

# Castle Rock Edinvar Business Plan 2019-2022

## 1.0 Executive Summary

1.1 Our shared Group vision is to

***create places that work for everyone***

1.2 Our mission is

***to be Scotland's leading Placemaking partner***

1.3 Our mission is underpinned by five strategic pillars that drive our actions and results:

- **Placemaking** – creating places that work for everyone
- **Innovating** – creatively finding the right solutions
- **Partnering** – working together for shared success
- **Investing** – sustaining places and people
- **Wellbeing** – enabling people to live their lives equitably

1.4 Everything we do as a business and how we act is driven by our shared ***SPIRIT*** values:



1.5 We aim to provide housing options that reflect the diverse needs of our communities and deliver the maximum social impact through the delivery of services to our customers.

- 1.6 Our strategy is to increase our asset base, develop our people, support further efficiency and growth and manage risk in the business to deliver a great Customer Experience.
- 1.7 Everything we do is designed to have a Social Impact, from investment in new homes to financial inclusion advice.
- 1.8 We will invest in new and existing homes to ensure that customers feel safe, secure and warm in their home. Over the next three years we will deliver 1,934 new homes across Scotland, investing over £150 million of capital.
- 1.9 Our approach to asset management will include an assessment of the performance of our stock, taking in to account the cost of implementing the Energy Efficiency Standard for Social Housing. We will create plans to maximise the assets with tenure switching and out right sales being considered where appropriate.
- 1.10 We will continue to develop our self delivery model, increasing our turnover within Places Management and developing a new range of services that offers better value for money whilst improving our controls and accountability on key customer services.
- 1.11 Over the next three years we will be investing over £150,000,000 in new homes and to support this we will focus on quality, design and cost to create the right homes for existing and future customers.
- 1.12 We recognise the challenges facing our customers and we will design our services and work in partnership to support, sustain and grow our neighbourhoods.
- 1.13 As people are all different we realise that one size does not fit all. We want to be able to view our customers in a holistic way. The business currently has a number of different interventions which are very successful and it is clear that there is a need is to extend the variety and reach of the intervention portfolio to meet the growing needs of our customers.
- 1.14 We believe in creating balanced and mixed communities through our Placemaking approach and we will complete the regeneration of Twechar and Thistle communities. New opportunities will be sought and created to deploy the Group's end to end offer in Scotland.
- 1.15 Our appetite for innovation is high and we will use our ability to be nimble and creative in the deployment of new solutions to drive proof of concepts for the Group. We will continue to invest in new technology that is aligned with the needs of our customers.

- 1.16 Our ability to deliver a great customer experience is reliant on our people and we are committed to their wellbeing and believe that this will have a positive impact on our customers.
- 1.17 We aim to be a great place to work with our people engaged and effective, within an organisation which is progressive, supportive and resilient and with a culture in line with our SPIRIT values. Successful delivery of the Business Plan is dependent on our people and how we engage with them.
- 1.18 Through Project Synergy and our local technology and innovation Group we will continue to develop our approach to creating a more agile workforce, utilising technology to operate more efficiently and effectively within a widening geographic remit. We will review the effectiveness of existing agile working arrangements and make any improvements that we identify.
- 1.19 We will continue to invest in our current and future leaders to ensure they have the skills and resources needed to manage and the confidence to apply them appropriately. We will deliver the actions plans developed through the Talent Management & Succession Planning process to ensure potential successors have the opportunity to secure promotion opportunities as they arise.
- 1.20 We will continue to demonstrate our commitment to fair work by ensuring our staff are paid at least the Scottish Living Wage, we take action to minimise our Gender Pay gap and we support employability initiatives which benefit our sector and our communities enabling people to reach their potential.
- 1.21 To create a great customer experience we will refresh our understanding of our customer's needs, creating a data led set of intervention strategies to support tenancy sustainment.
- 1.22 We seek to drive efficiencies and ensure that the business remains financially strong. To support our aspirations for investment in our existing stock and new homes we will review our existing portfolio and have a targeted approach to disposal of low performing stock.
- 1.23 We will continue to drive improvements in our Health and Safety culture which now forms part of our corporate approach to Risk and Resilience. Our ambition is to have zero reportable accidents and drive down minor employee and customer accidents whilst promoting a culture which encourages personal responsibility and openness in reporting.
- 1.24 Our focus will remain on safety in our common areas and we will continue to focus investment in these areas, including the roll out of retrofitting of sprinklers to properties over 6 storeys high.
- 1.25 As part of the Places for People Group we will lead on the deployment of the end to end offer in Scotland, organising the business and the brand to create and secure new opportunities.

## 2.0 Operating Environment

- 2.1 Long term social and demographic trends are well understood. The population of Scotland is increasing and ageing and average household sizes are getting smaller. Overall the Scottish housing market continues to recover with increased average house prices and transactions and continued growth in the private rented sector although there are certain local variations and circumstances which can impact demand. Housing affordability and social mobility remain significant issues. The economic outlook will remain uncertain over the business plan period and will require flexibility to respond to market changes and the impact of Brexit. Inflation and interest is expected to increase in the business plan period.
- 2.2 The OBR expects growth to slow from 1.7% in 2017, to 1.3% in 2018 and then rise to 1.6% in 2019. It then forecasts growth of 1.4% in 2020 and 2021 and 1.6% in 2022. The chances of a recession in the medium term are increasing due to a slowdown in the world economy and the range of potential impacts arising from Brexit negotiations.
- 2.3 Higher mortgage rates and slow wage growth are expected to soften 2019 housing demand. Consumer spending is anticipated to grow by just 1.0% this year (2018). More first time buyers are expected over the next two years, whereas the number of home movers is expected to remain flat over 2018 and 2019 as they have benefitted less from government support.
- 2.4 Deep-rooted deprivation in Scotland is described as containing one or more data zones that were consistently among the most deprived 5% in Scotland since SIMD 2004. Within the CRE stock the following have been identified; Edinburgh, Wester Hailes, Moredun & Craigour, Niddrie, Restalrig, Lochend, Stirling, Alloa South and East.
- 2.5 It is recognised that deprivation is about more than low income and low employment. Research demonstrates that adverse childhood experiences (ACEs) have a significant impact on adult life. In addition there has been a rise over time of the number of children in Scotland living in poverty. Taking housing costs in to account this figure is now approximately 230,000 (24%). The Scottish Government is committed to tackling child poverty and making Scotland an ACE aware nation.
- 2.6 There has been an increase in the percentage of vulnerable people (particularly females) ending their tenancies. Castle Rock Edinvar works with many customers who have multiple ACEs. It is clear that the capacity of partner providers such as NHS mental health services and Social Work departments has reduced as demand is increasing and the referrals to third sector organisations is increasing. From research done by a number of different

organisations as well as government bodies it is recognised that isolation and loneliness are a contributing factor to mental health issues which in turn impact significantly on tenancy sustainment.

- 2.7 The Scottish Government is committed to delivering 50,000 new affordable homes of which 35,000 should be social rent. There is consensus that increasing housing supply is a national priority. There is a broad alignment in Scotland between the national and local priorities. Local authorities in Aberdeen, Edinburgh and Glasgow have secured City Deals and are planning strategic initiatives to increase supply and promote the growth of a broader rental sector. The Scottish Government will support mechanisms which will lead to a step change in increasing housing supply as demonstrated by their investment in the Places for People Capital MMR Fund.
- 2.8 The Housing (Amendment) (Scotland) Bill will be implemented in 2019. It reduces the intervention powers of the Scottish Housing Regulator in relation to the disposal of land and housing assets by a RSL and consent over changes to the constitution or the structure of an RSL.
- 2.9 The Scottish Housing Regulator has consulted on changes to the regulatory environment and the importance of self assessment will increase, with a requirement to produce annual assurance statements and RSLs will fall under 3 categories – compliant, working towards compliance and statutory action.
- 2.10 The Scottish Government is currently considering the next phase of the Energy Efficiency Programme for Social Housing and it is our expectation that the EPC target for all homes will be increased.
- 2.11 The Scottish Government has designated energy efficiency as a National Infrastructure Priority, the cornerstone of which will be Scotland's Energy Efficiency Programme (SEEP) – a 15 to 20 year programme. SEEP will help local authorities to pilot new and innovative approaches to energy efficiency with community groups and businesses, helping reduce costs and improving warmth in homes, schools, hospitals and businesses. The Programme for Government commits to investing more than half a billion pounds to SEEP over the next four years setting out a clear commitment to develop this programme with substantial annual funding. By 2050, through SEEP we will have transformed the energy efficiency and heating of our buildings so that, wherever technically feasible, and practical, buildings are near zero carbon.
- 2.12 Over the coming years national and local government are developing a core competency framework aimed at addressing competence in landlord accreditation. Areas such as water management and fire safety are likely to follow a similar approach to that adopted by the gas and electrical industry where a governing body will offer an accredited and audited system. The National Housing Academy are engaging with our industry to create a competence framework and our ambition is to influence the recommendations.

### 3.0 Key Business Plan Actions and KPIs

3.1 The table below sets out the key actions to deliver the business plan.

<b>Strategic Pillar: Placemaking</b>		
<b>No</b>	<b>Need</b>	<b>Actions</b>
1.	Increasing housing demand across all tenures and areas of Scotland.	<ul style="list-style-type: none"> <li>• Supply of new housing across all tenures.</li> <li>• Acquire 937 units of Social Rent.</li> <li>• Acquire 597 units of Mid-Market Rent.</li> <li>• Acquire and sell 261 units of Shared Equity.</li> <li>• Acquire and sell 139 market units.</li> <li>• Increase diversification of tenures.</li> <li>• Deliver £54m future profit for sustainable investment in our communities.</li> <li>• Create community green space at Longstone to increase outdoor recreational activity in the area.</li> <li>• Complete the regeneration of Thistle, Twechar and Newtongrange.</li> <li>• Secure new Placemaking opportunities to achieve our objectives.</li> <li>• Grow the reach of our supply programme and management activities.</li> <li>• Deliver 149 units in the Aberdeen area and 38 units in the Inverness area to support the Group's development programme and our own growth strategy.</li> <li>• Ensure that the design and quality of new homes meets the needs of tenants and supports our longer term asset management strategy.</li> <li>• Evaluate the performance of our assets and where appropriate seek to switch tenures or dispose of properties.</li> <li>• Achieve the EESSH standard by 2020 and be ready to deliver on EESSH 2 when it is formally announced.</li> </ul>
2.	Support for the rising levels of vulnerability and mental health in our communities.	<ul style="list-style-type: none"> <li>• Increase connectivity for tenants and improve engagement with tenants through an improved digital offer.</li> <li>• Increase tenancy sustainment for vulnerable groups</li> <li>• Become an ACE aware business.</li> <li>• Design and deliver services that better meet the needs of our communities.</li> </ul>

		<ul style="list-style-type: none"> <li>• Explore the potential for heat as a service to tackle fuel poverty.</li> <li>• Engage our front line teams to identify safe guarding and referring for follow up in order to sustain successful outcomes.</li> </ul>
3.	Services that meet the changing needs of communities	<ul style="list-style-type: none"> <li>• Remodelling of business to deliver the services our tenants need.</li> <li>• Undertake fundamental review of our Neighbourhood Management Strategy.</li> <li>• Combining internal insight with external research in to the needs and aspirations of our communities.</li> <li>• Build upon the older person enhanced repair service in order to sustain tenancies.</li> <li>• We will review our lease management approach and ensure that the decision to enter in to a lease considers the best interests of the occupiers and our income requirements.</li> </ul>

## **Strategic Pillar: Partnering**

<b>No</b>	<b>Need</b>	<b>Actions</b>
1.	<p>To have a better understanding of tenant needs to inform decision making.</p> <p>To understand the different communities in which we operate and how we build on what is already happening.</p>	<ul style="list-style-type: none"> <li>• Increase tenant participation and take a more active role in our communities to enable more effective tenant consultation.</li> <li>• Reduce complaints relating to changes in operating procedures and investment.</li> <li>• Increase the numbers of tenants engaging in decision making.</li> </ul>
2.	<p>To sustain tenancies as the needs of tenants are becoming more complex and are rising.</p>	<ul style="list-style-type: none"> <li>• Develop solutions to meet the emerging requirements of Health and Social Care, including the redesign of our customer services model.</li> <li>• Identify opportunities to invest in new models of housing delivery for specific need groups.</li> <li>• Developing the aids and adaptation service to sustain tenancies, ensuring we maximised adapted stock and matching the right person.</li> <li>• Increase tenancy sustainment for all groups.</li> </ul>
3.	<p>To support the sustainability of community organisations.</p> <p>To ensure that our commercial assets are utilised effectively and in support of our Vision and Mission.</p>	<ul style="list-style-type: none"> <li>• Review leases to ensure that they support our outcomes. Listening to the needs of partners and offering solutions for the long term success.</li> <li>• Reduce void periods and costs.</li> <li>• Review the multiple staff locations and how we build upon agile working.</li> </ul>

4.	Maximise the benefit of the Group in Scotland.	<ul style="list-style-type: none"> <li>• Growth of business across all Group companies in line with all BP targets.</li> <li>• Develop a Group strategy for Scotland and lead on deployment.</li> <li>• Agree shared performance objectives for common areas.</li> <li>• Establish and maintain a quality control framework for Group activities, particularly in relation to Development and Portfolio Management.</li> <li>• Review company structures to reflect the increased trading activity with Group companies.</li> <li>• Launch and embed the new Places for People Scotland brand and individual 'Places' brands that support the delivery of our offer.</li> <li>• Develop our Places Management approach for our internal "home repairs" team and grow the business to reduce reliance on external suppliers and manage costs.</li> </ul>
5.	To support communities develop their own solutions.	<ul style="list-style-type: none"> <li>• Invest in partners to deliver greater social impact through community grant funding and start up and scale up investment.</li> <li>• Increase activity levels and engagement across communities in shaping local outcomes.</li> </ul>

## **Strategic Pillar: Innovating**

<b>No</b>	<b>Need</b>	<b>Actions</b>
1.	<p>To accommodate growth across the Group.</p> <p>To improve interactions with customers, creating a single view of the customer and their home.</p>	<ul style="list-style-type: none"> <li>• Invest in new operating processes and supporting technology that improves our profit and/or offers a positive customer experience.</li> <li>• Increase productivity to enable sustainable growth through implementation of new IT solutions through Project Synergy.</li> <li>• Reduce complaints and improve get it right first time.</li> <li>• Create a “trusted trader” service for our customers including our business to business partners.</li> <li>• Increase the turnover of the Places Management team and generate a surplus through external trading activities.</li> </ul>
2.	To have a data led strategy.	<ul style="list-style-type: none"> <li>• Lead a Group wide BIM project and undertake knowledge exchange research on practical applications.</li> <li>• More informed decision making throughout the whole lifecycle of buildings based on accurate asset data.</li> <li>• Understand the correlations between different data we hold on tenants and where they live.</li> <li>• Develop a single view of the customer incorporating tenancy and property data.</li> </ul>
3.	To support people to live for longer in their communities.	<ul style="list-style-type: none"> <li>• Develop innovative housing and adaptation solutions for older people.</li> <li>• Embed the older person services review.</li> </ul>
4.	To support an increasing number of vulnerable tenants to sustain their tenancies.	<ul style="list-style-type: none"> <li>• Deploy resources to focus on Tenancy Sustainment and satisfaction.</li> </ul>
5.	To address fuel poverty and tackle carbon usage.	<ul style="list-style-type: none"> <li>• Through our investment in Sunamp we will trial new technologies and solutions to deliver lower carbon heating and tackle fuel poverty.</li> <li>• Move technologies from pilot stage to commercial ready to support tenants and asset management.</li> <li>• Work with Group colleagues on new technology, identifying new providers who may require early stage investment.</li> <li>• Explore the use of heat share as a concept and identify a pathway to net zero carbon with Group colleagues.</li> </ul>

## **Strategic Pillar: Investing**

<b>No</b>	<b>Need</b>	<b>Actions</b>
1.	To develop the workforce for the future.	<ul style="list-style-type: none"> <li>• New apprenticeship programme and where appropriate support individuals in to full time roles.</li> <li>• Support third parties to provide work experience to young people excluded from mainstream learning opportunities.</li> </ul>
2.	To identify and establish new models of funding for affordable housing.	<ul style="list-style-type: none"> <li>• Through our investment in the PFP Capital MMR Fund use this learning to embed the model and explore the potential to extend in to Social Rent.</li> </ul>
3.	To manage the cost of repairs and capital programmes.	<ul style="list-style-type: none"> <li>• Grow the delivery capacity and capability of our property team to stabilise repair and capital programme costs.</li> </ul>
4.	To meet legislative and Group standards.	<ul style="list-style-type: none"> <li>• Invest in improving the energy efficiency of our stock.</li> <li>• Ensure that stock is safe and meets all compliance requirements.</li> <li>• Fire sprinklers will be fitted into 15 existing blocks 6 storeys and above.</li> <li>• 25 % of properties will undergo electrical safety testing each year.</li> <li>• Invest in component replacement to meet compliance requirements and improve the overall standard and safety of our homes</li> </ul>
5.	To ensure that our stock remains viable and meets needs of tenants.	<ul style="list-style-type: none"> <li>• Review out stock condition and identify those assets that would be better suited to a different tenure or disposed of.</li> <li>• Identify assets for disposal to deliver a higher performing portfolio best suited to the needs of tenants. Capital released will be reinvested in new homes.</li> </ul>
6.	To operate an efficient business to secure long term investment.	<ul style="list-style-type: none"> <li>• Improve our operating margin to release funds for investing in our stock. Our operating margin will improve by 1% each year.</li> </ul>
7.	To have a secure source of funding.	<ul style="list-style-type: none"> <li>• Integrate in to the Regulated Treasury Vehicle and fix our interest rate to ensure ongoing access to affordable capital.</li> </ul>

## **Strategic Pillar: Wellbeing**

No	Need	Actions
1.	To create a work environment that supports wellbeing as we grow our geographic reach.	<ul style="list-style-type: none"> <li>• Develop informed agile working practices using new technology.</li> <li>• Deliver a comprehensive learning &amp; development programme to meet the needs of the business and staff aspirations. This will utilise the Group's developing learning Academy as appropriate.</li> <li>• Continue to invest in local H&amp;S compliance to ensure emerging regulation is identified and embedded in to practice.</li> <li>• Reduce lost time through sickness absence to below 3.5%.</li> </ul>
2.	To increase awareness of mental health and support services available to staff and tenants.	<ul style="list-style-type: none"> <li>• Roll out mental health training to all staff.</li> <li>• Organise staff conference focussing on ACEs.</li> <li>• Signpost staff to available support services.</li> </ul>
3.	To ensure our workplaces and communities are safe.	<ul style="list-style-type: none"> <li>• Promote a health and safety culture across staff and tenants to reduce incidents and accidents. We will continue to drive improvements in our Health and Safety culture which now forms part of our corporate approach to Risk and Resilience.</li> <li>• We will aim to have no more than 3 RIDDOR reportable accidents each year. We aim to have at least 45 Safety Improvement Opportunities reported each year.</li> <li>• Run health and safety training programmes and awareness raising events. We will aim for at least 95% of our staff to have completed the H&amp;S training that is deemed mandatory for their role.</li> <li>• Essential H&amp;S training for new staff will be completed within probationary period (6 months).</li> <li>• We will notify 100 % new tenants about asbestos in their properties.</li> <li>• For staff who are identified as having specific Health and Safety responsibilities in our H&amp;S policy, these are adequately reflected in their job profile and the annual objectives.</li> </ul>
4.	To ensure that the organisation has a sustainable future.	<ul style="list-style-type: none"> <li>• We will deliver the actions plans developed through the Talent Management &amp; Succession Planning process to ensure potential successors have the opportunity to secure promotion opportunities as they arise.</li> <li>• We will aim to keep voluntary staff turnover below 10%.</li> </ul>

3.2 The table below sets out the KPIs that will be reported on each quarter.

Critical Indicator		2018/19	Current performance	2019/20
		Target	Q3	Target
Turnover		7%	<b>7%</b>	7%
New let		N/A	<b>151</b>	100%
Overall satisfaction for new tenants		90%	<b>95%</b>	95%
Complaints responded to within target	S1	95%	<b>87%</b>	95%
	S2	95%	<b>50%</b>	95%
ASB urgent cases responded within target		100%	<b>100%</b>	95%
Tenancies sustained > 1 year		90%	<b>88%</b>	100%
Tenancies at risk		N/A	<b>52%</b>	N/A
Rent collected		100%	<b>100.29%</b>	100%
Current tenant arrears		3.70%	<b>3.75%</b>	3.65%
Total arrears		4.10%	<b>4.15%</b>	4.00%
Capital deployed		tbc	tbc	tbc
Margin		47.9%	47.2%	49.8%
Interest cover		9.52	18.30	7.22
Operating surplus		42.8%	45.3%	42.9%
Average relet time (days)		23	<b>23.2</b>	23
Void loss		0.85%	<b>0.72%</b>	0.85%
Average cost per void		£1,739	<b>£1,622</b>	£1,950
Average time for emergency repairs (hours)		4.00	<b>3.5</b>	4.00
Average time for non-emergency repairs (days)		12.00	<b>11.3</b>	12.00
Right first time (non-emergency)		92%	<b>95.3%</b>	94%
% appointments made and kept		90%	<b>93.7%</b>	92%
% responsive repairs completed in-house		90%	<b>89.2%</b>	90%
Financial Performance against budget		On budget	<b>NO</b>	On budget
Return to work compliance		>85%	<b>93.2%</b>	>90%
Staff sickness, days lost		<3.5%	<b>4.36%</b>	<3.5%
Staff turnover (voluntary)		<10%	<b>8.2%</b>	<10%
Riddor accidents (rolling 12 months) - reduce by 10%		<4	<b>0</b>	<3
Safety improvement opportunities (Staff)		>45	<b>8</b>	>45
Overtime as % of gross salaries		N/A	<b>1.90%</b>	2%

Critical Indicator	2018/19 Target	2018/19 Q3	2019/20 Target
Gas servicing compliance	100%	<b>100%</b>	100%
Properties meet EESSH	N/A	<b>86%</b>	88%
Properties with current EPC	N/A	<b>100%</b>	100%
Asbestos notification compliance	N/A	<b>87%</b>	100%

## 4.0 Budget

4.1 The combined financial growth targets are as follows:

	2018/9 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s
Turnover	45,977	50,586	58,732	65,407
Profit (before SOFA, Interest & Tax)	22,477	25,039	29,407	33,132
Margin	48.9%	49.5%	50.1%	50.7%

4.2 The development programme is summarised by tenure as follows;

Tenure	2018/19	2019/20	2020/21	2021/22
Social Rent (CRE)	202	282	304	351
Mid Market Rent (CRE owned and leased)	87	279	153	165
Mid Market Rent (PfPS)	28	-	-	-
Shared Equity (PfPS)	26	112	41	108
Market Sale (PfPS)	39	50	61	28
<b>Total</b>	<b>382</b>	<b>723</b>	<b>559</b>	<b>652</b>

To deliver the Business Plan priorities, the estimated total capital investment for the next 3 years is as follows:

Castle Rock Edinvar	Business plan 2019/20	Business plan 2020/21	Business plan 2021/22
	£'000	£'000	£'000
Stock Investment	7,374	8,268	7,261
New Rental Supply	25,798	29,962	42,056
Mid Market Rent	22,450	21,822	21,277
Disposals	-	-	(13,000)
<b>Total</b>	<b>55,622</b>	<b>60,052</b>	<b>57,594</b>

Places for People Scotland	Business plan 2019/20	Business plan 2020/21	Business plan 2021/22
	£'000	£'000	£'000
Stock Investment	842	408	400
New Rental Supply	622	546	470
MMR Bid	10,000	-	-
Shared Equity/ Sales	(3,558)	(5,383)	(1,306)
<b>Net Requirement Total</b>	<b>7,906</b>	<b>(4,429)</b>	<b>(436)</b>

## 5.0 Risks

5.1 The key risks for the business are as follows:

Key Risks	Impact	Probability	Mitigation
Reduction in demand for housing for sale.	M	M	Sales appraisals undertaken for Board approvals & weekly updates on sales performance. Market monitoring within Places Development. Initial appraisal and approval for all scenarios.
Weakness in strategic planning and management.	M	M	Robust Business Planning process in place with annual board and staff performance reviews. Active engagement in Group led working groups & leadership conference. Up to date operating environment plans at Group & local level and succession planning in place.
Regulatory requirements not being met.	M	M	Regulatory policy and framework in place to ensure obligations are met. Completion of ARC & Annual Assurance statements and regular meetings with regulator.
Potential injury or loss of life due to lack of assessment and controls.	M/H	M	Ensure staff have appropriate training and are familiar with health & safety policy and procedures. Equipment and safety checks.
Failure to manage contractor relationships.	M	M	Carry out full assessment of contractor in line with company policy & monitor through health & safety operation group.
Developmental delay, overspend or quality issue.	M	M	Effective project management and accurate, regular tracking and reporting for board and company purposes. Review and lessons learned model in place.

<b>Key Risks</b>	<b>Impact</b>	<b>Probability</b>	<b>Mitigation</b>
New development opportunities not secured	M	L	Building and continuation of strong relationships with Development, Local Authorities & housebuilders/land owners.
Failure to operate a successful "safe" environment.	M	M	Ongoing fire risk and goods in common areas assessment to be done. Ongoing development of communication strategy.
Gaps in staff training and development.	M	M	Learning and development framework in place for all staff. Regular 1-2-1s and appraisals to monitor performance. Succession planning and talent spotting initiatives in place.
Contractor or supplier goes into liquidation.	M	M	Contractor financial viability checked at tender stage & avoidance of dependency on single supplier. Access to Procurement Hub allows for any alternatives to be found quickly.
Giving inaccurate advice to customers.	M	L	Regular policy review & staff training on sector guidance. Legal advice on retainer.
Rise in interest rates leading to slowdown in development programme	M	L	Support & strategy provided by Group Treasury vehicle. Financial reports to Audit & Risk Committee and Board.
Insufficient access to capital available from Group Treasury to deliver Year 3 development targets	M	M	Treasury support from Group & budget assumptions in place to deliver targets.
Operating margin being impacted if investment requirements to meet compliance standards are not controlled.	M	M	Budget assumptions have been made to reflect position.
Failure to collect rental income due to impact of Universal Credit & Welfare Reform.	L	L	Rent Affordability tests carried out annually. Specialist financial inclusion & income collection teams in place and trained on UC. Financial risk assessments carried out at sign up & trusted partner status with DWP.