2023”, November 2017.
- City of Edinburgh Council, “Strategic Direction for Tackling Homelessness in Edinburgh” February 2017.
- Scottish Housing Regulator, “Scottish Social Housing Charter, standards and outcomes”, April 2012.
- City of Edinburgh Council “Edinburgh Local Development Plan”, November 2016.
- City of Edinburgh Council, “Programme for the Capital: the City of Edinburgh Council Business Plan 2017-22”, August 2017.
- Edinburgh Health and Social Care Partnership Strategic Plan 2016 – 2019

1.4 Supporting Group Strategies and Plans

1.4.1 The overall strategy outlined in this document is supported by a range of specific topic area Strategy and Action Plan documents as listed below, copies of which can be obtained on request.

(i) Asset Management Strategy and Action Plan
(ii) Community Initiative Strategy
(iii) Equalities & Diversity Management Strategy and Action Plan
(iv) Health & Safety Management Action Plan
(v) Internal Communications Action Plan
(vi) People Strategy and Plan
(vii) Procurement Action Plan
(viii) Public Relations and External Communication Strategy and Action Plan
(ix) Staff Training and Development Strategy and Action Plan
(x) Sustainability Action Plan
(xi) Treasury Strategy

2. GROUP VISION, MISSION AND VALUES

2.1 Group Vision

Leith is the best place to be

2.2 Group Mission Statement

It is the Group's mission to:

A. Make the POLHA Group organisations and service delivery great;
B. Contribute to making the physical infrastructure and environment of Leith great; and,
C. Contribute towards improving economic opportunity and the social fabric to make Leith great.

2.3 Group Values

We will deliver excellence and have empowered, motivated staff through our values:

- ***Inclusion -*** Work together and actively welcome everyone's contribution
- ***Honesty -*** Be open, trust each other and deliver what you promise
- ***Respect -*** Value everyone's opinion, listen to each other and challenge positively
- ***Support -*** Be approachable and do what you can to help
- ***Innovation -*** Share ideas about how to improve our services and make our communities great

3. STRATEGY FOR ACHIEVING THE VISION AND MISSION

Each organisation in the Group has set out their objectives in line with the overarching Group Vision and Mission Statement. These objectives are set out in the tables following.

3.1 PORT OF LEITH HOUSING ASSOCIATION

Mission Ref #	2015 – 2020 Strategic Objective	Current Approach(es) To Achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Result(s)
A.1	To be recognised and accredited as an excellent organisation	We will use our performance monitoring to review our ***business management processes***, seek and implement improvements	Business Effectiveness KPIs - See Appendix C	Business Effectiveness KPIs - See Appendix C
			Benchmarking against peers in key areas– see appendix D	Benchmark data shows PoLHA to be in upper quartile
			Compliance with GDPR	Audit shows organisation to be compliant
			Compliance with FOI	Audit shows processes to be compliant
			Compliance with Procurement Regulation & good practice	Meet standards set out in Scottish Govt Procurement + Commercial Improvement Programme Assessment framework
		We will use our performance monitoring to review our ***service delivery*** and seek and implement improvement	Service Delivery KPIs - See Appendix C	Service Delivery KPIs - See Appendix C
		We will carry out a self-assessment against EFQM criteria	Level of award(s) achieved over duration of Strategic Plan	At least EFQM 5 Star Award
		We will carry out assessment against the Times Top 100 Best Companies to Work For framework	Level of award(s) achieved over duration of Strategic Plan	Top 20 Placing in the Not For Profit Organisation category

Mission Ref #	2015 – 2020 Strategic Objective	Current Approach(es) To Achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Result(s)
		We will carry out assessments against Investors In People standards in a range of areas.	Award(s) and level of awards achieved over duration of Strategic Plan.	Minimum IiP Awards to be maintained: • IiP Gold level award • IiP Health & Wellbeing Award
		We will seek relevant accreditations (other than specified above) to evaluate our excellence in key areas.	Holding of relevant minimum external accreditations:	Minimum external accreditations to be held: • TPAS or similar accreditation for customer engagement function • Heathy Working Lives Bronze level award • Living Wage Employer accreditation
		We will complete the 'passing control' project, transferring decision making authority and accountability from our Leadership Team to our Operational Managers	Feedback from operational managers	Reported satisfaction that control has been "passed" by the Leadership team to Operational Managers in agreed areas.
A.2	The Group will have fully fit for purpose governance arrangements in place.	We will review of the effectiveness of the Port of Leith HA Board and, through this process, identify development needs of the Board as a whole and of individual members, and implement plans to address these.	Compliance with Scottish Housing Regulator's Governance Standards.	See Scottish Housing Regulator's Governance Standards.
			Board member % attendance at Board meetings and events.	At least 75% attendance on average per annum.
			% of identified activities completed by Board Members.	Minimum of 75% of identified activities to meet learning and development needs completed by Board Members.

Mission Ref #	2015 – 2020 Strategic Objective	Current Approach(es) To Achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Result(s)
A.3	The Group will have fully competent and engaged staff, meeting the standards laid out in the organisation's stated Competency Frameworks.	We will identify gaps in the skills and knowledge of staff, leaders and managers and ensure these are filled through appropriate training and development activity.	Staff performance rating levels	At least 90% of staff with over 3 years' service achieving at least PR3 (fully meeting all role requirements) at annual appraisals.
		We will create an organisational culture which promotes staff engagement.	Positive feedback from staff from employee engagement reviews.	At least 80% of staff state they are at least satisfied with the Association as an employer and their job.
			Staff working days lost through sickness absence.	Maximum 3% of staff days lost due to sickness absence per annum
A4	The Group will have relevant, up to date information about our customers which is being used to inform business decisions.	We will profile our customers' needs to ensure we align our services with their expressed requirements.	% accuracy of data held.	100% of data specified for. 100% of customers collected and held on record.
B.1	The Group will have more homes to rent across a range of tenancy types.	We will continue to build new affordable homes available to a range of different customers through our various product types in Leith and North Edinburgh.	Numbers of new properties of different types brought into the Association's stock across the plan period.	Complete 499 new properties for rental to quality and cost standards agreed in project plans by 2020.
		We will explore new mechanisms for obtaining funding to build new affordable homes. This will include the use of capital receipts as a result of the PoLHA disposal strategy, in agreement with the City of Edinburgh Council.	Existence of funding mechanisms for delivering numbers of properties targeted.	5 year development pipeline funding secured.
B2	All properties will meet the PoLHA Home Standard as required	All properties meet or exceed Scottish Housing Quality Standard (SHQS)	As set out in SHQS.	100% of properties meet as a minimum the SHQS.

Mission Ref #	2015 – 2020 Strategic Objective	Current Approach(es) To Achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Result(s)
		We will develop and implement a PoLHA Home Standard which will reflect the highest standards for the conditions of the homes we are renting to our customers.	Availability of document containing standards.	A document detailing the PoLHA Home Standard is in place.
		We will agree and implement a disposals plan for properties where meeting required quality standards will not be viable by cost effective methods	Number of actual versus planned disposals.	100% of planned disposals completed successfully (current target for 2020: 60 properties).
		We will deliver our Asset Management Strategy and Action Plan to ensure our property assets are of the best achievable standard.	Level of property quality assessments against PoLHA Home Standard.	All our properties to reach the Gold level of the PoLHA Home Standard by 2020 (including EESSH & SHQS).
C.1	Set up an organisation delivering support for the social and economic infrastructure of Leith	PoLHA will set up a vehicle for developing social enterprise in the area and deliver training, work and business development opportunities through it.	Organisation in place.	Organisation is in place (Quay).
C2	Deliver improvements to employability and economic development outcomes for residents of Leith and the North Edinburgh area.	Community Works will deliver job readiness and search support.	Service Delivery KPIs - See Appendix C.	Service Delivery KPIs - See Appendix C.

3.2 PERSEVERE DEVELOPMENTS LIMITED

Mission Ref #	2015 – 2020 Strategic Objective	Current Approach(es) To Achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Result(s)
A.1	To be fully compliant with external regulatory and good practice standards.	Use performance monitoring to identify areas for improvement, develop and implement improvement plans.	Set out in Appendix 3 of this document.	Set out in Appendix 3 of this document
			Level of compliance with key legal and good practice frameworks.	Compliance with Private Housing Rental Act.
				Compliance with Letting Agents Code of Conduct.
				Registration with Letting Agents Code of Conduct Achieved..
B.1	To maximise commercial return.	Continue to increase the number of mid market rent properties available for let in Leith and North Edinburgh.	Number of properties in PDL stock.	451 properties in stock.
		Identify and implement other appropriate commercial opportunities	Number of profitable customers/contracts.	Increased from current level

3.3 QUAY COMMUNITY INITIATIVES

Group Mission Ref #	2016 – 2020 Strategic Objective	Current Approach(es) To Achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Result(s)
A1	To be generating profit from commercial activities to reinvest in the local community.	Win contracts with customers to deliver cleaning services profitably.	Profit margins	As set out in 10 year financial forecasts.
A2	To be a Highly Effective Organisation.	We will monitor our performance, identifying areas for improvement, developing and implementing improvement plans.	Set out in Appendix C of this document.	Set out in Appendix C of this document.
A3	To Develop Highly Skilled and Engaged Staff and Board Members.	We will identify gaps in skills and knowledge on the Board of Management and ensure these are filled through appropriate recruitment, training and development activity.	Skills level of Board.	No skills gaps in Board.
		We will become a Scottish Living Wage employer.	Acceptance by Living Wage Foundation.	Living Wage Employer accreditation in place.
		We will create an organisational culture which promotes staff engagement.	Employee perceptions.	Positive feedback from employees.
			Work place attendance.	Sickness absence level of no greater than 6% of working days lost on average.
		We will ensure Quay staff are equipped with the knowledge, skills and resources to deliver service excellence.	Skill levels of Quay staff.	All staff adjudged to have all skills needed or clear training plan in place.

Group Mission Ref #	2016 – 2020 Strategic Objective	Current Approach(es) To Achieve Strategic Objective	KPI(s) to be used to indicate success	Desired Result(s)
C.2	To deliver community initiatives and activities in Leith and North Edinburgh.	We will carry out a gap analysis of services in the area and improve our understanding of where and how to prioritise our activities to best address the needs of the communities.	Presence of “gap analysis” report.	Gap analysis Report with Group Leadership Team.
		We will actively seek mechanisms for funding and delivering projects which will improve employability, health outcomes and environmental conditions for our customers and the community in which they live.	Levels of funding achieved.	A minimum of £100,000 grant income generated in the first 18 months for additional services.

4. BUSINESS RISK CONTROL

4.1 Introduction

4.1.1 The Group has a Risk Control Policy which specifies a robust framework and procedure for identifying, analysing, controlling and monitoring risk to achieving our business goals.

4.2 Top Group Strategic Risks

4.2.1 The Management Team has identified seven key strategic hazards that the Group faces with resulting risks that have medium or high risk exposure. These risks, six for the Association (HA1-6), one for Quay (Q1) and none for PDL have been specifically addressed as part of the business planning process and are detailed below. It should be noted that the impact of PDL and Quay's risks on the group are lower than when considered for the subsidiaries on their own.

4.2.2 The hazards, resulting risks, impact and existing policies, processes and systems in place which provide mitigation against the identified risks are detailed in the table following.

TOP GROUP STRATEGIC RISKS

Ref	Issue/Hazard Causing Risk	Risk Description	Risk Consequences	Existing Mitigating Controls
HA1	The UK wide Welfare Benefit Reforms and the real cut to customers on benefits and low income, from the cap on benefit uplifts to 1% per annum for the next two years.	May cause an increase in both arrears and bad debt.	Ability to sustain assumptions re rental growth and collection rates.	• Strong rent collection and rent arrears control policy and procedures including arrears prevention activity. Good historic performance against targets • Welfare Reform/Universal Credit Action Plan • Early preventative intervention and advice prior to tenancy sign up • Up to date customer profiling information which allows targeted advice • Trained staff on communication techniques and Universal Credit • Dedicated welfare rights, money, energy advice and tenancy support services • Weekly job club • Dedicated Employability Officer
HA2	Cost of living increases and Government policy changes to benefits reduces affordability of rents.	Association may be unable to implement rental increase assumptions.	Financial sustainability of the organisations comes under threat. Growth ambitions are slowed or halted. Loan covenant agreements come under threat or are breached.	• The business plan assumption for rental growth has been reduced to RPI only • Scenario planning identifies which developments can be postponed or cancelled beyond the approved rental increase period

Ref	Issue/Hazard Causing Risk	Risk Description	Risk Consequences	Existing Mitigating Controls
HA3	There is uncertainty as to when and by how much the BOE will increase interest rates.	Interest rates may rise to a level beyond those assumed in financial projections.	Financial sustainability of the organisations comes under threat. Growth ambitions are slowed or halted. Loan covenant agreements come under threat or are breached.	• Prudent budgeting • Obtain advice on interest rate assumptions from treasury specialists • Scenario planning identifies which developments can be postponed or cancelled therefore reducing the future borrowing costs

Extract from updated PoLHA Group Strategic Plan 2015 – 2020 Appendix1

Ref	Issue/Hazard Causing Risk	Risk Description	Risk Consequences	Existing Mitigating Controls
HA4	Public spending cuts / Government austerity measures.	There may be reductions of HAG meaning more private funding would need to be obtained.	Gearing would increase. Interest costs would increase. Growth ambitions are slowed or halted.	• Close relationship with grant provider and participation in regular programme meetings to ensure PoLHA is aware of all funding sources and potential new initiatives • Working closely with developers and Council to take advantage of s.75 AHP opportunities and commuted sums when they are available • Submit HAG applications promptly, before rates are reduced. This has to be balanced against the risk of HAG rates being increased • Continue to develop PDL with a long term view of recycling profits into the development/investment programme. • With PDL, develop new products which are off balance sheet for PoLHA and add to financial capacity • Actively participate with the SFHA, Scottish Government and other agencies to develop new funding initiatives • Accurately identify the development capacity of the organisation through the use of robust business planning methodology

Ref	Issue/Hazard Causing Risk	Risk Description	Risk Consequences	Existing Mitigating Controls
HA5	The Defined Benefit Pension Schemes represent a significant financial liability (£10.9m as at 31 March 2016) to the organisation because actuarial assumptions and stock market performance is unpredictable / volatile.	The defined benefit pension scheme liability may grow further increasing past deficit contributions on an annual basis.	Financial sustainability of the organisations comes under threat. Growth ambitions are slowed or halted. Loan covenant agreements come under threat or are breached.	• The defined benefit scheme was closed to new members from April 2014 and closed to future accrual from January 2018
HA6	Build cost inflation and increase in competition for sites from other RSLs and private companies.	Increased cost of development.	Reduced opportunity to grow.	• Relationship with developers and section 75 • Maintain a land bank • Flexibility in procurement methodology (e.g. making use of national framework agreements where appropriate) • Participation with Council and other RSLs re strategic land acquisition opportunities
Q1	Limited track record for Quay.	May result in the failure to maintain assumed business growth.	An unsustainable business model.	• Business Planning • Financial planning • Contract procurement • Risk management • 10 year loan arrangement with PoLHA • Tax efficiency through the intra-group arrangements • SLA in place for IT, finance, governance administration, and PR • Quay Operational Management Team

4.3 Risk Analysis and Management

4.3.1 *Absolute risk*

The term ‘Absolute Risk’ refers to the analysis of a risk using the assumption that there are no current controls to manage it. This is a theoretical starting point to enable the identification of risks which have potentially high exposure levels for the business. This analysis is used to assess the adequacy of existing control for each of the seven key risks (detailed above) before taking account of any mitigating actions.

IMPACT	**Catastrophic**	**5**				**HA5**	
	Major	**4**		**HA3, HA4**			**HA2**
	Significant	**3**			**Q1**	**HA6**	**HA1**
	Moderate	**2**					
	Low	**1**					
GROUP Risk Map BEFORE mitigating control action			**1**	**2**	**3**	**4**	**5**
			Rare	**Unlikely**	**Moderate**	**Likely**	**Almost Certain**
			LIKELIHOOD				

Grid Key	High Exposure	Moderate Exposure	Low Exposure

4.3.2 Risk Management

Controlled risk analysis acknowledges the effect that existing controls have on reducing the likelihood and impact of the risks specified. The exposure level shown represents the current position in terms of the need for any further management of these risks.

4.4 Controlled Risk Analysis

4.4.1 Risks have been re-analysed for likelihood and impact, taking into consideration the controls currently in place with the following results.

IMPACT	**Catastrophic**	**5**					
	Major	**4**			**HA5**		
	Significant	**3**		**HA4**	**HA6**		
	Moderate	**2**		**HA2, HA3**	**Q1**		**HA1**
	Low	**1**					
GROUP Risk Map AFTER mitigating control action			**1**	**2**	**3**	**4**	**5**
			Rare	**Unlikely**	**Moderate**	**Likely**	**Almost Certain**
			LIKELIHOOD				

Grid Key	High Exposure	Moderate Exposure	Low Exposure

4.4.2 All risks with the exception of risks HA1, HA5 and HA6 have now dropped into the 'low exposure' level and therefore under the PoLHA Risk Control Policy are considered to be controlled and acceptable.

4.4.3 Risk HA1, relating to UK Welfare reform, still sits in the 'moderate' exposure level, primarily because of the likelihood score over which we have no control. The controls in place have mitigated the impact and we continue to monitor and tolerate this risk.

4.4.4 Risk HA5, relating to the Defined Benefit Pension scheme, still sits in the 'moderate' exposure level. It is considered that we have no affordable option to further mitigate this risk and so we continue to monitor and tolerate this risk; the results of the triennial valuation will be available in late 2019.

4.4.5 Risk HA6, relating to build cost inflation and competition for sites, still sits in the 'moderate' exposure level. The mitigating controls in place are currently considered adequate and we continue to monitor and tolerate this risk.

5. RESOURCING THE STRATEGY

5.1 Key Assumptions

5.1.1 The key assumptions that the Group has made in forming its financial planning for resourcing this strategic plan (and beyond) are as follows

Key assumptions	2019/20	2020/21	2021/22	2022/23	2023/24	comments
RPI inflation *	N/A	2.75%	2.75%	2.75%	2.75%	year 1 per budget, following years based on advice from Link
CPI inflation *	N/A	2.00%	2.00%	2.00%	2.00%	
Libor (interest rate)*	1.50%	2.50%	3.50%	4.25%	4.25%	based on advice from Link
Void Loss (POLHA and PDL)	1.00%	1.00%	1.00%	1.00%	1.00%	year 1 per budget, following years per last BP
Bad debt (POLHA)	0.90%	0.90%	0.90%	0.90%	0.90%	
Bad debt (PDL)	0.80%	0.80%	0.80%	0.80%	0.80%	
Rent above inflation (POLHA and PDL)	0%	0%	0%	0%	0%	
Salary costs above inflation (POLHA)	N/A	0.50%	0.50%	0.50%	0.50%	year 1 per budget, following years based on last BP
Maintenance costs above inflation (POLHA and PDL)	N/A	0.50%	0.50%	0.50%	0.50%	
Building costs above inflation (POLHA)	N/A	0.50%	0.50%	0.50%	0.50%	build costs increase to £145k per unit where not already agreed / out with development plan
New Property Completions	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	
Properties for Social rent	60	102	126	0	0	yr 1-5 as per development plans, then 5pa from year 6-21, 10pa from year 22-25 and 15 thereafter
Properties for mid market rent	15	71	131	0	0	yr 1-5 as per development plans, then 25pa from year 6
Total	**75**	**173**	**257**	**0**	**0**	
Increased staffing (POLHA)	N/A	N/A	Additional 2.5 FTE Officers for every 500 new homes			
Additional cleaning contracts (Quay)	1 additional cleaning contract (15 hours per week) every 1 year					

**advice taken from Link (formerly Capita)*

5.1.2 Inflation for income and costs in all three organisations is based on RPI.

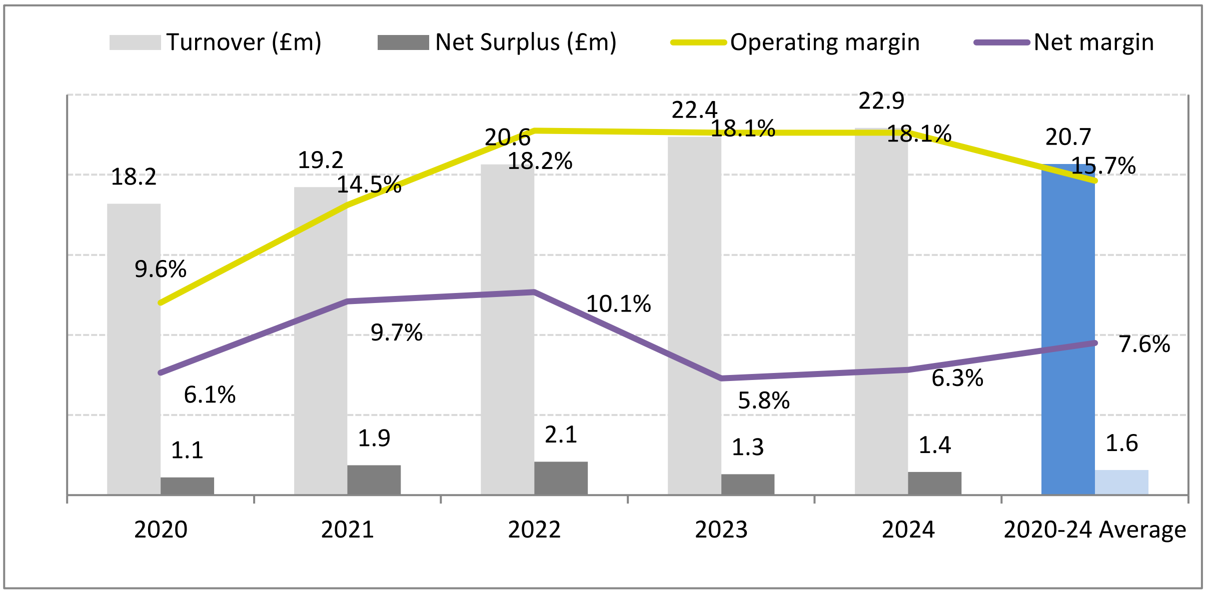
5.1.3 It is assumed that POLHA will increase its housing in ownership by 499 units, including the development of 505 new units less the disposal of 60 surplus pre-1919 units. This will increase the number of properties from 2,975 to 3,480, of which 493 will be for mid market rent and managed through Persevere Developments.

5.1.4 An allowance has been made in POLHA for an additional 2.5 full time equivalent Housing / Maintenance officer level posts for every 500 new units in management and economies of scale are assumed with no increase in the number of back office staff included in this plan.

5.1.5 It is assumed that Quay will continue to grow the external cleaning contracts by 1 (the equivalent of 15 hours per week) every year throughout the period. While the Quay Board is currently considering new business streams, no allowance has been made for any additional profits at this time.

5.2 POLHA 2019 – 2024 Financial Forecast

5.2.1 Turnover and Surpluses

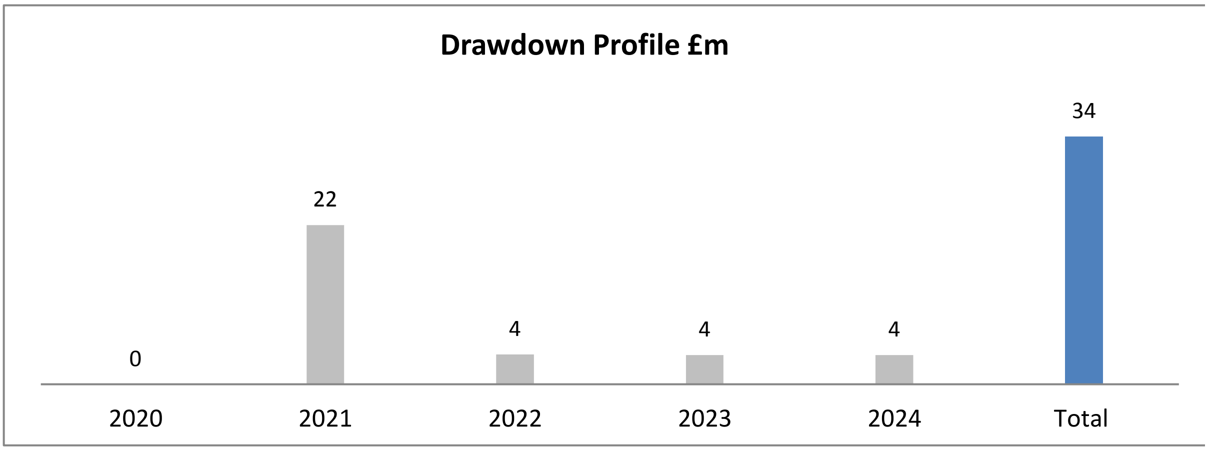


5.2.1.1 Over the five years there are large increases in turnover, and operating margins reflecting the increased number of units. In the last two years, while the turnover and operating surplus continue to grow, the net surplus drops slightly because of the increased interest payable on loans required to fund the development programme.

5.2.1.2 It should be noted that the net figures are distorted by the profits on the disposals of the pre-1919 stock; these profits are, in effect, partially funding the developments over the five year period, as without it the Association would require additional loan facilities which would increase the loan interest paid and reduce the net surplus.

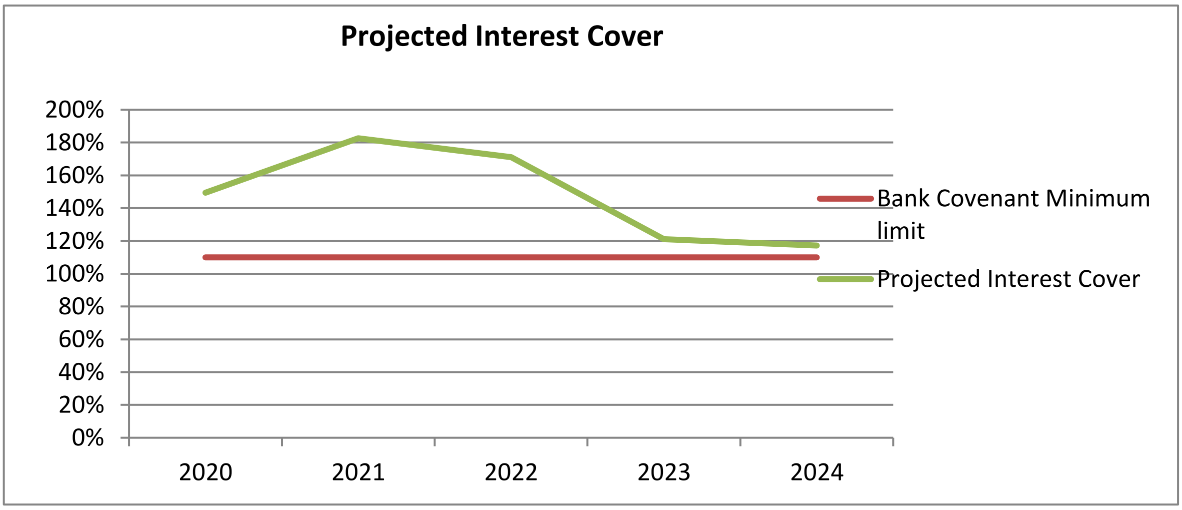
5.2.1.3 The net margins comfortably exceed the target minimum requirement of 3% over the five year period. The operating margin is increasing toward the target minimum of 20% due to anticipated economies of scale.

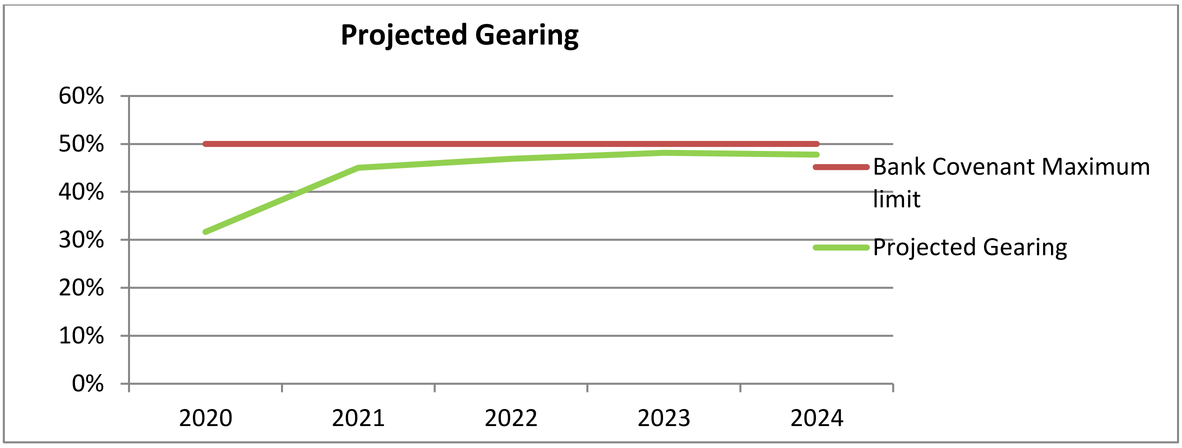
5.2.2 Borrowing



5.2.2.1 The drawdown profile for borrowing reflects what we would expect during a period of continued growth where there is a total capital spend of £79m; £16m on improvements to properties and £63m on new development. This is funded by £18m of public grant, £7.5m from the sale of properties, £19.5m of existing cash balances and cash generated from operating activities and the remaining £34m will be new private loan funding. The Association will refresh its treasury strategy in early 2019 and make arrangements for the additional funding required from 2021.

5.2.3 Loan Covenants





5.2.3.1 The increase in borrowing due to the peak in cash required for the development programme and high level of investment in major repairs have combined to put pressure on our interest and gearing loan covenant.

5.2.4 ***Unit Costs***

	2019/20	2020/21	2021/22	2022/23	2023/24
	£	£	£	£	£
Housing Unit Income					
Average rent per week	86.39	87.28	88.51	93.83	97.70
Average rent per annum	**4492.13**	**4538.33**	**4602.68**	**4878.91**	**5080.57**
Housing Unit Costs					
Management costs (excluding other activities)	1990.59	1983.30	1968.34	2028.76	2105.23
Reactive maintenance	642.07	650.09	658.77	705.93	748.89
Cyclical maintenance	458.59	464.31	470.51	504.16	534.86
Major repairs (revenue)	716.00	444.44	235.83	319.39	304.45
Major repairs (capital)	1046.51	1362.25	1662.69	2748.80	3072.10
Interest payable	698.61	729.62	965.49	1350.09	1359.84
Total housing cost	**4990.44**	**5101.53**	**5463.88**	**7178.65**	**7647.57**
Debt per unit £'000	**20.22**	**19.37**	**18.35**	**18.14**	**17.92**

5.2.4.1 The average rent figures shown reflect the inflationary increases each year, however are distorted by the development programme, both by the timing of mid-year completions which have a time lag for rental income commencing and also by the stock profile of developed properties (different rents are charged according to the size of property).

5.2.4.2 Management costs are expected to reduce over the period reflecting the business assumption that we can grow from 2,975 to 3,480 units while only incurring minimal additional management costs; however, the table takes account of inflation and therefore masks the real reduction achieved.

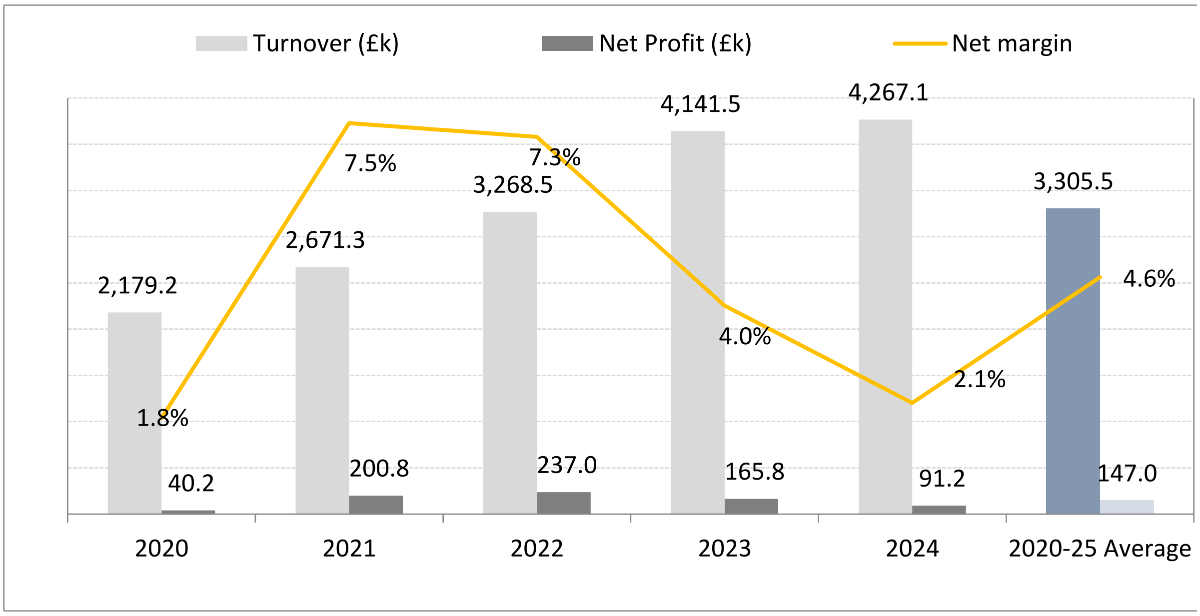
5.2.4.3 The fluctuations in maintenance and major repairs are due to the cyclical nature of the planned works which is based on stock condition survey information.

5.2.4.4 Interest payable increases steadily due to the additional private finance required to fund the development programme.

5.2.4.5 The debt per unit reduces as the developments are completed and the unit numbers increase.

5.3 PDL 2019 – 2024 Financial Forecast

5.3.1 Turnover and Profits



5.3.1.1 Over the five years there are large increases in turnover reflecting the increased number of units. There are fluctuations in the net and operating margins reflecting the cyclical nature of repairs, maintenance and improvements to properties.

5.3.1.2 There is significant decrease in the net profit in the year ending 2024 due to the profile of the planned maintenance. This will be smoothed in future versions of the plan.

5.3.1.3 No allowance has been made to gift aid PDL's profits to POLHA as has happened in the previous two financial years.

5.3.2 *Net Assets*

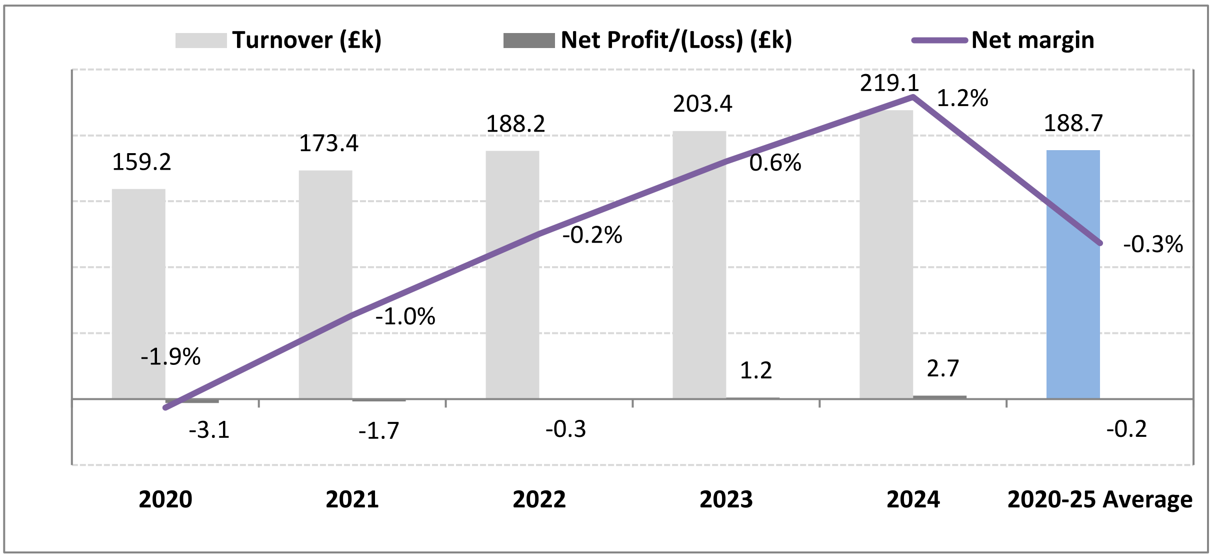
	2019/20	2020/21	2021/22	2022/23	2023/24
Tangible Fixed Assets (£k)	0	0	0	0	0
Current Assets (£k)	676	870	1,160	1,326	1,417
Current Liabilities (£k)	(52)	(46)	(98)	(98)	(98)
Net Assets (£k)	**624**	**824**	**1,062**	**1,228**	**1,319**

5.3.2.1 The lease agreement between POLHA and PDL requires PDL to maintain the properties, as PDL starts to replace components on its earlier properties such as bathrooms and kitchens during 2027/28 these components will start to appear as assets on its balance sheet.

5.3.2.2 There are heathy levels of cash reserves over the period allowing PDL to fund the maintenance and improvements required to the properties.

5.4 Quay 2019 – 2024 Financial Forecast

5.4.1 Turnover and Profits / (Losses)



5.4.1.1 As anticipated when Quay was set up there are losses in the early years reflecting the level of overheads and non-direct operating costs involved in such an organisation of any size.

5.4.1.2 Turnover increases steadily reflecting the prudent assumption for growth in contracts. With growth, Quay spreads its overheads and achieves the necessary economies of scale to break even within 2022/23.

5.4.2 Net Assets

	2019/20	2020/21	2021/22	2022/23	2023/24
Tangible Fixed Assets (£k)	0.0	0.0	0.0	0.0	0.0
Current Assets (£k)	38.1	36.4	36.1	37.2	39.9
Current Liabilities (£k)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)
Creditors: loans (£k)	(174.3)	(174.3)	(174.3)	(174.3)	(174.3)
Net Assets (£k)	**(140.2)**	**(141.9)**	**(142.2)**	**(141.1)**	**(138.4)**

5.4.2.1 Quay borrowed £200k from POLHA to fund the set up of the company. Between 2019 and 2024 there are interest only payments, then capital repayments will commence. This will be reviewed on an annual basis in light of growth achievements.

APPENDIX A – TERMINOLOGY AND DEFINITIONS

TERM	DEFINITION (s)
Vision	To think about or plan the future with imagination or wisdom
Vision Statement	A statement of the desired future position
Mission Statement	Sets out the highest-level objective(s) to be achieved. A written declaration of an organisation's core purpose and focus that normally remains unchanged over time. Properly crafted mission statements (1) serve as filters to separate what is important from what is not, (2) clearly state which markets will be served and how, and (3) communicate a sense of intended direction to the entire organisation. A mission is different from a vision in that the former is the cause and the latter is the effect; a mission is something to be accomplished whereas a vision is something to be pursued for that accomplishment. Also called company mission, corporate mission, or corporate purpose.
Environmental Analysis (Internal & External)	Enables a systematic identification of barriers to achieving the mission or enablers that assist in its achievement, now or in the future. Internal (Value Chain), External (5 Forces and PEST). Outputs can be summarised in a SWOT.
Strategy	A plan of action designed to achieve a long-term or overall aim. Sets out how to harness the enablers and overcome the barriers in order to achieve the mission.
Objective	A specific result that a person or system aims to achieve within a time frame and with available resources (strategic = 3-5 years, operational = 0-2 years)
Key Performance indicator(KPI)	A performance indicator which is considered to be very important in showing the success of an organisation, employee, policy, process, etc in meeting a set purpose or objectives.
Performance Standard	Performance standards provide the employee with specific performance expectations for each major duty. They are the observable behaviours and actions which explain how the job is to be done, plus the results that are expected for satisfactory job performance.
Target	The statement of a standard aimed for.

APPENDIX B: THE ASSOCIATION'S 30 YEAR FINANCIAL PROJECTIONS – KEY SCENARIOS AND SENSITIVITIES

Scenario Planning and Sensitivity Analysis

In this appendix to the Business Plan we will look at scenario planning. This will be reviewed over a 30 year horizon in line with regulatory guidance, to assess the impact of risks with which to assess our long term financial viability and development capacity. The underlying calculations have been prepared using a 30 year model using Brixx financial modelling software.

The key financial strategic risks that have been identified for PoLHA in Section 4 are around bad debts and arrears, rental growth, interest rates payable on loans, increases in development costs, and an increase in the defined benefit pension scheme deficit. We have therefore modelled scenarios around these risks in order to assess the level of sensitivity:

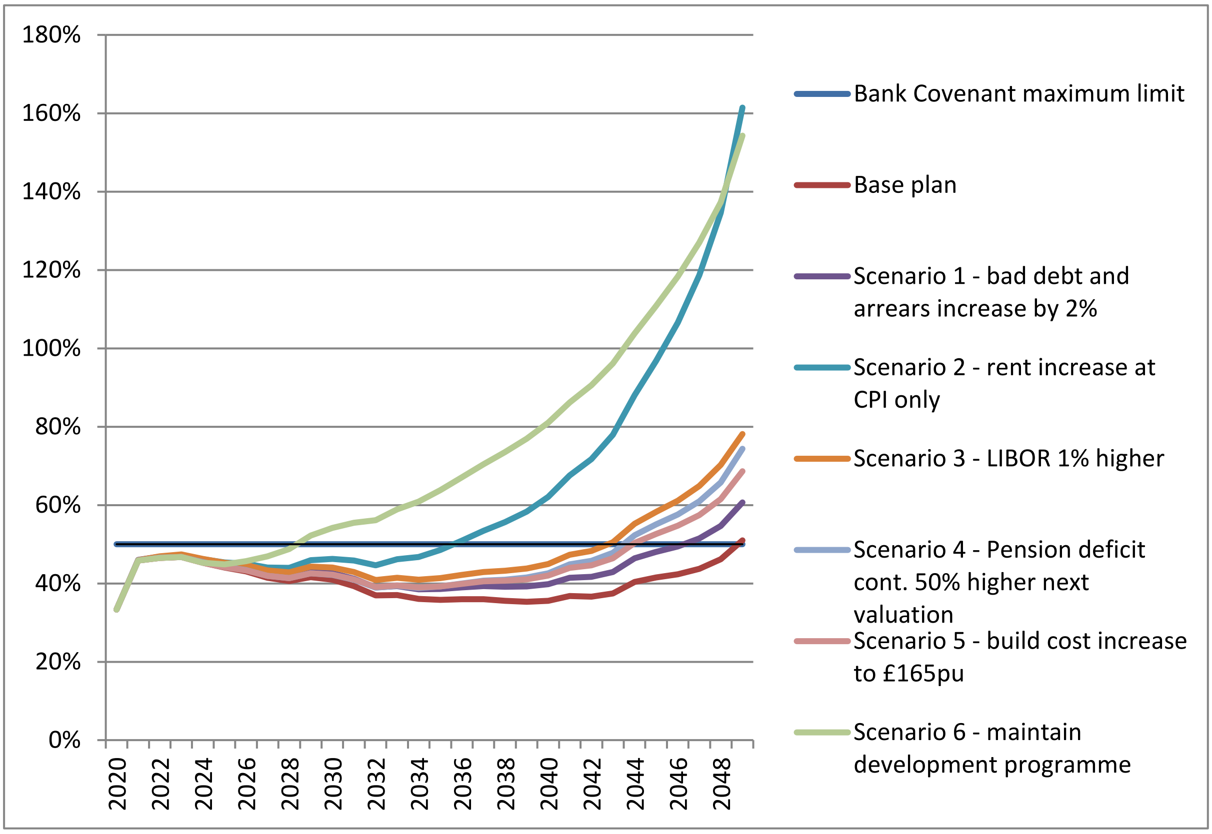
- **Base Plan** - this includes all the assumptions for the next five years detailed in Section 5. The current development programme is continued beyond March 2024 to include 30 per annum for 15 years until 2039, then 35 per annum for three years until 2038, then 35 per annum for four years until 2042, then 40 per annum for thereafter. Beyond the five year plan where schemes have not been specifically identified, we make general assumptions about the cost, grant and rental income for 'future' development. It has been assumed that the total cost of a new unit will be £145k subject to inflationary assumptions detailed in Section 5.
- **Scenario 1** – all assumptions are per the base plan except that from Year 2 bad debts will be 2%.
- **Scenario 2** – all assumptions are per the base plan except that rental growth from Year 2 onwards will be CPI only.
- **Scenario 3** – all assumptions are per the base plan except that LIBOR from Year 2 onwards will be 1% higher than Capita's assumptions throughout the plan.
- **Scenario 4**– all assumptions are per the base plan except that from Year 2, there will be an increase of 50% in the pension deficit contributions.
- **Scenario 5** – all assumptions are per the base plan except the unidentified developments assumed in the plan beyond those currently in the pipeline will have a build cost of £165k per unit (instead of £145k)

A final scenario has been modelled to test the capacity of the Association to maintain its current level of planned developments over the remainder of the plan.

- **Scenario 6** - all assumptions are per the base plan except that from Year 6 the average number of new developments over the first five years of the plan will be continued at a rate of 72 social and 61 mid market per annum.

We will analyse POLHA's key financial ratios for the base case and for each of the scenarios; gearing, interest cover, and operating surplus as a % of turnover each year.

Gearing

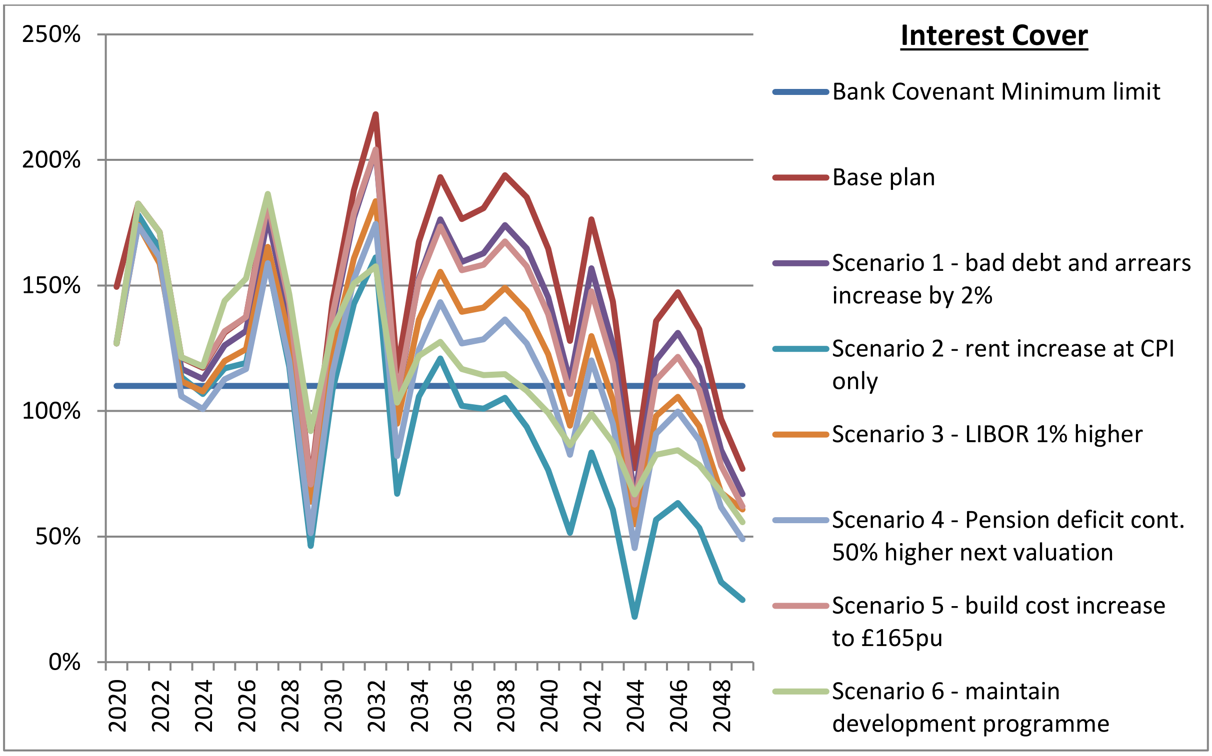


It can be observed that in the base scenario, gearing rises in the early years due to the development programme over the next five years from 2020-2024, then as the development programme slows down it falls. Mid way through the period some of the fixed term loans require repayment and refinancing, and in the final year of the plan, with a high LIBOR assumption for an assumed variable rate the covenants are breeched.

The gearing ratio is most sensitive to assumptions around rental growth and maintaining the development programme. If the rents are not increased in line with the assumption used to inflate costs (RPI), the cash inflows will be reduced thus requiring higher levels of private financing.

The impact of the other scenarios are minimal and don't cause any breaches until the tail end of the 30 year period.

Interest cover



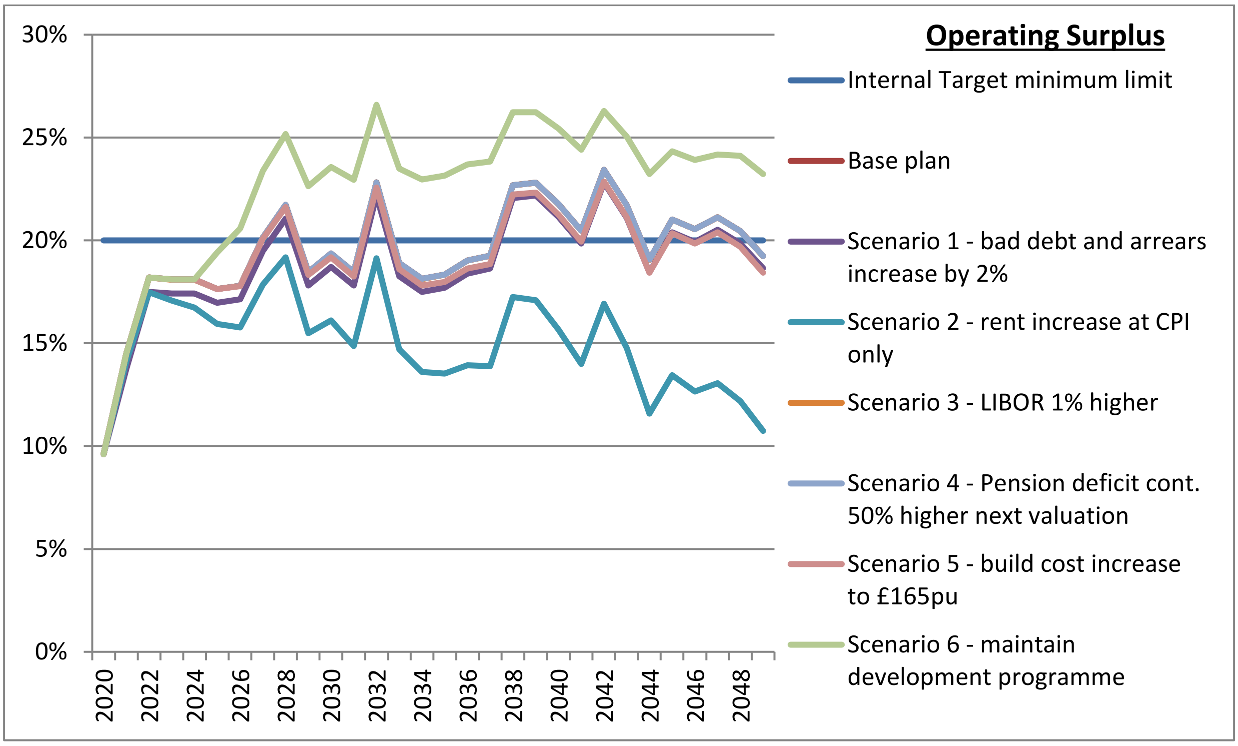
It can be observed that in the base scenario, interest cover fluctuates both in line with the funding requirements (and subsequent increases in interest payable) of the development programme and the fluctuations in major repairs due to the cyclical nature of the planned works which is based on stock condition survey information. Throughout the 30 years it only drops below the minimum bank covenant level of 110% twice; in 2029 and 2044 in line with planned lift replacements, these will be smoothed out in future versions of the plan.

In line with the gearing ratio, in the other scenarios the interest cover ratio is most sensitive to assumptions around rental growth where the rents are not increased in line with the assumption used to inflate costs (RPI) and maintaining the development programme.

In 2016 the Association secured £35m for the five year development programme at a fixed rate over 30 years. This makes the plan less sensitive than it had previously been to scenario 3 where the LIBOR rate is higher than in the base plan, however, with a large development programme and associated borrowing this is a risk that will need to continue to be managed.

The interest cover bank covenant is the biggest restriction for the Association and is the one that requires the most attention when budgeting and planning meaning that large items of revenue expenditure such as cyclical maintenance or major repairs must be spread out over a number of years and not necessarily take place in the year in which they are due without finding savings elsewhere.

Operating surplus as a % of turnover



The net surplus shows a similar profile to the interest cover profile discussed above, however, it is not as sensitive as the interest cover ratio is to the various scenarios.

Observation

The plan is most sensitive to changes in assumptions around rental growth where the rents are not increased in line with the assumption used to inflate costs (RPI) and maintaining the development programme.

The Association has the capacity to continue developing further at current levels for a further nine years to 2029.

In reality the variables in these scenarios don't change in isolation. This scenario planning and sensitivity analysis therefore merely indicates the severity and impact of each variable. This exercise will be updated every year to take account of all the movements in the variables and updated knowledge on which to base our assumptions and we will amend the timing of large items of revenue expenditure such as cyclical maintenance or major repairs accordingly.

APPENDIX C: GROUP SERVICE DELIVERY AND BUSINESS EFFECTIVENESS KPIs

THE ASSOCIATION'S SERVICE DELIVERY KEY PERFORMANCE INDICATORS

HOUSING MANAGEMENT AND MAINTENANCE SERVICES DELIVERY

Annual Customer Satisfaction Levels

- Overall satisfaction with our services – at least 93%
- Satisfaction with the reactive repairs service – at least 92%
- Satisfaction with the major repairs service – at least 85%
- Satisfaction with the way in which we handle service complaints – at least 75%
- Satisfaction with the way in which we deal with antisocial behaviour complaints – at least 70%
- Satisfaction with the allocation process – at least 95%
- Satisfaction with the condition of the allocated property - at least 90%
- Rent represents value for money – at least 90%
- Satisfaction with the service from the customer advice team – at least 80%
- Satisfaction with the quality of new build homes – at least 96%

Rent Collection

- Minimum of 99% of forecast rental income collected
- **Maximum of 3% of annual rental income not collected on time**

Void Relet Time

- An average relet time of 27 days for all voids
- An average relet time of 19 days for standard voids
- An average of all properties let within 7 days of maintenance completion (4 days for first offer)

Antisocial Behaviour (ASB) Management

- A minimum of 80% of ASB cases closed within agreed targets

Reactive Repairs Completion Time

- Minimum of 96% of all repairs completed on time

Service Complaints Handling

- 100% of complaints are responded to and closed within agreed time deadlines

EMPLOYABILITY SERVICE DELIVERY

Employability Support Service Delivery

- Minimum of 37 programme participants recruited and placed in the year
- Minimum of 60% positive outcomes achieved by participants who complete the programme
- Early leavers from the Community Works programme number less than 35% of total joining

APPENDIX C: GROUP SERVICE DELIVERY AND BUSINESS EFFECTIVENESS KPIs (CONT.)

THE ASSOCIATION'S BUSINESS EFFECTIVENESS KEY PERFORMANCE INDICATORS

Finance, Corporate Services & Communications & Customer Engagement Department service provision

- no unwarranted negative feedback or formal complaints received
- evidence that the department is compliant with the value for money policy
- all key internal and external audits are passed

Corporate Support Services Delivery

- all requests for HR advice are responded to within one working day
- all requests for Health & Safety advice are responded to within one working day
- all management information reports for completion by internal officers are made available on deadlines agreed
- all management information reports prepared by Corporate Services Team are delivered to deadlines agreed and are 100% accurate

Communications & Customer Engagement Service Delivery

- all requests for support are handled efficiently to agreed deadlines
- all key external publications are produced to deadline and receive positive feedback from target audiences
- a minimum of four opportunities for customers to engage with the Association are provided each year
- levels of positive media coverage remain consistently high and negative media coverage is kept to a minimum

Information & Communication Technology (ICT) Support Service Delivery

- no substantiated complaints are received about the service provided to managers and staff by Information & Communication Technology Team members
- all Association's ICT network functioning at least 95% of working hours
- all in-house support requests responded to within one working day

Financial Support Services Delivery

- 100% of staff who have provided the required paperwork are paid accurately on the 27th of each month
- Authorised accounts payable invoices are paid with 28 days of receipt
- rents/accounts receivable invoices and income are processed by the second working day of each month
  management accounts are issued to budget holders and management by the 22nd working day of each month
- 100% of external reports and returns are issued within specified deadlines
- all reasonable queries and requests for ad hoc information are provided within agreed timescales

Customer Advice Team Administrative Support Service Delivery

- no negative feedback or substantiated complaints are received about the internal support services provided to managers and staff by Customer Advice Team members

APPENDIX C: GROUP SERVICE DELIVERY AND BUSINESS EFFECTIVENESS KPIs (CONT.)

QUAY'S SERVICE DELIVERY KEY PERFORMANCE INDICATORS

Cleaning standard - compliance with Service Level Agreements

- The standard of clean as observed on regular inspection is very good with few issues to action

Cleaning standard - customer complaints

- Maximum of 10% of complaints up held

Presentation and uniforms

- All staff are well presented. Very high standard of uniforms almost all of the time, few exceptions

Sickness level

- Sickness level between 2% and 2.4%.

Business development

- 10% above business plan projections, very good growth.

Driving / vehicle incidents per quarter

- 1 accident or near miss incidents

APPENDIX D: KEY AREAS FOR BENCHMARKING AGAINST PEERS

Customer satisfaction

- satisfaction with POLHA as a landlord
- satisfaction with repairs service
- satisfaction with standard of property

Average rents and rent collection management

- rent charges
- arrears

Void Management

- re-let/void times
- void loss

Repairs Service Management

- repair response times
- average days to complete non-emergency repairs
- first time fix

Cost control

- management costs
- maintenance costs
- total costs

Debt Management

- net debt per unit
- gearing

Surplus

- surplus

APPENDIX E - BOARDS AND LEADERSHIP TEAM EXPERTISE AND SERVICE

1. Board Members at 31 January 2019

Name	POLHA Board	Group Audit & Remuneration Committee	PDL Board	Quay Board
Kevin Anderson	✓			
Richard Bolton	✓	✓		
Anne Fergusson			✓	
Anthony Gillespie	✓	✓		
Simon Guest			✓	
Jack Hunter			✓	
Caitlin McCorry	✓		✓	
Nicola McCowan Hill			✓	
Ruth McNeil				✓
Ashley Millan				✓
Gordon Munro	✓			
Philip Neaves	✓	✓	✓	
Jenny Neville	✓			
Margaret O'Connor	✓	✓	✓	✓
Helen Phillips	✓			✓
Brian Reilly	✓	✓		
Gurmit Singh	✓			
Neil Stewart	✓			
Jakub Stojek	✓			
Sandy Telfer			✓	
David Welsh	✓	✓		✓

Kevin Anderson	Head of Customer and Housing Services at Midlothian Council, with other council experience as well as in housing associations. Member of the Chartered Institute of Housing. Leith resident since 2010. Board Member since 2018.
Richard Bolton	Local businessman, qualified accountant and communications expert. Board Member since 2012.
Anne Fergusson	Self employed accountant and keen cyclist. Board Member since 2013.
Anthony Gillespie	Associate Director of Business Support at National Library of Scotland, taking lead for finance, HR, estates and procurement. Board Member since September 2017.
Simon Guest	A former senior partner in a solicitor firm, he is a non-executive director of Dancebase. Board Member since 2011, also sits on the board of another housing association.
Jack Hunter	Retired planning and regeneration consultant. Chair of Leith Theatre Trust, local resident. Board Member since 2010.
Caitlin McCorry	Service Manager, Community Housing with East Lothian Council. Member of the CIH with a post graduate qualification in housing and originally from Leith. Board Member since 2016 (elected 2017).
Nicola McCowan Hill	Chartered town planner and development surveyor. Board Member since 2013.
Ruth McNeil	Semi retired, sales advisor. Association tenant. Former Board member of PoLHA and Board member of Quay since 2016.
Ashley Millan	Property Manager at Weslo. Board member since 2017
Gordon Munro	City of Edinburgh Councillor for Leith. Board Member since 2003.
Philip Neaves	Independent property and planning consultant. Board Member since 2011, and Chair of the PDL Board.
Jenny Neville	Head of Procurement at the Scottish Ambulance Service, with procurement experience in the public and private sectors over the last 30 years. Member of the Chartered Institute of Purchasing & Supply. Board Member since 2018.
Margaret O'Connor	CEO of culture/health organisation and local resident. Board Member since 2010 and Chair of POLHA Board.
Helen Phillips	Tenant member. Native Leither active in the community, chairing Goosander Residents' Association. Member Edinburgh Tenants' Federation and Leith Neighbourhood Partnership. Board Member since 2011.
Brian Reilly	Wealth treasury project manager, originally from Leith. Board Member since 2014.
Gurmit Singh	Former quality and reliability engineer working in concept, design and manufacture of electronic test and measurement equipment. Also responsible for planning co-ordinating and executing improvement initiatives. Active member in the Sikh community. Leith resident. Board Member since September 2018

Neil Stewart	Solicitor Advocate dealing in litigated and non litigated personal injury claims and local resident. Board Member since 2016.
Jakub Stojek	Charity worker with an MA in Journalism and PG Diploma in Drug and Alcohol Studies. Active member in the Polish community. Board Member since September 2018.
Sandy Telfer	Real estate lawyer specialising in planning and development issues. Board Member since 2010.
David Welsh	Experienced management consultant. Previously worked as a senior manager and Director in big advisory firms like Deloitte, Turner & Townsend and iMPOWER. Board Member since 2016.

The PoLHA Board of Management normally meets 10 times a year, including both business and strategy meetings. The Group Audit & Remuneration Committee meets four times a year to review audit, risks and control mechanisms. The PDL and Quay Boards normally meet four times a year each. Short life Working Groups are established for specific topics/issues, meeting as appropriate during the year.

2. Leadership Team

Keith Anderson Chief Executive Officer	Joined the Association in 2009. Formerly Director of Edinburgh Waterfront Partnership and previously Head of Housing Development and Finance with City of Edinburgh Council. 38 years experience in housing and regeneration. Fellow of the Chartered Institute of Housing (CIH), former Chair of CIH Board in Scotland and current Trustee/member of CIH Governing Board. Trustee of the Leith Trust and a Fellow of Royal Society of Arts, Manufacturers and Commerce.
Gordon Cameron Director of Property and New Business	Joined the Association in 2007. Formerly Business Development Director for Margaret Blackwood HA. Post graduate Diplomas in Housing Studies and Urban Property Appraisal. Member of Chartered Institute of Housing. 33 years experience in housing.
Claire Ironside Director of Customer Services	Joined the Association in 2013. Formerly Housing and Regeneration Manager (City Centre and Leith) with City of Edinburgh Council. Over 20 years experience in housing. A Member of the Chartered Institute of Housing and Common Purpose graduate.
Heather Kiteley Director of Finance and Corporate Services	Joined the Association in 2015. Previously worked for another Housing Association having over 20 years of finance experience across not for profit, charitable and commercial organisations. She is a Chartered Management Accountant and Fellow of the Chartered Institute of Management Accountants (CIMA), has an MBA with a specialism in strategic planning and is also a Board member of the Leith Chamber of Commerce, the CIMA Scotland area and is the Chair of the CIMA UK Board
Mike Beniston Head of Organisational Development	Joined the Association in 2011. Formerly an experienced Management Consultant specialising in organisational development and human resource management working across a diverse range of public, private and third sector organisations to improve business performance. Chartered member of the Chartered Institute of Personnel & Development and member of the Association for Project Management.

The Chief Executive, Directors and Head of Organisational Development comprise the Leadership Team, which has delegated authority to manage the day to day operation of the Association. All members of the Team contribute to the overall activities of the Group and ensure that their own function is compatible with, and complementary to, the work of other sections. The Team makes recommendations to Boards and the Group Audit Committee, and executes their decisions also preparing background material, research, and analysis for the Boards.

The Boards and Leadership Team members have formal responsibilities and powers, which are detailed in the Association's Standing Orders, the Scheme of Delegation of Powers, and Financial Regulations.

APPENDIX F - THE BUSINESS PLANNING AND DELIVERY TRACKING PROCESS

Business planning and delivery tracking is a cyclical set of processes undertaken each financial year. It involves Board Members alongside the Leadership Team (LT) setting the strategic direction and the Operational Management Team (OMT) and staff regarding the delivery plan process.

The general schedule for the business planning and delivery tracking procedure is as follows:

Period	**Activity/Milestone**	**Who**
February - March	Sign off of 5 Year Strategic Plan update	Group Board
	Sign off Annual Business Delivery Plans content	LT
	Sign off budgets for next financial year	Boards
	Review of Q4 January – March 90 Day Execution Plan	OMT LT
	Preparation of Q1 April – June Corporate 90 Day Execution Plan	OMT
	Sign off and distribution of Q1 April – June Corporate 90 Day Execution Plan	LT
June	Review Q1 April – June 90 Day Execution Plan	OMT LT
	Preparation of Q2 July – September 90 Day Execution Plan	OMT
	Sign off and distribution of Q2 July – September 90 Day Execution Plan	LT
	Scrutinise Progress Report on delivery of strategy	Group Board
June – September	Update Association's SWOT Analysis	LT OMT Boards
	Review business context and risks for group	LT OMT Boards
September	Review of Q2 July – September Corporate 90 Day Execution Plan	OMT LT
	Preparation of Q3 October – December Corporate 90 Day Execution Plan	OMT
	Sign off and distribution of Q3 October – December Corporate 90 Day Execution Plan	LT
September - December	Review the group's Vision, Mission and Strategic Objectives	Boards LT OMT Operational Teams
	Carry out Financial Planning Procedures	Finance Team Budget Holders LT

Period	Activity/Milestone	Who
	Update required sections of Group 2015 – 2020 Strategic Plan document	LT
	Draft Annual Business Delivery Plan documents	OMT, Quay Manager LT
December	Review of Q3 October – December Corporate 90 Day Execution Plan	OMT LT
	Preparation of Q4 Corporate January – March 90 Day Execution Plan	OMT
	Sign off and distribution of Q4 Corporate January – March 90 Day Execution Plan	LT
January	Sign off update of Group 5 Year Strategic Plan document & submit to Boards	LT
	Complete budget forecasts for following year and submit to Audit and Boards	LT
	Complete drafting of Annual Business Delivery Plans content and submit to LT	OMT, Quay Manager