



Financial Plan
2024/2025

1. Introduction and Purpose

The purpose of this document is by exploring the various elements that go into making up the Long-Term Financial Plan bring some transparency to the process; show the outcomes and the stress testing of these outcomes.

2. Review of Financial Performance for 2023/24

As with previous years the company has had a strong operational performance which included the following:

- A forecast of the Years Surplus that is significantly higher than budgeted with the subsequent performance indicators, ratios and covenant calculations being better than initially predicted. There are no areas of operation that has materially performed below target.
- Meeting all treasury commitments, loan repayments and completing the protracted completion of a new loan for the Upper Langlee Project which is now complete.
- Commenced site start of phase 1 the Upper on Langlee Project, on 26 February 2024.
- Provided a commercial repair service to the Scottish Borders Council Homelessness Service, successfully securing a new 3-year contract for the service.
- As part of the financial control framework Internal audits were carried out on GDPR, Void Management, Absence Management. A follow-up review of recommendations raised in 2022/2023 was also undertaken. Assurance was given that key controls are in place and are operating effectively.
- Working with our peers in the Scottish Housing Network to ensure the appropriateness of our performance indicators in relation to “costs” per unit.

3. Financial Control Framework

As well as the standard accounting policies and procedures the company has in place:

- Monthly reporting to the Board Management Accounts including a cashflow; performance indicators both financial and non-financial; and a covenant review.
- The Annual Budget and this plan being reviewed by both the Audit and Internal Control Committee.
- Introducing Quarterly Reporting and Forecasting to better estimate the organisations financial outturn.
- The continuous monitoring and reviewing of Risk Management in order to minimise financial and other risks.
- An Internal Audit program which covers three topics a year; a follow up report and an annual report and is independently conducted by Wylie and Bisset Accounting and Business Advisors.

- The production of Annual Financial Statements under FRS 102, The RSL SORP and the Scottish Government 's Accounting Determination which are audited by Chiene and Tait Chartered Accountants.
- Annual returns to the Scottish Housing Regulator including the Loan Portfolio and the Five Year Viability Plan (which makes up the first five years of the Financial Plan).

4. Financial Strategy

The key aims of the Financial Strategy over the next five years is to ensure:

- Securing stewardship:
 - To ensure the successful financing of the Upper Langlee estate regeneration project.
 - To manage surpluses and maintain cash flows at levels, which will allow future planned maintenance programs to be undertaken and to ensure the company is able to withstand the effects of welfare reforms.
 - To achieve financial security and match resources with the Company's strategic objectives.
 - Meet the cost of ensuring our properties meet energy efficiency standards making use of available grant funding opportunities in this connection.
- To minimise financial risk
- Enabling transformation:
 - To provide a consistent basis for evaluating strategic alternatives and developing effective financial planning.
- To be proactive in managing change and risk, be outcome focused and receptive to new ideas.
- Supporting performance
 - To provide a quality affordable housing service through the economic, efficient and effective deployment of resources.

5. Financial Objectives

The short-term objectives are:

- To ensure compliance with our funder's covenants which have been established as our key financial performance indicators.
- To fully fund the Upper Langlee regeneration project using our own cash reserves, loan finance and AHSP/other grants (SBC).
- To continue to improve our accounting structure to ensure financial information is available to users within the required timescales and in an easily understood format.
- To allocate resources in line with the Company's asset management strategy.

- To regularly review financial policies and procedures to ensure they support the Financial Plan.
- To provide additional housing through partnership working or purchasing stock on the open market. Any purchases will utilise any grant funding available and be subject to investment appraisal and availability of cash resources.

The additional medium objectives are:

- To maintain an adequate level of funds to service debt, maintain and improve properties and to meet future financial challenges.
- To consider opportunities for the development new build stock utilising any available grant funding.

An additional long-term objective is:

- To consider stock regeneration projects to ensure our existing stock continues to meet quality and energy efficiency standards utilizing any grant funding available.

6. SWOT Analysis

Summarised below are findings from an analysis carried out of the internal strengths and weaknesses, and external opportunities and threats relating to the financial services of the company.

Strengths

- Good relationship with external funders
- Good relationship with internal/external audit
- Experienced and qualified staff
- Comprehensive financial plan
- Comprehensive budgetary control
- Full use of information technology

Weaknesses

- Limited financial resources
- Rent loss through increasing arrears and bad debts
- Lack of development experience
- Lack of development sites

Opportunities

- Innovation in raising funding for new projects
- Partnership working
- Alternative service delivery initiatives

Threats

- Welfare Benefit reforms
- Current economic conditions
- Changes to the funding of social adaptations
- Changes to the funding of the Affordable Housing Supply Framework (HAG)
- Scottish Government intervention on Rent Setting.

7. Indices and Ratios used in the plan

In deciding on the indices to be used both the Office of Budget Responsibility's November 2023 report and a more up to date Chamber of Commerce report were consulted. Where there was a difference, the more prudent figures have been used.

Table 1 - Indices			RPI	Social	Property	Base Interest
Years						
Budget	Y1	24/25	4.0	7.00	10.0	4.96
Forecast	Y2	25/26	2.6	3.6	4.0	4.44
Forecast	Y3	26/27	2.5	3.5	2.5	4.16
Forecast	Y4	27/28	2.5	3.5	2.5	4.03
Forecast	Y5	28/29	2.5	3.5	2.5	3.99
Long term	Y6	29/30	2.5	3.5	2.5	3.50
Long term	Y7	30/31	2.5	3.00	2.5	3.00
Long term	Y8-Y30	32/54	2.5	3.00	2.5	2.50

Irrecoverable Income consists of Voids where the houses are untenanted and the Provision for Bad debts. The creation of a provision goes some way to ensuring that the potential cost of a debt write off is credited in the relevant time period.

Table 2 - Irrecoverable Income Ratios			Voids	Bad Debts Provision
Year			%	%
Current	Y0	23/24	0.35	1.00
Budget	Y1	24/25	0.75	1.00
Forecast	Y2-Y5	25/29	0.75	1.00
Long Term	Y6-Y30	29/54	0.75	1.00

8. Figures and Assumptions

Rents are subject to annual review including tenant consultation. The company collects and evaluates data on rents to ensure that they compare favorably and are competitive with those charged by other RSLs, both locally and with our peer group. The company also conducts an annual review to ensure our rents remain affordable.

Table 3 - Budget Year 24/25 Weekly Rents	
Property Type	£
Flat: 0 bed	77.30
Flat: 1 bed	87.14
Flat: 2 bed	97.35
Flat: 3 bed	109.77
Flat: 4 bed	122.15
House: 1 bed	91.16
House: 2 bed	101.29
House: 3 bed	113.57

House: 4 bed	126.09
House: 5 bed	138.49

Post the demolition of the Beech Avenue properties in Upper Langlee Galashiels the stock was reduced to 1,392. It is assumed that the subsequent development at Upper Langlee will bring the following units into management.

Table 4 - Additional Units			
Year		Month	Units
Y1	24/25	March	25
Y3	26/27	June	38
Y4	27/28	April	26
Y5	28/29	Aug	20
Total			109

Based on a rolling in-house survey a cyclical, planned and component replacement program has been established.

Component replacement is the renewal of material parts of the building which is then capitalised.

Table 5 - Component Replacement Program						
Year	Y1 24/25 Budget	Y2 25/26 Forecast	Y3 26/27 Forecast	Y4 27/28 Forecast	Y5 28/29 Forecast	Y6-Y30 29/54 Long Term
Units-->	No.	No.	No.	No.	No.	Average
Bathrooms	64	65	64	57	59	43
Kitchens	72	93	77	45	23	71
Windows	57	58	46	46	56	46
Doors	74	123	98	98	80	87
Boilers & Radiators	38	138	272	130	187	125

As well as component replacement the program also consists of:

- Cyclical maintenance - painting, gas servicing and landscaping
- Planned maintenance – external works, electrical inspections and smoke detectors.
- Energy Efficiency Standards for Social Housing (ESSH2) work
- Component Replacement as per above.

Table 6 - Non-Routine Maintenance (Non-inflated) Expenditure						
Year	Y1 24/25	Y2 25/26	Y3 26/27	Y4 27/28	Y5 28/29	Y6-Y30 29/54 Long Term
Units-->	Forecast	Forecast	Forecast	Forecast	Forecast	Average
	£'000	£'000	£'000	£'000	£'000	£'000
Cyclical	433	437	445	450	462	467
Planned	720	1,285	1,572	950	1,005	1,014
ESSH (net of grant)	200	200	200	200	200	200
Components	178	234	238	245	259	211
Total	1,531	2,156	2,455	1,845	1,926	1,892

In the plan apart from the Budget Year (24/25) which was increased above the prevailing inflation rate the maintenance costs have been increased by RPI.

In the Budget Year (24/25) there is a provision for a 6% pay award. In subsequent years the employee costs are assumed to increase by inflation.

In the Budget Year (24/25) provision has been made for Capital expenditure of £50k on IT equipment. Aware that the Management Information System needs to be enhanced, from Year 2 (25/26) an extra revenue pre-inflation expenditure of £50k per year has been included.

9. Treasury

On 1 April 2024 the outstanding balance on the established Barclay's loan is £17.6m, 70% of which is fixed at 4.96% (before margins) and 30% at variable rates.

The repayments of principal for the Barclays loan rises steeply from Year 1 (24/25) £0.5m to Year 7 (30/31) £1.5m. It is expected that the draw down for the Unity Loan will be in two £5m tranches in Year 2 and Year 4.

The new Unity Trust Loan, comprises 10 years of interest only and thereafter capital and interest payments.

The most onerous covenants are:

- Interest Cover of a minimum of 110% (EBITD)
- Gearing a maximum of 65% of Net Borrowing to Gross Value of Properties

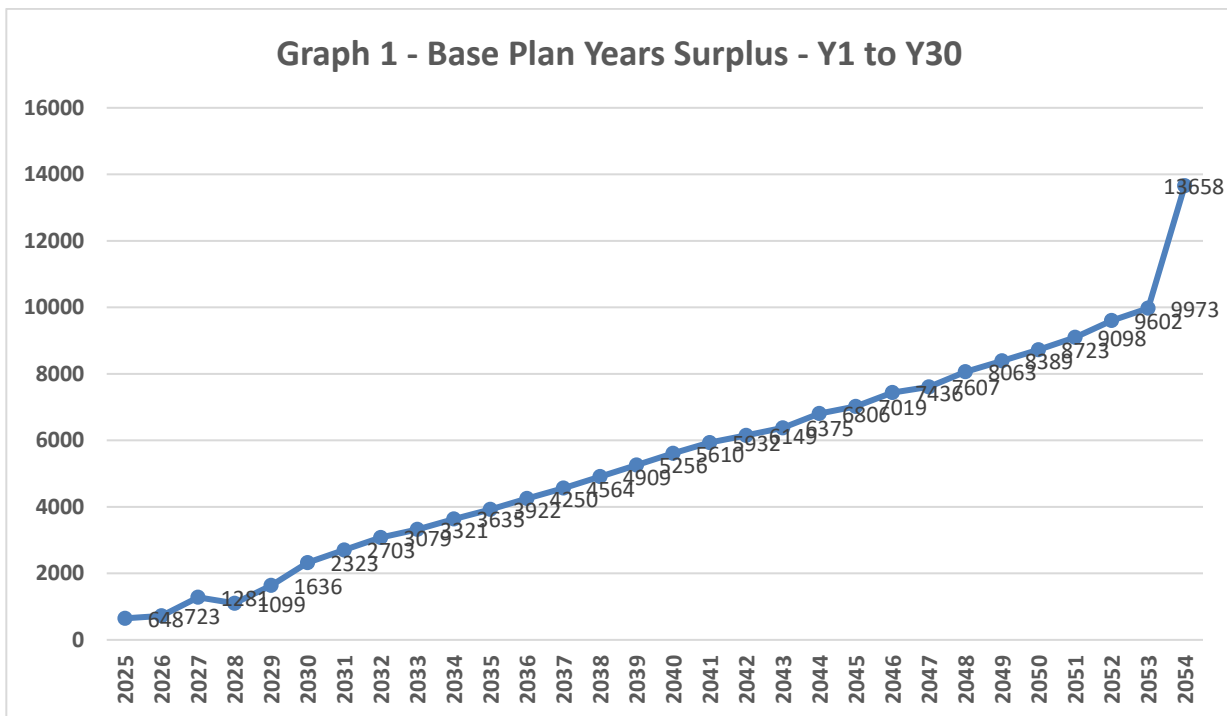
10. Results and Outcomes

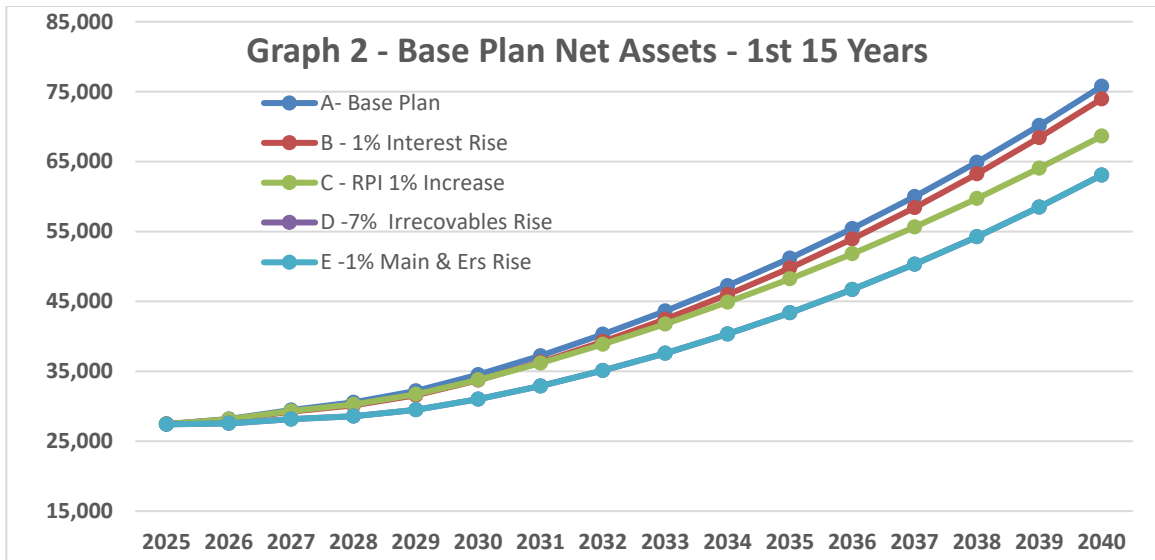
The medium-term plan (including the Budget Year) results are:

Table 7 - Five Year Viability Plan					
Year	Y1 24/25 Budget	Y2 25/26 Forecast	Y3 26/27 Forecast	Y4 27/28 Forecast	Y5 28/29 Forecast
Units->	£'000	£'000	£'000	£'000	£'000
Total Income	7,682	8,213	8,826	9,234	9,775
Operating Expenditure	5,936	6,193	6,310	6,537	6,838
Operating Surplus	1,746	2,036	2,532	2,713	3,124
Financing & Other	1,102	1,313	1,251	1,614	1,487
Surplus For Year	643	722	1,280	1,099	1,636
Net Assets	27,449	28,172	29,52	30552	32,188

Table 7 shows the impact on the Years Surplus of extra borrowing in Year 2 (25/26) and how by Year 5 (28/29) it recovers due to the increased income from additional units.

In the interest of transparency, the following two graphs show the Years Surplus and the Net Assets from Year 1 (24/25) to Year 30 (52/54). In both cases there are no long-term signs of going concern issues. The shorter-term graphs in the sensitivity testing give a better understanding of the business.



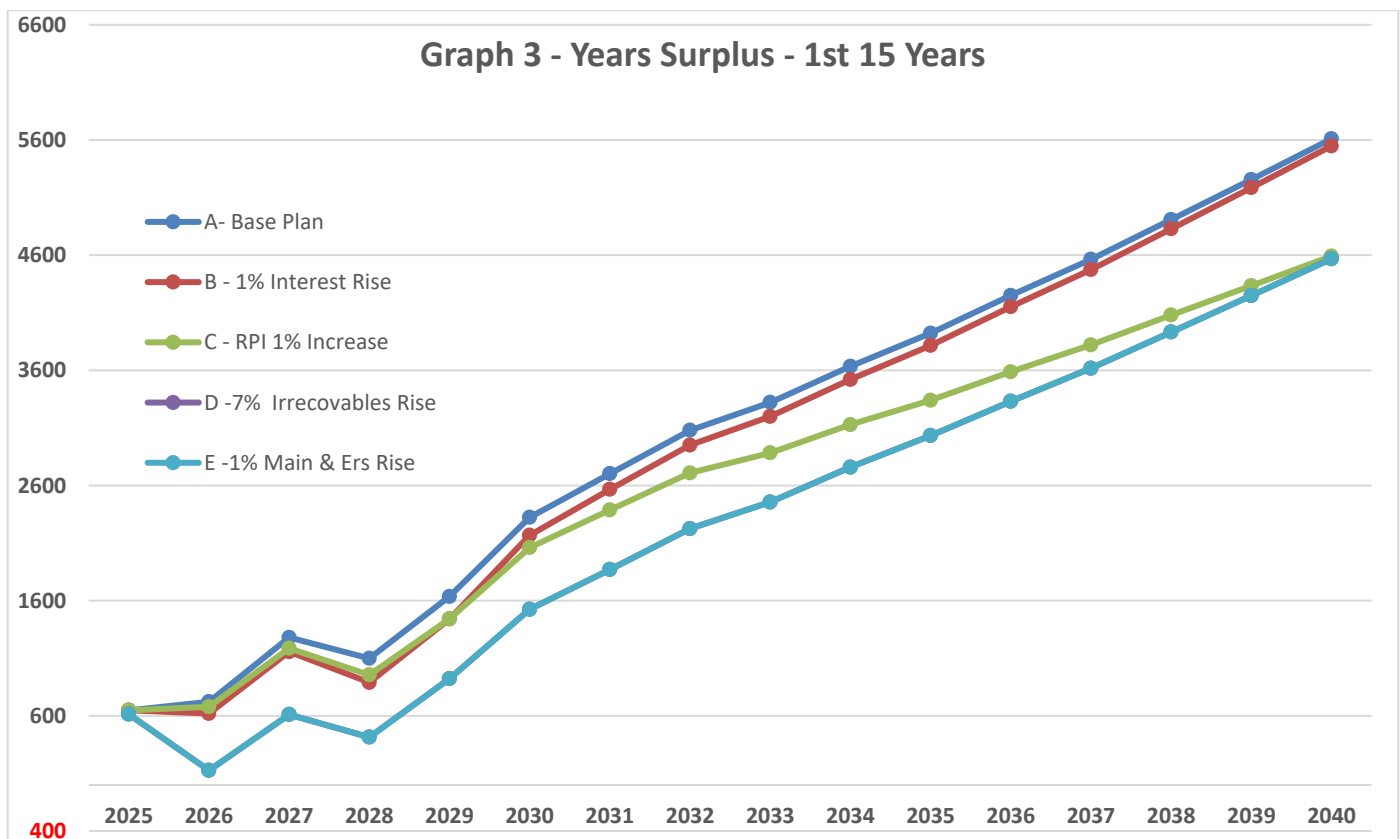


11. Sensitivity Testing

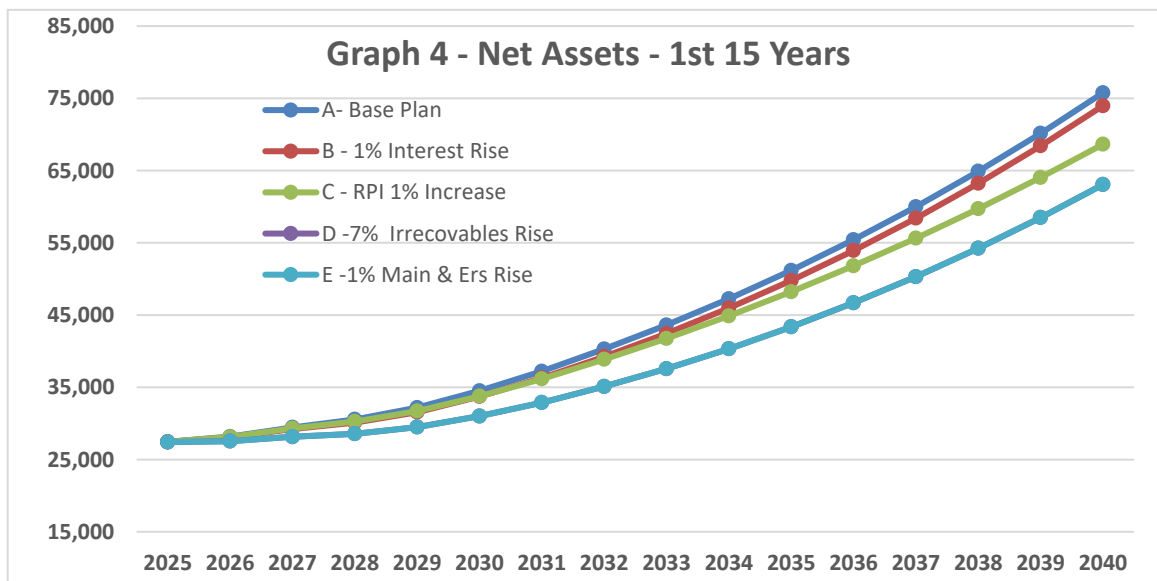
The robustness of the plan has been tested using the following sensitivities:

- A 1% rise in the base interest rate
- A increase in in RPI by 1%
- A rise in Irrecoverable (Voids & Bad Debts) by 7%
- A 1% rise in both maintenance and employers' costs.

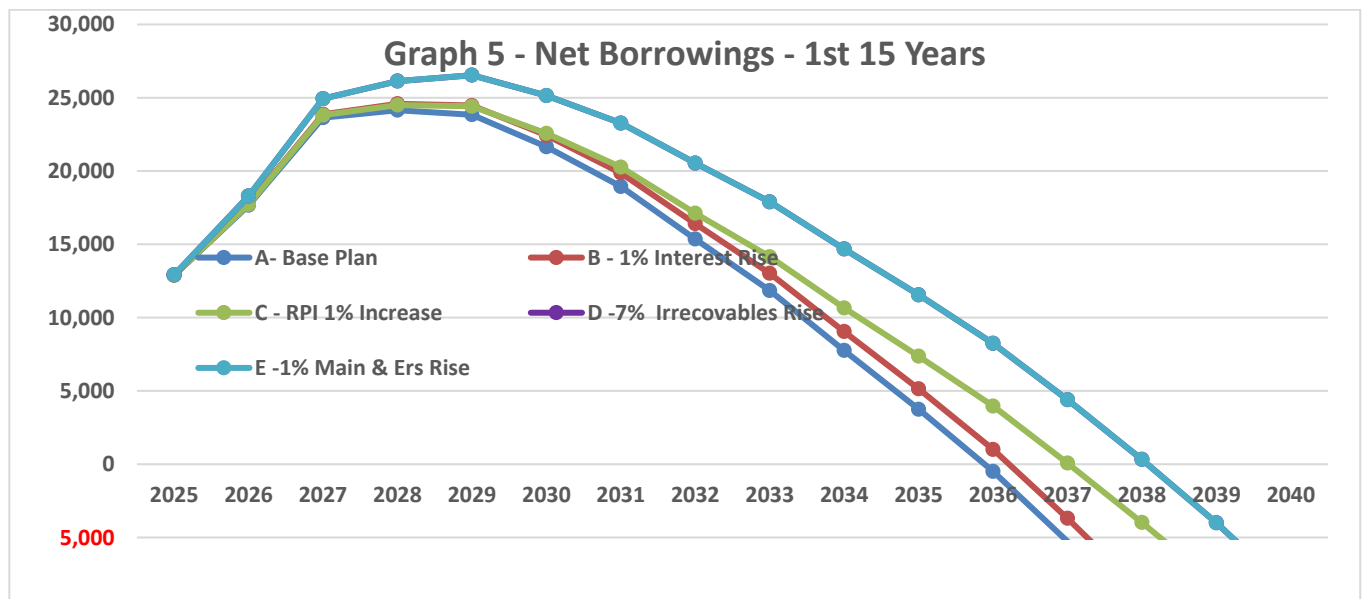
Of the four tests the one that the company would have the greatest difficulty predicting and responding to by adjusting expenditure would be the reduction in the income through increased voids and bad debts. Hence the use of a hefty rise in the test.



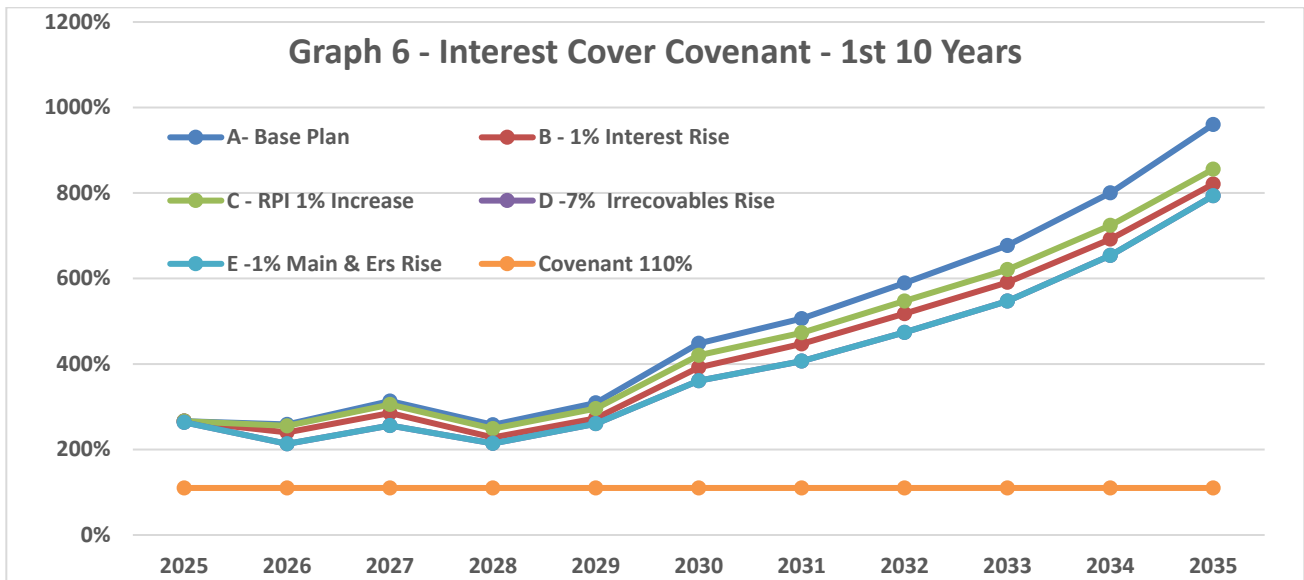
As expected, the loss of income through the increased irrecoverable would in the earlier years combined with the additional borrowing create short term deficits. However as can be seen the business soon recovers. There is no indication that demand for the company's homes is decreasing and indeed the waiting lists continue to increase.



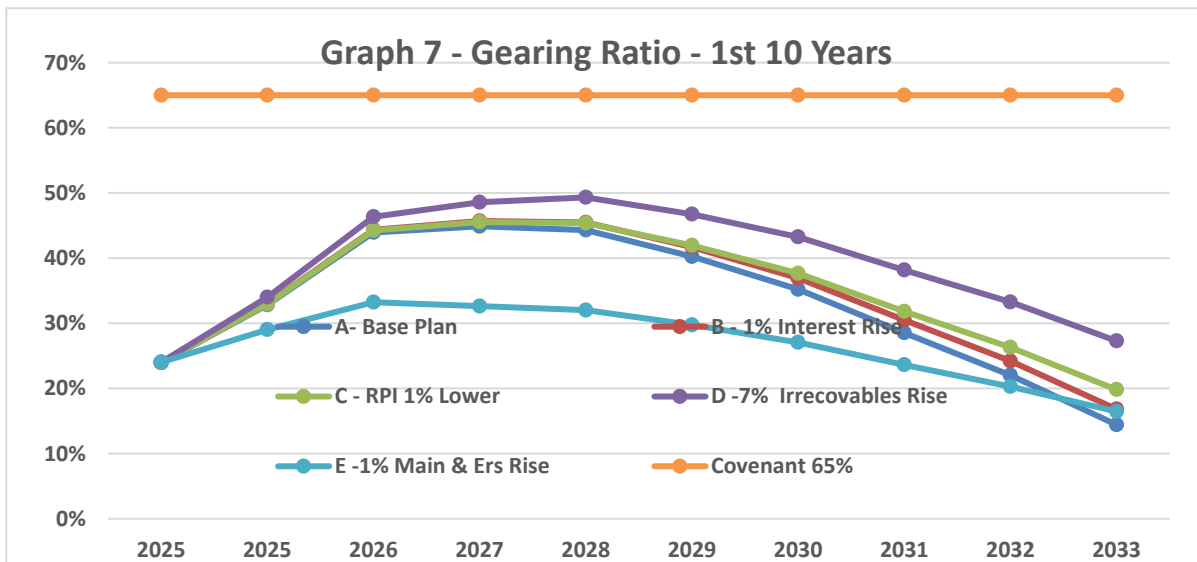
Graph 4 shows that none of the test are a concern to the viability of the business



As stated above in reference to the results shown in Table 7 and Graph 3 the borrowing in the earlier years have an impact. However, with the steep repayment profile of the Barclays loan the Net Borrowings start to decrease.



In keeping with the results in the other graphs the early years get closest to the 110% covenant with Years 2 & 3 being 213% and 214% respectively.



As would be expected the Gearing Covenant follows the same pattern as the Net Borrowings peaking at Year 5 (27/28) at 49% with the Irrecoverable test some 16 percentage points below the covenant ceiling.

12. Risk Analysis

Risk Ref	Bus Object	Date identified or modified	Risk Owner	Risk & Potential Implications		Likelihood	Impact	Score	Review of Risk and Controls in Place as at 05/03/2024	Control Assessment	Actions Required to Improve Control Assessment - What can be done now? - v- What should be done if?	Mitigation ▼ Reduce ◀ Accept ♦ New
STRAT	1	Sep-23	OD	Upper Langlee Demolition and New Build Programme Project 2: 4 Phases	<p>Programme of demolition and new build is not met on time and/or within budget. Specific concern around timescale required for pre-planning application process.</p> <p>Lack of project management capacity and experience within the WH Management Team.</p> <p>Lack of interest from suitably experienced contractors to undertake the demolition/new build phases of work.</p> <p>Failure to identify site constraints.</p> <p>Failure to establish a robust Scheme Appraisal.</p> <p>Lack of clarity in the relationship and sequence of appointment between design consultants and engineer.</p> <p>Failure to achieve a sufficiently progressed scheme design to allow HARP registration.</p> <p>Failure to timeously secure alternative permanent or temporary accommodation for households who need to move as their homes are earmarked for demolition with resultant delay in demolition programme commencing.</p> <p>Concern around delay in progressing utilities work required before the procurement of a demolition contractor can be undertaken.</p> <p>Failure to secure private finance.</p>	POSSIBLE	CRITICAL	78	<p>Business Plan and Asset Management Strategy</p> <p>Financial Plan</p> <p>Funding & Treasury support from ARK Consultancy</p> <p>Appointment of Camerons Architects</p> <p>Appointment of MB Langmuir Hay as Employers Agent</p> <p>Appointment of Wardell Armstrong as Civil and Structural Engineers</p> <p>Appointment of Thomson Gray as Principal Designers</p> <p>Appointment of David Murray as Mechanical and Engineering Consultants</p> <p>Support from Ark Consultancy</p> <p>SBC Strategic Housing Investment Plan</p> <p>Scottish Government Affordable Housing Supply Programme</p> <p>Upper Langlee Development Programme , Action Plan and Cost Plan</p> <p>Regular reporting on progress to the Board</p> <p>New Development Policy approved by Board</p> <p>Design Guide approved by Board</p> <p>Detailed Planning Application approval obtained</p> <p>Building Warrant Stages 1,2 and 3 obtained</p> <p>Ark appointed to assist with re-financing.</p> <p>Board approved accepting the indicative Heads of Terms submitted by Unity Trust Bank.</p>	Medium	<p>Continue to consult with the local community when appropriate to do so.</p> <p>Updated cost plan and pre-construction programme to be kept under review.</p> <p>Demolition phasing plan options being reviewed.</p> <p>Ongoing liaison with those households identified as priority for moves to permanent or temporary accommodation.</p> <p>Complete Procurement exercise to appoint a demolition contractor to be progressed. Complete, Daltons Demolotion Ltd appointed for phase 1 demolition in June 2022.</p> <p>Borrowing £6M from Barclays requires transfer of sufficient title from Barclays UK to Barclays PLC. Initial indications suggest legal costs associated with this to be prohibitive. Due to this Barclays are prepared to let WH explore alternative funding routes and will work with WH to change the restrictive Net Debt Per Unit covenant to a more modern Gearing covenant.</p> <p>Heads of Terms agreed with Unity Trust Bank, documentation to be finalised.</p> <p>Carve out of 670 properties from Barclays loan.</p>	▼

STRAT	3	Nov-21	CEO	Human Rights - Effective approach to collection of equalities info and application of human rights approach to our work	Breach of equalities duties and legislation Breach of health and safety duties and legislation Regulatory intervention/oversight (SHR/OSCR/HSE) Reputational damage Loss of funding/partnering support Loss of commercial contracts Low staff morale Tenant dissatisfaction	POSSIBLE	SIGNIFICANT	48	Equal Opportunities and Diversity Policy Equal Opportunities & Diversity Charter Anti-Harassment, Bullying and Victimisation Policy Code of Conduct (For Employees) Policy Domestic Abuse Policy Pay Policy Grievance Policy Recruitment & Selection Policy Training and Development Policy Staff Appraisal Policy Allocations Policy; Tenancy Handbook	Medium	Review of Equal Opportunities and Diversity Charter involving Employee Focus Group Extend this to include cultural change questions; Establish Risk Register Action Point Tracker, specifically for Equal Opportunities & Diversity and a Rights Based approach to service delivery; Establish an Improvement Action Plan template with baseline and longitudinal data. To be reviewed, 3 yearly by the AICC	◆
STRAT	1	Feb-22	PSM	30 year planned maintenance programme unaffordable	Fall in stock valuation Breach of covenants Cash liquidity problems Compliance with SHQS (potential intervention by SHR) Adverse effect on voids Reputation Compliance with EESSH	POSSIBLE	SIGNIFICANT	48	Scottish Housing Quality Standard Financial Plan Business Plan Asset Management Strategy Stock Condition Survey Ensuring current EPCs for all properties Annual review of Financial Plan Programme of works is monitored on a monthly basis Review of EPC/EESSH data ongoing	Medium	Regular review of SHQS exemptions and abeyances Completion of Asset Management Strategy Stock conditions surveys (sampling to be agreed)	◀▶
OPER	1	May-23	PSM	EESSH - Affordability to bring properties up to standard	Non-compliance with EESSH	POSSIBLE	SIGNIFICANT	48	Scottish Housing Quality Standard Energy Efficiency Standard for Social Housing SHR Regulatory Standards Compliance Report	Medium	IRT database contract renewed, updated with latest epcs and planned works which can impact SAP ratings. This can now provide most up date information to inform EESSH projects and quick wins.	▼

OPER	2	Sep-23	OD	<p>Failure to maintain Customer Satisfaction levels in all areas of our business</p>	<p>Reputational damage Existing tenants leave; difficulty in attracting new tenants Revenue income reduces Surpluses drop SHR intervention and revision of engagement categorisation *Increased demand on already stretched resources within Housing and Property Services; *Negative impact on core business of the Housing and Property Services functions; *Uncertainty of demand and inability to plan resource requirements; *Lack of clarity in reporting requirements for SBC/WH; *Potential challenge in reporting responsibilities e.g. FOI/DSAR's</p> <p><i>*Specific to Homes for Ukraine Scheme and direct matching of homelessnes properties by SBC.</i></p>	POSSIBLE	SIGNIFICANT	48	<p>Tenancy Sustainment Strategy Community Engagement Strategy and Action Plan Satisfaction surveys undertaken on repairs and re-let standard throughout the year and dissatisfaction is considered under our Complaints Policy; satisfaction surveys of all tenants on ARC satisfaction indicators undertaken every 3 years Annual benchmarking of customer survey results Complaints monitoring Continue to monitor customer satisfaction levels through ongoing and full satisfaction surveys, and benchmark performance against other housing providers.</p>	Medium	<p>Tenant Scrutiny Services - consider ways of increasing membership of Customer Review Panel to allow continuation of scrutiny of services when Covid-19 restrictions are lifted. – ongoing, HSM and TCEA (when recruited) to engage with tenants A new Tenant Satisfaction Survey was issued to all tenants and completed in March 2022. A new Owners Satisfaction Survey has also been actioned and was completed by March 2022. Results of both surveys analysed and actions now complete to address issues raised. Ongoing surveys with new tenants and tenants who have had a repair.</p>	▼
STRAT	1	Apr-22	OD	<p>Low Demand for Housing Stock</p>	<p>Increased rent loss Increase in refusal rates Increase in properties with a negative NPV Breach of Barclay's facility Breach of UTB Facility Ineffective use of planned maintenance expenditure Ineffective use of EESSH expenditure</p>	POSSIBLE	SIGNIFICANT	48	<p>Waverley Housing Business Plan Asset Management Strategy Purchase of Property Policy Property Maintenance Policy Estate Management Policy Depreciation Policy Financial Plan</p>	Medium	<p>Identify hotspots Explore development opportunities for all areas of anticipated low demand Explore joint ventures e.g. Howdenburn Identify open market purchase opportunities Consider disposals where they are resource efficient. Consider removing stock from management Instruct impairment adjustments where appropriate</p>	▼

OPER	1	Sep-23	OD	Increase in Void Properties	Increase in void rent loss Increase in ready to let timescales Increased pressure on Voids Team Reduced customer satisfaction on relet standards	POSSIBLE	SIGNIFICANT	48	Void Management Policy and Procedure Tenancy Sustainment Strategy Allocations Policy Customer Review Panel Rent Policy Rent and Service Charge Setting Policy Arrears Policy Anti-Social Behaviour Policy	Medium	Regular review of KPIs and MIs by Management Team and Board Monitoring and management of void properties	▼
OPER	2	Sep-23	OD	Unplanned &/or uninsured works of high value	Cash flow problems Harm to reputation Environmental issues Action by SHR/Information Commissioners Office Health and safety risk Service disruption	POSSIBLE	SIGNIFICANT	48	Asset Management Strategy Financial Plan Planned Maintenance programming and monitoring Relevant insurance policies in place Staff regularly visit our housing stock and identify items requiring repair/replacement Suite of IT policies and procedures	Medium	Stock Condition Surveys to continue on a 20% per annum basis to ensure 30-year planned maintenance programme is accurate. SHQS/EESHH compliance assessments including monitoring abeyance and exemptions lists. Regular visit throughout the year to check feu areas and estates. Structural Engineer Survey of 51 North Bridge Street, Hawick to evaluate risk in relation of Reinforced Autoclaved Aerated Concrete (RAAC) – identified on 18 September 2023.	▼

OPER	3	Sep-23	OD	GDPR (Including Disclosures)	<p>Failure to recognise FOI request Failure to respond within agreed timescales Reputational damage Increased workload for staff</p>	POSSIBLE	SIGNIFICANT	48	<p>FOI (Scotland) Act 2002 (Designation of persons as Public Authorities Order) 2019 FOI Policy and GDPR Policy ICO's Model Publication Scheme adopted Guide to Information published and on website and website content updated Staff training undertaken Internal Audit completed on FOI in January 2020 with no weaknesses identified. Quarterly Returns are submitted to the Scottish Information Commissioner Internal Audit on GDPR complete – Following our review, we are able to provide substantial assurance over the controls and systems in place at Waverley Housing around Data Protection and compliance with GDPR. There are several areas of good practice which we have noted during our review, and these are outlined in the Executive Summary. We have raised 3 medium and 2 low graded recommendations to improve control.</p>	Medium	<p>Audit completed on GDPR in August 2023. Number of recommendations made: 1. Wylie & Bisset (W&B) recommend that the Data Protection Officer receives all Data Sharing Agreements from the Operations Managers and retains them in a centralised folder. This should be reviewed to ensure there is a sharing agreement for every applicable party. W&B also recommend that a Data Sharing Agreement Register is created and all information on the agreements are held on the Register. 2. W&B recommend that a full review of the GDPR Action Plan is undertaken to ensure completeness and compliance with GDPR. This Action Plan should then be reviewed at least annually by the Board. 3. W&B recommend that the Company develop a procedure for the completion of Data Protection Impact Assessments and ensure that assessments are completed across the Company consistently. 4. W&B recommend that all staff are provided with refresher GDPR training. W&B also recommend that staff completion for the GDPR training modules on the Worknest website are monitored for compliance. 5. W&B recommend that the Company review and update</p>	▼
------	---	--------	----	------------------------------	---	----------	-------------	----	--	--------	--	---

OPER	2	Apr-20	PSM	Failure to meet statutory requirements, e.g. failure to carry out annual gas safety inspections or manage asbestos	Breach of statutory duties Health and Safety implications Reputation SHR intervention Potential for harm to tenants	POSSIBLE	SIGNIFICANT	48	Annual Gas Safety Check Policy Health & Safety Policy The Gas Safety (Installation & Use) Regulations 1998, Regulation 36 Dalex Maintenance contract Asbestos Management Policy and Procedure Legionella Procedure Legionella Risk Assessments completed Regular Monitoring reviews undertaken Monthly performance reports 10% random checks on gas services carried out by independent organisation Maintenance of staff knowledge of asbestos through training H&S Consultant employed Regular training undertaken Tenants are given the opportunity at sign-up to avail themselves of a free fire safety check from the Fire Brigade H&S information reports provided on a monthly basis to the Management Team recording accidents and near misses	Strong		◀▶
OPER	3	Nov-23	CEO	Succession Planning	Loss of key skills and knowledge Interruption or disruption to business continuity Loss of efficiency/reduction in productivity Potential increases in downtime from non-filling of vacancies Increase in costs, e.g. temporary staff or sub-contractors	CERTAIN	MODERATE	45	People Strategy Succession Planning Template Retirement Planning Policy Recruitment and Selection Policy & Procedure Staff Appraisal Policy & Procedure Pay Policy Business Planning Policy	Medium	Design approach to reviewing the WH People Strategy Management Team to review the Employee Satisfaction Survey	▼

OPER	1	May-21	CEO	BREXIT	<p>Changes to legislation Negative impact on availability of construction materials; plant and equipment and skilled labour Negative Impact on delivery lead times and contract progress Increased product assurance or compliance requirements Revisions to regulatory burdens Negative impact of investor confidence/availability Negative impact on Waverley Housing tenants who are EU nationals Early stage familiarisation (clients and contractors) with the Find a Tender process</p>	CERTAIN	MODERATE	45		Medium	Continue to monitor and address any changes introduced which affect our operations.	◀▶
STRAT	3	Mar-24	CSD	Adverse changes in inflation and interest rates	<p>Failure to meet anticipated cash flow targets Breach of covenants Increase in Rents not in line with increasing maintenance costs Inability to finance Upper Langlee Development Programme</p>	VERY LIKELY	MODERATE	36	<p>Treasury Management Policy and Capitalisation Policy Financial & Business Plannings & Tools Robust Financial Policies & Procedures SHR Loan Portfolio Returns SHR Five Year Financial Projection Return Use of appropriate mix of borrowings in loan/investment portfolio Financial Reporting, forecasting with sensitivity analysis Use of effective budgetary, direct cost and overhead controls 70% of debt now on fixed rate interest Regular reporting to Audit and Internal Control Committee</p>	Strong		◀▶

OPER	3	Jul-21	CEO	Failure to maintain full Board complement	Non-Compliance with Governance Handbook Inability to make decisions Failure to comply with Regulatory Standards on Governance and Financial Management Intervention by Scottish Housing Regulator Inability to populate relevant committees Loss of skills, knowledge and experience Under representation of key groups including those with protected characteristics	UNLIKELY	SIGNIFICANT	32	Articles of Association Board Membership and Recruitment Policy Governance Handbook Code of Conduct for Governing Body Members Role Description for Chair, Vice-Chair and Company Secretary Board Self-Assessment and Annual Appraisals Board Appraisals completed Sept 22	Medium	Continue to follow recruitment strategy through on Board, direct advertising and tenant engagement.	▼
STRAT	3	Mar-24	CSD	Breach of Barclay's Facility	Liquidity risk Inability to finance Upper Langlee Development Programme Facility re-priced Demand for loan repayment	UNLIKELY	SIGNIFICANT	32	Treasury Management Policy Financial Plan SHR Loan Portfolio Returns SHR Five Year Financial Projection Return Annual internal and external audit plans Ongoing monitoring of facility, covenants and information undertakings Monthly performance, cash flow and budgetary controls in place Annual meeting with Barclays Comprehensive Financial Plan - with sensitivity analysis Regular reporting to Audit and Internal Controls Committee	Strong	WH and Barclays to complete Bulk Security Release and to complete a partial restatement of the existing loan facility to allow WH to source additional private finance on the open market.	◀▶

OPER	3	May-23	CEO	Inadequate Health & Safety measures in place (Not just statutory but other risk, e.g. house fires)	Breach of statutory duties HSE intervention and Improvement Notices SHR intervention Potential for harm to stakeholders, including employees	UNLIKELY	SIGNIFICANT	32	Annual Gas Safety Check Policy Health & Safety Policies The Gas Safety (Installation & Use) Regs 1998, Reg 36 Dalex Maintenance Contract Asbestos Management Policy and Procedure Legionella Procedure and Risk Assessments Regular monitoring reviews undertaken Monthly Performance Reports 10% random checks on gas services carried out Maintenance of staff knowledge of asbestos through training H&S consultant employed SMAS Certification Regular training undertaken Tenants are given the opportunity to sign-up to avail themselves of a free fire safety check from the Fire Brigade H&S information reports provided on a monthly basis to the management team recording accidents and near misses	Stock Condition Surveys to continue on a 20% per annum basis to ensure 30-year planned maintenance programme is accurate. SHQS/EESSH2 compliance assessments including monitoring abeyance and exemptions lists. Regular visit throughout the year to check feu areas and estates.	◀▶
------	---	--------	-----	--	---	----------	-------------	----	--	--	----

STRAT	1	Feb-24	HSM	Impact of Increase in Rent Arrears	<p>Increase in rent arrears Higher eviction rates Increased voids and voids rent loss Increase in abandonments Increase in homelessness Increase in legal costs Decrease of tenant satisfaction Negative Impact on staff morale</p>	UNLIKELY	SIGNIFICANT	32	<p>Tenancy Sustainment Strategy Arrears Policy Evictions Procedure Abandonments Procedure Rent and Service Charge Setting Policy Financial Plan Void Management Procedure Mobyssoft Rensenselite Module Welfare Benefits Advisor in place Settling In Visits undertaken Automated import of UC payments, and access to individuals payment portals Staff training to keep abreast of changes in legislation and external influences i.e. cost of living crisis, inflation rises, unemployment rates, etc.</p>	Strong	Continue to monitor on an ongoing basis.	◀▶
-------	---	--------	-----	------------------------------------	--	----------	-------------	----	--	--------	--	----

OPER	3	Mar-24	CSD	Cyber Crime	Loss of secure data Loss of access to systems Breach of GDPR Financial loss Damage to reputation	POSSIBLE	MODERATE	27	Business Recovery & Continuity Plan (Including ICT Disaster Recovery Plan) IT Policy Records Retention and Disposal Policy Use of Mobile Phones and Electronic Communications Policy Openness and Confidentiality Policy Fraud Policy GDPR Policy Severe Disruption Policy and Severe Disruption Procedure Security health checks undertaken Latest security patches in place Virus checkers installed Devices password protected and where possible encrypted GDPR compliance and internal audit IT Backup & Restoration Procedure All data is backed up on a daily basis Upgraded firewall router installed Sentinel One is being used for endpoint protection Remote access restricted to UK locations Kick ICT have reviewed security settings Cybercrime insurance cover in place Cyber Essentials accreditation gained Staff Training and Awareness	Medium		◀▶
OPER	2	Apr-23	CEO	Coronavirus (COVID-19) Viral Epidemic	Substantial disturbance to normal business	POSSIBLE	MODERATE	27	Business Recovery & Continuity Plan invoked and CMT monitoring situation and implementing actions identified	Medium	Remove COVID 19 Risk Assessment requirements and guidance noted for 51 North Bridge Street. Review and downgrade guidance on working in other people's homes and all with effect from April 2023.	◀▶

OPER	3	Jul-21	CEO	Low staff morale	<p>Increase in staff turnover Increase in non-attendance levels Increased recruitment costs Reductions in productivity/output Negative impact on service delivery Adverse impact on quality of work Reputational damage</p>	POSSIBLE	MODERATE	27	<p>People Strategy Recruitment and Selection Policy Staff Appraisal Policy Training and Development Policy Statutory Right to Time Off Policy Right to Flexible Working Policy Health & Safety Policy Paternity Policy Adoption Leave Policy Retirement Planning Policy Flexi Time Policy Holiday Entitlement Policy Grievance Policy Anti-Harassment, Bullying and Victimisation Policy Annual Bonus Policy Employee Satisfaction Survey Homeworking Policy</p>	Medium	<p>Continue to work with Staff Focus Group on issues identified in the Employee Opinion Survey Review service re-engagement planning, particularly on Homeworking.</p>	▼
------	---	--------	-----	------------------	---	----------	----------	----	--	--------	---	---

13. Key Contacts

13.1. Governing Body

Ronnie Dumma (Chair)
Ian Davidson (Vice Chair)
Kate Christie
David Gordon
William Robson
Rita Stenhouse
Christine Stewart
Garyth Thomas
Julie Watson
George Young

13.2. Management Team

Fraser Kelly (Chief Executive)
Carole Yallop (Operations Director)
Lorna Notman (Corporate Services Director)
Lenore Suddon (Housing Services Manager)
Sarah Arnold (Property Services Manager)

Company Secretary

Lorna Notman
Waverley Housing
51 North Bridge Street
Hawick
TD9 9PX

Funders

Barclays Bank plc
Aurora
1st Floor
120 Bothwell Street
Glasgow G2 7JT

Unity Trust Bank plc
PO Box 7193
Planetary Road
Willenhall
WV1 9DG

External Auditors

Chiene + Tait LLP
61 Dublin Street
Edinburgh
EH3 6NL

Solicitors

TC Young
69a George Street
Edinburgh
EH2 2JG

Bankers

Royal Bank of Scotland
36 St Andrews Square
Edinburgh
EH2 2YB

Internal Auditors

Wylie + Bisset LLP
168 Bath Street
Glasgow
G2 4TP

