



CLYDE VALLEY  
GROUP

# Business Plan 2023-24

# FORWARD

As Clyde Valley Group (CVG) enters the 4th year of our ambitious five-year Corporate Plan, the Board and Executive Team have reviewed our progress and the challenges and risks that currently face CVG and the wider housing sector in Scotland and across the UK.

A new Chair for CVHA was elected in 2022 in accordance with our succession planning, skills have been further strengthened on both Boards. This has informed our latest Business Plan, we have robustly stress tested our financial assumptions, treasury management, cost effectiveness and strategic priorities including for financial investment. This work has taken place over a number of months and included our annual rent increase and the risk assessment of a potential rent cap being imposed by Scottish Government. Our strategic risks have been completely reviewed, including our SWOT.

As a Group, we have revisited our purpose, strategic direction and the values that drive us. Our focus firmly remains upon our customers and our value of being 'all about customer'. Clyde Valley Housing Association (CVHA) has taken time to understand and support our customers in dealing with the current cost of living crisis and in how we have engaged them upon rent affordability. Our rent increase of 7% for 2023/4, well below current inflation, follows two years of increases of 1% and 2.5%. CVHA will continue to work even more closely with customers this year on affordability. CVHA is a full member of Employers in Voluntary Housing (EVH), and the EVH negotiations on pay was successfully settled at 5.25% for 2023/4.

CVHA and our subsidiary Clyde Valley Property Services (CVPS) will continue our focus upon the priority of customers' health and safety in the year ahead, building upon our strong governance and automated systems for compliance and monitoring. The Scottish Housing Regulator is fully assured, following the review we have worked with them upon. Continuous improvement will see the implementation of our new MRI asset management system including a compliance module, which is already underway. We are of course acutely aware of the issues in our sector of damp and mould in housing association homes and will be focused upon this as one of our priorities.

Customer experience is our central supporting strategy, and customer engagement plans including the review of our reactive repairs to customer satisfaction will be a key priority in the year ahead. Our CRM, annual pulse and transactional surveys now provide a package of high-quality, real-time customer feedback, insight, and reporting. This includes compliments and complaints, which is helping to drive our decision making. We will continue to test and benchmark our performance with Customer Services Excellence and Institute of Customer Services accreditation.

Our invaluable investment in skills for Business Improvement and ICT, including a Business Analyst role supports this approach to customer insight is developing this further. Following significant investment in business continuity and measures to reduce risk of cyber-attack, further refinement will continue during the year to ensure business resilience is as effective as it can be. This team is also continually supporting our wider team to automate process and systems for all activity to deliver efficiency and maximise operational capacity.

Our plans to 2025 include delivery of 300 new homes. Some of these homes are on sites that have been delayed as a result of the pandemic, followed by the economic crisis affecting labour and materials and the overall cost of living impact. We will continue to work with Scottish Government and other partners to overcome these barriers and deliver on our ambitions. Our track record over 25 years for new build development drives our ambition to continue at a realistic pace and like all developing RSLs, we need to understand and deliver Scottish Government's future approach to replace ESSH2 as well as new targets and requirements for building standards and housing association grant (HAG) as we move towards net zero. We have a number of existing sites owned by CVHA and potential future sites under discussion.

Our Boards have been discussing our approach and existing contribution to ESG. Our priority for 2023/4 will be to evolve a culture of sustainability across the Group, building on our carbon literacy project outcomes and understanding what is required for both retrofit and future homes in terms of meeting net zero. Our stock profile does not generally include pre1919 homes, tenemental homes or high rise and has mainly been built since 1996. CVHA will be undertaking a fresh stock condition survey during the year, including energy data, and collating this into our new MRI asset management system to inform future investment plans.

A specific geographical area of focus will be our rural area in Douglas, South Lanarkshire, which is off gas, and includes low demand homes built of Athol Steel construction. Our plan is to continue to work closely with South Lanarkshire Council colleagues and Douglas Community Council towards housing led regeneration and investment in the area. The pepper-potting of right to buy owner occupiers presents challenges to this and our first step in 2023 has been to commission an independent survey of individual residents.

Our people are key, as ever, to successful delivery of our plans for 2023/4. Following our workforce plan implementation, significant recruitment over the last 2 years, and cultural change to agile working, we are now focused upon building and releasing people capacity and skills development and introducing the IIP framework and accreditation. Implementation of our Equality, Diversity and Inclusion and Wellbeing Strategies will be central to our people priorities. Our employee Pulse surveys will continue to provide real time feedback from our people on their wellbeing.

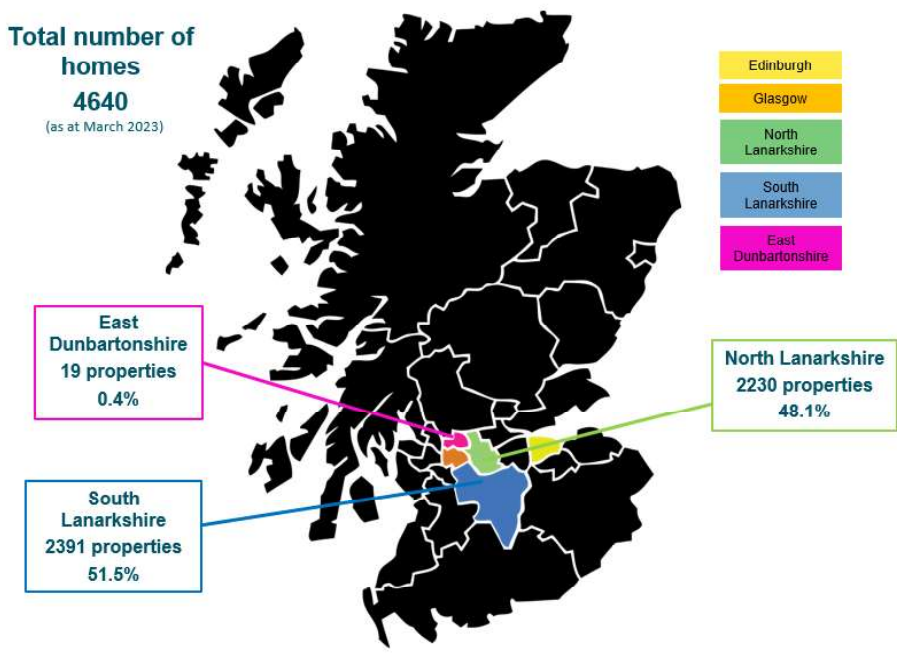
# About Clyde Valley Group

CVHA is a Registered Social Landlord (RSL) partner in Lanarkshire and East Dunbartonshire, Our Group continues to grow and we now own around 4640 homes and provide factored services to 3300 owners. We are proud that people see us very much as a local and regional landlord and employer. We make a notable difference to lives and communities, including to help meet housing needs. By 2025, we'll be providing a brilliant customer experience to at least 8700 customers.

Clyde Valley Housing Association is a Registered Social Landlord and a charity. We want to achieve the right balance of investing in new and existing homes and services offering our customers great value for money at a price they can reasonably afford. We recognise the pressures our customers face. As we continue to grow, we are setting ourselves the challenge of keeping our costs down, increasing how efficient we are and driving up productivity.

We are a growing organisation. The Group has successfully established our reputation for building high quality new affordable homes for 25 years for social rent, mid-market rent and market rent sale. Over recent years we have invested over £200m in Government housing grant and private finance from our lenders in new homes and have become one of Scotland's main developing Registered Social Landlords. We will be completing an additional 300 new homes by 2025, mainly for social rent.

## We are here



We are entering the 4th year of our 5 year Corporate Strategy and supporting strategies. – Customer Experience Strategy, People Strategy, Digital and SmartThink Strategy and Investment and Growth Strategy. This Business Plan outlines the key financial plan aligned to deliver on these strategies and the key outcomes for the coming year. This plan should be read in conjunction with these key strategies.

Our current Business Plan has been developed with what we know and have outlined in our Strategy to 2025, however there are several areas of focus within CVG that are being researched and developed further which will impact our plan going forward and haven't been included in the current financial plans. These will be aligned to affordability across the plan and will aim to limit future borrowing except for borrowing for new build where possible. Some of these had been outlined below:



·Zero Carbon Targets and (Green) Sustainability Strategy



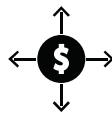
·Option appraisals for Low Demand stock mainly for Douglas



·Future housing design quality and Tech Charter – retrofit and new build (including use of smart technology, adaptations)



·Scale and costs of new build programme, modern methods of construction



·Income generation opportunities including Clyde Valley Lets and Housing for Sale



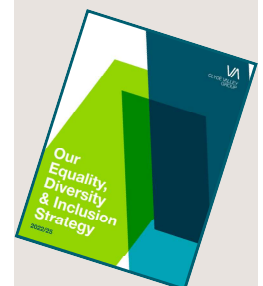
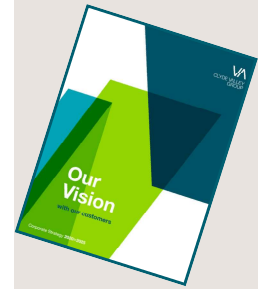
·Income generation opportunities including Clyde Valley Lets and Housing for Sale

Our financial plans set out how we intend to fund our activities, ensure that we meet our lenders' financial covenants, make rents and services affordable and deliver value for money. Our plans identify our future borrowing needs that will allow us to deliver our programme for new homes and continue to invest in our existing homes and other assets. We test out our financial plans so that we know we can deal with any risks.

As one of Scotland's top five biggest RSL developers. Our ambitious plans mean we will provide another 300 new homes by 2025.

We will be doing further work on the future design of both our new and our existing homes, so we future-proof homes to support people to remain in their home throughout life changes, as they age, as their mobility reduces and to improve quality of life and can better deal with conditions such as dementia.

Energy efficiency will be also be a key focus and we will consider this against the new awaited Energy Efficiency in Social Housing Standards due for release later in 2023.



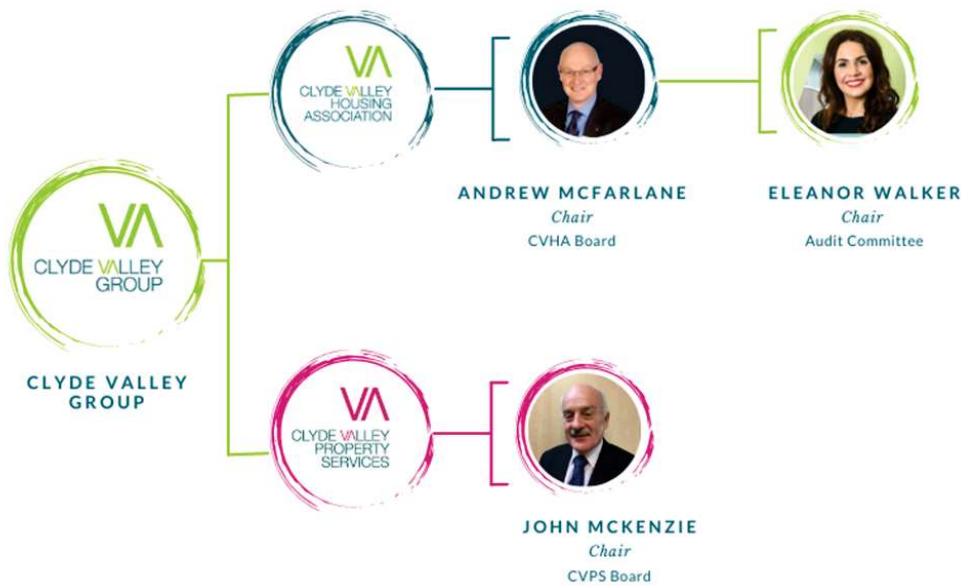
Our thriving subsidiary, Clyde Valley Property Services will play a vital part in extending our reach to offer quality services and new homes across tenures to improve affordability and housing standards for the benefit of our regional housing market – from mid-market rent to growing our Clyde Valley Lets offering to additional Private Landlords.

CVG’s growth and ambitions mean we will continue to make a significant contribution to reducing homelessness across our region and to play our part in realising ambitions for wider social and economic regeneration. Our intention is to focus on our localities and remain the key strategic RSL partner in Lanarkshire and East Dunbartonshire, maximising and strengthening our wider social impact.



Exceptional customer service and continuous improvement has been the focus of the Group. We retain our Customer Service Excellence (CSE) accreditation, with 11 areas at Compliance Plus. In 2022, we became members of the Institute of Customer Service (ICS). Our ICS membership allows us to measure customer experience and compare this to a wide range of organisations and sectors. We will develop further action plans based on the results of the ICS survey.

## Governance



Governance excellence is a key priority for CVG and we continue to develop and demonstrate evidence of assurance to ensure Board and Committees are furnished with the right information to constructively challenge, add value to the thinking and be fully assured that strong governance is in place. Both CVHA and CVPS have experienced Board members with the skills to provide effective governance and oversight. More can be found out about the skills and experience of our board here:

[CVHA Board](#)

[CVPS Board](#)

Our Annual Assurance Statement is developed using a Governance Assurance Framework. Assurance is also sought from Board through Audit committee, internal and external audit as well as specialist audit work for more complex and higher risk areas such as health & safety and IT.

Self-assessment using the SFHA assessment tool is integral to our assurance process.

# Mission, Vision, Values

## From Vision to Ambition

Our Corporate Plan to 2025 sets out our values, strategic themes, and ambitions for the CVG



To provide  
high quality  
homes and  
services that  
make a  
difference to  
people's lives  
and their  
communities.

We will always make a difference to people – from a life changing new homes to making it easier and quicker to pay rent or book repairs online. Our reach and impact in communities and our role in place-making across Lanarkshire and East Dunbartonshire will continue to grow – whether we have preserved a much-loved school or Library or set up a new service to help private landlords let their property. We will be measuring our social impact upon neighbourhoods and communities as well as satisfaction and efficiency in delivering our core landlord services.

This is our purpose and our mission, and we are passionate about it.

## Our Values



- **BE** all about customer – Customers are our first priority and they drive everything we do and how we do it. This means we will make sure we know our customers well, do the right thing, and always deliver on our promises.



- **BE** ambitious – CVG and our people continue to grow and we'll always be ready for any opportunity as long as it benefits our customers. We'll support customers to realise their ambitions too.



- **BE** driven – by excellence Our CVG team is relentless about doing better for customers, learning and focused on improving performance, doing more for customers and reducing customer effort.



- **BE** caring – most importantly we're people centered, will listen and support customers and each other.



- Together we make the difference – Great teamwork matters and we'll work together in enjoying what we do and making life easier for customer.

# Strategic Themes

The strategic themes reflect the scale of the Group's ambitions and our potential to achieve them.

Providing a brilliant customer experience, delivering service excellence

**Addressing housing need and offering services across all tenures**

1

5

2

3

**Aim to be the best housing association employer, committed to developing employees to realise their potential**

4

**The leading RSL partner to create sustainable homes and communities**

Focused on value for money and excellent governance as a growing and sustainable business



# Our Operating Environment

## Economic Environment

The wider economic context has been challenging in the last few years with the effects of the pandemic. The inflation environment has significantly changed over the last year with RPI rising from 1.5% in 2020 to 11.6% in 2022, the highest it has reached since 1982. This has had an impact on our assumptions and in particular has challenged us during the 2023/24 rent increase debate.

The treasury management environment has been relatively benign for some years, however with rising inflation the Bank of England has responded by increasing interest rates. The changes to the Base Rate over the past year are shown below:

Jan 22	Feb 22	Mar 22	May 22	Jun 22	Aug 22	Sep 22	Nov 22	Dec 22	Feb 23
0.25%	0.50%	0.75%	1.00%	1.25%	1.75%	2.25%	3.00%	3.5%	4.00%

## PEST Analysis



CLYDE VALLEY GROUP  
 PEST ANALYSIS

P

- Change in Prime Minister (UK) and First Minister (Scotland)
- Potential Indyref
- Local Government- Continued Austerity
- Regulatory Focus
- Housing Policy Impacts of austerity

Political / Legal

E

- UK and Scottish GDP & Austerity - growth v cuts
- Banking System Liquidity
- Rising Inflation and Interest Rates - Market Volatility- Debt; Investment; Overheads; Supply Chains
- Customer Finances Stress- Unemployment and Cost of Living Crisis

Economic

S

- Ageing Population & Smaller Households
- Increasing demands on Care and Social Care Budgets
- Intensifying Service Demand Characteristics - expectation and scale
- Intensifying Negative Social Outcomes - unemployment; antisocial behaviour; property abandonment

Social

T

- Climate Change/Low Carbon Homes Drive - New and Retro (EESHH)
- Customer Digital Exclusion Rates
- Digital Services
- Welfare System ICT Dependency

Technological

# The Sector

There are a significant range of challenges in the social housing sector currently, with the cost of living having an impact on our customers and teams. Post-pandemic, CVG has become more flexible and adept in how we work, in how we deliver services and review our priorities. We are constantly reflecting and acting upon how we can best support our team and customers in changing circumstances. We're proud to say that we're handling this situation, as ever, with compassion, mutual support and professionalism.

Much is changing for our customers and for the housing sector and Scottish Government is encouraging all to think as far ahead as 2040. There are huge challenges of achieving a carbon neutral Scotland, addressing poverty and inequality, growing numbers of older people and single households, health needs, homelessness, welfare benefit changes and the rapid development of new technology in all areas of life. We'll be doing more work on the future design of our new and existing homes to support people throughout life changes.

Maintaining the affordability of the homes across CVG remains a key focus. CVG recognises this challenge and considers affordability on an annual basis through the following:

- Review of rent levels against average social housing sector rent levels
- Consideration of rent increases over the previous year
- Annual tenant feedback through the rent consultation process
- Affordability questions in customer satisfaction surveys.

Current indicators suggest that the CVG's rent levels are affordable for those on moderate incomes.

In addition, the group has invested further in measures to support tenants who are struggling financially and in particular:

- Income Maximisation Officers
- Fuel Poverty Advisor
- Wellbeing Hub

## Internal Environment

We have gone through a period of change over the last 4 years. As a developing RSL, Covid had a real impact on our development programme, slowing down the completions and handovers thus impacting on our rental income growth. Challenges with our development contractors who in part struggled to quickly remobilise after covid and restriction imposed, coupled with a changing labour market, rising cost of materials and in some instances a challenge to obtain materials.

We have moved to a more agile approach to working and have grown our FTE staff number from 64 to 92 from 2020, a 44% increase in staff numbers, that coupled with staff turnover averaging 17% over the last 3 years have provided challenges in recruitment, onboarding and training. We have a really strong team in place across all directorates and during the next few years we will focus on developing and

nurturing our talent through the delivery of our learning and development plan and ensuring that we upskill and reskill our new and current people to empower them to deliver their best.

A move to more digital has been a strong focus for CVG over the last few years and we continue on our journey to provide agile systems that align to the way our teams now work and continue to work to achieve automation where we can. This releases capacity for our teams to spend more time in our communities working with our customers and providing a best in class support service to all.

# **SWOT Analysis**

## Strengths

**S**

- Customer satisfaction/CSE accredited
- Older Person's Strategy development with Snook and Independent Age
- Strong Treasury Management- 70% fixed loans, positive long term relationships with lenders
- Track record and investment in new supply growth
- Business improvement team resource and skills
- Governance Assurance/Systemic profile and scale of influence including on SFHA Board
- Strong established relationship with LA Partners and other stakeholders including Scottish Government and wide range of new build developers
- EDI Strategy and Action Plan
- Employee benefits package
- Agile working model
- Quality of Boards and Leadership

## Weaknesses

**W**

- Customer engagement
- Future sustainability of homes in Douglas village
- Limited capacity/financial covenants in short term/high debt per unit
- Need to fully understand long term stock condition needs
- No Sustainability Strategy yet in place or system to assess long term costs and implications of net zero
- Greater understanding employee skills gaps.
- Improve our organisational brand/image
- Lack of capacity to increase external focus

# SWOT

## Opportunities

**O**

- CRM use to capture customer insight
- Customer engagement strategies and Customer Panel to demonstrate increasing influence on what we do and how we do it
- Customer Home Hub self-service portal
- Customer service design project next stage
- ICS learning and accreditation
- Cost savings and income generation through joint working
- CVPS subsidiary's increasing financial and wider contribution
- New build supply pipeline potential and private finance funding availability
- Seek more external subsidy/grants including through the Wellbeing Hub
- Further Automation
- New Board Members, fresh perspective
- Increase opportunities to be more outward looking
- Increased innovation in digital/technology
- New integrated asset management system and stock condition survey will provide up to date baseline cost for investment

## Threats

**T**

- Business plan pressure to make efficiency savings
- Contractor failure and/or contractor walking away due to economic conditions. Further delays in rental income vs assumptions for key new supply schemes at High Street Kirkintilloch, Overtown Primary
- Current economic environment with high inflation, rising energy and food costs - impacts on rental income and customer debt
- Unknown long term investment costs for energy efficiency and funding availability for net zero
- Collective bargaining agreement sets employee salaries, terms and conditions of the employee offer
- Sector recruitment challenges e.g. repairs and assets roles
- Increasing compliance -regulatory and legal

# Sustainability

The Board strategy day in January 2023 focused on Sustainability and in particular ESG and the Board agreed full priority would be given to this from April 2024 onwards. This is early in the journey for CVG and further research, planning will take place during 2023/24 onwards. During 2022, Carbon Change carried out a review on our offices at 50 Scott Street in Motherwell. The audit concluded that the office provided several energy saving opportunities for consideration which would result in an overall carbon reduction of 16.4tCO<sub>2</sub>e. We have been working through the action plan to achieve these savings and this work will continue during 2023/24.

We recognise that in order to achieve reduction in our carbon footprint that this requires a culture change across CVG as changing mindsets and strong leadership will be required to develop and deliver our plans. We will embark on this journey as part of our overall Organisational Development Priorities during 2023/24.

However, as an early indication at the Board Strategy Day in January 2023 the Board developed a high level ESG summary specific to Clyde Valley and agreed the priorities that should be focused on from 2024 onwards.

## Environmental

- Decarbonisation Audit with action plan for office
- Electric Vehicles
- Waste Management
- Energy Management
- Brownfield v Greenfield
- Enhanced stock conditions surveys



## Social

- Housing Provision (new and relet)
- Tenancy Support
- Income Maximisation
- Grant Funding Support
- Adaptations
- Energy Advice
- Community Benefit
- Staff Fundraising
- Engagement & Consultations
- Estate Management and ASB



## Governance

- Financially sustainable
- Investing in our people
- -Learning & Development Plan
- -Wellbeing Plan
- Equality, Diversity and Inclusion in the workplace
- Transparency through Reporting
- Digital Security
- Accreditations
- Internal Audit
- CSR Strategy
- Staff Charity
- Regulation & Governance Frameworks

The Board placed emphasis on things we don't have and the priority for focus and these are outlined below:



Enhanced Stock Condition Survey to include collating data on energy measures



Financially Sustainability



Sustainable Procurement and Supply Chain (Carbon Measurement Plans)



Investing in our People



Environmental Awareness (culture)

# Risk, Mitigations and Assurance

As with all successful businesses we adapt and change what and how we do things in response to unforeseen events and periods of difficulty, whatever the cause. Recognising, controlling, and managing risk has always been a critical consideration in our approach to good governance. It is a central feature of our day-to-day management and operations and is core to Board discussions, as well as audit and strategic planning.

The Group has its well-developed Risk Framework detailing internal controls and risk management procedures. Our risk registers are reviewed regularly by the Executive with the Board and Audit Committee exercising robust and thorough oversight of these.

This Plan takes account of all known risks and positions us well to successfully tackle any perceived risks that may subsequently materialise for the Group.

During 2023 we implemented an upgrade to our Risk Management software to allow us to include assurance against our risk controls in the one place.

The strategic risk register is attached at Appendix 1.

## The key Risks facing Clyde Valley currently are:

<b>Economic climate particularly around inflation and interest rates</b>	<b>Challenging Development Programme</b>	<b>Increasing regulation and legislative changes</b>	<b>Health &amp; Safety, particularly in respect of fire safety, damp &amp; mould</b>	<b>Fraud or theft through Cyber Security</b>	<b>Loss of IT systems through cyber attack</b>
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Board reviewed and refreshed their thinking on risk appetite at the Board strategy day in January 2023 and agreed a balanced approach across most categories of risk. Board are still open to continuing with new build programme and understandably agree a cautious approach should be taken to Health & safety given the high levels of risk that can be uncontrollable within this area.

- People – Balanced
- Financial – Balanced
- Health & Safety – Cautious
- ESG – Balanced
- New Build – Open
- Asset Management – Balanced
- Customer & Community – Balanced



# All About Customer

## Customer Engagement

Our Customer Experience strategy launched in 2020/21 sets out our strategic direction of travel and we have already made a huge amount of progress including:

- Undertaking an ambitious Service Design project to understand our customers' needs, wants and expectations of service and translate this knowledge into how we design and deliver our services
- Introduction of a Customer Contact Centre to deal with all incoming customer contacts consistently and effectively, reducing customer effort
- Developing and implementing a Customer Relationship Management (CRM) system to allow effective capture and tracking of all customer requests
- Launch of our Customer Promises, based on the insights gained from our Service Design project. Our Customer Promises outline what our customers can expect from us
- Introduction of real-time service-specific customer surveys. Surveys are sent to customers following the delivery of service (such as repairs, interaction with the Contact Centre, complaints, sign-up etc). Each survey includes, as a minimum, the Customer Promises so that we can monitor our performance against these and use the feedback to improve services and experience for customers
- Introduction of a Learning from Customer Feedback Group to explore customer experience based on the feedback provided to us by customers through service interactions, complaints and surveys, seeking to identify learning points and improvements to service delivery
- Introduction of our Wellbeing Hub to ensure proper focus on our wider role, beyond delivery of traditional housing management. The Wellbeing Hub hosts our Income Maximisation service, leads on Customer Engagement activities as well as our funding applications and grant-funded projects.

## Wellbeing Hub

Our Wellbeing Hub was established in June 2021 as a result of an identified need to provide a range of wrap around services to support our customers. Our vision for the Hub is for our customers to have a 'one stop shop' to access a range of direct support services as well as referral pathways to wider inclusive services within our communities.

The team work alongside the wider customer service team to provide direct support services, benefit support and advice, signposting to support agencies and developing partnerships with community services.

Over the course of the coming year we will continue our pursuit of excellence in delivery of customer service and experience. This will include:

- Phase 2 development of our CRM system. We will be taking the learning and insights from our first 18 months of service delivery through the CRM to identify and implement improvements that can be made to how we deliver services. This is informed by all elements of Customer Experience and includes analysis and learning from customer feedback on service delivery
- During 2023/24 we will be launching a new Customer Self-Service Portal called 'Home Hub'. This has been developed as part of our CRM and will offer customers direct access to services, allowing them to truly self-serve on services such

- as repairs, neighbourhood management, rent accounts, appointment booking and service requests
- During 2022/23 we worked on a joint project with Independent Age. This project followed the principles of Service Design to give us insight and understanding into the challenges, requirements and expectations of older people living in our homes. During 2023/24 we will continue to work with Independent Age to develop and Older Persons' Strategy.
- During 2022/23 we undertook our first ever survey with the Institute of Customer Service (ICS), having recently become member of the institute. The ICS provided us with analysis of our customers' feedback through this survey. This included some fantastic results on how we deliver services, providing very favourable comparisons through benchmarking with similar service providers. The results of the ICS survey also highlighted a specific area for improvement around Complaints Management. During 2023/24 we will undertake a project to review our approaches to complaints handling and resolution to ensure that we are maximising customer experience.
- During 2023/24 we will continue to work with the Institute of Customer Service to gain insight, learn from, and improve on how we approach all elements of customer service. We will also continue our journey with Customer Service Excellence and will, once again, invite assessors into CVG to review our approaches to service delivery against the CSE standards.

### **Customer Engagement**

Following the launch of our Wellbeing Hub we have continued to develop our approaches to customer engagement. During 2023/24 we will continue to build on this with the following:

- Continued development of our Customer Panel. Our Customer Panel are invaluable to how we work. They provide scrutiny and feedback on consultations and proposals throughout the year. During 2022/23 they gave detailed feedback on the rent increase proposals and also attended a meeting with Board to discuss rent increases and represent tenant views directly
- Community Events. We will continue to develop and deliver a programme of events in our communities with a focus on increasing opportunities for interaction between customers and staff as well as the provision of advice and support to the communities that we work in
- Our new 'Home Hub' self-service portal will provide another mechanism for customers to engage and interact with CVG. Building on the approaches that we have developed over the last 2 years which allow customers to interact with us through their chosen method such as text or social media rather than just phone or email
- We provide customers with information and updates through a range of mechanisms. This includes our website, social media, text message/email updates, subject-specific letters as well as both monthly (digital) and bi-annual (printed) newsletters. These interaction points provide us with the opportunity to share information to our customers and seek their feedback and involvement on specific issues or areas of interest
- We will continue our efforts to use customer feedback to drive changes and improvements to how we deliver services. During 2022/23 we introduced an enhancement to our CRM system that automatically creates a 'case' for an officer to follow up with individual customers when they have a poor experience of our services. This is based on the feedback that customers provide through the service-specific surveys that we issue following delivery of services. Our Learning from Customer Feedback Group will continue to work on understanding wider themes drawn from customer feedback (through complaints, surveys, ASB etc) to identify learning points and improvements that can be made

# £2M

of income gains to customers through benefit support

# 360

iPads to help people become digitally connected

# 2,600

energy vouchers issued via CHARIS

# 450

supermarket vouchers to address food insecurity

# 105

Winter jackets delivered to children aged 12 and under

# 100

young people received Play Safe Stay Safe Education books

# 100

households on low incomes receiving £50 cash out vouchers

## Customer Support

The COVID-19 pandemic and recent cost of living challenges have been unprecedented in recent times. People's needs have been complex and have changed quickly with some of the most prominent challenges facing people being isolation, loss of income, food and fuel insecurity. As a result of these issues there have been increased opportunities for Housing Associations to apply for funding to provide direct and fast support to households in need.

On the right, you can see how the Wellbeing Hub has provided a range of direct crisis support services to CVHA customers which has included customers receiving over the last two years.

## Fuel Support

- 770 Pre-payment vouchers issued through the Fuel Bank Foundation
- 130 households issued with energy saving items
- 100 customers supported with debt clearance of over £40,000

In addition to providing crisis support over the last 2 years we have:

- In partnership with Barnardo's provided 10 families over 8 months with access to a free family support service
- Worked with Housing Officers to seek funding for cycle storage units to address tenancy issues
- Organised a variety of community events to allow customers the opportunity to speak to staff face to face, seek advice and support and from both CVHA and external groups in our communities
- Worked alongside Remploy to offer employability and education support services
- Provided digital workshops
- Worked in partnership with Independent Age and Design company Snook to carry out a service design research project identifying the needs and wants of customers 65years and over

## Plans moving forward

Work undertaken over the last two years has largely been around understanding individual and collective needs following the pandemic and cost of living crisis. With a focus on looking at how we can help people access direct crisis support, provide referrals pathways on to wider services and working in partnerships with community stakeholders to look at funding bids to develop responses to individual and community needs.



# Our Priorities

Moving forward into 2023/24 our key priorities are to:

## Develop a funding strategy



Building on data gathered we want to move away from short term crisis support and take a systematic approach to understanding tenants and communities and what support is needed. As a community anchor organisation who has delivered on a number of projects and can evidence effective distribution of funding we want to continue to build on our position and ensure funding we are applying for meets individual and community needs and increases the focus on partnership bids.

## Increase community events/engagement opportunities



A key feature we have as a housing association is the regular informal contact we have with both our customers and people in community based settings. This allows us to build connectivity within our communities that allows for a greater knowledge of needs, being able to respond to new challenges which may emerge and have the potential to address these issues before they reach crisis stage.

With the introduction of a hybrid working approach and the office not re-opening, our focus will be to continue ensuring we have a presence within our communities both through a combination of running our own events and attending external events.

## Continue to Develop community and stakeholder partnerships



Over the last two years we have been building up trust with both our customers and members of our communities that we are in a strong position to deliver person centred support, provide crisis support and look at delivering preventative interventions. Continuing to collaborate and partner with community groups and external stakeholders will enhance the offer we can provide to our customers.

Within this priority will be:

- The development of our Older Persons Strategy with Independent Age
- Working alongside Remploy to refer and support customers through their workability and education programmes
- Develop working partnership with Barnardos building on the funded family support service offered in 2021



## **Rent Affordability – Customer**

The affordability of rents for our customers remains an absolute priority for our Board and management team. Board focused on keeping our rent increase as low as possible for 2023/24 and instructed officers to identify savings in the budget in excess of £600k in order to minimise the increase.

We further increased our efforts to communicate and consult with customers on our 2023/24 rent increase, adding even more detail and information to the process than in previous years in recognition of the significant pressures being faced by our customers. We provided opportunities for customers to take part in a survey, to provide their views on the rent increase and priorities for service delivery. We also invited customers to attend consultation events where they could speak with staff members, share their views, ask questions and gain advice.

Our Revenue Team keep in regular contact with any customers that are struggling with their rent. They work directly with customers to establish realistic payment arrangements for rent and rent arrears. They also provide practical support on household budgeting as well as making referrals and signposting to our Income Maximisation team as well as other partners that can assist with debt advice, employability and other support. Our approach is specifically designed to avoid eviction, with this being an absolute last resort.

We provide Income Maximisation services through our Wellbeing Hub (WBH) that seek to ensure customers gain access to all of the benefits they are entitled to. Our WBH also seeks to secure and distribute funding that will assist customers who are struggling financially, this includes assistance with energy bills, access to food and the provision of winter coats for children. The work of the WBH will continue in this area during 2023/24 and will continue to focus on this type of direct and tangible benefit for our customers and communities.

We will work to maximise efficiencies through service delivery and procurement during the coming year so that we can, once again, keep any rent increase as low as possible for 2024/25.

## **Equality Diversity and Inclusion**

In 2019, the Scottish Housing Regulator (SHR), published statutory requirements regarding equality for every social landlord to ensure that we meet our legal obligations. The SHR framework specifies that this requires us, as an organisation, to collect equality information in respect of all the protected characteristics within the Equality Act 2010. We must therefore ensure that the equality information that we collect is considered when we are making all of our decisions and that it is embedded in all our internal/external policies and day-to-day service. This extends to our existing tenants, new tenants, people on waiting lists, Board members and all our employees.

We are keen to further understand the perspective and needs of our customers with protected characteristics who use our services. We are committed to ensuring that our services are accessible and that we engage with our customers and other stakeholders in a way that meets their needs.

To enable us to achieve this in October 2022 we incorporated protected characteristics in our Customer Experience Survey which provides a sample of our existing customer data anonymously. This will continue on an annual basis and will help inform our decision making.

In Q1 2023/24 we will launch the collation of our customer data for new and existing tenants through the Digital Sign-Up Process. We will also further embed the Equality Impact Assessment (EIA) process.

## Maintaining our Assets

Far more than 'bricks and mortar' our housing stock plays a key role in shaping the social, environmental, and economic wellbeing of our local communities, influencing the quality of life for our customers. The condition of our properties is of central importance to customers, and they consistently tell us that the improvement of their homes and a good repairs service are among their top priorities.

This plan also recognises that our housing stock represents the Associations most valuable asset and its largest liability in investment terms. Effectively our stock provides the lifeblood of the organisation as it generates our day-to-day revenues which in turn underpin our ability to meet our on-going running costs, provide for our necessary maintenance requirements and ultimately investment in new developments. Therefore, the plan recognises the need to underpin our Asset Management Strategy ensuring sufficient resource is available to deliver on our commitment to providing high quality, well maintained and affordable social housing.

Ensuring finite resources are used in the most cost-effective manner is a necessity for us within the context of this plan. Therefore, it is essential we have a sound understanding of both the asset base and its future investment requirements along with the more acute challenges housing providers are facing generally in the shape of increasing material costs and reduced availability, contractor performance and stability, delivering effective procurement solutions and meeting customer expectations on timing and quality of asset upgrade and management.

The safety of our customers remains our top priority and so this plan not only fully recognises our regulatory and moral obligation to ensure our assets are not only well managed but are also safe for all customers. In this context, we have ensured that sufficient resource is available to meet our obligations in areas such as gas safety, fire safety, and electrical compliance to not only meet regulatory compliance but ensure best practice. In providing for these obligations, we are putting customer health & safety at the forefront of our asset management approach.

During 2022 we procured a new asset management and compliance system which operates from one data source to ensure the integrity of our data remains robust as we grow and develop.

We are strengthening our property data with more enhanced stock condition information to allow us to continue to plan investment that keeps our properties well maintained but also meets the expectations of our customer.

As well as protecting our properties we are passionate about protecting the environment and the stock condition survey will provide an assessment of the energy efficiency and carbon footprint of our stock which will inform future plans to promote the environmental sustainability and decarbonisation of our property portfolio.

We have issued a tender for a social survey of our tenants and factored owners living in Douglas, South Lanarkshire to understand their housing needs and aspirations and views and priorities for the local area. This survey will take place over Spring and the results will form a vital part of an appraisal of options for investment in our housing stock in Douglas.



## People

Our people are what make Clyde Valley a success and we recognise the impact of operating in economically uncertain times. Our People Delivery Priorities for 2023/24 are focused on ensuring that we continue to deliver on the ambitions of our People Strategy 2020–2025, giving consideration to the current economic climate.

We will focus on building an efficient, high-performing and capable skilled workforce in line with our organisational growth through the development and implementation of a learning and development plan that enhances the skills of all our people. This will focus on the whole employee experience, from on-boarding and induction to developing career pathways to enable our people to grow with the organisation.

We will invest in our people by equipping them to fully realise their potential, supporting their future development to ensure we have the right skills, tools, capability and capacity to deliver on our strategic goals for the future. We will achieve this by implementing revised succession plans and a robust talent management plan that builds on our learning and development investment, improves our retention and grows our talent, linking with our career pathways.

To ensure that we continue to meet our employees' needs we will also further enhance our employee wellbeing offer to build a confident, happy team with healthy well-being and treating everyone with equality and fairness. We aim to provide a positive working environment where employees can thrive and demonstrating this through increased employee engagement and external accreditation. Our Wellbeing Plan 2023/24 will focus on this directly and how we can ensure that we provide an environment that meets the physical, mental and social wellbeing of all our people. It is our ambition to achieve Investors in People accreditation and the Investors in People Health and Wellbeing Award. We will also continue to monitor this through our quarterly Wellbeing Survey on our new HR System.

We will further embed our commitment to Equality, Diversity and Inclusion (EDI) by providing a supportive, welcoming, inclusive and fair work environment that maximises the talent, skills and diversity within our workforce. We will achieve this by delivering on our EDI Strategy across the five strategic objectives:

1. Robust, Reliable Data and Application
2. Understanding Customers for Better Engagement
3. Create an Inclusive Culture for All
4. Inclusive Recruitment and Representation
5. Expanding Learning and Development

Our key focus for 2023/24 will be on ensuring that we embed the collation of equality data and our Equality Impact Assessment (EIA) process to help inform and strengthen our decision making across the organisation.



## Digital & SmartThink

Our Digital and SmartThink Strategy launched in September 2020 focuses on our efficiency and technology agenda. As an efficient and growing RSL we want to ensure our costs don't grow exponentially and can use this strategy to innovate and control our costs. Aligned to our Customer Experience Strategy, we recognise the need to offer our customers a service that is simple and modern, giving choices for customers. This also means providing better technology and ways of doing things for employees. Therefore, our IT infrastructure, automation and business improvements can release capacity to spend on more customer focused activity, which is critical to the success of the strategy.

To date we have made the move to cloud based technology and are well on our way to being fully cloud. This has supported our people to successfully adopt agile working and provides many ways of being able to still collaborate remotely.

A key area of focus, particularly with the introduction of cloud technology and agile working has been cyber security and we carried out a major external review on our infrastructure and security and implemented a number of measures to provide more resilience in terms of business continuity but also cyber security.

Outsourcing our IT support during 2022 has provided great benefits from added specialist expertise to releasing internal capacity to deliver on improvements to systems.

Our Business Improvement Team has grown over the last few years and are all able to support the development of our CRM system having successfully completed their training on low-code. This allows a quick a easy solution to providing bespoke system to meet the needs of CVG.

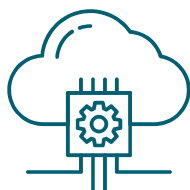
### During 2023/24 we will:



**Continue to develop our CRM system aligned to the Customer Experience Strategy.**



**Seek cyber essentials accreditation.**



**Continue our journey to fully cloud.**



**Continue to develop our Repairs integration and automation.**

# Stakeholder Management

We are open to opportunities to work with other forward-thinking organisations and explore new partnerships or strategic alliances. Opportunities will be considered if they potentially offer substantial benefits for customers and create financial gains to underpin the delivery of service improvements and efficiencies and more affordable homes.

## **Scottish Government**

We are committed to continuing to deliver high quality affordable homes to meet the Scottish Governments targets and we work closely with Scottish Government utilising Scottish Housing Grant to deliver new homes. During 2023/24 we will complete 215 new homes for social rent.

## **Local Authority**

We have regular partner liaison with local authority representatives across housing and other services and actively represent RSLs in both North and South Lanarkshire in Local Housing Strategy groups. The CEO is a member of the North Lanarkshire Health and Social Care partnership. We also work closely with East Dunbartonshire Council on building new homes.

We work closely with the main LA partners in our areas of operation in relation to the allocation of homes through their Common Housing Registers, with a particular focus on working in partnership with LA's to reduce and prevent Homelessness. During 2022 we worked closely with both North and South Lanarkshire Councils to provide housing for families and individuals fleeing the conflict in Ukraine.

During 2022 we worked with South Lanarkshire Council building homes on their behalf for social rent at Ferniegair and Strathaven.

We continue to work with colleagues in North and South Lanarkshire Council and East Dunbartonshire Council to identify potential development opportunities for inclusion in future Strategic Housing Investment Plan (SHIP) documents.

## **Funders**

A key strategic relationship for the Group is the one we enjoy with our three lenders, forming our lending syndicate of Lloyds Banking Group and Barclays. We meet at key strategic intervals with the syndicate and on an annual basis to cover our on-going corporate strategy and business planning. We also welcomed Canada Life in 2018 as our new Private Placement investor.

## **Other key stakeholders**

A member of Scottish Federation of Housing Services and active on their Board we respond to consultations and input in a number of ways to assist in their feedback and influence within Scottish Government.

A full member of Employers in Voluntary Housing (EVH) we work closely with EVH responding to consultations via our Board.

We work in partnership with a number of support organisation who can add value to our customer experience and help us to provide specialist support to our customers this includes:

- Partnership with Independent Age to develop our Older Persons Strategy.
- Working alongside Remploy to refer and support customers through their workability and education programmes
- Partnership with Barnardos on family support services

# Financial Planning & Sensitivities

CVG is a robust business with strong financials over the medium and long term.

Operating margins have remained at or around the 30% level for some time however rising costs and the drive to keep rents affordable meaning in the current year 2022/23 and the upcoming 2023/24 showing operating margin in the region of 22%. Operating margin continues to risk again and averages 30% over the life of the plan. This gives headroom in the plan for our future development which is not included in the basecase.

In terms of costs, the benign interest rate environment that has persisted for the last few years has been helpful in reducing the weighted average cost of borrowing which is supporting the development programme along with the on-going Scottish Government commitment to provision of grant. However, in the short term with rising interest rates and inflation the economic outlook is proving much more challenging and the financial plan has been subject to much higher cost of borrowing for 2022/23 than expected and is assumed to remain high for the coming years. The pandemic has also affected the delivery of the development programme with developments originally expected to complete in 2020 and 2021 taking much longer to complete with the cost of borrowing already been committed and the rental income associated with these properties expected to materialise much sooner. However, our financial measures are still performing within the thresholds imposed by funders in interest cover (110%) and gearing (70%). The interest cover forecast for CVG for 2023/24 will be 142% and in 2024/25 will be 157% rising to 210% by 2027/28 with gearing peaking at 58% in 2023/24.

Whilst CVG remains robust financially in the medium and longer term the next two years require caution to navigate the potential financial risks. The development programme which is a core purpose of CVG to meet social housing delivery will need to deliver completed homes before embarking on a new period of expansion.

Key Assumptions within the plan are:

Year	Inflation	Rental Increase (Social Rent)	Salary Inflation	Rent Increase MR	Rent Increase MMR	Bank Interest Rate	Bad Debt	Voids
2024	11%	7.0%	5.25%	0%	0%	5.00%	0.41%	1.0%
2025	7.0%	6.0%	5.0%	2%	2.5%	5.00%	1%	1.0%
2026	5.0%	3.5%	4.0%	2%	2.5%	4.00%	1%	1.0%
2027	3.0%	3.0%	3.0%	2%	2.5%	4.00%	1%	1.0%
2028	3.0%	3.0%	2.5%	2%	2.5%	4.00%	0.5%	1.0%
2029-2053	2.5%	2.5%	2.5%	2%	2.5%	4.00%	0.5%	1.0%

The rental assumptions being aligned to inflation and where the plan can afford keeping this below inflation to provide the balance of addressing long term affordability and the sustainability of the financial plan. Rent increases for market rent and mid-market rent have been kept modest to as these align to the market conditions for market rent and the Broad Rental Market Area (BRMA) for mid-market rent and these are difficult to predict. The property numbers are small in comparison to the overall group property numbers.

Inflation and Interest rates have been assumed at future forecast taken from advice from our Treasury Advisors, ATFS. Inflation rates are assumed as Retail Price Index (RPI) with interest being the assumption of the Bank of England Sonia Rate. This rate is applied to all variable loans within CVG with the fixed rates being as described already fixed.

As a full member of Employers in Voluntary Housing, salary increases will be determined by the JNC collective bargaining and have been kept at a level close to but below inflation. The plan aims to balance salary increases and being a fair employer with rent increases to customers to provide affordable rent.

Voids and bad debts are aligned to the current operating model within CVG. The other key assumption in the business plan is the current development programme which is supported by Scottish Housing Grant and Private Finance and is as below:

<b>Total Expenditure</b>	<b>21,295,100</b>
<b>Grant</b>	5,412,800
<b>Private Finance</b>	15,882,300
<b>Completed Units</b>	300

### Asset management

The asset management programme has been considered taking account of the current stock knowledge and the profiled component replacement for the next 30 years. The long-term asset management programme is supported by an ongoing cycle of property maintenance and stock condition surveys. The profile of investment over the next 5 years is shown in table below.

Description	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
	£000's	£000's	£000's	£000's	£000's	£000,s
<b>Reactive &amp; Voids</b>	1,752	1,933	2,045	2,148	2,230	10,107
<b>Cyclical</b>	1,933	1,078	1,168	1,219	1,268	6,665
<b>Major Repairs (Revenue)</b>	1,534	1,343	1,475	1,079	1,427	6,857
<b>Major Repairs (Capital)</b>	2,291	2,172	4,126	5,653	3,289	17,530
<b>TOTAL Investment</b>	7,510	6,525	8,813	10,099	8,214	41,160



Our property spend outlined in the table above includes both statutory compliance and service standards for our customers. It ensures we provide to keep our customers safe through gas safety servicing to electrical inspections. It also ensures we keep our properties in good condition by investing in the right things at the right time.

### Financial projections

30-year financial projections for CVG have been produced alongside projected financial covenants. The outcomes of the 30 year financial projections are that the base case outturn shows CVG as a viable and sustainable business. This can be seen in Appendix 2 which also shows the projected financial covenants.

The short term position however remains the area of key risk given the weakest interest cover position in the early years of the plan and the lower operating surplus in year one of the plan. The margins however continue to demonstrate improvement year on year in the forecast. In the long term the business is generating net cash after 30 years of £47m which is after all debt has been repaid.

A summary of the Statement of Comprehensive Income and Statement of Financial Position are included below:

Clyde Valley Group at 1 April 2023 has 4640 properties growing to just under 5000 by 2027, representing a 6.5% increase on April 2023.

Turnover grows year on year as a result of increased property number in the first 4 years of the plan but also as a result of the rent increases outline in the table below.

Turnover of £32.7m in year one of the plan rising to £34.6m in year 5 of the plan generating surplus of £864k in year 1 and £21.8m over the 5 years of the plan.

	FIRST 5 YEARS					Year 6-30 2028-53 £0	Total 2023-2053 £0
	Year 1 2023-24 £0	Year 2 2024-25 £0	Year 3 2025-26 £0	Year 4 2026-27 £0	Year 5 2027-28 £0		
Statement of Comprehensive Income							
Turnover	32,707	30,908	32,316	33,478	34,583	1,179,913	1,343,905
Less Operating Costs	(25,202)	(20,319)	(21,212)	(21,455)	(22,186)	(841,644)	(952,018)
Operating Surplus	7,505	10,589	11,104	12,023	12,397	338,269	391,887
Gain on disposal of Fixed Assets	0	0	0	0	0	0	0
Share of operating surplus/deficit Joint venture/Associate	0	-354	0	0	0	0	-354
Interest receivable and other income	0	0	0	0	0	0	0
Interest payable and similar charges	(6,640)	(6,558)	(6,354)	(6,104)	(5,840)	(76,046)	(107,541)
Surplus/(deficit) before Taxation and FA	864	3,677	4,750	5,919	6,557	262,223	283,991
Movement in Fair Value of financial Instruments	398	(796)	(366)	(366)	0	0	-1,130
Corporation Tax	0	0	0	0	0	0	0
Surplus/(deficit) for the year	1,262	2,882	4,384	5,553	6,557	262,223	282,862
Cumulative Surplus/(deficit)	39,128	42,009	46,393	51,947	58,504	320,727	320,727

The Statement of Financial Position details the next 5 years and an amalgamation of years 6–30. This shows CVG as a healthy business, with grown in reserves and the ability to repay outstanding loans.

Statement of Financial Position	FIRST 5 YEARS					Final Balance 2023-2053 £
	Year 1 2023-24 £000	Year 2 2024-25 £000	Year 3 2025-26 £000	Year 4 2026-27 £000	Year 5 2027-28 £000	
Tangible Fixed Assets						
Housing Properties	463,742	467,826	472,173	476,825	480,114	737,920
Housing Properties- Depreciation	-65,932	-71,862	-77,970	-84,254	-90,689	-339,389
Housing Properties net of Depreciation	397,809	395,964	394,202	392,571	389,425	398,532
Other Fixed Assets	8,973	5,720	5,649	5,578	5,506	3,724
Total Fixed Assets	406,782	401,684	399,851	398,149	394,931	402,256
Current Assets	8,331	10,690	9,288	8,712	9,310	53,746
Current Liabilities	(7,054)	(7,054)	(7,054)	(7,055)	(7,055)	(7,077)
Net Current Assets	15,385	17,744	16,342	15,767	16,365	60,824
Total Assets Less Current Liabilities	422,167	419,428	416,193	413,915	411,296	463,079
Loan Balance	(148,640)	(145,440)	(140,690)	(135,726)	(129,784)	0
Deferred Income - SH Grant	(214,274)	(211,044)	(207,796)	(204,548)	(201,300)	(120,261)
Fair Value of Non Basic Financial Instruments	(933)	(1,729)	(2,095)	(2,461)	(2,461)	(2,461)
Other Long Term Creditors	(6,415)	(6,429)	(6,442)	(6,456)	(6,469)	(6,807)
Net Assets	792,430	784,070	773,217	763,105	751,310	592,608
Shareholders' Equity	0	0	0	0	0	0
Comprehensive Income reserve	37,797	40,678	45,062	50,615	57,173	319,396
Total Share Capital and Reserves	37,797	40,678	45,062	50,615	57,173	319,396

## Treasury

CVG has borrowing agreements in place for a total of £136m. This includes a private placement of £70m and Syndicate borrowing of £66m. During 2023/24, additional borrowing of £20m will be put in place with a repayment of £3m made during 2023/24 to the Syndicate loan.

To insulate against fluctuating interest rates an element of fixed loans are in place. The split of fixed to variable is currently 83% fixed to 17% variable changing to 75% to 25% with the additional £20m borrowing.

The following extract provides Cash Flow details on the next 5 years and a roll-up of years 6–30. The full 30-year Cash Flow associated with this Plan is outlined at Appendix 2.

There is a requirement to borrow £15m to complete the current development programme in year 1 of the plan sufficient cash flow in the model to operate the business, pay the costs of servicing finance and pay back the syndicated loan facility and the private placement with Canada Life with adequate cash balance at the end of the plan.

There are no instances of negative cumulative cash balances or the need to borrow additional working capital over and above available private finance based on the assumptions in this plan. The cash flow as projected is populated with the current agreed repayment profile for the Syndicate loan and the private placement.

As with previous plans there are a few years where actual cash spent in the year exceeds cash coming in. This is due to cash being spent from reserves that was set aside for debt repayments from built up reserves as indicated above. Given that the organisation is paying back the full value of debt built up in previous years that is to be expected.

	FIRST 5 YEARS					Year 6-30 2028-53 £000	Total 2023- 2053 £000
	Year 1 2023-24 £000	Year 2 2024-25 £000	Year 3 2025-26 £000	Year 4 2026-27 £000	Year 5 2027-28 £000		
	Operating Activities						
Cash Received from Customers	28,307	27,273	28,731	29,892	31,238	1,092,311	1,237,753
Cash Paid to Suppliers	(10,136)	(9,426)	(9,990)	(10,138)	(10,741)	(429,729)	(480,159)
Cash Paid to Employees	(4,279)	(4,617)	(4,755)	(4,664)	(4,778)	(155,877)	(178,970)
Net Cash from Operating Activities	13,893	13,230	13,986	15,091	15,719	506,704	578,624
Provisions for Tax	0	0	0	0	0	0	0
Net Cash From/(To) Finance Servicing	0	0	0	0	0	0	0
Net Cash From (To) Investment Activities	(16,041)	(1,257)	(4,347)	(4,653)	(3,289)	(257,806)	(287,392)
Net Cash Before Financing	(2,148)	11,973	9,640	10,438	12,431	248,898	291,232
Net Cash From financing	5,160	(9,758)	(11,104)	(11,067)	(11,781)	(205,808)	(244,358)
Income Less payments	3,012	2,215	(1,465)	(629)	649	43,091	46,874
Balance Brought Forward	618	3,630	5,845	4,381	3,752	4,401	618
Closing Bank position	3,630	5,845	4,381	3,752	4,401	47,492	47,492

## Sensitivity analysis

The 30 year financial projections have been subjected to sensitivity analysis aligned to risk and the external environment. A summary of these are outlined below:

Some of those sensitivities lead to further deterioration of the covenants and cash in particular however where the sensitivity demonstrate a breach of covenants mitigations can be taken to prevent the breach and these are included in the table below.

Sensitivity	Impact			
	CF Years 1-5	CF Full Plan	Covenants	Mitigations
Base Case				
	Cash balance £4.4m end of Yr 5	Cash balance £47.5m end of plan		

Operating Costs				
Increase in op costs by 10% in 2025, 2026, 5% in 2027 and 2028 then back to base case.	Reduces cash position by £3m to £1.4m  No negative cash balances in first 5 years.	Reduces Cash position by £3m to £44.5m at end of plan  Negative YE cash balance in Year 9 (32)	No breach of covenants	No mitigations required  Delay asset spend to Year 10 where cash surplus available.
Increase in op costs by 5% across the life of plan.	Reduces cash position by £1.8m to £2.6m  No negative cash balances in first 5 years	Reduces Cash position by £21.3m to £26.2m at end of plan  Negative YE cash balance in Year 9 (32), Year 14 (37) and 15 (38) and Year 27 (50). These are all around repayment of loan years.	No breach of covenants	Delay of asset programme to the following year when cash is in surplus will mitigate the cash position.

Rent Increases				
Matching inflation with salaries matching inflation	Increases cash position by £1.5m to £5.9m  No negative cash balances in first 5 years.	Increases cash position by £72.9m to £120.4m  No negative Cash balances throughout plan.	No breach of covenants	No mitigations required

Inflation				
9% 2025 8% 2026 7% 2027 & 2028 6% 2029 5% 2030 4% 2031 3% 2032 onwards	Increases cash position by £4m to £8.4m  No negative cash balances in first 5 years.	Increases cash position by £45.3m to £92.8m  No negative Cash balances throughout plan.	No breach of covenants	No mitigations required

Management Costs				
Increase in staff salary to match inflation across life of plan	<p>Reduces cash position by £1.1m to £3.3m</p> <p>No negative cash balances in first 5 years.</p>	<p>Reduces Cash position by £42.3m to £5.2m at end of plan</p> <p>Negative YE cash balance in Year 9 (32), Year 14 (37) and 15 (38), Year 27 (50) and Year 28 (51). These are all around repayment of loan years.</p>	No breach of covenants	<p>We would need to look at refinancing our loan positions to keep cash positive.</p> <p>Increasing rent in line with inflation in Year 2 (to 6%) would mitigate all negative balances except in year 27 (50).</p> <p>Increasing rent increase in line with inflation in years 2 and 3 would mitigate all negative balances with no need to refinance.</p>
Inflation + 1% in first 3 years then inflation only	<p>Reduces cash position by £1.6m to £2.8m</p> <p>No negative cash balances in first 5 years.</p>	<p>Puts plan into negative position at end of 30 years (-£1.2m)</p> <p>Negative YE cash balance in Year 9 (32), Year 14 (37) and 15 (38), Year 27 (50) and Year 28 (51) and Year 30 (53)</p>	EBIT breach in Year 15 (38)	<p>Planned renewals would be moved to accommodate years where cash position is negative.</p> <p>Refinancing might be an option too.</p> <p>Increasing rent in line with inflation in years 2 and 3 mitigates early negative cash balances and EBIT breach in year 15.</p> <p>Increasing in years 2,3 and 4 mitigates all negative cash</p>

Maintenance Costs				
<p>20% in 2025 &amp; 2026</p> <p>10% in 2027 &amp; 2028</p> <p>5% in 2029 &amp; 2030</p>	<p>Reduces cash position by £2m to £2.4m</p> <p>No negative cash balances in first 5 years.</p>	<p>Reduces Cash position by £2.3m to £45.2m at end of plan</p> <p>Negative YE cash balance in Year 9 (32)</p>	No breach of covenants	Moving a small amount of planned renewals to the following year would mitigate.

<b>Interest rates</b>				
Reduction on interest rates from the basecase  3% from 2026	Increases cash position by £1m to £5.4m  No negative cash balances in first 5 years.	Increases cash position by £3.8m to £51.3m  No negative Cash balances throughout plan.	No breach of covenants	No mitigations required
Reduction on interest rates from the basecase  3.5% from 2026	Increases cash position by £0.5m to £4.9m  No negative cash balances in first 5 years.	Increases cash position by £1.9m to £49.4m  No negative Cash balances throughout plan.	No breach of covenants	No mitigations required
Accelerated increase in interest rates  7% in 2024 & 2025 6% in 2026 & 2027 5% in 2028 & 2029 4% remainder of plan	Reduces cash position by £3.4m to £1m  No negative cash balances in first 5 years	Reduces cash position by £3.9m to £43.6m  Negative YE cash balances in Year 6 (29) and Year 9 (32)	No breach of covenants	Delaying planned renewals by 1 year for years where negative cash arises will mitigate.

<b>Combined Interest and Inflation</b>				
Inflation: 9% 2025 8% 2026 7% 2027 & 2028 6% 2029 5% 2030 4% 2031 3% 2032 onwards  Interest  7% in 2024 & 2025 6% in 2026 & 2027 5% in 2028 & 2029 4% remainder of plan	Increases cash position by £0.6m to £5m  No negative cash balances in first 5 years.	Increases cash position by £41.5m to £89m  No negative Cash balances throughout plan.	No breach of covenants	No mitigations required

Inflation: 9% 2025 8% 2026 7% 2027 & 2028 6% 2029 5% 2030 4% 2031 3% 2032 onwards  Interest  7% in 2024 & 2025 6% in 2026 & 2027 5% in 2028 & 2029 4% remainder of plan Staff salaries to match inflation	Reduces cash position by £2m to £2.4m  No negative cash balances in first 5 years.	Reduces cash position by £35.9m to £11.6m  Negative YE cash balances in Year 27 (50)	EBIT breach in Year 15 (38)	Refinance would be required in 2050 to repay loan.  Planned renewals would need to be moved to ensure covenant compliance in Yr 15  Alternatively, rent increases in line with inflation in Years 2 & 3 dropping to 6% in years 4 & 5, 5% in year 6, 4% in Year 7, 3% in Year 8 then .5% for remainder of plan would mitigate all negative balances and EBIT breach.
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Development Programme				
Current development programme delayed by 6 months and 10% increase in costs	Reduces cash position by £5.5m to -£1.1m  Negative cash position in Year 1 (24), Year 3 (26), Year 4 (27) and Year 5 (28)	Reduces cash position by £5.5m to £42m  Negative YE cash balances in Year 6 (29), Year 9 (32) and Year 14 (37)	No breach of covenants	Drawdown of additional £2m in year 1 and £1m in Year 4 would mitigate cash flow issues in first 5 years.  Planned renewals would need to be delayed in FY 9 and FY 14 to allow loans to be repaid.

## Value for Money (VFM)

CVG through the customer satisfaction surveys ask customers if they feel that their rent represents (VFM). The results of this from our 2022 survey shows that 81% of customers feel that rent represents value for money. This has increased from 78% in 2021. It is recognised however that VFM should remain integral to what we do every day.

CVG in 2019 created a Business Improvement Team to support teams to have the right tool to do their job, use the tools in the best way and maximise the use of technology.

This is helping to develop better ways of doing tasks and where possible minimise manual input in the pursuit of automation. The team continues to provide innovative solutions to more effective working.

A Performance and Value for Money Report is issued to all customers in October each year to communicate our performance to customers.

During 2023/24 a new VFM strategy and action plan will be developed and we will continue to embed our VFM culture across CVG.

# Key Priorities for 2023/24

OBJECTIVE	PRIORITY	OUTCOMES
Providing a brilliant customer experience, delivering service excellence	<p>Review of current arrangements for delivery of the reactive repairs service</p> <p>Review the quantity and content of the contacts in the Contact Centre and how these have translated into cases within the CRM</p>	<p>Improvements in customer journey &amp; satisfaction and service efficiencies</p> <p>Effective workflows in place and based on evidence of customer experience and journeys</p> <p>Case management streamlined to ensure best use of people resource</p> <p>Improved Customer experience and increased right first time</p>
Addressing housing need and offering services across all tenures	<p>Future New Build Development Programme</p> <p>High level of data integrity and intelligence around our properties.</p>	<p>Pipeline of projects approved and additional finance in place.</p> <p>Integrated system to manage, maintain compliance and inform investment decisions. Asset Management System Implemented</p>
The leading RSL partner to create sustainable homes and communities	Develop a phased plan for the delivery of the housing-led regeneration project in Douglas. Phase One to focus on a social survey of residents to be completed by 30th April 2023	<p>Phased plan in place with key milestones for delivery</p> <p>Results of social survey will provide insight into community views on the future of residents' homes and the estate</p>



## OBJECTIVE

## PRIORITY

## OUTCOMES

continued...  
The leading RSL partner to create sustainable homes and communities

Develop data capture processes and reporting that allows greater insight into customers in terms of demographic and needs, including EDI data. First phase by 31st December 2023

Reports will be available providing greater insight into our customer base. This will allow for communication and service delivery to be more tailored based on the needs of groups and individuals.

Focused on value for money and excellent governance as a growing and sustainable business

Ensure our Business plan activity is financed to deliver on the strategy

Pipeline of projects approved and additional finance in place.

Develop an efficiencies and continuous improvement culture.

Integrated system to manage, maintain compliance and inform investment decisions.

Maximise use of technology, integrating digital options, improving data integrity and providing increased assurance

Asset Management System Implemented

Continue on our journey of excellent Governance and strong assurance

Develop a High Performing Culture and strive to be a top quartile performing RSL

Deliver a full review of the Factoring business model and make recommendations to CVPS Board on the future of the service

## OBJECTIVE

## PRIORITY

## OUTCOMES

Aim to be the best housing association employer, committed to developing employees to realise their potential

An efficient, high-performing and capable skilled workforce in line with our organisational growth.

Continue to invest in our people by equipping them to fully realise their potential, supporting their future development to ensure we have the right skills, tools, capability and capacity to deliver on our strategic goals for the future.

Further enhance our employee wellbeing offer for all our people throughout the employee lifecycle to ensure we provide a confident, happy team with healthy well-being treated with equality and fairness.

To embed our commitment to Equality, Diversity and Inclusion by providing a supportive, welcoming, inclusive and fair work environment that maximises the talent, skills and diversity within our workforce.

Developed and delivered our learning and development plan that enhances the skills of all our people

Revised succession plans and a robust talent management plan that builds on our learning and development investment improving our retention and growing our talent.

A positive working environment where employees can thrive which is demonstrated through increased employee engagement and external accreditation.

Delivery on Year 2 of the EDI Action Plan and equality data is collected from our customers informing decision making. Embed EIA process across the organisation.

# Additional Documents

**Appendix 1 – Risk Register**

**Appendix 2 – 30 Year Financial Projections**

# The Clyde Valley Group Brands



## **Clyde Valley Group**

Formed in 2006, the Clyde Valley Group is the overarching brand for the various strands of the business.



## **Clyde Valley Housing Association**

Clyde Valley Housing Association is the Group's parent company and also main operating company and was established in 1996. It sets the Group's overall direction and growth strategy and oversees Group performance. It delivers housing management services to all residents, as well as asset management and responsive repairs services. It also delivers central support services. Clyde Valley Housing Association is a Registered Social Charity.



## **Clyde Valley Property Services**

Clyde Valley Property Services is the Group's subsidiary property company. It provides homeowner services and delivers services under the three distinct brands below. Clyde Valley Property Services is a Company limited by Shares.



## **Clyde Valley Factoring**

Clyde Valley Factoring provides property factoring services to homeowners.



## **Clyde Valley Lets**

Clyde Valley Lets provides property letting services including residential letting.

**Registered Office:** Clyde Valley Group, 50 Scott Street, Motherwell, ML1 1PN

**FCA Registration Number** – SP2489RS

**Scottish Housing Regulator Number** – 291

**Scottish Registered Charity Number** – SC037244