



**LARKFIELD HOUSING  
ASSOCIATION**

**INTERNAL MANAGEMENT PLAN  
2021 - 2026**

**LARKFIELD HOUSING ASSOCIATION LIMITED  
INTERNAL MANAGEMENT PLAN 2021-2026**

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## **SECTION 1.**

## **INTRODUCTION**

- 1.1 Larkfield Housing Association Ltd is an asset owning, Registered Social Landlord (RSL) and operating partner within the Link group of housing, support and regeneration social enterprises. Across the group, Link offers a wide range of services to over 15,000 customers, extending across all 32 local authority areas. Based in Greenock, Larkfield Housing Association owns and manages over 1000 properties including Link Group's tenancies in Inverclyde.
- 1.2 This Internal Management Plan takes account of the partnership arrangements that exist between Larkfield HA and its parent company Link Group Ltd and aims to contribute to the corporate objectives of the group. Link carried out a Strategic Services Review in 2019 and is currently developing its new strategy.
- 1.3 Larkfield's Management Committee held a Strategic Planning day on 15<sup>th</sup> February 2020 to review the Association's vision, strategic objectives current plans and key risks. A further strategy day is planned to take place in 2021.
- 1.4 The Internal Management Plan sets out our vision, aims, priority actions and expected outcomes, key performance indicators and the approach to managing our key financial and business risks. It also demonstrates the financial and resource allocation required to support our strategic objectives.
- 1.5 The Internal Management Plan outlines the strategy for the next five years although the Financial Plan will cover the next 30-year cycle, in accordance with the investment requirements of our stock and conditions set out in our intra-group loan. A full stock condition survey was last carried out in 2018 to ensure that comprehensive costings are included within the financial predictions of the revised Plan.
- 1.6 External drivers continue to dominate our operating environment. Continuing political and economic uncertainty, legislative and regulatory change, a changing social demographic landscape and Welfare Reform all contribute to a challenging external environment. The current Coronavirus pandemic and health crisis presents an additional challenge in terms of how we work to provide continuity of our services whilst protecting the safety of our tenants and people who work with us.

## **SECTION 2**

### **AIMS, VALUES & STRATEGIC OBJECTIVES**

Larkfield Housing Association will contribute to the success of the Link Group by reflecting the Group's corporate vision and values in this Internal Management Plan. The Associations' vision, strategic framework, standards, and resource allocation are set to support the overarching Group objectives.

Link's vision and mission statement is listed together with Larkfield's own business plan aims and objectives.

**Link's vision** *is to be a provider of choice and excellence in the delivery of a wide range of socially inclusive regeneration, housing, and support services.*

**Link's aim is to help alleviate inequality and improve the lives of more people** *by providing homes that people want to live in and by delivering high-quality services that provide value and are affordable, especially to people on low incomes.*

Link's vision is underpinned by its mission statement, which provides the guiding principles for the activities set out within this plan.

### **MISSION STATEMENT -**

- Providing Homes
- Building Communities
- Valuing People
- Working Together

Links' strategic objectives are grouped under Link's Mission Statement themes. These "Themes" act as the guiding principles for all activities across the group.

The nine strategic objectives agreed by the Link Group Board are:

#### **Providing Homes**

- Build at least 1000 new rented homes over the next five years that meet people's needs
- Ensure Link homes are well maintained, efficient to heat and are adaptable as people's needs change

#### **Building Communities**

- Work with people to improve their communities
- Support social enterprises through our purchasing choices and provide help to organisations that share our social enterprise principles

#### **Valuing People**

- Find out from customers what they want from us and work with them to achieve these aims
- Support and encourage our employees, volunteers and board members to reach their potential
- Help more people to fulfil their potential through employment, training or volunteering

## Working Together

- Take care of our resources and use them to benefit our customers
- Use our networks to learn from and influence others, and use our knowledge and experience to help others to maximise our impact

**OUR VALUES** underpin all our activities, working practices and strategies.

- **RESPONSIBILITY** – we all take responsibility for our actions.
- **EMPATHY** – we work hard to understand how people feel as individuals and treat them with dignity.
- **SOCIAL IMPACT** – we strive to ensure that there is a positive social impact from our activities and work with others who share these aims.
- **PARTICIPATION** – we are proactive in providing opportunities for people to engage with us and help us improve our services.
- **EQUALITY** – we are all equal and different and we aim to provide inclusive environments for work and for living.
- **CHALLENGE** – we challenge ourselves and others towards excellence and innovation in all we do.
- **TRANSPARENCY** – we wish to be open and honest about what we do and how we do it.

**Larkfield’s aim is to provide quality affordable homes and services that meet local needs and support our communities.**

## Strategic Objectives

Larkfield Housing Association’s strategic objectives are to:

1. Provide well maintained and valued homes that are adaptable as people’s needs change.
2. Improve access to affordable and sustainable housing within our communities.
3. Seek continuous improvement and deliver service excellence.
4. Work in partnership with our tenants and stakeholders to help our communities grow and thrive.
5. Support and encourage more people to reach their potential.

## SECTION 3

### 3. BACKGROUND & ENVIRONMENTAL ASSESSMENT

#### 3.1 Internal Environment

##### Governance

Larkfield HA was established as a registered housing association in 1996, following a stock transfer from Scottish Homes. Registered with the Financial Conduct Authority (FCA), Larkfield HA is a “registered society” under the Co-operative and Community Benefits Societies Act 2014 and is registered

with the Scottish Housing Regulator (SHR) under the Housing (Scotland) Act 2010 and the Scottish Charity Regulator (OSCR).

The Association is governed by a voluntary Management Committee, appointed by the shareholders to oversee the strategic direction of the organisation. Larkfield understands the importance of good governance, committed to providing training and support for members to undertake their responsibilities effectively, and to assess their own effectiveness.

The Committee of Management comprises up to 15 places, and normally meets bi-monthly. Currently 11 places are filled and a recruitment drive has been identified as a priority action for 2021. The governance structure is supported by the following sub committees: -

- Housing Management and Maintenance Sub Committee
- Health and Safety Sub Committee

Larkfield is a partner RSL within the Link group, self-governed by its Management Committee. Overall control rests with the Link Group Board. The relationship between Link Group and Larkfield HA is set out in an "intra-group partnership agreement".

In 2019 the Scottish Housing Regulator (SHR) introduced the submission of an Annual Assurance Statement from all housing providers. Governing bodies must assure the SHR that evidence is available, and compliance achieved in the following areas:

- Standards of Governance
- Regulatory Requirements
- Charter Outcomes
- Legislative Duties

### **Operations / Operating Model**

At the start of the business plan period, Larkfield Housing Association owns and manages 382 tenanted properties and provides management services to an additional 578 owner occupiers in the Larkfield area. Through its partnership arrangements with Link, Larkfield HA also provides management services to over 270 Link Housing tenants and 900 owners in Inverclyde.

Larkfield HA joined the Link group in 2007, a move which aimed to achieve its continued growth, delivery of quality services and efficiencies. Revised Committee and Staffing structures were implemented which has allowed the Association to move forward within the group and over the years the two organisations have worked closely together and now share many of the same core systems, processes and services.

During 2019, a Link (group wide) Strategic Services Review was carried out. The review provided an opportunity to look at how we work across the group

and to question whether current company structures provided value for money and good outcomes for tenants of all the group partners.

One of the primary conclusions reached was that Link should explore whether there were other ways to develop and maintain high quality local services by changing our operating models. It recognised that there was an increasing regulatory burden on Registered Social Landlords (RSLs) and to operate as a stand-alone company the costs (both real cost and time costs) of governance, assurance, audit, compliance need to be paid from tenants' rents.

During 2020 a review was initiated around the existing company structure at Larkfield. The review looked at the potential for a new framework and operating model for Larkfield, which would retain the individual characteristics and community aspect, whilst removing the significant costs associated with the increasing burdens of regulatory governance and with the running of a regulated company, and whilst also protecting the best interests of tenants, the Board, and the staff involved.

Work has also continued during 2020 across Link Housing and the three RSL partners (Horizon, West Highland & Larkfield HAs) to develop a group-wide "Housing Services Strategy" focusing on the broad theme of "Housing with Heart"

The strategy will be underpinned by a common set of principles and objectives and will determine the direction of travel for housing within the group over the 5-year period of the plan. The main work streams of the strategy will focus on: tenancy engagement/customer voice; value for money; sustainability and accountability.



## **3.2 External Environment**

### Economic Climate

Larkfield continues to operate within a climate where Welfare Reform, (including the continuing roll-out of Universal Credit system) reductions in public finance and services present significant challenges both in operational and financial terms over the period of the plan. Economic uncertainty e.g. around Brexit and the wider UK and global economic environment may lead to rising inflation and costs.

Increased costs of living, changes to benefit entitlement and insecure wages for many continues to increase pressure on tenant income and financial capacity. Larkfield remains committed to working with tenants to manage the impact of Welfare Reform and the Coronavirus global pandemic as well as providing access to quality services and rents that are affordable to those on low incomes. The Scottish Index of Multiple Deprivation (SIMD) 2020 categorises 100% of Larkfield Data zones among the 20% most deprived areas in Scotland.

### Welfare Reform

Continuing welfare reforms are likely to impact further on levels of poverty and financial hardship and the Association continues to budget and target resources to mitigate and monitor the effects of Welfare Reform, including the introduction of Universal Credit (UC).

A fully digital UC system was rolled out to Inverclyde in 2016 and over the last five years we have seen a steady increase in the migration of working age tenants claiming UC. Over the last five years we have also seen an increase in household debt levels and the use of foodbanks, adding to the pressure on the Association to continue to keep tenants informed about the changes, and providing support, advice, and sign-posting services. The managed migration of all claimants on “legacy” benefits is due to be completed by 2023.

Universal Credit requires almost exclusive use of online facilities by claimants and we therefore require to provide support and facilities to households that not digitally inclusive.

### Homelessness – Rapid Rehousing Transition Plans (RRTP)

In 2018, the Homelessness and Rough Sleeping Action Group, set up by the Scottish Government, published its recommendations to produce short and long term solutions to end homelessness and rough sleeping.

The recommendations included a requirement for local authorities to develop a Rapid Rehousing Transition Plan (RRTP). A new planning framework for local authorities and their partners to transition to a housing led approach for rehousing people that have experienced homelessness, ensuring that they reach settled housing quickly rather than staying in temporary accommodation

for extensive periods of time.

Inverclyde Council's Health and Social Care Partnership (HSCP) has led on the production of a RRTP for Inverclyde, in consultation with partner RSLs. To support the transition to a rapid rehousing approach, Inverclyde will require to re-assess the balance and accessibility of available housing and support options.

### Housing Demand and Supply

Larkfield's housing stock continues to be in "high demand" and has no "difficult-to-let" properties. Void levels are consistently low with an annual turnover of around 5% of the total stock. The Association recognises, however, that it has an ageing stock profile which can be costly to maintain and we need to plan and invest appropriately to cover maintenance costs effectively.

### Social and Demographic Changes

Over the next 10 years in Scotland, household numbers are projected to increase, with households getting smaller and more people living alone. This means that we will require to think about how we design, build and support single person living and think about how we make best use of our existing stock to protect its viability.

There is also a projected increase in households headed by a person aged 65 and over the period of the plan. People living longer means that housing provision needs to take account of changing needs and adaptability. We require to meet a range of diverse housing needs and support households to live independently at home for longer.

One in three households in Scotland is estimated to include someone with a disability or long-term health condition and the housing needs of Scotland's ageing population will become increasingly challenging to meet.

### Community Regeneration and Wider Role

The Scottish Government's strategy which "gives the framework for local action to tackle area inequality, create opportunities and improve communities informs Larkfield HA's future strategy. Larkfield HA has invested resources into community regeneration activities, both individually and through IHAF (Inverclyde Housing Association Forum) and has been successful in bringing investment into Inverclyde for projects which can improve peoples' lives.

## **SECTION 4.**

### **4. KEY ASSUMPTIONS**

Key financial assumptions have been used in the preparation of this plan. These assumptions are based on sensitivity analysis of a range of variable financial considerations which have the potential to impact on Larkfield's operations and viability.

#### **4.1 Rent Increases and Inflation**

CPI is based on forecasts from Link Group.

Projected annual rent increases for tenanted properties, based on 1.5% in Year 1 and 2% thereafter. Rental policy aims to balance affordability with maintaining financial viability.

Actual rent levels required to ensure the Association's continuing viability, will be reviewed annually and comparability and affordability levels will continue to be monitored on an annual basis.

#### **4.2 VAT**

VAT duty of 20% has been provided for when establishing costs associated with delivery of the business plan.

#### **4.3 Interest Rates**

Economic forecasters expect a gradual rise of interest after it has been cut significantly due to the Covid-19 crisis. Thereafter loan interest assumes that Libor will rise to 2.05% by year 5 and remain at 2.5% from year 6 onwards, in line with Link Group projections.

#### **4.4 Intra-group Loan Agreement**

Under the terms of its intra-group borrowing facilities, Larkfield is required to maintain two key financial covenants, Interest Cover and Gearing. The former measures the extent to which our net income can cover interest costs and the latter measures the proportion of debt against net assets and reserves.

The current loan covenants are projected to be met throughout the 30 year financial plan period.

The plan requires no new loan funding over the 30 years and is based on the principle that the existing intra-group loan agreement bullet payment is repaid in full in year 4 of the plan.

## **Rents & Affordability**

Whilst rental income is Larkfield's main source of income we are also aware that through the current economic climate and continuing welfare reform that , tenants are facing increasing financial pressures and affordability is therefore considered carefully in setting rent levels. Our rent setting policy aims to balance affordability with financial viability and investment requirements.

Larkfield rents levels (for 3,4 & 5apt properties) remain above the Scottish average. However, its percentage annual rent increase has been below the Scottish average for the last four years. Larkfield HA is committed to maintaining affordable rents to those on low incomes and Larkfield's actual rent levels will be kept under review to monitor comparability and affordability levels.

In our recent rent consultation, 46% of respondents stated their rent was affordable and 40% stated it was just about affordable. During 2021/22 Larkfield will be part of a group rent setting review which will include an affordability assessment of rents.

## **Asset Management**

Larkfield carried out a Stock Condition Survey in 2018 and has incorporated the findings of this report into its thirty-year financial projections and planned maintenance programme. Desk top surveys are carried out annually and ongoing electrical safety inspections, energy Performance surveys & improvement works are also carried out annually to update the information on our component replacement cycle and property database.

94.5% of our property is Scottish Housing Quality Standard (SHQS) Compliant, with 5.5% "in-abeyance" and relating to seventeen unimproved atholl steel framed flats in mixed tenure properties which require external improvement works. Two additional properties have electric heating systems, and existing tenants have refused the Association's request to replace these with alternative heating systems.

Larkfield has an Asset Management plan to guide its future investment decisions. We are committed to following best practice of sustainability in all our activities and aim to incorporate the best energy efficient solutions for tenants. We will continue to develop our asset management plan, in line with the Link Group sustainability strategy, over the plan period, and in line with our stock condition survey results and required investment programme.

Larkfield will continue to evaluate its compliance with the Energy Efficiency Standard in Social Housing (ESSH) and work towards the ESSH 2 target of December 2032 for all of our properties to be as energy efficient as practically Possible – within the set limits of cost, technology and necessary consent.

## **Investment Review of Planned and Cyclical Maintenance**

The 30-year investment programme has also been reviewed and established that the investment and maintenance requirements can be achieved with current income. We are also working on ensuring that our asset management database contains sufficient information to inform our future investment strategy and 30-year expenditure programme.

## **Resources**

Larkfield will continue to review and make best use of its staffing and other resources to deliver the organisation's strategic objectives and priorities and to ensure that these are supported by the appropriate resources. In particular, the Association will continue to review its resources to effectively mitigate the worst impact of continuing Welfare Reform, including Universal Credit and to support effective organisational change management.

## **Value for Money**

Larkfield has achieved efficiencies in its maintenance activities and through its procurement arrangements within the group and with local partners. Work has focused on shared services creating value for money and on rent levels. The "Housing Services Strategy" work and broad themes include value for money and the strategy will look at creating efficiencies and more efficient ways of working together and across housing services.

## **Sustainability**

We will look to address climate change, continuing to work with the Link Group and through Link's Sustainability Working Group to implement a sustainability and de-carbonisation strategy, focusing on supporting and developing sustainable tenancies and communities.

We will promote positive change and look at new ways of working for our staff and members and across our business operations to support sustainable services and assets.

## **Sensitivity Analysis**

A sensitivity analysis has been conducted for Larkfield's budgeted 30 year Financial plan. The purpose of sensitivity analysis is to carry out a risk assessment and for the organisation to be aware of the impact of certain events possibly occurring e.g. increases in interest rates and to consider the strategies required to mitigate these risks. This has been tested on 7 scenarios:

- Interest rates increased by 1.25%
- Inflation reduces to 1%
- Inflation Increase by 1%
- No rent Increase year 1 – 5

- Voids Increase to 7%
- Real rent decrease with 1% (1-30 including year 1)
- Bad Debt Increase by 5%

#### Interest Rates increases by 1.25%

The scenario testing illustrates the effect of the interest rate increasing to 3.30%. It shows there is very little impact on the cashflow, as the existing intra-group loan is repayable in year 4 and we see a decrease in the cashflow to a balance of £1.4m which will cover capital expenditure for the next 2 years after the loan repayment.

The testing also illustrates the interest cover will be 6.47 times the interest compared to the covenant which is set at 1.1 times. Also expressed as 110%.

(Interest cover is not a loan covenant of Larkfield's current Loan agreement but is included in the sensitivity analysis for completeness).

#### Inflation reduces to 1%

The scenario testing illustrates the effect inflation decreasing by 1% will have on the cash flow. Up until year 14, cashflow will stay close to the current cashflow, thereafter the cashflow will decrease with £1.5m compared to the current 30-year financial plan.

The stress testing also reflects that interest cover will increase to 10 times the interest payable as compared to the 1.1 times target which is a positive impact.

#### Inflation Increase by 1%

The scenario testing shows the effect of inflation rising by 1% on the cashflow. For years 1-10 it varies slightly from the current forecast but thereafter the cashflow steadily increases in line with the current projection.

The scenario testing also indicates that interest cover will stay in line with current projections, which is considerably higher than the covenant requirement of 1.1 times.

#### No Rent Increase year 1 – 5

The scenario testing indicates a significant decrease of £3m in cashflow after year 12 which continues to decline to year 30. However, the cashflow remains in a positive balance throughout the 30-year projections demonstrating Larkfield's healthy cashflow position although amendments to capital expenditure may be required to be considered.

The testing reflects a decrease in the interest cover from 10 times to 9 times interest cost if no rent increase is applied.

### Voids increase to 7%

The test performed on the cashflow and Interest cover illustrates an adverse movement in cashflow particularly after year 12 where a sharp decline in the cashflow is indicated if voids increase to 7%. Although the cashflow does not decrease into a negative balance throughout the 30-year projections. Interest cover is only 7 times interest cost if voids increase to 7%.

### Real rent decrease by 1%

The testing shows cashflow in line with current cashflow projections until year 12 and thereafter the cashflow steadily decreases to a difference of £2m with a cumulative negative effect of £11m in year 30.

The testing also indicates that interest cover does not have a significant impact due to the loan being repayable within the first 5 years of the plan.

### Bad debt increases to 5%

The test on the cashflow, should the bad debt increase to 5% demonstrates a constant decline in cash flow from year 12. Decreasing to a difference of approximately £4m in year 30.

Interest cover decreases to 8 times in year 2 should bad debt increase by 5%. This is not a concern as it is 8 times more than the target rate of 1.1 times.

## **SECTION 5. PERFORMANCE AND BENCHMARKING**

### **Key Performance Indicators**

Key Performance Indicators are reported to the Larkfield and Link Group Boards on a quarterly basis.

We include targets relating to the Annual Return on the Charter indicators and key risk areas to the business. Additional operational KPIs are reported, supporting staff teams to monitor and improve performance. Our operating environment, benchmarking and past performance are used to review our performance indicators and targets for 2021/22. The proposed targets for 2021/22 are detailed below.

### **Performance Outcomes 2019/20**

We are committed to improving our services and adapting them to meet the needs of our customers. During 2020/21 we will develop our approach to performance benchmarking with our peers and within the Link group.

## Performance Delivery – Summary of Current Performance Outcomes

We are doing well	We are doing okay	We could do better
Overall tenant satisfaction with service provided by landlord	Average time to re-let void properties	Length of time to complete emergency repairs
Tenant satisfaction with neighbourhood management	SHQS compliance	Higher than average rent levels
Tenants satisfied with the quality of their home	Refusal rates for void properties	
Level of gross rent arrears and void rent loss	Tenants feel their rent represents value for money	
Number of new tenancies sustained for more than 12 months	Length of time to complete non-emergency repairs	
	Reactive repairs carried out right first time	

The above summary, highlights some of our key performance outcomes.

Overall, our performance is good and shows that we are performing above the Scottish average in most areas. Our average response times to complete emergency and non-emergency repairs are higher than the Scottish average and our improvement action plan will look to continue to improve performance on repairs delivery, in the coming year. Our rent levels are also above the Scottish and RSL averages although the increases we have applied in recent years have been lower.

## Key Performance Indicators 2021/22

KPI Indicator	Larkfield Performance 2019/20	Larkfield Target 2020/21	Proposed Target 2021/22	Scottish Average 2019/20
<b>Financial Health</b>				
% rent due lost through properties being empty	0.6%	0.4%	0.4%	1.2%
Gross rent arrears (all tenants) as a percentage of rent due	4.6%	4.5%	4.2%	5.41%
Former tenant arrears (as a percentage of rent due)	0.36%	1.0%	0.8%	1.9%
Current tenant arrears (as a percentage of rent due)	4.32%	3.5%	3.4%	NA
Provision for bad debt (rent)	0.35%	1.5%	1.5%	NA
Provision for bad debt (recharges)	0.05%	0.7%	0.7%	NA
<b>Service Quality</b>				
Average re-let time (calendar days)	28.8 days	20 days	25 days	31.8 days
Average length of time taken to complete emergency repairs	4.1 hours	4.0 hours	4 hours	3.6 hours
Average length of time to complete non-emergency repairs	7.40 days	6.0 days	6.0 days	6.43%
Percentage of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the repairs & maintenance service.	97%	95%	97%	91.33%
Percentage of reactive repairs appointments kept.	87.6%	97%	97%	Not Arc
Percentage of tenants satisfied with the standard of their home when moving in.	81.3%	85%	85%	NA
Percentage of reactive repairs carried out in the last year completed right first time.	91.6%	93%	93%	92.7%

Percentage of 1 <sup>st</sup> & 2 <sup>nd</sup> stage complaints responded to in full, within the Scottish Public Services Ombudsman (SPOS) timescales	100%	95%	95%	NA
% ASB cases reported and resolved	100%	95%	95%	75.9%
Percentage of tenants who feel the rent for their property represents value for money.	85%	80%	80%	83.6%
<b>Stock Quality</b>				
How many times in the reporting year did you not meet your statutory obligation to complete a gas safety check within 12 months of a gas appliance being fitted or last checked.	0	0	0	
Percentage of stock meeting the Scottish Housing Quality Standard (SHQS). (RSL average)	94.5%	95%	95%	94.4%
Percentage of properties meeting the Energy Efficiency Scottish Social Housing (ESSH) (RSL average)	96.0%	99%	99%	84.4%
Percentage of electrical periodic testing compliance (target 25% stock for the year)	NA	NA	100%	NA
<b>Homelessness</b>				
Of the properties available (and there was demand from homeless people) to let how many went to homeless applicants.	25%	25%	25%	12%

<b>Access to housing &amp; Support</b>				
Percentage of new tenancies sustained for more than one year, by source of let	96%	90%	90%	88.6%
Evictions and Abandonments	1	Evictions<2 Abandonments <3	Evictions<2 Abandonments <3	NA
%Tenancy offers refused	38.5%	<40%	<40%	41.95%
The average time to complete medical adaptation applications	33.15 days	42 days	30 days	
<b>Staffing</b>				
Percentage of days lost through staff sickness absence in the year.		<3%	<3%	
H&S No. of accidents	0	NA	NA	NA
H&S No. of near misses	0	NA	NA	NA

## SECTION 6

### STRATEGIC FRAMEWORK / ACTIVITY PLAN

Links' agreed set of strategic aims have been used across the group to develop detailed action plans which incorporate higher level objectives and more operational objectives pertinent to each partner area.

To ensure Larkfield has a cohesive approach to formulating, prioritising and delivering its plan objectives, the Internal Management Plan is cascaded down to the team and staff work plans and performance indicators to create ownership of the plan through the organisation's activities.

This sets out a list of the suggested activities to be undertaken during the period of the plan (in pursuit of both the group's strategic objectives and Larkfield's aims and objectives); why it is to be undertaken and by whom; and the expected outcomes plan will involve action by both staff and governing body members either working separately or together and considers the resource implications.

## **SECTION 7**

### **RISK MANAGEMENT STRATEGY**

#### **Introduction**

Management and understanding of risks enable the Association to focus resources on those which are important to the business a. adversely affect day to day operations and longer-term stability. The Association recognises that every risk cannot be eliminated but accepts a minimum level suitable to its industry, size, stakeholders, accountability and sensitivity.

#### **Risk Register**

The main strategic and operational risks to which Larkfield operations are exposed are documented in the attached Risk Register (Appendix 3). The Risk Register identifies, categorises and assesses each risk and summarises the controls in place.

#### **Risk Assessment Process**

The Risk Register will be considered annually as part of Larkfield's business planning process to ensure that the Strategy supports business plan objectives.

## SECTION 8 Combined SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Community based/local</li> <li>• Low turnover of staff</li> <li>• Local office/knowledge</li> <li>• Positive working relationships/partnerships</li> <li>• Part of the Link Group – benefits of being part of a larger group.</li> <li>• Knowledgeable and committed staff and members</li> <li>• Growing stock base</li> <li>• Customer driven</li> <li>• Track record of providing quality housing and maintenance services, generally good performance</li> <li>• Financially stable, good financial position.</li> <li>• Strong reputation – local identity/brand</li> </ul>	<ul style="list-style-type: none"> <li>• Rents &amp; affordability, above average rent levels for larger properties</li> <li>• Small team/competing priorities &amp; capacity of small staff complement.</li> <li>• Limited opportunities to secure land for any new build properties</li> <li>• Working in area of high deprivation and fuel poverty</li> <li>• Stock – age/construction type requiring high levels of planned investment works</li> <li>• Limited customer profiling information</li> <li>• Structural defects – unimproved Atholl steel flats</li> <li>• Tenant expectations</li> <li>• Performance below the Scottish average for repairs and voids.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Expansion of services – older persons and provision of accessible housing and owners, growth in tenancy management base</li> <li>• Take the lead on customer led scrutiny helping to continue to improve services</li> <li>• Increase effectiveness of communications and access to services</li> <li>• VFM through joint procurement and shared services</li> <li>• Collaborative working with partners across the Link group</li> <li>• Develop new methods of tenant engagement and self-service options</li> <li>• Explore external funding/acquisition</li> </ul>	<ul style="list-style-type: none"> <li>• Welfare reform changes &amp; Universal Credit system.</li> <li>• Current economic climate and uncertainties e.g., Brexit.</li> <li>• Rising interest rates/inflation and borrowing costs</li> <li>• Ageing population and increase in single person households - negative impact on demand for some larger properties</li> <li>• Increase in development activity by other RSLs within Inverclyde</li> <li>• Will be difficult to achieve compliance requirements in EESSH 2 for some stock</li> <li>• Non-traditional construction of some stock &amp; lack of owner occupier buy in (mixed tenure blocks) to planned investment works resulting in</li> </ul>

<p>opportunities to invest in current stock/stock base</p> <ul style="list-style-type: none"> <li>• Integration of Health and Social Care, Housing Partnership Group</li> <li>• Developing wider role and community activities</li> <li>• Current pandemic and remote working arrangements, creates an opportunity to look at current service delivery model and working models.</li> </ul>	<p>small percentage of stock failing the SHQS</p> <ul style="list-style-type: none"> <li>• Affordability &amp; reduced income due to the impact of welfare reform on rent collection levels</li> <li>• Stock profile does not meet the needs of our customer base</li> <li>• Potential reduction in tenant base due to de-population trend within Inverclyde</li> <li>• Increasing demands of new and governance</li> </ul>
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## **SECTION 9: ORGANISATIONAL STRUCTURE**

### **Committee Structure**

**Committee of Management**

**Health and Safety Sub Committee**

**Housing Management and Maintenance Sub Committee**

**Grievance and Disciplinary Appeals Sub Committee**

### **Staffing Structure**

**Area Manager**

**Technical Manager**

**Housing Manager**

**Maintenance Officer**

**Housing Officer**

**Housing Officer (Part-time)**

**Administrative Officer**

**Maintenance Assistant**

**Housing Assistant x 2**

**Admin Assistant (Temporary post)**

**Office Cleaner (Part-time)**

# Link group structure

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