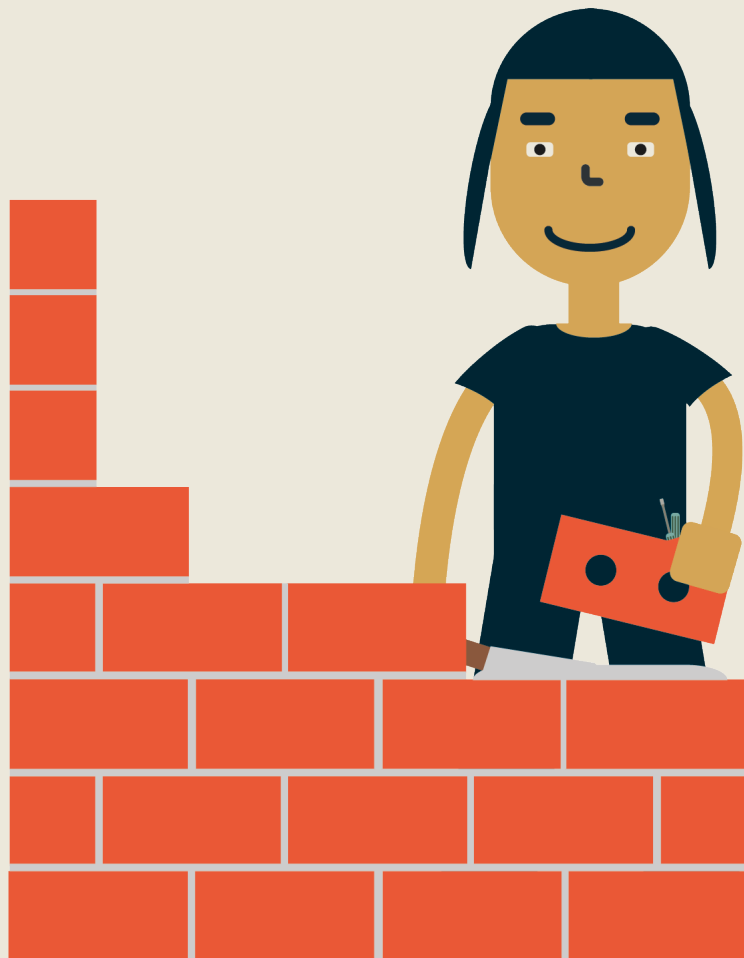


# cairn

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## Business Plan 2021 - 2024



# INTRODUCTION

We are pleased to present the updated Business Plan for Cairn, covering the period 2021 to 2024. This plan supports the overall Group Business Plan and strategic objectives of the Cairn Housing Group.

As we begin to plan for a post Covid-19 environment for service delivery, we will keep our focus on customer service, high standards of tenancy and estate management, stock investment and repairs services.

We will continue focus on improving services and performance, particularly voids and the contact centre. We will ensure that our staff team continue providing advice and support to our tenants and other customers across the country, and work in partnership with local authorities, voluntary organisations and statutory bodies to ensure welfare support and housing options for those in need.

We will continue to seek active involvement and new ways for engagement with our customers and will provide opportunities for tenants to be more involved in working with us on service improvement, monitoring standards, and wider community development projects and initiatives.

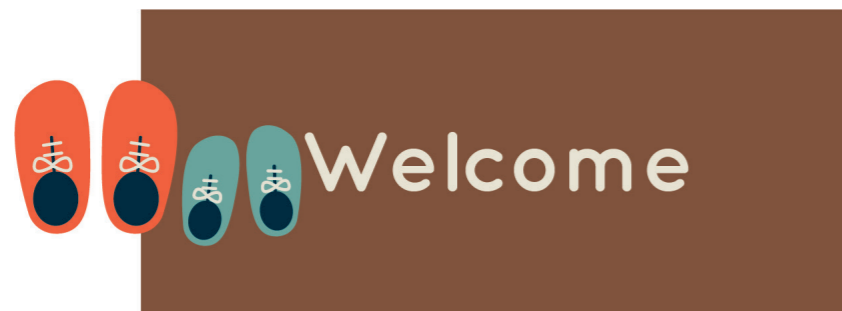
We will continue to seek to provide value for money services, with affordable rents. We will continue our plans for further integration between Cairn and Ancho, and seek a successful tenant ballot and integration of Pentland into the Group. We will seek to make further efficiencies and related changes to our governance arrangements and service delivery arrangements within the Cairn Housing Group in the long term interests of tenants of current and future tenants.

We will continue to seek to grow the organisation through our new build development programme and exploration of future partnerships.

**Don Jamieson, Chair of Cairn Board**

**Jason MacGilp, Chief Executive of the Cairn Housing Group**

**April 2021**



## GROUP STRUCTURE



# SWOT ANALYSIS

The SWOT analysis has helped us identify the areas that we need to focus on. We have six outcomes to focus on over the next three years, which will address our weaknesses and take advantage of the opportunities we have identified.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• National presence</li> <li>• Experienced staff team</li> <li>• Strong governance</li> <li>• Financial capacity and lender support</li> <li>• Corporate services</li> <li>• Resilient response to Covid-19</li> <li>• Partnerships with stakeholders</li> <li>• Positive relationship with regulator</li> <li>• Robust business planning process</li> <li>• Leadership and mgt development</li> <li>• Financial and self-awareness</li> <li>• Attractive terms and conditions</li> <li>• Flexible working environment</li> <li>• Clear vision and values</li> <li>• Stock investment plans</li> <li>• Good levels of staff engagement</li> <li>• Focus on organisational development</li> <li>• Proactive asset management</li> <li>• Financially sound &amp; resilient business</li> </ul>	<ul style="list-style-type: none"> <li>• Geographic spread of stock</li> <li>• Low demand/hard to let issues</li> <li>• Ageing stock components</li> <li>• Estate and environmental condition info</li> <li>• Lack of up-to-date Equalities &amp; Diversity Strategy</li> <li>• Stock condition and investment levels</li> <li>• Underdeveloped Project Management framework</li> <li>• Underdeveloped approach to factoring</li> <li>• New Group structure still to mature fully and workload and duplication in current governance structure</li> <li>• Lack of gender balance on Board</li> <li>• Current performance challenges on void relets, void rent loss and contact centre call responses</li> <li>• Small teams in some service areas = lack of resilience</li> <li>• Unclear court service offer and service delivery (staffing levels, management, responsibilities)</li> </ul>

Opportunities	Threats
<ul style="list-style-type: none"> <li>• National presence</li> <li>• New Executive Team in place to drive improvements</li> <li>• Procurement improvements</li> <li>• Service review in customer services including the courts</li> <li>• Improving approach to performance and project management</li> <li>• Review of HomeWorks</li> <li>• Growth and partnerships, proposed Pentland transfer</li> <li>• Step change in use of technology/digital, including in support of 'smarter' asset management</li> <li>• People development and capacity</li> <li>• Utilisation of Cairn Living commercial subsidiary and merge with PCE Ltd</li> <li>• Developing approach to community development and external grant funding</li> <li>• Customer profiling</li> <li>• Channel shift, step forward in digital working/access to services</li> <li>• Scottish Gov. £3.3billion grant funding confirmed (though grant rates TBC)</li> <li>• Achievement of efficiencies after service reviews</li> <li>• Further Group integration</li> <li>• Future constitutional partnerships and rationalisation in the sector</li> </ul>	<ul style="list-style-type: none"> <li>• Debt portfolio</li> <li>• Commercial/financial risk through subsidiary activity</li> <li>• Failure to actively manage costs in relation to income and stock levels</li> <li>• Lack of succession planning for Board and Executive Team</li> <li>• Failure of key contractors</li> <li>• Demand and customer aspirations</li> <li>• Failure to manage adverse impacts of further UC/welfare reform</li> <li>• Stock rationalisation (AMS) - lost income</li> <li>• Cost of new fire safety requirement</li> <li>• Challenges of development process</li> <li>• Reduced learning and development spend</li> <li>• Changes to national procurement processes,</li> <li>• Failure to deliver component replacement programme</li> </ul>

# DELIVERY OF THE BUSINESS PLAN

The business plan is laid out to show our intent against each of our stated outcomes. Below this the key delivery projects are shown at a high level. Project documentation will be created for these areas to allow us to monitor progress.

The related performance information for each outcome is also shown along with the risks from the strategic risk register. This will allow us to link operational performance to improvement actions and allow the actions to be linked to the risk mitigation



## Critical Success Factors for the Cairn Business Plan (2021 - 2024)

CSF1	Improved performance of key indicators for income collection, void rent loss and contact centre services
CSF2	Improved digital offer and increase proportion of digital/portal customer contact
CSF3	Complete delivery of stock investment programme to Ancho properties (Partnership Promises) and delivery of Cairn expanded stock investment programme
CSF4	Deliver 500 new homes over a three year period
CSF5	New pay framework & harmonise staff terms & conditions between Ancho and Cairn staff
CSF6	Implement decisions arising from the Ancho/Cairn constitutional review
CSF7	Integration of Pentland homes, staff and stock into Cairn
CSF8	Develop new Asset Management Strategy, including plans towards EESSH2 / Zero Carbon
CSF9	Review of courts, service offering and related service charges to improve services for tenants following learning from Covid pandemic
CSF10	Rationalisation of IT systems to support a 21st Century business and improve processes for customers and staff
CSF11	Implement and embed new Executive Team structure and related changes in phase 2

# OUR VISION

## GREAT HOMES



## GREAT SERVICES



## GREAT PEOPLE



### OUTCOME 1

**We have high quality homes**

- Investment programme
- Court improvement programme
- Development programme

### OUTCOME 2

**We have thriving neighbourhoods**

- Implement actions to improve the voids process with a focus on minimising void properties and void rent loss
- Development of estate inspections
- Further development of the wider role working with local authorities to develop strategies for mixed estates

### OUTCOME 3

**We have customer focused services**

- Digital Strategy
- Implementation of the Customer Engagement Strategy action plan
- Review the impact of remote working and customer interaction for Covid to adapt procedures to support future working arrangements and business continuity
- Complete and implement the service charge review

### OUTCOME 4

**We are efficient and value for money**

- Systems architecture review
- Review of responsive repairs provision
- Procurement review

### OUTCOME 5

**We have skilled and engaged people**

- Terms and conditions harmonisation project, including salary benchmarking
- Review the impact of remote working for Covid to adapt procedures to support future working arrangements and business continuity

### OUTCOME 6

**We have sound governance**

- Implement agreed recommendations of the governance review assurance statement
- Constitutional review and options appraisal of Cairn and Ancho, including a potential transfer of engagements.
- Growth and partnerships

## GREAT HOMES

### Outcome 1 - We have high quality homes

We will continue to prioritise investment in our properties to ensure we provide warm, safe and secure homes for our tenants. We will use data from our Asset Performance Review to understand the needs of our stock and to target the investment programme. We will continue to work with our local authority partners to develop new build properties to meet housing need across Scotland.

Priority projects / delivery plans	21/22	22/23	23/24
Investment programme: • Delivery of increased investment levels to 2024	😊	😊	😊
Court improvement programme: • Delivery of improvements to courts • Development programme to support court service model	😊	😊	😊
Development programme: • Ensure unit delivery in line with financial model • Implement findings of ARK review	😊	😊	😊

#### Performance indicators

There are several well established indicators that will track delivery in this area at both a Board and operational level

SHQS

EESSH

New build outputs

Repairs right first time

Average time taken to complete emergency repairs

Average time taken to complete routine repairs

Satisfaction with quality of home

Satisfaction with repairs service

New indicators developed:

- Safety PIs (gas, electric, Legionella, Asbestos, fire)
- Percentage of properties meeting the investment standard

#### Risks

4. There is a risk we fail to achieve value for money

5. There is a risk that we fail to deliver its asset management strategy and maintain the quality of our stock

6. There is a risk that we fail to deliver our new build and growth programme within financial limits

## GREAT HOMES

### Outcome 2 - We have thriving neighbourhoods

It is not only important that we focus on bricks and mortar, but the neighbourhoods our tenants live in too. We will improve the estates and communities our tenants live in. We will support tenants to stay in their homes. We will work with partners to make sure that our communities are safe and thriving places to live.

Priority projects / delivery plans	21/22	22/23	23/24
Implement actions to improve the void process with a focus on minimising void properties and void rent loss	😊		
Development of estate inspections: • Review of current arrangements • Implementation of updated process		😊	
Further development of the wider role working with partner local authorities to develop strategies for mixed estates			😊

#### Performance indicators

There are several well established indicators that will track delivery in this area at both a Board and operational level

Satisfaction with estates

Antisocial behaviour cases

Void turnover

Void rent loss

Rent arrears

Rent collected

#### Risks

3. There is a risk that we fail to maintain rental income flows

5. There is a risk that we fail to deliver its asset management strategy and maintain the quality of our stock

## GREAT SERVICES

### Outcome 3 - We have customer focused services

Our customers are at the heart of the services we provide, and we will continue to involve them in our decision-making processes. We will review and streamline our service standards and review how we engage and consult with customers. We will continue to use modern technology to allow customers to contact us in a way that is suitable to them.

Priority projects / delivery plans	21/22	22/23	23/24
Digital Strategy and change: <ul style="list-style-type: none"> <li>• Further development of the contact centre and digital contact options for tenants</li> <li>• Development of the My Cairn portal and online forms</li> </ul>	😊	😊	😊
Implementation of the Customer Engagement Strategy action plan	😊		
Review the impact of remote working and customer interaction for Covid to adapt procedures to support future working arrangements and business continuity <ul style="list-style-type: none"> <li>• Review of the court service model</li> <li>• Review of delivery processes to streamline operations</li> </ul>	😊	😊	
Complete and implement the service charge review	😊	😊	

#### Performance indicators

Our monitoring of digital engagement and provision of digital services will be expanded to cover all of the contact centre activity beyond phone calls.

#### Complaints

#### GDPR breaches

New indicators to be reported in 2021/22:

- Expanded contact centre performance information
- Channel shift and digital PIs
- Satisfaction indicators
- Tenant involvement

#### Risks

10. There is a risk that we fail to have adequate IT systems to allow us to operate effectively as a business.

9. There is a risk that we fail to comply with GDPR and FOI legislation

## GREAT SERVICES

### Outcome 4 - We are efficient and value for money

Achieving value for money for our tenants is one of our highest priorities. We will review our repairs service, the efficient and effective use of systems and technology and how we procure services to ensure we are getting the best value out of tenant's rent. We will also develop a core set of value for money indicators to allow us to monitor this on an ongoing basis.

Priority projects / delivery plans	21/22	22/23	23/24
Systems architecture review: <ul style="list-style-type: none"> <li>• Scoping of business needs and wants</li> <li>• Review of current systems and potential for rationalisation</li> <li>• Future proofing options for business critical activities</li> <li>• Establishment of data analytics to make better use of performance and financial data</li> </ul>	😊	😊	😊
Review of responsive repairs provision: <ul style="list-style-type: none"> <li>• Procurement of repairs contract in the south (including Ancho)</li> </ul>	😊	😊	😊
Procurement review: <ul style="list-style-type: none"> <li>• Procurement process improvements using audit findings</li> <li>• Participation in the national procurement exercise</li> </ul>	😊	😊	

#### Performance indicators

Efficiency and value for money indicators are not well developed across the sector. We are part of a pilot project with other Housing providers who are part of Scotland's Housing Network to develop potential measures.

Value for money indicators to be developed with the Scottish Housing Network for implementation in 2022. Business Improvement and Finance to lead.

#### Risks

1. There is a risk that wider political, economic or constitutional changes and shocks impact on our financial business plan

2. There is a risk that the business and business plan are ineffective

4. There is a risk that we fail to achieve value for money

## GREAT PEOPLE

### Outcome 5 - We have skilled and engaged people

Having the right people equipped with the right skills to deliver our services is important to us. We will continue to invest in our team, whether that be staff or board members. We will continue to ensure that we recruit high quality individuals to work with us and invest in our people.

Priority projects / delivery plans	21/22	22/23	23/24
Terms and conditions harmonisation project, including salary benchmarking	😊		
Review the impact of remote working for Covid to adapt procedures to support future working arrangements and business continuity	😊	😊	😊

#### Performance indicators

There are several well established indicators that will track delivery in this area at both a Board and operational level

Staff turnover

Staff absence

Board turnover

New indicators to be developed in 2020/21:

- PI on value/benefits from training

#### Risks

11. There is a risk that we do not have staff or Board members with the appropriate skills or motivation to deliver business objectives

12. There is a risk of fraud or criminal activity

## GREAT PEOPLE

### Outcome 6 - We have sound governance

Sound governance underpins every high performing organisation. We will build on our strong reputation, good relationship with the Regulator and continue to ensure that Cairn is run as effectively as possible. This will include implementing the outcomes of our governance review and embedding an evidence approach to decision making with better use of performance and financial data.

Priority projects / delivery plans	21/22	22/23	23/24
Implement agreed recommendations of governance review assurance statement	😊	😊	
Constitutional review and options appraisal of Cairn and Ancho including potential transfer of engagements	😊	😊	
Growth and partnerships: <ul style="list-style-type: none"> <li>• Further develop framework to assess future opportunities for proactive partnerships and growth</li> <li>• Pentland complete due diligence and assess business case, create project plan and deliver integration and full transfer of engagements subject to agreement at tenant ballot</li> </ul>	😊	😊	

#### Performance indicators

The assurance statement gives us the opportunity to build a small set of Governance indicators. This will be explored further in 2021.

Governance PIs linked back to Assurance Statement to be developed in 2021

#### Risks

7. There is a risk that we fail to comply with legislation and regulatory standards

8. There is a risk that the Group structure is ineffective

10. There is a risk that we fail to have adequate IT systems to allow us to operate effectively as a business.



# cairn

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