



2025 to 2030

# Business Plan



**INVESTORS IN PEOPLE**  
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## **SECTION 1 - The Business Operating Environment**

- 1.1 The Board considers that the best way to forward plan and make improvements is to decide three things: what came before, what comes next, and how to get it.
- 1.2 Whilst this document considers the period 2025 / 2030, it is important to reflect on recent years as the UK has faced a sequence of severe and ongoing macroeconomic shocks and economic turbulence over the past five years.
- 1.3 2024 / 2025 was another year impacted by organisational changes, with 23% staff turnover from April 2024 to March 2025, influenced by some very short-term appointments to our operations department, which highlights the current challenges in recruiting.
- 1.4 We have developed the following strategies, our People Strategy; Asset Management Strategy; Information Strategy and Data Management Framework. The People Strategy supports the development of our people to enable LRHA to deliver our Corporate Strategy. The Asset Management Strategy identifies the required outcomes, whilst seeking improvements in the financial and physical performance of properties and achieving value for money. The Information Strategy and Data Management Framework will enable us to create a golden thread throughout LRHA with data being a key component of our strategies and ensure alignment to existing governance, policies and procedures.
- 1.5 We undertook our annual Tenant Satisfaction Measures (TSM) Survey. It was undertaken completely independently for LRHA. Four TSM resident groups which include staff and board members have met throughout the year to progress the work around the results of the Survey. The analysis of the results identified six clear areas to focus engagement on:
  - 1) Repairs and maintenance;
  - 2) How complaints are dealt with;
  - 3) Responsible neighbourhood management (communal gardening);
  - 4) Contribution to your neighbourhood;
  - 5) Customer recovery; and
  - 6) Resident involvement.
- 1.6 The TSM resident groups complement the work of the Resident Representatives Network. The groups update is reported to the Operation's Committee and the Board. Moving forward we are considering merging the groups to facilitate better attendance and more productive discussions. Additionally, residents who wish to work more closely with LRHA and make a difference are invited via various communication methods to join the groups and in particular the 'Resident Armchair Panel' group who have the opportunity to influence LRHA's policies that impact and effect residents.
- 1.7 We continue to develop our approach to resident engagement and/or voice and/or communication in accordance with the requirements of the Regulator's Influence and Accountability Standard, including collecting and reporting performance against tenant satisfaction measures, addressing complaints promptly and taking residents' views into account when making decisions about service delivery.



- 1.8 We use resident interactions including complaints to learn and incorporate the residents' voice into LRHA decisions. We publish our annual self-assessment with the Complaint Handling Code 2024 on the website. The Code aims to achieve best practice in complaint handling and ultimately to provide a better service to residents.
- 1.9 We continue to face an incredibly difficult and demanding external operating environment. There are a number of significant changes that have progressed and are progressing through government, and an upcoming raft of consultations. The Social Housing Regulation Act (SHRA) 2023 resulted from issues identified on the safety and quality of social housing and how residents are treated by their landlord following the Grenfell Tower fire tragedy in June 2017. It also sets out requirements regarding the new consumer regulations and professionalisation of the sector. The Levelling-up and Regeneration Act (LURA) 2023 aims to deliver more homes for communities across the country and unleash levelling up in left-behind places. These two Acts and the current and upcoming consultations represent the most significant changes in social housing for over two generations.
- 1.10 The key external economic, operating and political environment challenges include persistently high-cost inflation, increasing costs, a tight labour market, contractor failures, supply chain issues, decent homes standard review, consumer regulation, Awaab's Law, professionalisation of the sector, post 2025 rent settlement and lack of a rent convergence mechanism, homelessness, levelling-up and devolution, resources and recruitment, the value of social housing and rebuilding trust with politicians and stakeholders.
- 1.11 Interest rates have remained high in response to high inflation, resulting in significantly increased borrowing costs. Rental income has been constrained by the 7% rent cap for 2023 / 2024, while costs for stock investment programmes have continued to rise, and pressure on supply chains continue. Whilst the demand for repairs and rising cost of living have increased our residents' need for our services, necessitating careful management and thoughtful decision making. These economic and operational factors have impacted LRHA's financial position, and the rent cap has resulted in reduced financial headroom and capacity to cope with further financial shocks.
- 1.12 At the same time, LRHA will need to make substantial investment in existing homes to deliver improvements to quality, building safety, and energy efficiency commitments.
- 1.13 Over the last few years, due to the significant external challenges including an unstable operating and political environment the Board have grappled with multiple competing and important priorities, including growing to provide more much needed affordable rural homes, investment in existing stock and improving existing homes, decarbonisation of our homes, and meeting the requirements of new regulation and legislation.
- 1.14 The Chancellor's Spring Statement on 26 March 2025 had no mention of the Government's plans for investment in housing or tackling the climate crisis measures to support organisations to achieve the Government's target of EPC 'C' by 2030.

- 1.15 At their meeting of 27 March 2025, the Board agreed to continue with their strategic priorities of growth, investment in existing stock including a business as usual (BAU) approach to the decarbonisation of homes; and collaborative opportunities. The Board recognise that the BAU approach to decarbonisation will likely result in LRHA not being on target to achieve EPC 'C' across the property portfolio by 2030.
- 1.16 The Board agreed to review this during their annual review of the Corporate Strategy in July 2025 following the Chancellor's Spending Review in June 2025 where the Government will set out their capital and revenue spending plans.
- 1.17 This Business Plan has been prepared taking account of the implications and risks of political and economic changes likely to affect LRHA's business operations. The Board continues to monitor and consider the changing operating marketplace through the risk management process, particularly relating to the significant risk of further unexpected shocks from the ongoing war in Ukraine, USA trade tariffs, and sustained higher interest rates impact on the UK and global economy.
- 1.18 LRHA's mitigations against a risk of failing to comply with regulatory and legislative frameworks, include changes in policies, constantly scanning the horizon and working in collaboration with sector partners.
- 1.19 The likely impacts for LRHA include Awaab's Law, consumer standards, professionalisation, post 2025 rent regime, high-cost inflation, increasing interest rates, political environment, lack of data integrity/accuracy of information, cyber security, staffing recruitment, resources and retention, and health & wellbeing of residents and colleagues.
- 1.20 The government announced in February the next steps for Awaab's Law, being a phased approach from October 2025 to 2027. From October 2025 limits will be introduced for social landlords to respond to damp and mould hazards that present a significant risk of harm to residents within fixed timescales; and address all emergency repairs as soon as possible and within no longer than 24 hours. In 2026, requirements will expand to a wider range of hazards beyond damp and mould. Then in 2027 the requirements of Awaab's Law will expand to apply to the remaining hazards as defined by the Housing Health and Safety Rating System (HHSRS) but excluding overcrowding.
- 1.21 The precise timings of each phase and full details of the requirements for Awaab's Law will be confirmed by the government soon, including the specific fixed timescales within which landlords will need to respond to hazards. We have undertaken a gap analysis which has identified a number of actions before compliance with the forthcoming legislation as currently drafted which can be provided. Updates on progress are reported to the Operations Committee and the Board.

- 1.22 We have undertaken a gap analysis against the new consumer standards framework, setting out LRHA's approach and how we demonstrate assurance and how these fit with our 'business' activities and governance. The goal is to facilitate a structured approach to evaluating, evidencing and improving adherence to these standards, and complement LRHA's management and reporting arrangements, assurance frameworks and improvement plans.
- 1.23 Our People Strategy ensures that we encourage and support personal, as well as professional development. As an Investor in People 'gold' accredited organisation we are recognised as a learning organisation that continuously improves, confident in our knowledge and skill to respond to external drivers and better link our services to the needs of our residents.
- 1.24 We are operating a flexible approach to staff working; and remain agile in the event of the requirement to revert to all staff members working from home. The focus is on the health and safety and well-being of our residents, staff, members and stakeholders, operational delivery, and service delivery.
- 1.25 We have developed a stand-alone plan and policy on succession planning. This sets out a clear process to identify future board and senior executive staffing needs. LRHA exists to provide social housing for those in need and effective succession planning is critical to ensuring that board members and members of staff have the right skills, knowledge, and behaviours to meet LRHA's strategic business objectives, now and in the future and to deliver excellent services to our residents, safeguarding our core purpose and our residents.
- 1.26 It is essential that we consider the concept of talent management in succession planning. This is the ability to attract highly skilled workers and board members, who share LRHA's vision and values, and developing and retaining current talent to meet current and future business objectives. This will be complemented by the new People Strategy, to ensure that the board and senior executive understand the operating environment and how emerging and longer-term labour and skills shortages impact the delivery of organisational objectives, safety and quality and delivery of the Corporate Strategy.
- 1.27 The Board's Assurance Framework (BAF) consists of a business assurance framework (linked to LRHA's compliance register). It includes board delegations, non-financial delegated authority, and internal financial controls. This serves to strengthen the governance structure and enable the Board to really focus in on ensuring that their focus is on risk, controls, strategy, culture and being able to clearly identify and be able to articulate where they get their assurance from.
- 1.28 LRHA's governance structure enables us to ensure that we continue to develop and apply good practice in all areas of the business, with a focus on a collaborative, trusting, open, honest, and strong governance and operations relationship.
- 1.29 LRHA embrace opportunities to build on our strengths; and move forward with a more inclusive culture, a more strategically focused Board and a more effective governance structure that will assist in providing the Board with assurance and a real feel for what residents want around service delivery to help it shape future decisions.

- 1.30 Our Board and Committee Membership comprise of people with diverse backgrounds and attributes, having regard to the diversity of the communities LRHA serves. They include people with direct lived experience of, or particular insight into the communities served by LRHA. Board member details are available on our website.
- 1.31 We have a good strong Board, with skills in customer services, equality diversity and inclusion, finance, fraud, risk management, legislation and regulation, housing management, asset management, development, IT and digitalisation, people, culture, and HR; with a blend of people who currently, or have worked in the housing sector, and from other sectors.
- 1.32 During 2024 / 2025 risk assessment and stress testing focused on staffing resource, recruitment and retention, inflation, interest rates, rent cap, material shortages, cost increases, deteriorating financial status of residents and legislative changes, and considered the potential impact on the achievement of the Corporate Strategy. Focus turning to the limitations in rental income and the sustained increased costs and the impact these will have on LRHA's costs and the affordability of future rents for our residents, and customer service delivery.
- 1.33 In 2022 / 2023 we raised loan finance for £3.2 million to enable the delivery of our corporate objectives, and competing priorities, including but not limited to delivering more much needed affordable rural homes, planned maintenance, cyclical maintenance, responsive repairs, digitalisation, and our journey to 'net zero'.
- 1.34 We continue to progress work to enable a further loan charging exercise to raise additional finance.
- 1.35 Our Operational Plan will see our performance scrutinised as never before, with rent insecurity increased due to cost of living and wider economic issues in society, heightened regulation driving safety and quality, and the expectation to deliver new homes in a continuing national housing crisis.
- 1.36 Our Operational Plan incorporates a review of LRHA's delivery of planned maintenance and an audit of the current situation, to identify good practice and create programmes which help to ensure the long-term viability, safety and durability of our housing. The outcome being to review processes and improve them.
- 1.37 We have undertaken a huge amount of work to ensure a proactive approach to damp and mould in residents' homes. The key to consistent excellent service delivery is our staff. They receive initial and ongoing mandatory training. It is critical that they understand the range of property types owned by LRHA, their individual characteristics with regards to moisture, ventilation, heating, condensation, mould, and damp. The impact to date on residents has resulted in positive action being taken to rectify damp and mould, including those where residents had not previously reported it. And raising their awareness of the risk of not heating and ventilating their homes on their health and wellbeing, with a number of residents receiving financial support from LRHA and advice from other agencies.

- 1.38 We have undertaken a significant amount of work regarding data integrity and data protection, which includes writing a new Business Continuity Plan, Disaster Recovery Plan, and Major Incident Management Plan, in addition to providing assurance on the (National Cyber Security Centre, 2024) '10 steps to cyber security' guidance on how organisations can protect themselves in cyberspace. We are currently Cyber Essential accredited.
- 1.39 Good data leads to good context and good communications, acquiring robust data comes at significant costs, and ensuring that it informs effective strategic asset management decisions is essential. We recognise that we cannot speak with confidence without it. To ensure effective data management and cyber security we have developed an Information Management Strategy and Framework and will be developing a Digitalisation Strategy.
- 1.40 We have commenced a project to review our existing housing stock and resident data and undertake a comprehensive Stock Condition Survey (SCS) and Retrofit Assessment (RFA). The SCS and RFA will fill the gaps in our existing data held in our systems such as asset data, accurate householder information, and contact/social preferences. Work will be done with specific departments and residents to fill these gaps in data. Reporting will be set up to identify missing data so that these gaps can be rectified in a timely manner where possible.
- 1.41 The challenge LRHA faces is not the collection of more and more data, the real challenge is to join up and make sense of the data we already have and identify and resolve any data gaps. Where the gaps in data cannot be filled through internal work or updating resident information it may be prudent to explore where external sources of data might be used to fill these gaps.
- 1.42 Investment in existing stock is our biggest area of expenditure, and it is increasingly important that we get it right first time and are able to make informed decisions. This area of operations is increasing in complexity and will require significant financial and people resources to enable us to be effective as the future of housing is a complex, ever-changing world with a growing range of competing internal and external pressures. The needs of current residents must be balanced with future demands; and choices must be made between essential ongoing investment in the existing housing stock and contributing to new supply.
- 1.43 We have strong governance in place to oversee service delivery and maintain compliance with Regulatory Standards. We must ensure that LRHA has robust and accurate data on our homes, and performance including tenant satisfaction measures data. Continuing to enhance data quality will give us a strategic advantage to continue to improve our services.
- 1.44 The cost-of-living crisis impacted on everyone, having varying effects on individuals, families, and businesses. Our residents being disproportionately affected by the financial crisis because rural areas face a triple squeeze from high costs, low incomes, and limited support for hard-pressed households. Residents need to know what support is on offer, as people will be vulnerable now who have never been vulnerable before.
- 1.45 Universal credit claimants continue to increase, with exceptional performance achieved by staff in ensuring rent arrears remain at traditional low levels.

- 1.46 Guidance and assistance for Residents continues with the Resident Support Fund. The Board also approved the subscription to the 'Housing Perks' app, this is a subscription service that supports financial well-being to help with the cost of living and is available to residents, staff and members. It provides discounted vouchers over 100s of brands.
- 1.47 We continue to review communications processes and procedures to drive improvements, this is something that we take very seriously.
- 1.48 We have embraced the actions set out in the National Housing Federation's Better Social Housing Review and Chartered Institute of Housing's guidance for rethinking repairs and maintenance which have supported us to focus on driving improvements in our approach to asset and housing management, making better use of data, and delivering equitable services to our residents.
- 1.49 A critical issue considered during the annual review of the Corporate Strategy each July is around the capacity to develop truly affordable housing, investment in existing stock, the resources required to achieve decarbonisation of our homes, and taking account of delivering the Vision and Mission in the short, medium and long-term. The issues considered will revolve around the review of our core purpose and the capacity to deliver our strategic objectives.
- 1.50 By giving our residents the ability to put down roots, our properties help sustain communities and create a community that is both diverse and closely-knit. This is why social housing is so important to LRHA's vision and why we are proud to be a specialist rural housing provider. We need to manage our own, and government's expectations of what we can and cannot deliver, making some difficult decisions around our priorities and not overstretching by trying to do too much, but to deliver well on what we are doing. We need to really focus and to optimise and prioritise our resources. All this taking account of delivering the Vision and Mission in the short, medium, and long-term. Over recent years the board has considered some difficult trade-offs on LRHA's strategic objectives and strategic approach primarily around investment and growth; and this is set to continue.
- 1.51 A combination of issues remains critical to future viability and success. Strong leadership and management ensure a robust approach to risk management, controls assurance, and precise business planning. As the operating environment becomes more complex and problematic, board and management skills must be reciprocal in order to sustain viability and deliver this Business Plan. Training, induction and development of the board and staff is therefore essential for future success. In 2021 / 2022 the board approved that the Investors in People Framework will serve to deliver a robust co-created and co-delivered 'Strategic Culture Plan', providing assurance that its desired culture and behaviours are being enacted in practice; and have committed to an insights 3-year package.

- 1.52 We understand that it's our people that make the difference. Our aim is to ensure 'organisation vibrancy', which is essentially a positive healthy culture with positive healthy energy; making it a great place to work, where people are valued as the most important resource/asset. Where everyone is inspired to achieve the vision, mission and values of the organisation whilst safeguarding the underlying resident focus. Teamwork is essential from everyone at every level to triumph.
- 1.53 Housing is a complex, ever-changing world with a growing range of competing internal and external pressures. The needs of current residents must be balanced with future demands; and choices must be made between essential ongoing investment in the existing stock and contributing to new supply.
- 1.54 This is where we are seeking to position the service:
- a. Highly skilled and trained staff and board.
  - b. Resident voice at the heart of our business.
  - c. Efficient, unbureaucratic processes.
  - d. Digital by preference.
  - e. Catering for today's residents but preparing for tomorrows.
  - f. Occupy the growth niche that others are neglecting.
- 1.55 We are seeking to further develop and strengthen our structure making it more closely aligned to support improving our resident experience by:
- a. Streamlining and management of our IT systems.
  - b. Investment in our digital content and services.
  - c. Focus on data, insight, and continuous improvement.
  - d. Regular reviews/catch ups on project activity.
  - e. Engaging with the Chartered Institute of Housing & other training providers to look at our qualification journey and approach.
  - f. 2025 -2026 focus – training, training, training.
- 1.56 This will support us to identify and support residents; make informed business decisions; optimise property performance and transform the management and delivery of our housing services. These insights are critical to safeguarding residents, and for LRHA given our internal resources and operating area. However, all of this comes at a cost, both resources and financial.
- 1.57 This Business Plan seeks to maximise the delivery of the Corporate Strategy (Appendix 3) and 'Social Purpose'. Clearly sustaining long term viability and providing Value for Money (VfM) is the priority. The Business Plan takes account of statutory and regulatory compliance and ensures existing debt servicing and operating costs are sustainable. Resources to ensure existing properties are well maintained are now even more important to take account of legislative changes regarding data and delivery of investment measures and decarbonisation. This is likely to influence capacity for development and acquisition of additional affordable homes. Risk and performance management is pivotal in business planning, and the Business Plan is subjected to regular multivariate stress testing analysis. The expectation is 'To Provide Energy Efficient Homes for Rural People in Need', whilst 'Helping to Maintain Sustainable Rural Communities' i.e., the Mission and Vision.

1.58 We have a social heart and a business head; that is, we are a commercially minded housing organisation, which also recognises social value. We have excellent constructive working practices with our local and national partners.

## **SECTION 2 -The Business Plan**

2.0 The purpose of this Business Plan illustrates LRHA's planned use of resources to deliver the Corporate Strategy and Objectives over the next 30-years. This Business Plan has a particular focus on the next five financial years 2025/26 to 2030/31. LRHA's Business Model is provided in Appendix 2. The Business Plan is a statement of intent, which provides a benchmark for measuring progress.

2.1 The Business Plan is a working document and is subject to review, taking account of emerging issues, with the potential to affect the Association positively or negatively. The SWOT / PESTLE undertaken in December 2024 (Appendix 7) has assisted the Board accordingly. Review and amendment of the Business Plan will take account of changes in the operating and economic environment affecting LRHA, the social housing sector, and the wider economy.

2.2 The overall objective of the Business Plan is to provide a framework to sustain viability, ensuring financial and other resources to meet current and future commitments in the delivery of the Corporate Strategy.

2.3 This 30-year Business Plan (the Plan) has been prepared to assist with robust governance and management leadership and was approved by the Board of Management (the Board) on 15 May 2025. The Plan provides positive annual operating surplus and cash balance projections from years 1 to 10. The Business Plan is based on pessimistic assumptions and budget forecasts. Appendix 1 illustrates financial and asset data.

## **SECTION 3 - The Association and Compliance**

3.1 LRHA was created in 1986 for the 'benefit of the community', and in particular local rural communities; to provide affordable housing for rural people in need. LRHA has remained an independent organisation, strictly observing the founding principles by development, ownership and management of homes summarised in Appendix 14.

3.2 A formal annual self-assessment of compliance with the Regulator of Social Housing (RSH) Regulatory Standards is undertaken by the Board. Regulatory compliance, Business Plan delivery, and 'Risk / Control Framework' is the driver to ensure long term viability. Accurate records of liabilities are maintained and, prior to undertaking further commitment, the Board requires a full understanding of the impact. Robust stress testing is undertaken against identified risks in the preparation of this Business Plan, which includes a combination of scenarios and consideration of mitigation strategies.

3.3 The Association's Rules, D1, requires the Board to 'direct the affairs of the Association in accordance with its objects and these Rules and ensure that its functions are properly performed'.



Vision: 'Helping to Maintain Sustainable Rural Communities'  
Mission: 'To Provide Energy Efficient Homes for Rural People in Need'

- 3.4 The Vision and Mission are further expanded in the Corporate Strategy, which defines the organisation's objectives and priorities, on which the Business Plan is based. The Corporate Strategy is a defining document to govern and manage LRHA efficiently, effectively, and economically.
- 3.5 The Corporate Strategy includes six Objectives relating to: Governance; Finance; Residents First; Homes; Maintenance and Continuous Improvement, illustrated in Appendix 3. The annual 'Governance Cycle' includes a series of workshops and training events to ensure the skills and experience of the Board and management provide effective leadership.
- 3.6 A Governance Review was undertaken in 2021/22. An action plan was developed to incorporate the recommendations which included changes to the governance structure which was implemented during 2022/23. The next external governance review will be undertaken in 2025.
- 3.7 General compliance with the National Housing Federation's (NHF) 2020 Code of Governance and Code of Conduct; and compliance with the Regulator of Social Housing Economic Standards was evidenced by self-assessments; undertaken by the Board in May 2025.
- 3.8 The staff structure is illustrated in Appendix 4. LRHA achieved Investors in People (IIP) Gold in August 2022, which is due to be reviewed in August 2025.
- 3.9 The Board of Management, as of 31 March 2025, consisted of twelve Members.

#### **SECTION 4 - Business Plan and Organisational Context**

- 4.1 Statement of Services – LRHA manages its own properties facilitating all associated services (asset, housing, financial and human resource management) in rural areas predominantly of less than 5,000 population. The operating area covers Lincolnshire, parts of Rutland, Kings Lynn, and West Norfolk.
- 4.2 Governance – At the financial year end the Board; and Audit & Risk, Operations, and Remuneration and Nomination Committees had membership in accordance with their terms reference.
- 4.3 Client Groups Served - LRHA has historically provided rented general needs housing, and shared ownership properties since 2005.
- 4.4 Review and outcomes of the year 2024/25 will be documented in the Annual Report, incorporating the Financial Statements.

- 4.5 Analysis of Demand – Demand is assessed through a combination of internal waiting lists / local intelligence and information provided by Local Authorities. The Asset Management Strategy, available on request, is the primary driver of expenditure, with the majority of housing stock categorised as ‘in high demand areas’.
- 4.6 The Business Continuity Plan provides contingency for loss of key personnel and the Chief Executive reviews human resources at least annually.
- 4.7 Regulation – The Regulator of Social Housing’s approach to regulating the ‘Economic and Consumer Standards’ is different for Providers which own fewer than 1,000 homes such as LRHA. Whilst all Regulatory Standards continue to apply to smaller providers, the Regulator takes a proportionate approach. The data returns required from LRHA by the Regulator includes the Statistical Data Return, Annual Accounts (including a self-assessment of value for money). Regulatory judgements are generally not published for smaller Providers.
- 4.8 Assurance for the Board is provided through a variety of methods, but in particular with a comprehensive Risk Management Framework and the annual ‘Internal Audit Programme’ managed by the Audit & Risk Committee. Annual Reports by the Internal Auditor, and External Auditor are presented and considered by the Audit & Risk Committee, followed by formal reporting to the Board. The Chief Executive also provides the Audit & Risk Committee and Board with an annual ‘Internal Controls Assurance Report’(ICA).
- 4.9 The Transparency, Influence and Accountability Standard requires landlords to be open with residents and treat them with fairness and respect so they can access services, raise concerns when necessary, influence decision making and hold their landlord to account. Resident participation and scrutiny are encouraged by the Board to assist with shaping and improving services. Tenant Satisfaction Measures (TSM) resident groups have been developed to complement the work by the Resident Representatives Network. TSM resident groups will report to the Operation’s Committee and the Board. We want our link with our residents to support LRHA to drive improvements in resident services and satisfaction. We want our engagement with our residents to link to the delivery of our strategic objectives now and in the future, and to drive improvements in our services to residents and resident satisfaction, ensure equitable services, and safeguard our core purpose and our residents.
- 4.10 LRHA remains an ambassador member of the National Housing Federation ‘Together with Tenants Ambassadors Initiative’. To ensure ‘Together with Tenants’ continued impact, ambassadors will play a key role in promoting the initiative, encouraging sign up and ensuring its legitimacy in making a positive impact on residents’ lives.
- 4.11 Risk Management is integral with governance, management and the business planning processes, as further explained in Section 5.

- 4.12 The Value for Money (VfM) Standard requires LRHA to articulate and deliver a comprehensive and strategic approach to achieving VfM in meeting our strategic objectives. LRHA is required to publish evidence which enables stakeholders to understand our performance in a transparent and accessible way. LRHA provides this information in the Annual Report which accompanies the statutory accounts.
- 4.13 Performance monitoring is reviewed regularly with performance management reports to monitor LRHA's 'Measures of Success' which provide high level information on business progress.
- 4.14 LRHA's environmental approach to work has continued to contribute to the quality of life in rural communities and seeks to ensure that development meets the needs of the present, without compromising the ability of future generations to meet their own needs. This commitment was further reinforced by the Association becoming an 'Early Adopter' of the 'Sustainability Reporting Standards' (SRS). LRHA has produced its third SRS Annual Report which includes measures to illustrate and monitor LRHA's performance in this area.
- 4.15 \*All documents have been approved by the Board of Management and are available on request.

## **SECTION 5 - Business Objectives and Future Strategic Focus**

- 5.1 The principle aims of LRHA are 'helping to maintain sustainable rural communities' and 'to provide energy efficient homes for rural people in need', based on its 'social purpose'. LRHA's strategy seeks to enable access to homes in rural communities for people unable to afford a property on the open market. The strategy during 2025 to 2030 is based on six Strategic Objectives (Appendix 3):
1. Governance – LRHA will deliver effective leadership and governance to positively impact our business and our people.
  2. Finance – LRHA manage our business and resources responsibly by demonstrating value for money services that meet residents needs.
  3. Continuous Improvement – LRHA will make things better by investing and developing in our people and promoting a workplace that motivates everyone to achieve their best.
  4. Maintenance – LRHA will maintain and enhance the quality of our homes.
  5. Homes – LRHA will provide affordable, high-quality homes that meet our current and future residents needs.
  6. Residents First – LRHA will deliver high quality, resident driven services by working with residents to influence planning and decision making.

5.2 LRHA's Strategy during 2025 / 26 will be delivered against its work to comply with the NHF Code of Governance 2020. The Code consists of four 'Principles': *Mission and Values; Strategy and Delivery; Board Effectiveness; and Control and Assurance*, summarised as:

(a) **Mission and Values** – *'The Board sets and actively drives the organisation's social purpose, mission, values and ambitions, and through these embeds within the organisation resident focus, inclusion, integrity, openness and accountability'*.

(b) **Strategy and Delivery** - *The Board sets ambitions, plans and strategies which enable the organisation to fulfil its social purpose and remain viable and sustainable, and exercises demonstrable and effective oversight of its delivery.*

(c) **Board Effectiveness** - *The organisation is led by a skilled and diverse board which regularly reviews and capably manages its own performance and effectiveness, and ensures that it complies with this code; and*

(d) **Control and Assurance** - *The Board actively manages the risks faced by the organisation, and obtains robust assurance that controls are effective, that plans, and compliance obligations are being delivered, and that the organisation is financially viable.*

5.3 The Code provides the foundation of good governance and will ensure a balanced, diverse, and effective Board, to lead and control LRHA, whilst complying with its regulatory and legal requirements.

## **SECTION 6 - Business Risk**

6.1 LRHA has a Risk Management Policy and Framework (Appendix 6) which is reviewed by the Audit & Risk Committee on a regular basis. 4Risk software is used to monitor, track and report on LRHA's risks.

6.2 The Risk Register summarises details of identified risks, potential impact, controls description, actions taken and evaluation, score and residual risk.

6.3 The Business Plan forms the basis for the evaluation of risks, so that the risk management process can be integrated into normal planning and control mechanisms. The Business Plan has been developed as a 'model'; linked to rent restructuring, maintenance and repair programmes over 30-years. The model is utilised to undertake further 'what if' scenarios in the form of sensitivity analysis and stress testing, based on the Risk Register / Sensitivity Analysis detailed in Appendix 8 and 9. The stress testing identifies what could break the Business Plan and impact of future events that could expose the organisation to compromise financial viability.

6.4 It is not intended that these risks are exhaustive but should comprise of the major areas of risk, upon which continued evaluation and identification can be developed.

## **SECTION 7 – The 30-Year Financial Business Plan**

- 7.1 The 30-year financial model assumptions used within the Business Plan have been fully considered and reviewed by Board and incorporated into the ‘30-Year Global Business Plan Assumptions’ detailed in Appendix 10. The Plan incorporates cash flow projections for the period 1 April 2025 to 31 March 2055.
- 7.2 Income - Rents are the primary source of income for the Association. The rent reduction of 1% for four years from April 2016 severely affected Business Plan capacity for development of new affordable rural housing and improvements of existing properties, this has been impacted further following the implementation of a 7% rent cap in April 2023. Rental income is deemed to be one of the main risk areas and sensitivity testing has been applied throughout the Plan as illustrated in Appendix 8.
- 7.3 Major Expenditure – Stock condition surveying, is used for long term planned maintenance and major repairs expenditure. Stock is considered to be in very good condition and all properties are due to have a full stock condition survey and retrofit assessment undertaken by an external consultant between 2024 and 2026 to enhance data accuracy held on property components.
- 7.4 Finance – The majority of loans are on long-term fixed rates, therefore reducing the risk element in the Business Plan, as detailed in the Loan Portfolio (Appendix 15). LRHA completed a charging exercise in 2022/23 for a £3.2m loan and has drawn down £1m as of 31 March 2025.
- 7.5 Banking - LRHA aims to maintain a minimum cash balance of £900k. Cash reserves are used towards the cost of undertaking improvement works to existing properties and provide additional units over the term of the Plan.
- 7.6 The Business Plan enables a development programme, as illustrated in Appendix 14.

## **SECTION 8 - Financial Ratios**

- 8.1 The Financial Ratios are illustrated in Appendix 1 which provide information to understand the short and long-term viability of the Association.
- 8.2 Liquidity Ratio is the ratio of current assets to current liabilities. This ratio evaluates the extent to which current liabilities can be met from cash and realisable current assets.
- 8.3 Net Interest Cover is the operating surplus before interest payable, taxes and interest receivable divided by interest payable. It is intended to measure the ability to service loans to funders. A ratio of greater than 100% indicates sufficient surpluses to cover interest charges.
- 8.4 Gearing is a measure of the extent of external financing and demonstrates ‘how in debt’ LRHA is to its lenders and together with the interest cover ratio, the level of financial obligations to be met from operational surpluses. The ratio is calculated from the loan debt as a proportion of capital employed.

## **SECTION 9 - Financial Projections**

### **9.1 Key Economic and Internal Assumptions**

- 9.2 The key assumptions are detailed in Appendix 10 and include the following items: Inflation; Rent; Bad Debts and Voids; and Interest Rates.
- 9.3 The improvement, maintenance and repair of properties is the major item of expenditure over the 30-year period of the Business Plan. The financial provision within the Plan is based upon Stock Condition Surveys undertaken and will continue to be updated following the completion of future external stock condition surveys.
- 9.4 The Business Plan incorporates investment in additional units over the first ten years, as detailed in Appendix 14.

## **SECTION 10 - Statement of Comprehensive Income, Cash Flow, Financial Position**

- 10.1 Appendix 11 is the projected Statement of Comprehensive Income over the 30-year period.
- 10.2 From the Statement of Comprehensive Income, the Net Interest Cover has been calculated and is derived from a formula involving LRHA's operating surplus plus interest received divided by interest payable on its loans.
- 10.3 The Social Housing Regulator has defined a 'headline social housing cost per unit' measure to analyse Global Accounts cost data providing another comparator for VfM purposes. This is one of LRHA's Measures of Success and is benchmarked annually. This measure is impacted by the rent cap, increasing inflation and existing stock ageing and requiring more planned maintenance work to be undertaken.
- 10.4 Projected cashflow is provided in Appendix 12. Sufficient cash balances are maintained during the first 10 years but does rely on further charging exercises being undertaken for additional lending of £6.8m. The Business Plan only includes a business as usual (BAU) approach to the decarbonisation of homes.
- 10.5 The Statement of Financial Position is detailed in Appendix 13.
- 10.6 Liquidity Ratio is the ratio of current assets to current liabilities). This ratio looks at the extent to which current liabilities can be met from cash and readily realisable current assets. A ratio of 1:1 is regarded as acceptable. Liquidity is tracked over the 30-year period.
- 10.7 Gearing is a measure of the extent of external financing and demonstrates 'how in debt' an Association is to its lenders and together with the interest cover ratio, the level of financial obligations to be met from operational surpluses. The ratio is calculated from the loan debt as a proportion of capital employed.

## **SECTION 11 - Sensitivity Analysis and Active Stress Testing**

11.1 The Regulatory Standards require Business Plans to be actively stress tested to consider what scenarios could break the business plan and the mitigating actions that could be put in place to ensure viability.

11.2 A sample of stress testing scenarios, results and mitigation strategies are illustrated in Appendix 8 and 9.

## **SECTION 12 - Summary of Loan Portfolio**

12.1 Appendix 15 documents the Associations Loan Portfolio in summary.

12.2 In accordance with regulatory requirements the Loan Portfolio forms part of the 'Record of Assets and Liabilities'.

## **SECTION 13 – Annual Treasury Management Strategy Statement**

13.1 The Annual Strategy Statement on treasury management policies, practices and activities is presented as part of the Business Plan;

- A summary of the cash position for the following 5 years is detailed in the Statement of Cash Flow (appendix 12).
- Details of any borrowing requirements over the next 5 years is detailed in the Statement of Cash Flow (appendix 12).
- Two loans are due to mature in the next five years as illustrated in the Loan Register Portfolio (appendix 15).
- The forecast interest rates for both borrowing and investing over the next 5 years are detailed in the Business Plan Assumptions (appendix 10).
- £2,295,000 remains undrawn from the CAF Bank loan facility.
- Based upon this business plan and current assumptions an additional loan facility of £6.8m will be required over the ten years of the plan.

## FINANCIAL AND ASSET DATA

AVERAGE ANNUALISED PROJECTIONS OVER FIRST FIVE YEARS						£
Annual surplus/(deficit) after tax						(56,760)
Total net assets balance sheet bottom line						7,618,860
Cash balance						988,260
OPERATING ENVIRONMENT, STRATEGY & TURNOVER						
Average Annual Forecast	Years 1 - 5	Years 6 - 10	Years 11 - 15	Years 16 - 20	Years 21 - 25	Years 26 - 30
Growth in turnover	3.02%	2.31%	1.91%	1.82%	1.88%	1.88%
Growth in total assets £k	312	105	(889)	(542)	(559)	(349)
Years 11-30 reduction in total asset values due to negative cash balances based on current pessimistic business plan assumptions and planned investment (inc. BAU for decarbonisation), which are reviewed annually.						
AVERAGE MARGINS AND EFFICIENCY						
Average Annual Forecast	Years 1 - 5	Years 6 - 10	Years 11 - 15	Years 16 - 20	Years 21 - 25	Years 26 - 30
Operating Margin	13.28%	18.30%	15.35%	14.42%	9.65%	1.45%
EBITDA Interest Cover	182%	149%	129%	189%	265%	776%
<b>Definitions:</b>						
<i>'Operating Margin – Operating surplus as a percentage of turnover'</i>						
<i>'EBITDA Interest Cover – Operating surplus plus interest receivable plus total depreciation less grant amortisation divided by interest payable'</i>						
OPERATING, INVESTING & FUNDING CASH FLOWS						
Average Annual Forecast	Years 1 - 5	Years 6 - 10	Years 11 - 15	Years 16 - 20	Years 21 - 25	Years 26 - 30
Cashflow from Ops £k	870	1,113	1,073	1,097	942	631
Net Interest Paid £k	(456)	(738)	(791)	(550)	(336)	(118)
Capital Spend £k	(885)	(697)	(788)	(671)	(1,335)	(2,859)
Net Change – debt £k (negative = debt reduction)	610	364	553	210	788	2,408
<b>Definitions:</b>						
<i>'Cashflow from Ops – Net cash flow from operating activities'</i>						
<i>'Net Interest Paid – Loan interest - returns on investments'</i>						
<i>'Capital Spend – Expenditure on housing properties'</i>						
CAPITAL STRUCTURE AND TREASURY MANAGEMENT						
Average Annual Forecast	Years 1 - 5	Years 6 – 10	Years 11 - 15	Years 16 - 20	Years 21 - 25	Years 26 - 30
Liquidity	6.36	6.21	(11.03)	(32.71)	(62.01)	(140.35)
Debt / EBITDA	9.85	9.24	8.54	6.12	4.33	3.85
<b>Definitions:</b>						
<i>'Liquidity' - A debtor's ability to pay off current debt obligations without raising external capital.</i>						
<i>'Debt/EBITDA – Total debt divided by operating surplus plus interest receivable plus total depreciation less grant amortisation (surplus available to service debt and expand the asset base)'</i>						
<b>Years 1-5 = short-term; 6-10 mid-term; 11-30 long-term.</b>						
<b>No loan covenant breach throughout the 30 year forecast.</b>						



# LRHA Business Model



**Objectives**

**Governance, Residents & Employees**

**Development & Maintenance**

**Finance**

**Costs**

**Surplus**

**Borrowing**

**Additional Units**

**Risks**

- Appropriate skills and governance structure
- High house prices
- Low wages
- Seasonal rentals
- High levels of second home ownership
- Aging rural population
- Access to labour and skills
- Delivering against expectations
- Data integrity and security

- Material shortages and cost increases
- Inflation
- Decarbonisation costs
- Needs of current residents balanced with future demand
- Cost and inflation
- Delivering services to residents
- Health and safety
- Value for money - efficiency economy and effectiveness

- Existing debt
- New debt
- Pensions
- Fraud
- Rent setting
- Rental income and arrears

- Constuction process risks
- Access to labour and skills
- Costs and inflation
- Counterparty risk



## FINANCE

Manage our business and resources responsibly by demonstrating value for money services that meet residents needs

## CONTINUOUS IMPROVEMENT

Making things better by investing and developing in our people and promoting a workplace that motivates everyone to achieve their best

## GOVERNANCE

Deliver effective leadership and governance to positively impact our business and our people

## MAINTENANCE

Maintaining and enhancing the quality of our homes

## HOMES

Provide affordable, high-quality homes that meet our current and future residents needs

## RESIDENTS FIRST

Deliver high quality, resident driven services by working with residents to influence planning and decision making





**Chief Executive**  
Rachael Fullwood



**Deputy Chief Executive & Secretary**  
Michelle Turner



**Executive & Governance Assistant**  
Sam Riggall



**Resident Engagement Manager**  
Katie Taylor



**Head of Operations**  
Andy Haime



**Income Manager**  
Marji Scott



**Finance Officer**  
Helen Sorby



**Resident Engagement Assistant**  
Samantha Jarvis



**Operations Support**  
Trudi Wood



**Property Maintenance Officer**  
Alan Bailey



**Housing Repairs Officer**  
Keyleigh Fountain



**Communications Specialist/  
Finance Support**  
Olivia Apletree



**Executive Support**  
Jane Allewell



**Executive Support**  
Lee Hynes



**Maintenance Technician**  
Darren Wilson



**Maintenance Technician**



**Maintenance Technician**  
Terry Jollands

Position	Name	Hours	Mon	Tue	Wed	Thur	Fri
<b>Chief Executive</b>	<b>Rachael Fullwood</b>	35					
Executive & Governance Assistant	Sam Riggall	35					
<b>Deputy Chief Executive &amp; Company Secretary</b>	<b>Michelle Turner</b>	35					
Income Manager	Marji Scott	14					
Finance Officer	Helen Sorby	21					
Communication Specialist/Finance Support	Olivia Apletree	35					
Executive Support	Lee Hynes	14					
Executive Support	Jane Allewell	17.5					
<b>Head of Operations</b>	<b>Andy Haime</b>	35					
Resident Engagement Manager	Katie Taylor	35					
Resident Engagement Assistant	Samantha Jarvis	35					
Housing Repairs Officer	Keyleigh Fountain	35					
Property Maintenance Officer	Alan Bailey	35					
Operations Support	Trudi Wood	35					
Maintenance Technician	Terry Jollands	37.5					
Maintenance Technician	Darren Wilson	37.5					
Maintenance Technician		37.5					

## Measures of Success

<b>Governance</b> - Deliver effective leadership and governance to positively impact our business and our people.		<b>Frequency of Reporting</b>
<b><u>RSH VFM Metrics</u></b>	ICT Modernisation / Digitalisation	Quarterly update
	Board Member attendance	Quarterly
	Board Skills Matrix	Annual update
	SRS Reporting	
	Implement a ESG Strategy	Quarterly Progress Update
<b><u>VFM Metrics</u></b>	Metric 1- Reinvestment	Annual
	Metric 2a- New Supply Delivered (Social Housing) %	Annual
	Metric 2b- New supply delivered (non social housing) %	Annual
	Metric 3- Gearing	Quarterly
	Metric 4- EBITDA MRI Interest Cover	Annual
	Metric 5- Headline Social Housing Costs per Unit	Annual
	Metric 6A- Operating Margin (SLH only) %	Annual
	Metric 6B- Operating Margin (overall)	Annual
	Metric 7- Return on Capital Employed (ROCE) %	Annual
	Operating Surplus	Annual
	Units per full time equivalent staff member (office staff)	Annual
	Management Cost per Unit	Annual
	Maintenance Cost per Unit	Annual
Major Repairs Cost per Unit	Annual	
Operating Expenditure as a percentage of turnover	Annual	

<b>Finance</b> - Manage our business and resources responsibly by demonstrating value for money services that meet residents' needs.		<b>Frequency of Reporting</b>
<b><u>Income</u></b>	Compliance with Governance & Financial Viability Standard	Annual
	Interest Cover - minimum 125%	Quarterly
	Overheads as a % of adjusted turnover	Annual
<b><u>Voids</u></b>	Current Tenant Arrears	Quarterly
	Former Tenant Arrears	Quarterly
	UC Resident Arrears	Quarterly
	% Rent loss on voids	Quarterly
	Average relet time in days (aspire to back to back lettings)	Quarterly

<b>Homes</b> - Provide affordable, high quality homes that meet our current and future residents needs.		<b>Frequency of Reporting</b>
<b><u>Stock</u></b>		
	Total Housing Stock	Annual
<b><u>Tenure</u></b>	Social	Annual
	Affordable Rent	Annual
	Intermediate Rent	Annual
	Shared Ownership	Annual
	Houses	Annual
	Flats	Annual
	Bungalows	Annual

<b>Maintenance - Maintaining and enhancing the quality of our homes.</b>		<b>Frequency of Reporting</b>
<b>Repairs</b>	% emergency repairs completed on time	Quarterly
	% responsive repairs on time	Quarterly
	Average end to end time for completion of responsive repairs	Quarterly
	% First time fix	Quarterly
	Homes meeting revised decent homes standard	Annually
<b>Landlord Health and Safety</b>		
	Ensure all our properties have a valid LGSR	Quarterly
	Ensure all our properties have a valid NICEIC certificate	Quarterly
	Ensure all our properties have a valid asbestos survey	Quarterly
	Reduce number of properties that have an EPC below "C" rating	Annual

<b>Resident First - Deliver high quality, resident driven services by working with residents to influence planning and decision making.</b>		<b>Frequency of Reporting</b>
	Together with Tenants	Quarterly Progress Update
	Develop a Resident Engagement Strategy	Quarterly Progress Update
	Our Journey to Net Zero / Decarbonisation	Quarterly Progress Update
<b>Tenant Satisfaction</b>		
	Adopt RSH Resident Satisfaction Measures	Quarterly Update
	Overall Service	Annual
	Quality of Home	Annual
	Repairs and Maintenance	Annual
	Acting upon and listening to views	Annual
<b>Complaints</b>		
	Total Number	Quarterly Update
	% Resolved within timescale	Quarterly Update
	Satisfaction with handling	Quarterly Update

<b>Continuous Improvement – Making things better by investing and developing in our people and promoting a workplace that motivates everyone to achieve their best.</b>		<b>Frequency of Reporting</b>
	Sickness per employee (acuity measure)	Quarterly Update
	Staff satisfaction	Annual
	Accidents	Quarterly Update
	HR Strategy	Quarterly Update

### RISK MANAGEMENT POLICY AND FRAMEWORK

#### 1. Introduction

- 1.1 'Risk management' is the process by which risks are identified, evaluated, controlled and monitored. In this respect it is important that the Board, as the governing body, has a clear understanding of the objectives of the organisation and the risks that may de-rail delivery of these objectives.
- 1.2 This risk management strategy is built upon the following fundamental principles:
  - 1.2.1 it recognises that ultimate responsibility for risk management lies with the Board;
  - 1.2.2 the management of risk is a continuous process involving regular monitoring and where necessary re-tuning; and
  - 1.2.3 the management of risk should be subjected to external scrutiny on a periodic basis.
- 1.3 The regulatory framework for social housing requires that organisations such as LRHA have an effective risk management and internal controls assurance framework.

#### 2. Establishing Responsibilities

- 2.1 Responsibility for risk management rests ultimately with the governing body, the Board of LRHA.
- 2.2 All reports to the Board of Management recommending new initiatives and/or changes to existing policies will identify any associated risks and actions to be taken to mitigate these risks including the impact of not taking the action recommended.
- 2.3 Within LRHA, the Board of Management has delegated responsibility for overseeing the effective management of risk to the ARC, who in turn have assigned the organisation's Management Team (MT) with responsibility for day to day management of risk.
- 2.4 All levels of staff should be and feel that they are responsible for the management of risk in their area.

#### 3. Identification of Risk

- 3.1 The Board, ARC and MT should have an overall feel for the risks faced by LRHA. It is important that the identification and assessment of risks is conducted in a structured way, this will ensure that:
  - 3.1.1 all major risks are identified;
  - 3.1.2 the evaluation of risk can be set in the context of the overall activities of the organisation; and
  - 3.1.3 risks can be prioritised to ensure that management and resources are focused on the critical areas.

## Appendix 6

### 4. What Risks Could LRHA Face?

4.1 Examples of the sorts of risk which LRHA, or indeed any housing association, could face include:

- 4.1.1 Changes in Government policy;
- 4.1.2 Significant changes in interest rates/inflation;
- 4.1.3 Significant shift in resident needs and expectations;
- 4.1.4 Failure of a new venture;
- 4.1.5 Incomplete information on housing demand;
- 4.1.6 Incorrect project appraisal assumptions;
- 4.1.7 Onerous contract terms and conditions;
- 4.1.8 Fraud;
- 4.1.9 Inappropriate treasury instruments;
- 4.1.10 Local resident disturbances;
- 4.1.11 Abuse of vulnerable residents;
- 4.1.12 Unaffordable rents;
- 4.1.13 Undue or inappropriate Board Member influence;
- 4.1.14 Staff disputes; and
- 4.1.15 Loss of key staff.

4.2 LRHA can never fully eliminate the above risks. However, the organisation needs to have robust risk management procedures to mitigate their effect.

### 5. Prioritising Risk

5.1 Following the identification of risk, the process involves the assessment of the risks, by multiplying the likelihood by the impact in order to assess which are critical. Risks change over time and, therefore, risk assessment should not be a one-off exercise but a regular review process.

### 6. The Review Process

6.1 To be effective, risk management must continually refocus on the changing opportunities and risks facing the organisation. Good individual controls do not necessarily add up to being in control. Risk management should be subject to Board, ARC and MT scrutiny. A periodic independent review of risk management should be undertaken by an external body such as internal audit or another suitable consultant. The results of such a review should be considered by the ARC and then reported to the Board.

### 7. The Cost Of Risk

7.1 Service organisations have to view their risks from two perspectives. First there are the direct costs and additional impact that a risk event could have on an organisation. Second, there are the costs and impact of such an event on the community that they serve.



## Appendix 6

	Tangible Costs	Intangible Costs
<b>Cost of Control</b>	<ul style="list-style-type: none"> <li>• Insurance</li> <li>• Audit</li> <li>• Inspection regimes</li> <li>• Maintenance programmes</li> <li>• Training</li> <li>• Supply chain</li> <li>• Management</li> <li>• Budget management</li> </ul>	<ul style="list-style-type: none"> <li>• Goodwill</li> <li>• Reputation</li> <li>• Morale</li> <li>• Absence and health issues</li> <li>• Positive performance</li> <li>• Leadership and good management</li> </ul>
<b>Cost of Risk</b>	<ul style="list-style-type: none"> <li>• Court claims, legal expenses</li> <li>• Clean up costs</li> <li>• Fines from service failure</li> <li>• Credit costs</li> <li>• Penalties</li> <li>• Time and costs of change</li> </ul>	<ul style="list-style-type: none"> <li>• Reputation damage</li> <li>• Uncertainty</li> <li>• Loss of confidence</li> <li>• Loss of capacity</li> <li>• Failure to achieve objectives</li> </ul>

### 8. Benefits of Effective Risk Management

8.1 Effective risk management has the potential to deliver a wide range of benefits, including:

#### 8.1.1 Improved Strategic Management

- better informed strategic objectives;
- risk based audit; and
- enhancement of reputation through anticipating and responding better to threats and opportunities.

#### 8.1.2 Improved Operational Management

- pro-active approach to addressing legislative/regulatory requirements;
- improved health and safety; and
- enhanced resource allocation.

#### 8.1.3 Improved Financial Management

- improved management of the business plan;
- enhanced financial control; and
- better informed financial decision making.

#### 8.1.4 Improved Resident Focus and Service

- reduced service disruption to residents;
- enhanced public safety; and
- new and innovative solutions to service delivery.

8.2 Overall, our approach to risk will provide assurance to the Board that the plans and strategies to mitigate and manage the key risks identified in the Business Plan document are effective; and support the Board in achieving the following key objectives:

8.2.1 Governance – Deliver effective leadership and governance to positively impact our business and our people;

8.2.2 Finance – Manage our business and resources responsibly by demonstrating value for money services that meet residents' needs;

8.2.3 Homes – Provide affordable, high-quality homes that meet our current and future residents' needs;

8.2.4 Maintenance – Maintaining and enhancing the quality of our homes;

## Appendix 6

- 8.2.5 Residents First – Deliver high quality, resident driven services by working with residents to influence planning and decision making; and
- 8.2.6 Continuous Improvement – Making things better by investing and developing in our people and promoting a workplace that motivates everyone to achieve their best.

### 9. Setting a Risk Strategy

9.1 Risk can be any event which may affect an organisation's ability to meet its objectives or cause it to incur unexpected losses. Such events may affect the organisation's ability to compete in its markets, as well as maintain its financial strength, positive public image and the overall quality of its people and services.

9.2 Risk can be responded to differently for example:

- 9.2.1 Transfer the risk – by insuring against it;
- 9.2.2 Tolerate the risk - where the risk is regarded as one that the organisation can legitimately bear and is often merely part of doing business as usual in the social housing sector;
- 9.2.3 Treat the risk - where a risk may be at an otherwise unacceptable level but can be managed within risk tolerances. In these instances, it is necessary to establish control procedures to reduce the level of risk to within acceptable levels, and set in place procedures to monitor the effectiveness of risk management;
- 9.2.4 Terminate the risk - where the level of risk is unacceptable and the organisation does not believe it can, or wants to manage it down to an acceptable level e.g. withdrawing from a particular activity which is not considered appropriate, such as development for sale at market value; or
- 9.2.5 Recovery plan - in the case of certain disaster scenarios, e.g. loss of an office due to a catastrophe, it may not be possible to adequately reduce the risk or to eliminate it. In these cases the response is to have a Business Continuity Plan and Disaster Recovery Plan in place which will recover the situation as quickly and as cost effectively as possible. Insurance is often taken out to cover these areas of risk.

### 10. Practical Implementation of the Risk Management Strategy

10.1 All staff within LRHA are to be encouraged to identify actual and potential risks to the organisation. This is to be done through;

- 10.1.1 one-to-one meetings;
- 10.1.2 team meetings, where risk identification and management should be a regular agenda item;
- 10.1.3 the MT should regularly consider the issue of risk/risk management.

10.2 All risks will be recorded in 4Risk and the identification of the level of inherent and residual risk will be carried out using the 5 x 5 matrix approved by Board appended to this policy. (Appendix I).

10.3 Risks will be considered by the ARC at each meeting and by the Board of Management at least twice a year.

10.4 The ARC will also, within its annual report to the Board, make specific reference to the work undertaken on risk management.

**SWOT / PESTLE December 2024**

**STRENGTHS:**

1. Strong financial position
2. Board – diverse skills – new governance structure
3. Staff – knowledgeable and skilled - new staff structure
4. Clear vision, mission and social purpose
5. Small, agile and flexible organisation
6. Knowing our residents, regular contact, personalised service
7. Resident Representatives Network
8. Directly employed Maintenance Team providing operational flexibility and developing resident relationships
9. High quality stock, and on-going asset management strategy
10. Income collection rates
11. Networking and partnering with organisations
12. Managing resident and stakeholder expectations in an increasingly challenging operating environment
13. Ability to manage the remote location of some stock over a large geographical area of operation
14. IIP Gold – framework
15. TwT ambassador
16. Policies and processes in place to listen to our residents' voice
17. Recruitment of Board Members to guide future strategy Our People (staff, board and residents)

**WEAKNESSES arising from:**

1. Challenges in hearing the voice of all our residents due to geographical spread and rural location
2. Lack of resident scrutiny
3. High fixed costs / overheads due to small size of the Association
4. Digitalisation - lack of efficiency and effectiveness
5. Asset management strategy/stock condition data to deliver decarbonisation
6. Lean staff team potentially leading to single person dependency
7. Negotiating power and geographical spread
8. Lack of government grants – capital and revenue

**OPPORTUNITIES which may arise because of:**

1. Optimise the use of Board Member skills and expertise to guide future strategy
2. Low gearing
3. Strong asset base
4. RSH Tenant Satisfaction Measures
5. Culture – openness and engagement – develop collaborative strategic toolkit
6. Merger / acquisition could achieve efficiencies and economies
7. Partnership working and collaborative working with other organisations
8. Consumer regulation changes – enhancement to resident engagement practices & tenant satisfaction measures
9. Greater resident scrutiny
10. To lobby through NHF to influence sector led solutions
11. Increasing value of property portfolio
12. Optimise use of government grants/alternative funding, where practically possible and financially beneficial – capital and revenue
13. Improvement and innovative use of technology for data management, communication and resident services
14. Shared ownership – support residents into home ownership
15. Potential of people – how can we provide opportunities for people to be as productive as possible (staff, board and residents)
16. Digitalisation including Resident portals and smart homes
17. Working on National Platforms with the NHF on upcoming and ongoing legislative and regulative changes
18. Innovation to achieve carbon zero leading to cost efficiencies for residents
19. Business intelligence and service improvements driven from data insight

**THREATS potentially arising from:**

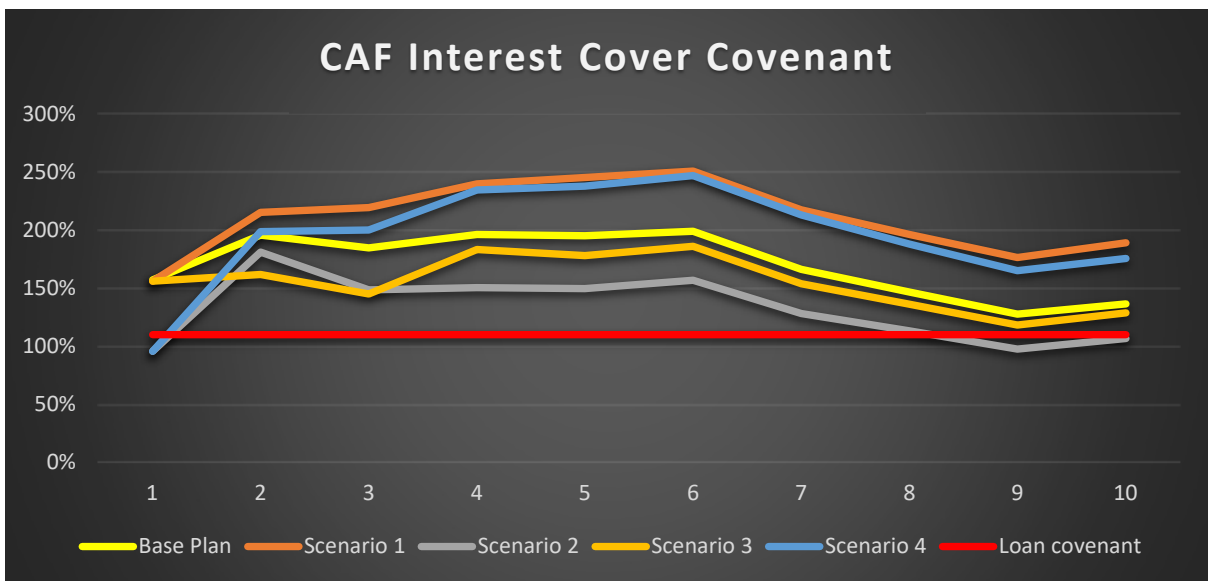
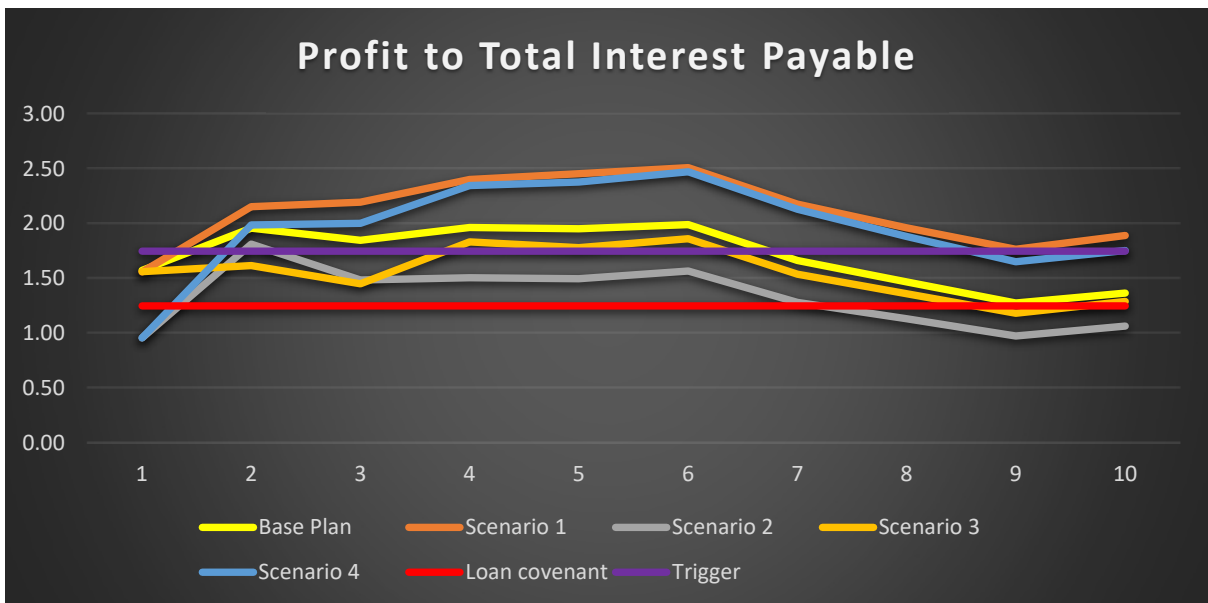
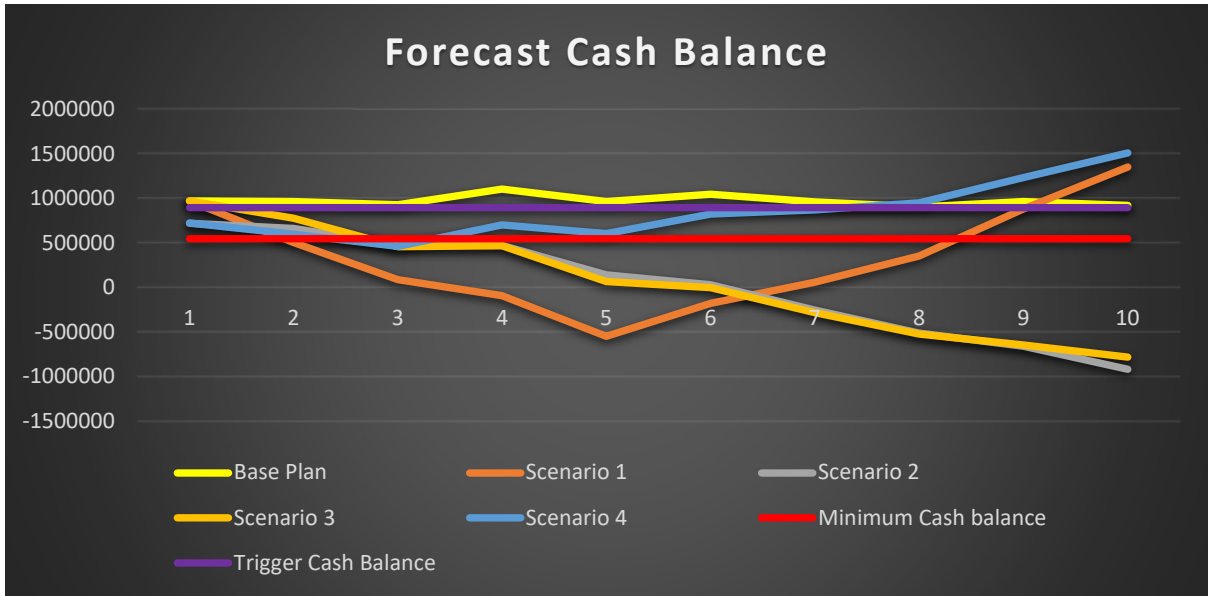
1. Cost of living crisis including rent affordability and fuel poverty
2. Political environment
3. Government lack of understanding of social landlords
4. Recruitment – skills shortage, loss of key personnel
5. Retrofit – need to get it right first time
6. Merger / acquisition leading to a lower level of service for residents
7. Cyber security e.g. out of date security patches, malicious threats, staff awareness
8. Availability and increasing costs of materials
9. Financial impact of achieving government policy e.g., journey to net zero
10. Journey to 'Net Zero'; innovation to achieve carbon zero and bringing the resident on the journey
11. Resources to deliver possible increase in regulation for associations with <1,000 units
12. Contractors counterparty risks
13. Managing resident and stakeholder expectations in an increasingly challenging operating environment
14. Increased complaints, levels of dissatisfaction
15. Planning reforms to social housing
16. Shared ownership – increasing administrative burden (1% staircasing) and changing circumstance of existing shared owners resulting in financial difficulty and forced sale
17. Increasingly competitive employment market - Potential loss of staff; holistic employment offer plus challenges due to rural location
18. Reputational damage - Additional challenges from managing the remote location of some stock over a large geographical area of operation

Political	Economic
<ol style="list-style-type: none"> <li>1. Government housing, planning and welfare policy</li> <li>2. Changes of Housing Minister</li> <li>3. Governments 2050 zero-carbon target</li> <li>4. Grant availability</li> <li>5. Regulatory environment / Ombudsman</li> <li>6. Consumer regulation</li> <li>7. Global political unrest</li> <li>8. Sector Professionalism</li> <li>9. Building local, political relationships</li> <li>10. Devolution</li> <li>11. Political instability</li> </ol>	<ol style="list-style-type: none"> <li>1. Rent uncertainty</li> <li>2. Investment in stock – planned capital investment, and decarbonisation</li> <li>3. Cost of living crisis - fuel poverty, food costs, more food bank usage</li> <li>4. Inflation</li> <li>5. Interest rates</li> <li>6. Value for money, effectiveness, efficiency and economy</li> <li>7. Housing market</li> <li>8. Global political unrest</li> <li>9. Increased insurance cost and reduced providers</li> </ol>
Sociological	Technological
<ol style="list-style-type: none"> <li>1. Demographic changes – rural population changes i.e., ageing rural population</li> <li>2. Growing care and support needs of an ageing population, with reducing resources</li> <li>3. Positive impact on residents from decarbonisation programmes</li> <li>4. Second homeowners in rural areas inc. Airbnb</li> <li>5. Lack of skills available for recruitment of staff, board, suppliers, contractors</li> <li>6. Resident engagement – change in expectations</li> <li>7. Foreign nationals</li> </ol>	<ol style="list-style-type: none"> <li>1. Cybercrime and fraud</li> <li>2. Decarbonisation – new technology</li> <li>3. Digital choice – moving transactions online</li> <li>4. Business continuity / data security / Disaster Recovery</li> <li>5. Modern methods of construction, impact on future loan security; and reducing resident energy costs</li> <li>6. Traditional construction – carbon neutral</li> <li>7. Social media</li> <li>8. Affordable and emerging technologies</li> <li>9. Accommodating agile and flexible working</li> </ol>
Legal	Environmental
<ol style="list-style-type: none"> <li>1. Regulatory environment / agenda</li> <li>2. Significant challenge due to the unknown impact of the on-going consultations, particularly: Awaab's Law Competence and Conduct Standard Social Tenant Access to Information Requirements Decent Homes Standard</li> <li>3. Health and Safety</li> <li>4. Value for money</li> <li>5. Consumer standards</li> <li>6. Resident engagement</li> <li>7. Ombudsman (Complaints)</li> <li>8. Section 21 evictions</li> <li>9. Eviction amnesty</li> <li>10. GDPR</li> <li>11. Minimum building regulations and legal requirements</li> </ol>	<ol style="list-style-type: none"> <li>1. Decarbonisation – positive environmental impact</li> <li>2. People – cultural change to ensure the resident is involved with the journey to 'Net Zero'</li> <li>3. New developments – type of build and EPC/SAP ratings etc. – development policy</li> <li>4. Allotments and using green spaces.</li> <li>5. Resident Events – Bees &amp; Trees, Planting trees with the Woodland Trust</li> <li>6. Climate change</li> <li>7. ESG</li> </ol>

## Stress Test Scenarios

Appendix 8

STRESS TEST SCENARIO	IMPACT	MITIGATION STRATEGY OPTIONS
<p><b>Scenario 1</b>  <b>Increasing operating costs</b> - CPI increases to 6% for year 2 to 3, decreases by 1% per annum, capped at 2% - excludes repair costs  <b>Net zero carbon agenda / sustainability / environmental commitments</b> – Achievement of EPC C by 2030 becomes a legal requirement</p>	<p>Cash flow falls below minimum threshold in year 2 and negative cash balance occurs at year 4;                       Loan covenants are not breached.</p>	<p>Reduce new development;                      Reduce discretionary expenditure;                      Reduce / delay planned maintenance programme;                      Consider diversification options to increase income streams.</p>
<p><b>Scenario 2</b>  <b>Health &amp; Safety (potential legislative changes)</b> - year 1 - £250k, year 2 - £50K, year 3 - £50K  <b>Rent Regime Changes</b> – rent freeze in years 3 and 4  <b>Deteriorating Financial Status of Residents – Cost of Living Crisis</b> - Arrears increase to 8% in year 2 decreasing to 5% in year 3, 1% from year 4 capped at 1%</p>	<p>Cash flow falls below minimum threshold in year 1 and negative cash balance occurs at year 7;                       Loan covenants are breached in year 1.</p>	<p>Stop new development;                      Delay non-essential repairs and maintenance works;                      Consider stock rationalising (Board would need to consider the moral and ethical impact);                      Consider diversification options to increase income streams.</p>
<p><b>Scenario 3</b>  <b>Asset Management Strategy</b> - 30% increase in overall investment based on Stock Condition Survey data and Retrofit Assessment data in years 2 to 30  <b>Increasing Interest Rates</b> - Bank of England base rate rises to 8% in years 2 and 3</p>	<p>Cash flow falls below minimum threshold in year 2 and negative cash balance occurs at year 6;                       Loan covenants are breached in year 9.</p>	<p>Delay / stop development to reduce the level of loan drawdown required;                      Delay non-essential planned maintenance works.</p>
<p><b>Scenario 4</b>  <b>Increasing operating costs</b> - CPI increases to 6% for year 2 to 3, decreases by 1% per annum, capped at 2% - excludes repair costs  <b>Health &amp; Safety (potential legislative changes)</b> - year 1 - £250k, year 2 - £50K, year 3 - £50K  <b>Asset Management Strategy</b> - 30% increase in overall investment based on Stock Condition Survey data and Retrofit Assessment data in years 2 to 30</p>	<p>Cash flow falls below minimum threshold in year 1 and a negative cash balance occurs in year 13;                       Loan covenants are breached in year 1 only.</p>	<p>Discuss loan covenant with lender as only breaches in one year;                      Delay growth to reduce the level of loan drawdown required;                      Delay non-essential planned maintenance works.                      Reduce discretionary expenditure.</p>



Global Assumptions	Range	Detail
Consumer Price Index (CPI) effective April 2024 onwards Based on the BoE Monetary Policy Report November 2024 (Q1 CPI forecast)	2% - 2.6%	Year 1 = N/A Year 2 = 2.6% Year 3 = 2.1% Year 4 onwards = 2%
Repairs, maintenance, and investment costs based on RPI + 2% Based on statista.com (as at 05/11/2024)	4.9% - 5.5%	Year 1 = N/A Year 2 = 5.5% Year 3 = 5.3% Year 4 = 5.1% Year 5 onwards = 4.9%
Loan Margin - variable rate Based on the BoE Monetary Policy Report November 2023 – Bank of England Base Rate plus a margin of 1.7%	5.3% - 8.5%	Year 1 = 6.5% Year 2 = 5.4% Year 3 = 5.4% Year 4 = 5.3% Year 5 onwards - 10% increase per year - capped at 8.5%
Loan Margin - fixed rate	Based on relevant indicative 'Heads of Terms'	Based on relevant indicative 'Heads of Terms'
Existing Stock Assumptions	Range	Detail
Rent Inflation Year 2 onwards – September CPI only Based on the BoE Monetary Policy Report November 2024 (Q3 CPI forecast of previous year) CPI+1% years 1 to 5 and CPI only from year 6 Not included a convergence mechanism in this forecasting period	2.7% - 3.8%	Year 1 = 2.7% Year 2 = 3.8% Year 3 = 3.3% Year 4 = 2.9% Year 5 = 3.0% Year 6 onwards = 2.0%
Voids	0.15%	Year 2 onwards 0.20%
Bad Debt Provision	0.50%	Year 1 onwards 0.50%

# Statement of Comprehensive Income | Business Plan 2025

Period: 01 April 2025 - 31 March 2055	2026	2027	2028	2029	2030	2035	2040	2045	2050	2055
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>TURNOVER</b>										
<b>Gross Rental Income</b>										
Rent Receivable	2,530.80	2,626.90	2,741.90	2,823.60	2,904.50	3,288.50	3,640.30	4,008.60	4,425.80	4,884.20
Service Charge Income	39.7	40.7	41.6	42.4	43.3	47.8	52.8	58.2	64.3	70.1
<b>Gross Rental Income</b>	<b>2,570.50</b>	<b>2,667.60</b>	<b>2,783.50</b>	<b>2,866.00</b>	<b>2,947.80</b>	<b>3,336.20</b>	<b>3,693.10</b>	<b>4,066.90</b>	<b>4,490.10</b>	<b>4,954.30</b>
<b>Less Voids</b>	<b>-3.8</b>	<b>-5.1</b>	<b>-5.3</b>	<b>-5.5</b>	<b>-5.6</b>	<b>-6.4</b>	<b>-7.1</b>	<b>-7.8</b>	<b>-8.6</b>	<b>-9.5</b>
<b>Net Rental Income</b>	<b>2,566.70</b>	<b>2,662.50</b>	<b>2,778.10</b>	<b>2,860.50</b>	<b>2,942.10</b>	<b>3,329.80</b>	<b>3,686.00</b>	<b>4,059.10</b>	<b>4,481.50</b>	<b>4,944.80</b>
<b>Other Income</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>
<b>Total Turnover From Social Housing Lettings</b>	<b>2,691.70</b>	<b>2,787.50</b>	<b>2,903.10</b>	<b>2,985.50</b>	<b>3,067.10</b>	<b>3,454.80</b>	<b>3,811.00</b>	<b>4,184.10</b>	<b>4,606.50</b>	<b>5,069.80</b>
<b>Grant Amortisation Accrual Method Total</b>	<b>137.5</b>	<b>137.5</b>	<b>137.5</b>	<b>137.5</b>	<b>137.5</b>	<b>137.5</b>	<b>137.5</b>	<b>137.5</b>	<b>137.5</b>	<b>137.5</b>
<b>Total Turnover</b>	<b>2,829.20</b>	<b>2,925.00</b>	<b>3,040.60</b>	<b>3,123.00</b>	<b>3,204.60</b>	<b>3,592.30</b>	<b>3,948.50</b>	<b>4,321.60</b>	<b>4,744.00</b>	<b>5,207.30</b>
<b>OPERATING EXPENDITURE</b>										
<b>Management Costs Total</b>	<b>-1,148.40</b>	<b>-1,097.70</b>	<b>-1,133.60</b>	<b>-1,132.10</b>	<b>-1,104.50</b>	<b>-1,226.30</b>	<b>-1,352.90</b>	<b>-1,471.50</b>	<b>-1,661.20</b>	<b>-1,956.20</b>
Service Costs	-38.3	-39.3	-40.2	-41	-41.8	-46.1	-50.9	-56.2	-62.1	-67.7
<b>Care And Support Costs</b>										
Routine Maintenance	-533	-603.1	-645.8	-693.3	-687	-825	-1,038.10	-1,267.30	-1,565.20	-1,912.30
Planned Maintenance	-116	-23.8	-24.6	-25.4	-26.1	-30.1	-34.7	-40.1	-46.2	-53.3
Major Repairs	-79	-65.5	-108.1	-83	-128	-42.8	-270.6	-282.2	-466.9	-324.2
Bad Debts	-12.8	-13.3	-13.9	-14.3	-14.7	-16.6	-18.4	-20.3	-22.4	-24.7
<b>Lease Charges</b>										
Depreciation of Housing Properties	-553.5	-561.5	-565	-565	-565	-577.8	-578	-578.2	-578.5	-578.8
Impairment Of Housing Properties										
Other Costs	-117.4	-106.7	-110.2	-111	-114.6	-124.8	-139.4	-151.8	-169.6	-182.4
<b>Operating Costs Social Housing</b>	<b>-2,598.50</b>	<b>-2,511.00</b>	<b>-2,641.40</b>	<b>-2,665.00</b>	<b>-2,681.80</b>	<b>-2,889.60</b>	<b>-3,483.00</b>	<b>-3,867.60</b>	<b>-4,572.00</b>	<b>-5,099.70</b>
<b>Operating Expenditure Total</b>	<b>2,598.50</b>	<b>2,511.00</b>	<b>2,641.40</b>	<b>2,665.00</b>	<b>2,681.80</b>	<b>2,889.60</b>	<b>3,483.00</b>	<b>3,867.60</b>	<b>4,572.00</b>	<b>5,099.70</b>
<b>Operating Surplus/(deficit)</b>	<b>230.7</b>	<b>414.1</b>	<b>399.2</b>	<b>458</b>	<b>522.8</b>	<b>702.8</b>	<b>465.5</b>	<b>453.9</b>	<b>172</b>	<b>107.6</b>
<b>Interest and financing costs</b>	<b>-414.3</b>	<b>-433</b>	<b>-454.5</b>	<b>-467.3</b>	<b>-509.7</b>	<b>-874.2</b>	<b>-720.8</b>	<b>-472.7</b>	<b>-248.4</b>	<b>-26.3</b>
<b>Surplus before tax</b>	<b>-183.6</b>	<b>-18.9</b>	<b>-55.2</b>	<b>-9.3</b>	<b>13.2</b>	<b>-171.5</b>	<b>-255.3</b>	<b>-18.8</b>	<b>-76.4</b>	<b>81.3</b>
<b>Taxation</b>	<b>-6</b>	<b>-6</b>	<b>-6</b>	<b>-6</b>	<b>-6</b>	<b>-6</b>	<b>-6</b>	<b>-6</b>	<b>-6</b>	<b>-6</b>
<b>Surplus after tax</b>	<b>-189.6</b>	<b>-24.9</b>	<b>-61.2</b>	<b>-15.3</b>	<b>7.2</b>	<b>-177.5</b>	<b>-261.3</b>	<b>-24.8</b>	<b>-82.4</b>	<b>75.3</b>



## Statement of Cash Flow | Business Plan 2025

Period: 01 April 2025 - 31 March 2055	2026	2027	2028	2029	2030	2035	2040	2045	2050	2055
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>Total Receipts</b>	2,678.90	2,774.20	2,889.30	2,971.20	3,052.40	3,438.20	3,792.60	4,163.80	4,584.10	5,045.10
<b>Total Payments</b>	-1,243.20	-1,155.80	-1,261.20	-1,326.90	-1,342.40	-1,458.20	-1,961.20	-2,244.70	-2,839.30	-3,063.40
<b>Cash Paid To Employees</b>	-753.1	-738.9	-757.1	-695.7	-709.9	-785.2	-868.3	-960.1	-1,061.50	-1,124.10
<b>Cash flow from Operating Activities</b>	<b>682.6</b>	<b>879.5</b>	<b>870.9</b>	<b>948.6</b>	<b>1,000.10</b>	<b>1,194.90</b>	<b>963.1</b>	<b>959</b>	<b>683.4</b>	<b>857.6</b>
<b>Provisions for tax</b>	-6	-6	-6	-6	-6	-6	-6	-6	-6	-6
<b>Surplus for the year</b>	<b>676.6</b>	<b>873.5</b>	<b>864.9</b>	<b>942.6</b>	<b>994.1</b>	<b>1,188.90</b>	<b>957.1</b>	<b>953</b>	<b>677.4</b>	<b>851.6</b>
<b>Net cash generated from operating activities</b>	676.6	873.5	864.9	942.6	994.1	1,188.90	957.1	953	677.4	851.6
<b>Cash flow from investing activities</b>										
<b>Purchase of tangible fixed assets</b>	-1,700.60	-1,143.30	-624	-600.5	-737.4	-262.5	-1,552.30	-1,783.90	-2,671.60	-1,860.40
<b>Total Cash flow from investing activities</b>	<b>-1,700.60</b>	<b>-1,143.30</b>	<b>-624</b>	<b>-600.5</b>	<b>-737.4</b>	<b>-262.5</b>	<b>-1,552.30</b>	<b>-1,783.90</b>	<b>-2,671.60</b>	<b>-1,860.40</b>
<b>Cash flow from financing activities</b>										
<b>Interest paid</b>	-414.3	-433	-454.5	-467.3	-509.7	-874.2	-720.8	-472.7	-248.4	-26.3
<b>New secured loans</b>	2,100.00	1,195.00	600	700	500	400				
<b>Capital Repayments</b>	-449.3	-501.6	-421.2	-395.6	-390.6	-495.4	-473	-501.7	-422.3	-620.9
<b>Total Cash flow from financing activities</b>	<b>1,236.40</b>	<b>260.4</b>	<b>-275.7</b>	<b>-162.9</b>	<b>-400.2</b>	<b>-969.6</b>	<b>-1,193.80</b>	<b>-974.4</b>	<b>-670.7</b>	<b>-647.3</b>
<b>Cash &amp; cash equivalents at the beginning of year</b>	<b>761.3</b>	<b>973.7</b>	<b>964.3</b>	<b>929.5</b>	<b>1,108.70</b>	<b>965.1</b>	<b>-2,736.70</b>	<b>-6,001.50</b>	<b>-11,670.00</b>	<b>-27,384.90</b>
<b>Net Change in Cash &amp; cash equivalents</b>	<b>212.4</b>	<b>-9.4</b>	<b>-34.8</b>	<b>179.2</b>	<b>-143.6</b>	<b>-43.3</b>	<b>-1,789.00</b>	<b>-1,805.30</b>	<b>-2,664.90</b>	<b>-1,656.10</b>
<b>Cash &amp; cash equivalents at the end of year</b>	<b>973.7</b>	<b>964.3</b>	<b>929.5</b>	<b>1,108.70</b>	<b>965.1</b>	<b>921.9</b>	<b>-4,525.70</b>	<b>-7,806.80</b>	<b>-14,334.90</b>	<b>-29,041.00</b>

## Statement of Financial Position | Business Plan 2025

Period: 01 April 2025 - 31 March 2055	2026	2027	2028	2029	2030	2035	2040	2045	2050	2055
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
<b>Fixed Assets</b>										
<b>Intangible assets and goodwill</b>										
Land & Buildings Total	33,156.50	34,288.50	34,901.00	35,371.20	36,096.60	39,581.40	43,523.60	46,879.10	53,554.50	67,851.60
Depreciation Land & Buildings Total	-8,931.50	-9,493.10	-10,058.10	-10,623.10	-11,188.10	-14,057.90	-16,947.50	-19,837.90	-22,729.60	-25,622.90
<b>Housing Properties NBV</b>	<b>24,225.00</b>	<b>24,795.50</b>	<b>24,843.00</b>	<b>24,748.10</b>	<b>24,908.50</b>	<b>25,523.50</b>	<b>26,576.10</b>	<b>27,041.20</b>	<b>30,824.90</b>	<b>42,228.70</b>
Other Fixed Assets Tangible	369	338.9	306.3	373.6	335.8	291.1	241.9	348.6	298.4	1,858.20
<b>Tangible fixed assets</b>	<b>24,594.00</b>	<b>25,134.40</b>	<b>25,149.20</b>	<b>25,121.60</b>	<b>25,244.30</b>	<b>25,814.60</b>	<b>26,818.00</b>	<b>27,389.80</b>	<b>31,123.30</b>	<b>44,086.90</b>
<b>Fixed Assets Total</b>	<b>24,594.00</b>	<b>25,134.40</b>	<b>25,149.20</b>	<b>25,121.60</b>	<b>25,244.30</b>	<b>25,814.60</b>	<b>26,818.00</b>	<b>27,389.80</b>	<b>31,123.30</b>	<b>44,086.90</b>
<b>Current Assets</b>										
Trade and other debtors	133.1	133.1	133.1	133.1	133.1	133.1	133.1	133.1	133.1	133.1
Cash and cash equivalents	973.7	964.3	929.5	1,108.70	965.1	921.9	-4,525.70	-7,806.80	-14,334.90	-29,041.00
<b>Current Assets Total</b>	<b>1,106.80</b>	<b>1,097.40</b>	<b>1,062.60</b>	<b>1,241.70</b>	<b>1,098.10</b>	<b>1,054.90</b>	<b>-4,392.70</b>	<b>-7,673.70</b>	<b>-14,201.80</b>	<b>-28,907.90</b>
<b>Less - Creditors - amounts due within 1 year</b>	<b>-176.2</b>	<b>-176.2</b>	<b>-176.2</b>	<b>-176.2</b>	<b>-176.2</b>	<b>-176.2</b>	<b>-176.2</b>	<b>-176.2</b>	<b>-176.2</b>	<b>-176.2</b>
<b>Net current assets/liabilities</b>	<b>930.6</b>	<b>921.2</b>	<b>886.3</b>	<b>1,065.50</b>	<b>921.9</b>	<b>878.7</b>	<b>-4,568.90</b>	<b>-7,849.90</b>	<b>-14,378.10</b>	<b>-29,084.10</b>
<b>Assets less current liabilities Total</b>	<b>25,524.60</b>	<b>26,055.60</b>	<b>26,035.60</b>	<b>26,187.20</b>	<b>26,166.20</b>	<b>26,693.30</b>	<b>22,249.10</b>	<b>19,539.90</b>	<b>16,745.20</b>	<b>15,002.80</b>
<b>Creditors - amounts due after more than 1 year</b>										
Outstanding Loan Balance	-7,116.00	-7,809.40	-7,988.20	-8,292.60	-8,402.00	-10,178.40	-7,495.80	-5,262.40	-2,673.20	-6.5
Deferred Income	-10,420.70	-10,283.20	-10,145.70	-10,008.20	-9,870.70	-9,183.20	-8,495.70	-7,808.20	-7,120.70	-6,433.20
Long Term Creditors Balance	-283	-283	-283	-283	-283	-283	-283	-283	-283	-283
<b>Creditors - amounts due after more than 1 year</b>	<b>-17,819.70</b>	<b>-18,375.60</b>	<b>-18,416.80</b>	<b>-18,583.70</b>	<b>-18,555.60</b>	<b>-19,644.60</b>	<b>-16,274.50</b>	<b>-13,353.50</b>	<b>-10,076.90</b>	<b>-6,722.70</b>
<b>Provisions for liabilities</b>										
Other provisions	-24.7	-24.7	-24.7	-24.7	-24.7	-24.7	-24.7	-24.7	-24.7	-24.7
<b>Net assets Total</b>	<b>7,680.20</b>	<b>7,655.30</b>	<b>7,594.00</b>	<b>7,578.70</b>	<b>7,585.90</b>	<b>7,024.00</b>	<b>5,950.00</b>	<b>6,161.70</b>	<b>6,643.60</b>	<b>8,255.40</b>
<b>Reserves</b>										
Income and Expenditure Reserve	7,680.20	7,655.30	7,594.00	7,578.70	7,585.90	7,024.10	5,950.00	6,161.70	6,643.60	6,397.40
Restricted [and/or Endowment] Reserve	0	0	0	0	0	0	0	0	0	0
<b>Total reserves</b>	<b>7,680.20</b>	<b>7,655.30</b>	<b>7,594.10</b>	<b>7,578.80</b>	<b>7,585.90</b>	<b>7,024.10</b>	<b>5,950.00</b>	<b>6,161.70</b>	<b>6,643.60</b>	<b>6,397.40</b>



## LOAN REGISTER PORTFOLIO

31/03/2025

<u>Lender</u>	<u>Loan</u>	<u>Rate</u>	<u>Terms/Maturity Date</u>	<u>Comments</u>
<b>Co-operative Bank</b>	215,432	4.50%	Matures year 2	Reviewed January 2012 and fixed for remaining 15 year term
	1,079,646	5.25%	Matures year 14	Fixed for a twenty-five year term to be reviewed January 2034
	724,596	5.3125%	Matures Year 17	Fixed for a twenty-five year term to be reviewed September 2036
<b>Orchardbrook Ltd.</b>				
Corringham	43,905	9.625%	Matures year 23	Fixed 60 year loan term to mature in 2048
Mareham	52,424	9.875%	Matures year 24	Fixed 60 year loan term to mature in 2049
Holbeach St Marks	66,239	12.125%	Matures year 25	Fixed 60 year loan term to mature in 2050
<b>Yorkshire Bank</b>	248,220	Variable	Matures year 5	Variable rate
	189,334	5.715%	Matures year 8	Fixed for a 20 year term to be reviewed November 2026
<b>Handelsbanken</b>	735,502	6.00%	Matures year 13	Fixed for a thirty-year term
	1,143,325	3.93%	Matures year 15	Fixed for 10 years to be reviewed September 2029
<b>CAF</b>	966,732	Variable	Matures year 23	Variable rate
<b>Total</b>	<b>5,465,355</b>			
Fixed Rate	4,250,403			
Variable Rate	1,214,952			
<b>Total</b>	<b>5,465,355</b>			
CAF Bank (undrawn facility)	2,295,000.00			