



KINGDOM Group

MORE THAN A HOME



KINGDOM
Housing Association



KINGDOM
Initiatives



KINGDOM
Support & Care



Kingdom Group
Corporate Plan
2022-2027

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Executive Summary

Introduction

Kingdom Housing Association (KHA) is the parent company within the Kingdom Group of companies and we have two wholly owned subsidiary companies, Kingdom Initiatives (KI) and Kingdom Support & Care (KSC).

Independent Boards govern the strategy for each of the Kingdom companies and we have a Senior Leadership Team responsible for implementation of the plan and the operational management and delivery of the strategies.

We provide a diverse range of services which reflects the Kingdom Group's mission **to provide more than a home.**

At the Kingdom Group we have plans and strategies in place to cover a wide range of services across all our areas of operation. We have ambitious proposals to increase and to further develop and enhance our services to tenants and customers.

We have 6 strategic objectives which cover the key areas of activity across the Kingdom Group. The Corporate Plan identifies our strategy across all areas of operation and the following highlights our key objectives and priorities.

We have identified an ambitious development programme and a range of business development activities as part of the plan however affordability is a key priority for us and we will not increase rents for new projects or existing tenants where this compromises affordability.



Governance Structure

Kingdom Housing Association is the Parent company for the Group and there are two wholly owned subsidiaries; Kingdom Initiatives and Kingdom Support & Care CIC.

As the Parent company within the Group, Kingdom Housing Association retains governance responsibilities associated with the Group Business Plan, approval of budgets and financial plans, and the appointment of Governing Board members. All 3 Companies have Independent Boards.

Management Team

During 2021/22 the Board undertook a comprehensive strategic management structure review and implemented a new structure based on different service areas as identified below;

Operations Service Area

- Customer Services,
- Development,
- Asset Management,
- Housing Services.

Corporate Support Services

- Human Resources,
- Digital,
- Governance & Organisational Support.

Finance and Business Development

- Group Finance,
- Managing our Business Development programme.

Support & Care

- All activities related to Kingdom Support & Care.

Kingdom Initiatives

- Provision and management of our Mid Market Rent portfolio and business development to support the Kingdom Group objectives.



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The leadership team consists of;

Executive Management Team (EMT)

- Group Chief Executive, who also undertakes the Executive Director responsibilities for Corporate Support Services,
- Executive Directors of Finance, Operations and Support & Care.

Senior Management Team (SMT)

The EMT, and the following;

- Departmental Directors of Housing, Asset Management, Development, HR and Digital,
- Heads of Service for Capital Investment and Governance & Organisational Support.

Organisational Support

Our Corporate Strategy and strategic planning processes follow a 'golden thread' approach which demonstrates the links between our strategic aims, objectives and strategies.

We have key customer facing strategies, supporting strategies and business & organisational strategies.

- Our customer facing strategies have been developed to cover customer services, asset management, support and care, housing and development.
- Our supporting strategies cover our approach to finance, digital, organisational support and people.
- Our business and organisational strategies include the implementation of the Fairfield Transfer, Net Zero and our Kingdom Initiatives strategy.

There is a small team within the Chief Executive's department who provide support to Kingdom's Governing Bodies and Senior Management Team. The key organisational and governance objectives over the next few years include the following:

- We will ensure we remain compliant with legal and regulatory requirements.



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- We will continue to deliver policies adopting new legislative requirements and good practice.
- We will ensure our Governance arrangements and structures are continually reviewed and fit for purpose.
- We will produce and scrutinise management reports to provide assurance.
- We will strive to enhance communications with customers and stakeholders.
- We will explore future business and organisational development, including delivering constitutional change within the Group, where appropriate.
- We will collate performance information to aid continuous improvement.
- We will recruit new and develop our current Governing body members.
- We will implement a new Diversity and Inclusion policy across the Group and continue compliance with the Equalities Act 2010.

Fairfield Transfer of Engagements

On the 1 December 2021 Fairfield Housing Association (Fairfield) transferred its engagements to Kingdom Housing Association (Kingdom), this included all assets, liabilities, properties, tenancies and staff. This was a milestone event for Kingdom and represented the first time the organisation had been involved in a stock transfer, through a Transfer of Engagements.

A separate transfer business plan has been developed along with a detailed integration and implementation plan. Our strategy in respect of the transfer commitments is summarised and included as part of this version of the Corporate Plan.

The objectives of the transfer strategy is to;

- Provide the ability to realise supervision and management costs efficiencies for the benefit of all tenants.
- Deliver enhanced services to tenants.
- Create opportunities to provide more affordable rents.



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- Enhance investment in former Fairfield properties.
- Provide added value services to former Fairfield tenants via sustainable tenancy services provided by Kingdom.

Customer Services

This year we have included a separate strategy in respect of Customer Services. This is reflective of the new structure that was introduced in 2021, where Customer Services is now a distinct department within our Operations Service Area.

Our aim is to deliver excellent customer service throughout the organisation and to all of our customers - external, internal and potential new customers. Regardless of how and when our customers approach or contact us they should receive the same level of service and a service that reflects the values of the Kingdom Group.

Our customer services priorities during the life of this plan will be to;

- Centralise existing customer service delivery,
- Develop customer intelligence,
- Reduce customer effort/increase satisfaction,
- Provide staff with the knowledge, skills and confidence to deliver excellent customer services.

Development

Our Development objectives for the period of the Plan will be to:

- Provide new quality affordable homes, employability and adaptation services.
- Deliver added value, community benefits and positive environmental outcomes.
- Deliver growth and opportunity through collaborative partnership working.
- Demonstrate innovation that recognises zero carbon ambitions and sustainability.



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We plan to continue developing affordable housing in Fife, Perth & Kinross, Falkirk and Clackmannanshire however we will consider strategic opportunities to develop elsewhere.

We aim to provide a minimum of 70% Social Rented new homes, which will be fully aligned with wider business planning and development of other tenures. The table below summarises our ongoing capacity to develop new affordable housing during the period of the Plan for Kingdom and our partners.

5 Year Plan (2022-2027)	Social Rent	Low Cost Home Ownership	Mid Market Rent	Total
Kingdom Housing Association	1,416	40	160	1,616
Kingdom Initiatives	0	0	61	61
Affordable Housing Delivery Partners	341	0	0	341
Total	1,757	40	221	2,018

Housing Services

Our Housing strategy recognises both National Strategies and Local Housing Strategies and sets out the principal housing services objectives which are to;

- Deliver excellence across our core housing service activities.
- Further develop tenancy sustainment and support services.
- Enhance customer engagement activities across all services.
- Deliver digital service transformation.
- Demonstrate continuous development of service capacity.



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In delivering our objectives we will meet or exceed statutory and legal requirements, apply appropriate risk controls, develop and comply with internal policies and apply innovative thinking to develop service efficiencies and deliver excellent customer focussed services.

Asset Management

Through our Asset Management strategy we aim to manage, maintain and invest in our property assets to ensure that our properties provide attractive, good quality homes for our residents and future customers, at an affordable cost to them and us.

Our Asset Management priorities for the coming years are summarised below:

- Maintain our focus on meeting and exceeding our targets for our reactive repairs service and improving customer satisfaction levels.
- To deliver our annual planned maintenance programme and develop our medium and longer term programmes.
- To improve efficiencies, in the short term this will be focussed around maximising the benefits from our new repairs system introduced in 2021. This has the potential to improve productivity of our operatives and streamline administration processes making us better able to cope with stock growth.
- To deliver the 3-year investment plan to improve the properties in the newly transferred, former Fairfield HA operating area.
- To extend the in-house repairs and maintenance team and its operating area to take over the reactive maintenance delivery in the Perth & Kinross areas.
- For the second phase of the Energy Efficiency Standard for Social Housing in Scotland (EESH2), develop an action plan from the recently completed desktop assessment of KHA's properties, along with a programme to bring applicable stock towards meeting the requirements by 2032.



- Continue to monitor SHQS compliance and ensure all properties are able to meet the standard, including completing the programme delivering electrical safety inspections, needed to meet the new electrical safety element of SHQS.

Net Zero Strategy

We have developed a new Net Zero strategy as part of this year's plan. Our strategy highlights the National objectives and timescales and how we plan to contribute to delivery of these objectives.

We recognise we are at the very early stages of the strategy, however our priorities over the next 5 years to help deliver these objectives are below.

- Assess our current business activities to better understand our environmental impact and to establish a benchmark going forward to monitor our progress.
- Carry out a capacity assessment to establish the cost of the transition above current investment profiles.
- Explore new funding opportunities to assist with the delivery of this strategy.
- Adopt a fabric first approach to retrofit and in our newbuild to ensure that our homes are as energy efficient as possible to reduce energy waste, help tackle fuel poverty and mitigate against energy price increases.
- Progress planned improvements in accordance with the Energy Efficiency Standard for Social Housing (EESH 2) standards.
- Prioritise the installation of net zero carbon heating systems within our newbuild programme in preparation for the new Heat Standard which will require all new buildings consented from 2024 to use zero emission heating.
- Explore green hydrogen options for heating our homes and offices.
- Explore options to enhance biodiversity.
- Review our procurement processes to increase emphasis on environmental performance.



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- Drive forward a range of innovation projects using off site construction, Modern Methods of Construction, new low carbon technologies and renewable battery storage to establish mainstream capabilities and inform future design.
- Extend the provision of Electric Vehicle Charging facilities for our customers, communities and staff.
- Implement an electric vehicle replacement programme to reduce the carbon footprint of our maintenance fleet.
- Increase training opportunities for the 'green jobs' sector.
- Launch collaborative projects with other affordable housing providers.
- Raise customer and staff awareness of climate change through a range of mediums and training to drive forward behavioural change.
- Extend the use of sensor technology and SMART metering to gather building performance data to help inform future investment and design and allow our customers to live in their homes as environmentally and cost effectively as possible.

Further details and target timescales are included as part of our delivery plan.

Community Initiatives

Our community initiatives project supports a wide range of organisations and individuals in the communities where we operate and focus on the following themes:

- Tenant, resident and community projects.
- Training and employment.
- Energy efficiency and the environment.
- Education and schools initiatives.
- Public art.

We plan to deliver community benefits through support activities which go beyond our core housing activities. This includes our Support & Care activities, our Care & Repair / Small Repairs



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projects, our employability project Kingdom Works, and community initiatives delivered through our contracts, which provide a community benefit.

We also have a Community Initiatives fund which has been established to promote or improve the economic, social or environmental wellbeing of Kingdom's residents and other people in the areas we operate.

People

Our People strategy is designed to deliver the following outcomes over the period of the Plan:

- Aim for Kingdom to be seen as an employer of choice to people in the communities and sectors we operate in.
- Develop a workforce that has the skills, knowledge and motivation to deliver Kingdom's goals now and in the future.
- Ensure our people feel valued, listened to and treated fairly.
- Achieve Platinum Investors in People accreditation.
- Achieve Platinum Investors in Young People accreditation.
- Work towards Gold Healthy Working Lives Accreditation.
- Maintain or reduce levels of absence, discipline, grievance and employment litigation.

We have identified 5 strategic priority themes, which are identified below and expanded on as part of the People Strategy:

- Delivery of Business-Centred services that protect Kingdom.
- Workforce Planning and Resourcing.
- Diversity & Inclusion.
- Employee Engagement.
- Learning & Development.



Digital

Our Digital outcomes and objectives aim to:

- Be customer focused.
- Enhance our digital infrastructure.
- Maximise business efficiency.
- Build knowledge and ensure compliance.

There will be a key focus on improving customer access to services and data. This will be driven by the implementation of our new housing system and through improving our asset management systems.

The move to new and updated systems will improve both our customer and employee experience and we will ensure our digital infrastructure continues to remain secure and provides optimum performance.

Kingdom Support & Care

Kingdom Support & Care CIC (KSC) provides care at home and housing support for over 300 people across Central Scotland. We provide support to people with a range of needs, including Learning Disability, Autistic Spectrum disorder, People with Challenge, Mental Health issues, Homelessness and Addictions, and age related illnesses.

Our purpose is to provide great support which helps people have great lives, living as fully and independently as possible as part of their community.

The aim of the business is to be a provider of choice, providing excellent and flexible support which enables people to reach their full potential at home and in the wider community. It also aims to expand its skill base and services to respond to identified needs in the sector and community.



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Our Support & Care key priorities are summarised below:

- Deliver excellent and high quality services.
- Achieve growth and diversity.
- Enhance the workforce.
- Enhance KSC reputation and promote the KSC brand.
- Continue to improve the financial position of KSC.

During the period of the plan, we aim to progress and implement the following objectives:

- Develop a proposal and funding mechanism for a new model of accommodation with support, for people with complex and challenging needs.
- Work towards Platinum Investors in People accreditation.
- Investigate opportunities for acquisitions, mergers, partnerships and alliances to enhance our skill base and ability to respond to emerging needs.
- Create and implement a digital inclusion strategy with and for those we support.
- Revisit opportunities for the development of income generating business which is not reliant on Local Authority funding.
- Develop the KSC Learning Academy to deliver training externally and create a supply of trained staff for KSC and the wider social care sector to ease recruitment issues
- Develop remote and blended services.
- Develop a business plan and model for providing added value to communities, potentially through the creation of a subsidiary company and involving those we support.

Kingdom Initiatives

The role of KI is to carry out activities which complement the objectives of Kingdom or which KHA itself cannot undertake by virtue of its charitable status. The main driver for the year ahead will be to lay the foundations to work towards making KI a more financially stable business and, eventually, more attractive to lenders.



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The key priorities are to;

- Evaluate and change the financial relationship between KHA and KI on current and future Mid Market Rent (MMR) properties.
- Finalise the contract on the St Andrews project and work towards earning income in year 2.
- Progress business proposal sign off and organisation set up for factoring, maintenance and repair services to expand and drive income.
- Develop the business proposal sign off and organisation set up to provide consultancy/outsourced back-office services.
- Manage and maintain homes for our MMR customers and provide excellent customer focused services.
- Demonstrate innovation through the activities progressed.
- Apply and demonstrate good governance as an independent company within the Kingdom Group.
- Investigate and support the Kingdom group of companies to develop the business, through initiatives such as:
 - Establishing an MMR project and operate as a co-housing community initiative for people over 55 years of age.
 - Investigate initiatives for a wider range of customers to meet housing needs for other customer groups such as older people, young people and ex-forces customers.
 - Investigate initiatives for support and care projects and services to support people with particular needs.

Finance

Our financial strategy is designed to complement and support the strategic objectives of the Group.



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The overarching strategic financial priority is to meet the requirements of a viable long term financial model which incorporates all of the Group's ambitions. This includes reference to the following:

- Long-term affordability of rents.
- Making adequate provision for planned, cyclical and responsive maintenance expenditure.
- Taking advantage of development opportunities.
- Securing appropriate finance and complying with all lender covenants.
- Enabling KSC to meet its strategy to develop high quality, cost effective support and care services that meet the clients' needs.
- Enabling KI to meet its strategy of providing services and projects complementary to KHA's core activities.
- Supporting all activity within the Group whilst ensuring the business case for investment and borrowing meets the Board's agreed criteria.

The Finance Department has a series of KPIs reported to the Board quarterly. There are also the following key service objectives:

- To provide the highest quality service to its internal and external customers.
- To operate as a business advisory and support function for the Kingdom Group.
- To continue the transition from paper-based to digital processes to maximise efficiency.
- To set robust financial policies and ensure they are adhered to.
- To identify and manage financial risks through appropriate policies and controls.
- To manage the liquidity requirements for each Group company with robust forecasting models.
- To meet all financial compliance requirements of stakeholders including the Scottish Housing Regulator, lenders, HMRC, the FCA and OSCR.

Our updated financial models, assumptions and financial plans are included as part of the Finance Strategy, within the Corporate Plan, to demonstrate how we will deliver on our strategic objectives.



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The Corporate Plan identifies how we will progress our strategies to deliver on our priorities and a Delivery Plan is included covering the period 2022 to 2027, however annual reviews will be carried out to update the strategies.



Section 1 - Introduction

Introduction

Kingdom Housing Association (KHA) was established in 1979 to provide housing and support to single vulnerable people in Fife. Since then we have gone on to become one of Scotland's leading housing associations working in East Central Scotland providing a range of affordable housing and support services to meet a wide range of needs.

KHA is the parent company of the Kingdom Group, which consists of KHA, Kingdom Initiatives (KI) and Kingdom Support & Care (KSC).

At present we manage over 6,000 homes and we provide factoring services to around 500 owners and sharing owners. In addition, we provide a comprehensive support and care service for over 300 people.

Our geographic area of operations is; Fife, Perth & Kinross, Clackmannanshire and Falkirk. Our stock profile is summarised below;

Social Rent	5,124
Mid Market Rent (KHA owned)	596
Mid Market Rent (KI owned)	160
Mid Market Rent (Leased from FC)	121
Lead Tenancies	12
Shared Ownership	232



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Over the period of this plan we will start on site with a further 2,018 new homes, as summarised below;

5 Year Plan (2022-2027) Starts	Social Rent	Mid Market Rent	Low Cost Home Ownership	Total
KHA	1,416	160	40	1,616
KI	0	61	0	61
Partner RSLs	281	0	0	281
Other	60	0	0	60
Total	1,757	221	40	2,018

In addition to our mainstream activities we have developed a range of wider role projects and services which complement our organisational objectives and help to promote social inclusion and community benefits such as the Fife Care & Repair and Small Repairs service and the Kingdom Works employability project.

Kingdom Initiatives (KI) Limited was established as a non charitable wholly owned subsidiary of KHA in August 2010. KI was established to provide further opportunities to support and contribute to the work of Kingdom. The role of KI is to carry out activities which complement the objectives of Kingdom, which KHA itself cannot undertake by virtue of its charitable status.

Kingdom Support & Care CIC (KSC) is also a wholly owned subsidiary of KHA. KSC is registered as a Community Interest Company and became operational in 2017.

On 1 December 2021 there was a Transfer of Engagements from Fairfield Housing Association where 514 homes transferred to Kingdom, along with 9 staff and other assets and liabilities. A separate business plan has been developed for the transfer and a section on the implementation of the strategy is included in this version of the Corporate Plan.



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The Plan recognises key risk factors which may threaten the attainment of our objectives, together with the control and mitigation factors which we can apply.

The plan is underpinned by a set of complementary strategies and financial plans which are prepared on a short, medium and long term basis.

The 2022 - 2027 Corporate Plan covers strategies across all our areas of operation. This year's plan includes new strategies related to;

- Fairfield Transfer of Engagements,
- Customer Services,
- Net Zero.

The plan, which is subject to an annual review, is an important communication tool. Its principal audience is our own Boards and the Management Team and it provides a coherent view of our corporate objectives and strategies to our stakeholders.

The planning process we adopt is systematic and subject to regular reviews. High level strategic objectives are reviewed and agreed annually by the Boards and Management Team. These objectives enable complementary operational objectives to be agreed at a departmental level, which in turn enable us to assess the skills needed to perform the required tasks, identify skills gaps and address them through the staff performance and development reviews, or by recruiting additional staff.

History and Notable Achievements

Kingdom Housing Association was formed in 1979 by a group of local people who came together to ensure that the 44 residents of the last lodging housing in Fife, in Lochgelly, were properly rehoused in the community following its compulsory closure.



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Over the years we have grown as an organisation to one which provides a wide range of services. We are proud of what we have achieved over the years and below identifies some of the areas where we have delivered notable achievements.

- Provision of Affordable Housing,
- Sustainable Housing,
- Alternative Affordable Housing Tenures,
- Community Initiatives and Wider Role Services,
- Housing Support Services,
- In-House Maintenance,
- Care at Home and Personalised Support Services,
- Thematic and Particular Purpose Projects,
- Homeless & Employability Initiatives,
- Collaborative and Partnership Working,
- Digital Infrastructure,
- Financial Innovation.

Mission, Vision and Values

Our Mission is to provide **more than a home** and our strategic purpose and aims are summarised below.

Our Vision:

- Great Homes
- Great Services
- Great People
- Great Communities



Our Values:

- Customer
- Accountable
- Respect
- Efficient
- Supportive

Our Strategic Objectives

1. Manage and maintain homes for our customers and support independent living.
2. Provide excellent customer focused services and deliver added value and community benefits.
3. Deliver growth through collaborative partnership and through providing new quality affordable homes.
4. Demonstrate innovation across all our services, products and activities, through applying principles that recognise quality, sustainability and climate change.
5. Ensure that the Group remains financially secure.
6. Apply and demonstrate good governance and be an employer of choice.

Governance

Kingdom is managed by voluntary Board members. We have 3 separate Boards covering;

- Kingdom Housing Association,
- Kingdom Support & Care,
- Kingdom Initiatives.

More detail on the Boards, Board Membership, Group Governance Structure and Committees are provided in the Governance and Organisational Support section of the Plan.



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Management Team Structure

The Management Team Structure ensures all operational activities are recognised as part of the Corporate and Business Planning processes. The structure was reviewed during 2021. The new structure is based on the following Service Areas and additional information on the management team arrangements is provide in section 2 of the plan;

- **Corporate Services;** covering Governance & Organisational Support, Digital and HR Services, including Health & Safety.
- **Finance;** including business development across the Group.
- **Operations;** covering Customer Services, Housing, Asset Management and Development Services (Capital Investment, Care & Repair and Kingdom Works).
- **Support & Care;** through Kingdom Support & Care, a KHA subsidiary and Community Interest Company.
- **Kingdom Initiatives;** our non charitable subsidiary.

The new structure consists of the following leadership teams;

Executive Management Team (EMT)

- Group Chief Executive, who also undertakes the Executive Director responsibilities for Corporate Services,
- Executive Director of Finance,
- Executive Director of Operations,
- Executive Director of Support & Care.

Senior Management Team (SMT)

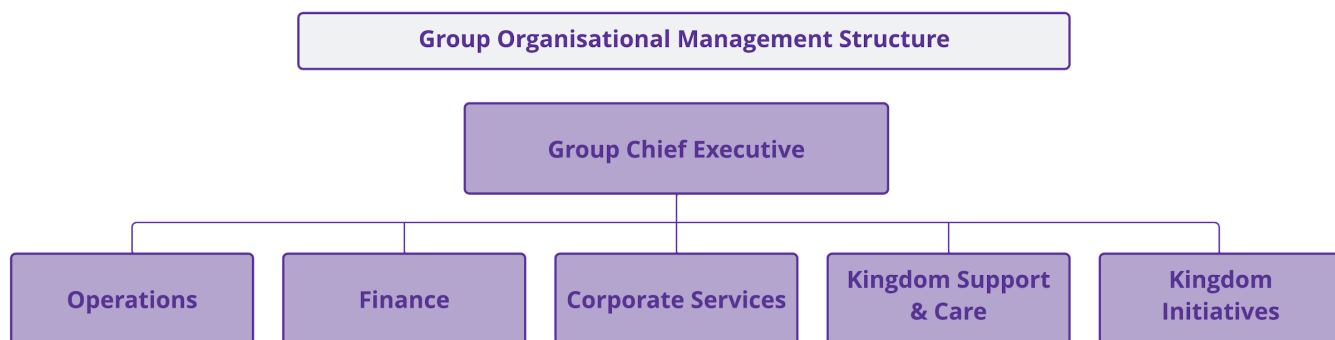
The EMT, and the following;

- Departmental Directors of Housing, Asset Management, Development, HR and Digital,
- Heads of Service for Capital Investment and Governance & Organisational Support.



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The following diagram outlines the management structure and operational departments and more detail on the management team members is provided in the Organisational Support section of the Plan.



Service Area Departments

The following outlines the key activities progressed by the different departments and more detail is provided in the various strategies included as part of this Plan.

Corporate Support Services:

Human Resources:

Responsible for the provision of an efficient and effective human resource function, including:

- Human resources and performance management,
- Payroll,
- Training, Learning & Development,
- Health, Safety & Wellbeing,
- Diversity & Inclusion,
- Employee relations.

Digital:

Responsible for ensuring the Group has the appropriate digital systems to meet our business objectives, including:



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- Providing the digital infrastructure required to meet our operational objectives,
- Supporting staff to operate effective and efficient systems,
- Providing systems to enhance customer services,
- Developing innovative digital solutions to facilitate business transformation.

Governance & Organisational Support:

Responsible for supporting the Chief Executive through developing processes and systems related to:

- Governance,
- Compliance and assurance,
- Performance management and monitoring,
- Data Protection & Freedom of Information,
- Business planning and reporting,
- Organisational support services,
- Communication and public relations.

Finance and Business Development:

The Finance Department is responsible for the:

- Management of the Group's financial affairs,
- Providing financial advice and support to other Departments and the Boards,
- Contributing to the future strategic development across the Group,
- Ensuring compliance with financial regulatory and statutory returns,
- Facilitating business development and preparation of business case assessments across the Group.



Operations Service Area

Customer Services :

Prior to 2022 the Customer Services function was part of our Housing Services department, however through the restructure a separate customer services department has been established as part of the Operations Service Area. The new department will be directly managed by the Executive Director of Operations, with responsibility for the;

- Delivery of front line services,
- Customer Services Contact Centre,
- Complaints Handling,
- Administrative Support Services across all Operations departments,
- Reception Services,
- Head Office Facilities Management.

Development:

The role of the Development Department is to be responsible for the:

- Delivery of the Association's capital investment programme including business planning, contract administration and project management,
- Developing business initiatives,
- Development of our mid market rent and low cost home ownership programmes,
- Managing the Care & Repair, Small Repairs and Kingdom Works services.

Asset Management:

The Asset Management Department is to be responsible for:

- Providing high quality repairs services to tenants,
- Maintenance of our housing stock, including reactive repairs, emergency repairs, cyclical, planned maintenance and improvement works contracts,
- Health & Safety compliance for our housing stock and offices,
- Management of our in-house maintenance services,



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- Implementation of our energy efficiency improvement programmes,
- Management of our repairs administration services.

Housing Services:

The role of the Housing Services Department is to be responsible for:

- Providing excellent customer services,
- To provide good quality advice and information to applicants for housing and residents of the Association,
- To allocate and manage our properties in accordance with best practice with the key objective of sustaining tenancies and preventing homelessness,
- Involve and consult our residents,
- Provision of sustainable tenancy support services.

Support & Care:

From April 2017, our Support & Care services have operated through Kingdom Support & Care CIC. The role of our Support & Care Service is to:

- Assess the Support & Care needs of those we support and ensure that their needs are met within the income received from our funders,
- Consult those we support and their families to ensure that their interests and needs are at the centre of our practice,
- Ensure that our Support & Care services meet National standards and that those we support, carers and other professionals are satisfied with the quality of service provided,
- Ensure that staff are appropriately trained and skilled in order to provide a quality service to those we support.



Partnership and Collaborative Working

Through our membership of a number of partnership bodies we are able to ensure that this plan, where appropriate, reflects jointly agreed priorities and also ensures that our views are presented to partnering organisations.

Kingdom works in partnership with other organisations, the key partnerships are outlined below:

- Fife Care & Repair and Small Repairs Project where Kingdom manages the Fife service, in partnership with Fife Council.
- Kingdom Works where Kingdom is the host agency for an employment and training project in partnership with Fife Council, Opportunities Fife, Skills Development Scotland and Job Centre Plus.
- Various partnership arrangements with Fife Council and the other local authorities in Perth & Kinross, Clackmannanshire and Falkirk.
- As the lead developer for the Fife Alliance, we deliver capital projects on behalf of the Alliance members (Fife, Glen, Kingdom and Ore Valley Housing Associations).
- Since 2016 Kingdom and Ochilview HA have worked collaboratively to deliver projects in Clackmannanshire.
- Kingdom works with Fife Council and other Housing Associations to provide a partnership structure for developing Housing Strategies, through the Fife Housing Partnership.
- We have worked under the Public and Social Partnership (PSP) approach with Falkirk Council Social Work Service to develop care and support services.
- We work in partnership with other providers of care and support in Fife through the Fife Providers forum. We are also members of the Coalition of Care Providers Scotland (CCPS), contributing to the National agenda.
- We work with Fife Council Housing and Neighbourhood Services to support the reduction of homelessness agenda through contributing to the Rapid Rehousing Transition Plan and adopting a housing first approach in all of our work.



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- We work in partnership with a range of other Health and Social Care Partnerships as part of the National Care Framework.

Strategies and Delivery

The Corporate Plan identifies our strategies and the risks we will monitor and manage. Our Financial Plans covering the period 2022 to 2027 are included to demonstrate how we will deliver on the Group Strategic Objectives.

A Delivery Plan section is included to demonstrate when we plan to deliver specific objectives over the period of the Plan.

Separate Strategies have been developed as part of this plan to cover;

- Governance and Organisational Support,
- Fairfield Transfer of Engagements,
- Customer Services,
- Development Services,
- Housing Services,
- Asset Management,
- Net Zero,
- Community Initiatives,
- People,
- Digital,
- Kingdom Support & Care,
- Kingdom Initiatives,
- Financial Strategy and Plans.



Section 2 - Governance & Organisational Support Strategy

2.1 Governance, Structure and Key Activities

KHA is a registered society under the Co-operative and Community Benefit Societies Act 2014 and a non profit distributing organisation. It is registered with the Scottish Housing Regulator and has charitable status.

KHA is governed by a voluntary Board of Management, which normally meets on a monthly basis. KHA is the parent company within the Kingdom Group and the Board of Management, as at April 2022, is shown below.

Kingdom Housing Association	
Board Members	
Linda Leslie (Chair)	Dorothy MacCloy
Freya Lees (Joint Vice Chair)	Loretta Mordi
Laurie Naumann (Joint Vice Chair)	Charles Oliver
Tom Barr	David Redpath
Laura Brotherton	Stephen Swan
Ian Crocker	Guy Thomson
Alan Hobbett	Carol Watson
Graeme MacKay	

In addition, there are a number of committees covering Policies, Audit & Financial Compliance and Senior Management Remuneration and Succession Planning.



KINGDOM GROUP

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Committees		
Senior Management Remuneration & Succession Planning Committee (KHA Committee)	Policy Committee (Kingdom Group Committee)	Audit & Financial Compliance Committee (Kingdom Group Committee)
Laura Brotherton (Chair)	Loretta Mordi (Chair)	Guy Thomson (Chair)
Tom Barr	Laura Brotherton	Karen Koyman
Freya Lees	Linda Leslie	Freya Lees
Laurie Naumann	Dorothy MacCloy	Graeme MacKay
David Redpath	Lawrie West	Loretta Mordi
Carol Watson	Alison Wills	Laurie Naumann
		Andrea Saunders

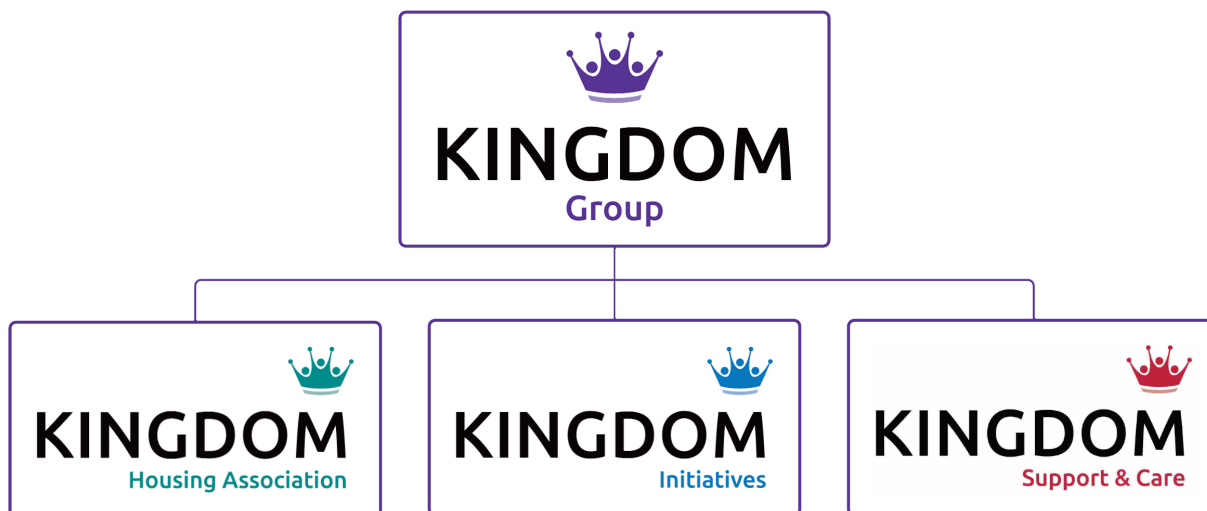
KHA has 2 wholly owned subsidiaries. The Board membership, as at April 2022, is shown below:

Kingdom Initiatives Limited Directors	
Mark Easton (Chair)	Loretta Mordi
Finlay Ross (Vice Chair)	Stuart Wilson
Bill Banks	Andrea Saunders
Derek Helmore	Lawrie West

Kingdom Support & Care CIC Directors	
Karen Koyman (Chair)	Jeff Lockhart
David Brown (Vice Chair)	Sue Shone
Bill Banks	Alison Wills
Linda Leslie	



The Kingdom Group is shown below:



Both KI and KSC are wholly owned subsidiaries of KHA. The following agreements have been approved in respect of the relationship between KHA and the two subsidiaries:

- Independence Agreement.
- Members Agreement.
- Subsidiary Group Services Agreement.

The KHA Board is responsible for approving the strategic objectives for the Group and monitoring and reviewing the progress made in achieving these objectives.

The Boards are supported by a staff team, led by the Group Chief Executive, who are responsible to the KHA Board for the implementation of the strategy and the day to day running of the Association.

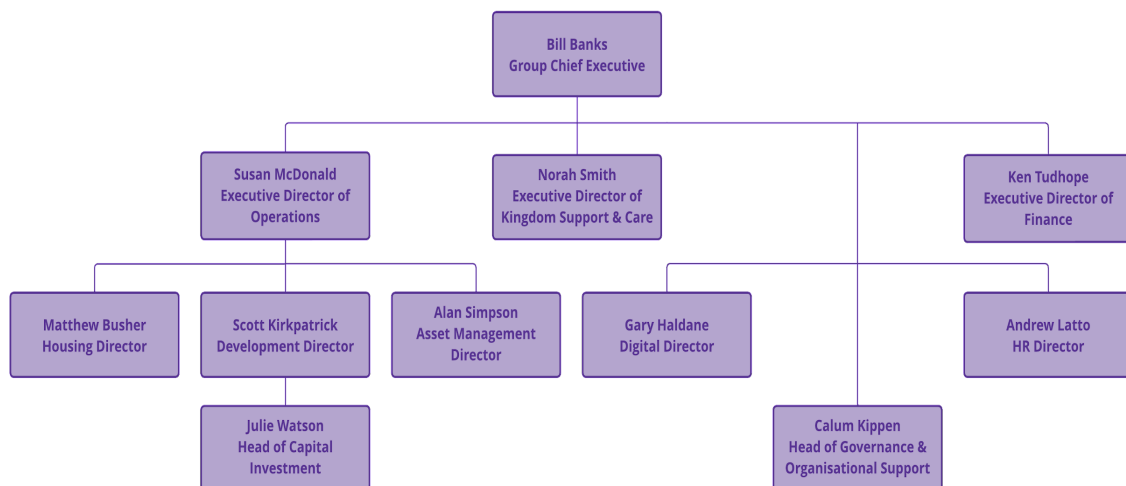
On an annual basis the Boards review their skills and composition and identify how long individual KHA Board members intend to continue in their role and actively seek replacements to fill any identified skills gaps in advance. This approach has also been developed in respect of the office bearers where Board Members are encouraged to



consider undertaking these roles. Potential Chairs will be offered assistance with training to develop their skills for this position. During 2021/22 we carried out a comprehensive assessment of Board skills, knowledge, experience and succession planning requirements for the Boards. Following a recruitment drive in early 2021 Board members have been appointed to all Boards, across the Group to enhance the skills on the Boards and strengthen the governance arrangements. Kingdom is also a member of the Scottish Federation of Housing Associations and has adopted the model Code of Conduct for Governing Bodies (Board of Management). The Kingdom Group provides a diverse range of services and the Chief Executive's Team provides organisational support services across all our areas of activity.

2.2 Management Team

During 2021/22 the Board undertook a comprehensive strategic management structure review and put the following Senior Management Team structure in place;



Our Group Chief Executive is accountable to the Group Governing bodies for the development and implementation of strategy and plans, to develop, deliver and manage



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high quality affordable, sustainable housing and care services and to be a major contributor of social housing in East and Central Scotland.

As part of the corporate responsibilities, the Chief Executive Team has responsibility for the following:

- Governance support to the Boards.
- Organisational performance management and continuous improvement.
- Business development and organisational growth.
- Business continuity and risk management.
- Organisational support and compliance.
- Internal audit and assurance.

The Chief Executive is supported by an Executive Management Team covering the following areas:

- Executive Director of Operations; Responsible for;
 - Direct responsibility for Customer Services and overall responsibility for the delivery of the organisation's strategies in relation to Development, Housing and Asset Management Services.
 - Develop innovative strategies, initiatives and interventions to deliver sustainable improvements to performance and operational business development.
 - Leading the Operations Management Team to ensure the provision of high quality, aligned and customer focussed services across the Operations Service Areas.
- Executive Director of Finance; Responsible for:
 - Management of the Group's financial affairs.
 - Providing financial advice and support to other Departments and the Boards.
 - Ensuring compliance with financial regulatory and statutory returns.



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- Contributing to the future strategic business development across the Group.
- Executive Director of Support & Care; Responsible for;
 - Ensuring that all support and care contracts are financially viable and delivered to a high standard.
 - Consulting those we support and their families to ensure that their interests and needs are at the centre of our practice.
 - Ensuring that our Support & Care services meet National standards and that those we support, carers and other professionals are satisfied with the quality of service provided.
 - Ensure KSC has a suitably recruited, trained, qualified and registered workforce in order to provide high quality services to those we support.
 - Developing strategies and business opportunities which expand and enhance the work of the organisation and meet identified needs of our funders and communities

The Senior Management Team (SMT) consists of the EMT members, Departmental Directors and Heads of Service. The SMT is responsible for the following service areas and more detail is provided in Section 1 of the plan;

Operations Service Area

- Customer Services,
- Development,
- Asset Management,
- Housing Services.

Corporate Support Services

- Human Resources,
- Digital,
- Governance & Organisational Support.



Finance and Business Development

- Group Finance,
- Managing our Business Development programme.

Support & Care

- All activities related to Kingdom Support & Care.

Kingdom Initiatives

- Provision and management of our Mid Market Rent portfolio and business development to support the Kingdom Group objectives.

2.3 Corporate Strategy

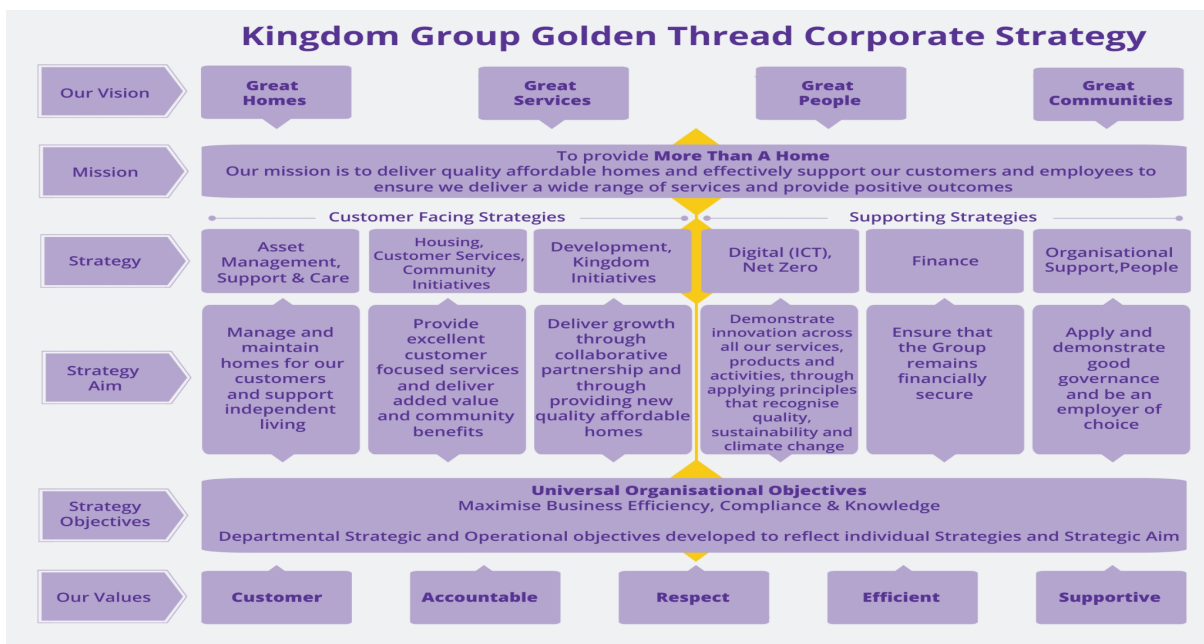
Our strategic planning processes follow a 'golden thread' approach which demonstrates the links between our strategic aims, objectives and strategies.

We have key customer facing strategies, supporting strategies and business and organisational strategies.

- Our customer facing strategies have been developed to cover customer services, asset management, support and care, housing and development.
- Our supporting strategies cover our approach to finance, digital, organisational support and people.
- Our business and organisational strategies include the implementation of the Fairfield Transfer, Net Zero and our Kingdom Initiatives strategy.

The following diagram identifies the strategy golden thread approach we apply:





2.4 Governance & Executive Support

There is a small team within the Chief Executive department who provide support to Kingdom’s Governing Bodies and Senior Management Team.

The organisational activities and areas of responsibility impact across the Kingdom Group and key areas are highlighted below:

- Governance and executive support,
- Compliance,
- Organisational performance management and monitoring,
- Organisational policy development,
- Communications,
- Charitable and Community Initiatives Fund,
- Business and organisational development,
- Procurement,
- Data Protection and Freedom of Information,
- Community Initiatives.



2.5 Compliance

As a Charity and Registered Social Landlord, Kingdom Housing Association must demonstrate compliance with the Scottish Housing Regulator's Regulatory Standards of Governance and Financial Management and the Scottish Charity Regulator's (OSCR) charitable requirements.

Kingdom Initiatives Limited is a wholly owned subsidiary of KHA and we need to demonstrate compliance as a Private Limited Company registered with Companies House.

Kingdom Support & Care CIC (Community Interest Company) is a Private Limited Company wholly owned by KHA. Compliance covers a number of areas associated with the Care Inspectorate, Companies House and the CIC Regulator.

Compliance related to other organisational activities, such as procurement, legal services, data protection, FOISA and health and safety are centrally coordinated through the Chief Executive department.

2.6 Organisational Performance Management & Monitoring

We recognise organisational performance management as a critical activity. It allows us to monitor and manage costs, performance outcomes and customer satisfaction levels.

It also provides opportunities to identify areas for improvement and efficiencies.

Demonstrating Value for Money (VfM) is a priority for us and we are developing systems and processes to ensure our customers receive high quality services at an affordable cost.

The Chief Executive department undertakes responsibility for the collation, coordination and management of a full range of performance indicators across all departments and services within Kingdom.



We collect, monitor and manage organisational key performance indicators (KPI's) and a balanced scorecard approach, the information is reviewed and scrutinised by our Management Team and Governing Bodies.

Areas for improvement are identified as part of our organisational performance management systems and improvement plans are established and implemented to achieve our aim to deliver continuous improvement.

We report our performance in various ways, including the following:

- The Annual Return on the Charter (ARC) reported to the Scottish Housing Regulator.
- Our Landlord's Report and Annual Report on the Charter provided to our customers.
- Organisational KPI reports and balanced scorecards monitored and managed by our Boards.
- Performance Outputs monitored and reported to various funders and stakeholders.

A full range of measures, processes, policies and reports are reviewed, considered and scrutinised to provide assurance to the Governing Board members.

2.7 Organisational Policy Development

We have a comprehensive set of organisational policies covering all our areas of activity.

Our policies are reviewed and updated by the management team to reflect new legislative requirements, changes in our business and good practice.

Policies are scrutinised by our policy committee and considered and approved by the Governing Bodies.



2.8 Communication

We believe good communication strengthens our customer relationships, promotes our work, encourages development of good practice and promotes the values and objectives associated with the sector.

The overview of the management and co-ordination of all of our communication and PR activities is undertaken by our Communications & Media Manager.

We have created a Communication Strategy and continue to further develop our Communication Plan to ensure our approach to customer engagement, including participation, consultation, scrutiny and communication is effective in assisting Kingdom to meet its objectives.

Feedback from our customers is also encouraged and we use this constructively to improve our services and inform our decision making.

2.9 Business & Organisational Development

We have ambitious plans to develop our business across all our areas of activity.

The Chief Executive and Finance departments play a key role in respect of identifying business opportunities which will further our objectives and input to the development of feasibility studies and business case proposals for new ventures, initiatives and business development opportunities.

We will consider organisational growth and business development opportunities where this furthers the Group objectives and is supported by a viable business case. Where appropriate, we will explore and deliver constitutional change, this may include:

- Creation of new subsidiary companies.



- Potential Transfer of Engagements from smaller RSL's, or Constitutional Partnerships, where mutual benefits can be demonstrated.
- Establishing Social Enterprise Companies.
- Joint Venture Partnerships.

2.10 Equality and Diversity

We are committed to embracing diversity and to creating an inclusive culture. We strive to create an environment which values all cultures and groups which is reflected in our interactions with employees, governing body members, customers, visitors, suppliers and contractors.

We undertake Equalities impact assessments when making key decisions and making policy changes to ensure we are not unknowingly negatively impacting on any of the protected characteristics. We collect and manage equality data from our customers through a variety of methods including; our customer portal *My Kingdom*, during our large scale survey, and during routine calls with our Customer Contact Team. This information is stored securely on our housing management system.

We take our responsibilities for Equality and Diversity seriously and we strive to;

- Create a working environment that celebrates diversity and is free from discrimination.
- Ensure managers work in partnership with employees to create and sustain an inclusive working environment where everyone's unique contribution is valued.
- Make decisions on employment, training, promotion and career development which are based on an individual's ability and genuine occupational requirements.
- Comply with relevant legislation by requiring all employees to meet the standards of behaviour and conduct set out in the Code of Conduct for Staff including how



they treat their colleagues and other people they have contact with as part of their work with Kingdom.

- Make adjustments to meet the needs of employees, workers and customers who have specific needs as a result of any protected characteristic where reasonable and practicable to do so.
- Ensure all publications and material reflect, in the language and images, the diversity of our employees and customers.

In 2021/22 we conducted an internal Chief Executive compliance audit on Equalities and how we collect, manage and store information on the protected characteristics from our customers, staff and Board members. This will continue to be a focus over the next 3 years as part of the delivery plan as we further expand the information that we hold. We have undertaken extensive training with staff members to ensure they are aware of our legal requirements in regards to the Equality Act 2010.

2.11 Governance & Organisational Support Objectives

The key objectives for the team, over the next few years include the following:

1. We will ensure we remain compliant with legal and regulatory requirements.
2. We will continue to deliver policies adopting new legislative requirements and good practice.
3. We will ensure our Governance arrangements and structures are continually reviewed and fit for purpose.
4. We will produce and scrutinise management reports to provide assurance.
5. We will strive to enhance communications with customers and stakeholders.
6. We will explore future business and organisational development, including delivering constitutional change within the Group, where appropriate.
7. We will collate performance information to aid continuous improvement.
8. We will recruit new and develop our current Governing body members.



9. We will implement a new Diversity and Inclusion policy across the Group and continued compliance with the Equalities Act 2010.



Section 3 – Key Risks

Kingdom is committed to adopting best practice in its management of risk to ensure retained risk is of an acceptable and tolerable level in order to maximise opportunities and demonstrate it has made full consideration of the implications of risk to the delivery and achievement of aims and objectives.

The Group is obligated to protect its assets and to minimise its losses and liabilities. It recognises the need to equip its employees with the skills and expertise to manage risk on its behalf and provides the necessary resources to ensure this can be delivered. The Group's risk management objectives are a long term commitment, inherent to good governance practices.

We have dedicated risk management software that allows effective management and reporting of both Strategic and Operational Risk. It allows the SMT and Board(s) to manage and review risk appetite, risk maturity, risk controls and actions while increasing ownership and accountability for risk owners.

Strategic Risks

The following is covered as part of Kingdom Strategic risks:

- Development Capacity and unplanned changes that result in us not meeting our development ambitions.
- Availability and cost of Loan finance.
- Effectiveness of Digital systems.
- Governance, Legal and Regulatory Compliance.
- Pension costs.
- KSC funding.
- Maintenance costs.
- Employment costs.
- Recruitment, Retention and Succession Planning challenges.



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- Procurement challenges and ineffective contract management.
- Compliance with legislation and internal policies.
- Security and Cyber risk.
- Serious harm to those we support.
- Constitutional change within the Kingdom Group.
- General Covid-19.

Financial Risks

As a debt-funded organisation the Group carries particular financial risks which are closely monitored and stress tested in our modelling. These include:

- Failure to generate adequate finance to meet strategic objectives.
- Failure to meet loan covenants.
- Exposure to changing economic conditions including inflation and interest rates.
- Business plan assumptions differ significantly from actual experience.
- Failure to produce accurate and timely financial information on which decisions are based.

Covenants

Kingdom's lenders each have their own financial covenants based on minimum levels of interest cover, gearing and asset cover (i.e. loan to value ratio). In order to meet the most stringent of the interest cover covenants, Kingdom must generate an operating surplus (adjusted as defined in loan agreements) of at least 110% of interest payable. The financial projections in section 16.5 demonstrate that interest cover does not fall below 120% during the lifetime of the Business Plan based upon the assumptions in the model.

In order to meet the most stringent of the gearing covenants, Kingdom must not borrow more than 69% of the sum of its capital and reserves and grants received. The financial plans show that the maximum additional borrowing required in the period of the plan (i.e. assuming all



development schemes referred to earlier proceed) would not raise gearing above 51% for the period of the plan.

Borrowing Capacity

The other main financial constraint faced by the Group is the availability of sufficient security through unencumbered properties to enable loan finance to be obtained. The maximum amount of secured lending is determined by the lender's asset cover stipulation. For example, an asset cover of 125% means that we could borrow a maximum of 80% of the value of properties required for security. This could lead to a situation where there is no longer further valuation headroom available for borrowing, but that is not expected to be a constraint during the lifetime of this plan.

Operational Risks

There are many operational risks for each department that can impact on the delivery of our plan, they are summarised below.

General Operational Risks

During 2021/22 we experienced various operational challenges associated with the Coronavirus pandemic, however this has demonstrated we are resilient, agile and have the ability to mitigate the impact.

We will continually review changes to our operating environment and introduce control measures on an ongoing basis to mitigate the risks on our business operations.

Asset Management

Our housing stock is relatively new in comparison to some other landlords, it has been built to high standards and is well maintained, therefore when identifying and assessing asset management risks, we take a proportionate approach, which reflects the age, type and condition of our assets.



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When managing our operational risks in asset management we will introduce proactive measures to optimise business continuity in relation to the repairs and maintenance services we provide to our customers.

Housing Services

To support delivery of our service output objectives we will continuously review and develop service capacity and capability.

Our objective is to maintain the best possible services to our customers. Through our advice and assistance services we will help tenants to sustain their tenancies and mitigate the risks related to areas associated with our rental income, bad debts and voids levels.

Development

The key areas we manage through our development risk management strategy include:

- Potential impact of procurement non-compliance in relation to our projects.
- Uncertainty or significant change in financial, employment or housing markets.
- Potential pressure on grant rates or costs of service delivery, particularly post-Brexit.
- Potential failure of RSL partner to finance an Alliance affordable housing project.
- Uncertainty in Council funding priorities for delivering wider role initiatives.

People

Protecting Kingdom, its business and its reputation will be paramount with any risks being identified, considered and mitigated in the implementation of this strategy. Where possible, both time and cost efficiencies will be sought and, where that is not possible, costs will be minimised and only incurred where it is believed there will be an acceptable return on Investment.



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The risks associated with recruitment, retention and succession planning could impact on our ability to deliver services and impact on our ability to deliver on the objectives identified in the Corporate Plan, however mitigation measures have been implemented to reduce the risks.

Digital

Cyber and security risks are continually monitored and both strategic and operational risks updated in the risk register. Project risk is monitored regularly and managed within Kingdom's project management software.

Kingdom Support & Care

Some of the main risk areas that could impact on our care and support services include the following:

- Insufficient funding available to meet employment costs and generate a reasonable surplus.
- Funding may not be available for investment in communities and creation of a subsidiary.
- There may be no appetite or available funding for remote and blended services.
- Creating income generating business needs investment which may not provide a good enough return.
- Recruitment and retention in Social Care may not improve sufficiently to enable plans to be followed.
- Uncertainty regarding the implementation of the Feeley report and impact of a National Care Service.

Kingdom Initiatives

The introduction of private development partnerships will present new risks to KI and the Kingdom Group, however robust analysis on each underlying opportunity will be carried out and investment parameters and return hurdles will be required to be met based on third party diligence before the KI board approves an investment into a partnership. We will also cap the investment per partner



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and will look to distribute funds over a number of years and sites in order to ensure KI is not exposed to a single site or market.

Development of new private development projects within KI are also subject to detailed market assessments and financial appraisals and no unacceptably high risk projects will be progressed. It is likely KI will predominantly develop homes that in the event of a downturn in the sales market, the majority of homes could revert to Mid Market Rent properties, thereby attracting subsidy and held by the group over the long term.

Any expansion of our maintenance and factoring services will only be progressed where the detailed business plan generates profit and the activities are assessed as low risk.



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Section 4 – Delivery Plan

The schedule below provides detail of the key priorities we intend to deliver, across all services, over the period of the Plan.

Service	Objective	PY	Year 1	Year 2	Year 3	Year 4	Year 5
Asset Management	New Repairs and Maintenance System on going development - Introduce and implement the online repairs reporting and appointment bookings						
	To deliver the 3-year investment plan to improve the properties in the newly transferred, former Fairfield HA operating area						
	To extended the in-house repairs and maintenance team and its operating area to take over the reactive maintenance delivery in the Perth & Kinross areas						
	To develop business growth through the introduction of a repairs service for external customers						
	Prepare an action plan for meeting EESSH 2 requirements over the next 10 years						
	Implement the EESSH 2 action plan to meet the 2025 interim targets and then the final 2032 Target (Annual unit targets will come from the action plan)						
	Continue to monitor SHQS compliance and complete the programme delivering electrical safety inspections, needed to meet the new electrical safety element of SHQS.						
	Investigate the feasibility of establishing a repairs and maintenance subsidiary company and produce a business case						



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Service	Objective	PY	Year 1	Year 2	Year 3	Year 4	Year 5
Chief Executive's Department	Review Business Plan, Risk Register, PEST and SWOT Analysis to recognise the impact of Covid-19 on our plans						
	Implement and operate new Risk Management Software (Decision Time)						
	Ensure legal and regulatory compliance. Enhance the Annual Assurance statement process						
	Deliver constitutional change within the Group, where approved.						
	Recruit Governing Body members						
	Deliver Governing Body learning & development programme						
	Implement Communication Strategy and improve internal and external communications						
	Develop new Diversity and Inclusion policy and staff training to ensure continued compliance with the Equalities Act 2010						



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Service	Objective	PY	Year 1	Year 2	Year 3	Year 4	Year 5
Customer Services	Develop Customer Service Standard (direct customers)						
	Develop Customer Service Standard (others)						
	Update Customer Excellence Action Plan						
	Centralise Customer Service Team						
	CSE Accreditation			retain	retain	retain	retain
	Deliver BD plans for new target markets						
	Further Award applications/wins						
	Improved Complaints process						



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Service	Objective	PY	Year 1	Year 2	Year 3	Year 4	Year 5
Development	Ensure capacity to deliver quality new affordable homes for Kingdom & partners over the next 5 years in line with Scottish Government Resource Planning Assumptions <i>We plan to deliver 85-90% of the Target shown each year for KHA</i>	Est'd 374 units	Target 525 units <i>incl. 61 KI units</i>	Target 398 units	Target 366 units	Target 367 units	Target 362 units
	Ensure alignment with the Scottish Government's Climate Change Plan and our Net Zero Strategy, including expansion of fabric first strategy						
	Implement zero emission heating options regarding 2024 Heat Standard						
	Establishment and compliant use of relevant Procurement Frameworks, with appropriate emphasis on environmental considerations to support biodiversity						
	Retain Preferred RSL Partner Lead Developer Status in Fife, our main area of operation	2 year extension		reviewed			
	Embed expanded level of 'Green' Jobs & Training Options delivered through employability projects						
	Expand customer service delivery and engagement through collaborative working						



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Service	Objective	PY	Year 1	Year 2	Year 3	Year 4	Year 5
Digital	Improve the online customer experience to access services and data						
	Provide effective digital support to the group and partner organisations						
	Ensure security and performance of all Digital systems						
	Reduce data to meet legislative requirements						
	Deliver business efficiencies through reviewing and implementing new digital applications across all services						
	Ensure knowledge and compliance with effective risk management, procurement, financial, strategy, audit, security and policy management						



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Service	Objective	PY	Year 1	Year 2	Year 3	Year 4	Year 5
Fairfield Transfer Strategy 10 Transfer Commitments (1)	<p>Provide an effective repairs services</p> <ul style="list-style-type: none"> Introduce Kingdom's in house maintenance service to Fairfield from July 2022 Introduce an appointment system for repairs from July 2022 to improve flexibility for tenants. 						
(2)	<p>More investment in homes and the environment</p> <p>Over the first 3 years from transfer, Kingdom will deliver a major accelerated investment programme that will see over £5.12m spent;</p>						
Installations	New Doors - 221		121	72	28		
Installations	New Windows - 220		120	72	28		
Installations	Replacement Kitchens - 376		93	161	122		
Installations	Replacement Bathrooms - 36		0	21	15		
Installations	Heating upgrades / replacement systems - 258		14	154	90		
Installations	Smoke Detector Upgrades - 9		9	0	0		
Installations	Replacement Consumer units - 261		85	88	88		
Installations	Rewiring - 160		0	0	160		
Installations	Total Number of installations - 1,541		442	568	531		
(3)	Estate Management, Customer Services and Wider Services						



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(4)	Ensure rents remain affordable						
(5)	Keep the local office						
(6)	Retain existing staff						
(7)	Be financially viable						
(8)	Ensure good governance						
(9)	Strong community voice						
(10)	Expanding housing options						



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Service	Objective	PY	Year 1	Year 2	Year 3	Year 4	Year 5
Finance	Obtain sufficient funding to enable the Group to fulfil its strategic objectives						
	Integrate accounting for new joint ventures, subsidiary companies or Transfer of Engagements						
	Introduce further automation to reduce manual processes						
	Complete review of finance software systems and introduce significant improvements in efficiency and outputs						
	Improving presentation of financial information across the Group via charts and dashboards (continual process)						
	Continue to develop internal financial controls to minimise risk of loss and satisfy both internal and external auditor scrutiny						
	Investigate the feasibility of developing a structure and systems to enable the provision of Finance services to smaller RSLs (see Kingdom Initiatives section 15)						



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Service	Objective	PY	Year 1	Year 2	Year 3	Year 4	Year 5
Housing	Enhance Tenancy sustainment and support services including through accessing external funding						
	Test and assess rent affordability						
	Achieve TPAS gold accreditation						
	Deliver enhanced outputs from Tenant Participation and Scrutiny activities across all services						
	Enhance team capacity and capability through CPD, including supporting the whole service to complete grade appropriate qualifications						
	Deliver continuous improvement across core activities including rent collection, allocations, ASB and customer service						
	Review system requirements and deliver project to implement an updated Housing Management System						
	Develop the Kingdom CARES programme and contribute towards achieving Customer Service Excellence accreditation						
	Achieve year on year increase in proportion of customer transactions completed via digital channels						



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Service	Objective	PY	Year 1	Year 2	Year 3	Year 4	Year 5
HR Services - People Plan	Launch Kingdom Academy						
	Maintain, operate and further develop Kingdom Academy						
	Create and publicise Employer Brand for Kingdom						
	Design and launch Workforce Planning and Resourcing tool						
	Achieve Platinum Investors in People accreditation						
	Achieve Platinum Investors in Young People accreditation						
	Achieve Healthy Working Lives Gold accreditation, or equivalent						
	Retain Accreditations						
	Recruit to and launch Diversity & Inclusion forum						
	Review staff terms and conditions						



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Service	Objective	PY	Year 1	Year 2	Year 3	Year 4	Year 5
Net Zero	Deliver key innovation and net zero carbon projects at Gauldry and Torryburn						
	Explore and install net zero carbon heating systems within our newbuild programme in preparation of the new regulatory 2024 Heat Standard						
	Expand the provision of electric vehicle charging facilities.						
	Deliver a customer and staff climate change awareness programme						
	Implement a Net Zero working group						
	Assess our current business activities to better understand our environmental impact and to establish a benchmark going forward to monitor our progress						
	Pilot sensor technology to gather building performance and end user energy data						
	Adopt a fabric first approach to retrofit and in our newbuild to ensure that our homes are as energy efficient as possible						



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Service	Objective	PY	Year 1	Year 2	Year 3	Year 4	Year 5
Kingdom Initiatives (KI)	Ensure KI is financially viable and profitable						
	Analyse and implement new KHA-KI financial relationship for MMR income						
	Joint venture with University of St Andrews - construction period years 1-2, income generating from year 3						
	Launch factoring, maintenance and repair services		Owners	Partners			
	Outsource/Consultancy back-office services						



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Service	Objective	PY	Year 1	Year 2	Year 3	Year 4	Year 5
Kingdom Support & Care (KSC)	Develop proposal and funding mechanism for new model of accommodation for people with complex and challenging needs						
	Set up KSC Learning Academy						
	Work towards Platinum Investors in People accreditation						
	Investigate opportunities for acquisitions, partnerships and alliances to enhance our skill base and ability to respond to emerging need						
	Create and implement a digital inclusion strategy for those we support						
	Revisit opportunities for income generating services which is not reliant on Local Authority funding						
	Develop and trial remote and blended services						
	Develop and plan funding model for providing added value in communities, potentially through creation of a subsidiary company						
	Review Learning & Development Strategy						
	Consider the impact of the Feeley Report and National Care Service on the future of KSC						
	Consider use of technology enabled care in services						
	Review and improve customer feedback and satisfaction models						



Section 5 - Fairfield Transfer of Engagements

Introduction and Background

On the 1 December 2021 Fairfield Housing Association (Fairfield) transferred its engagements to Kingdom Housing Association (Kingdom), this included all assets, liabilities, properties, tenancies and staff. This was a milestone event for Kingdom and represented the first time the organisation had been involved in a stock transfer, through a Transfer of Engagements.

The planned implementation and integration period has been identified over a 3 year period to end March 2025, with year one of the strategy being December 2021 to March 2023.

The transfer of the Fairfield stock increased the size of the Kingdom Group and at the end March 2022, we now own and manage over 6,000 affordable homes, which provides opportunities for economies of scale.

Kingdom and Fairfield had a long history of collaborative working which dated back over 17 years. This partnership relationship involved Kingdom developing new homes for Fairfield and Fairfield managing Kingdom properties in the Perth & Kinross area through a Service Level Agreement.

A separate detailed Transfer Business Plan was approved and reference can be made to this where required. This section of the Kingdom Corporate Plan provides a summary of the implementation strategy.

The 514 former Fairfield properties and tenancies will be managed in line with Kingdom policies and processes and we will implement the plans for delivery of the transfer commitments.

In the year immediately preceding the transfer Kingdom and Fairfield entered into a shared services arrangement where Kingdom provided Chief Executive, Governance, Finance, Digital and Strategic Asset Management Services.



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Pre-transfer, a Joint Project Board, with representatives from both organisations, was established to oversee the development of the joint strategic options appraisal and the transfer discussions.

A transfer business case was developed which involved input and consultation with the former Fairfield tenants. The business case identified the objectives to be achieved through the transfer.

The statutory and regulatory processes were applied and tenants voted in favour of the transfer in August 2021. The required SGMs were held and all consents were obtained which allowed the transfer to take place on 1 December 2021.

Purpose and Objectives

The purpose of the transfer was to combine the strengths, capacity and capabilities of both organisations to create a stronger and more sustainable organisation. This implementation stage will demonstrate the ability of Kingdom to deliver the objectives and transfer priorities of Fairfield and provide a thriving future for all of its tenants, staff and other stakeholders in the challenging external environment that undoubtedly lies ahead.

The objectives of the transfer strategy is to;

- Provide the ability to realise supervision and management costs efficiencies for the benefit of all tenants.
- Deliver enhanced services to tenants.
- Create opportunities to provide more affordable rents.
- Enhance investment in former Fairfield properties.
- Provide added value services to former Fairfield tenants via sustainable tenancy services provided by Kingdom.

The commitments and transfer offer that underpins the Business Plan have been shaped by the views and priorities of the former Fairfield tenants and wider stakeholders. The offer was converted into promises, which we have committed to deliver.



Commitments and Planned Outputs

The table below summarises the key transfer objectives and Kingdom’s transfer commitments to former Fairfield tenants. The planned outputs are also detailed in the delivery plan.

Objectives	Commitments
1. Provide an Effective Repairs Service	<ul style="list-style-type: none"> ● Using Kingdom’s contract, compliance, and asset management expertise, ensure all contracts are procured and managed to deliver high quality responsive services to tenants and demonstrate value for money. ● Completing repairs within agreed timescales. ● Introduce an appointment system for repairs. ● Introduce Kingdom’s in-house maintenance service to the Fairfield area. ● Expand employment and apprenticeship opportunities.
2. More Investment in Homes and the Environment	<ul style="list-style-type: none"> ● Over the first 3 years from transfer we will deliver a major investment programme that will see over £5.12m spent in the area by the end of March 2025. ● Of the £5.12m, Kingdom will spend £860,845 to improve the environment.
3. Estate Management, Customer Service and Wider Services	<ul style="list-style-type: none"> ● Retain and expand the tenant services delivered from the local Perth office. ● Introduce and embed a customer focused culture to ensure that the customer is at the heart of everything we do. ● Develop a local strategy and action plan with the new Local Area Committee to ensure services meet the needs of the local community. ● Provide full access to a range of enhanced support funds for customers.
4. Ensure Rents remain Affordable	<ul style="list-style-type: none"> ● To provide peace of mind to former Fairfield residents, Kingdom committed to ensuring that future rents rise at a lower rate, as outlined below; <ul style="list-style-type: none"> ○ A rent freeze for the first year post transfer (2022/23), ○ Restrict rent increases in years 2 and 3 following the transfer to inflation (CPI) only. ● Undertake a rent structure review after 3 years from the transfer to address the perceived inequalities with the current Fairfield rent structure.



	<ul style="list-style-type: none"> ● During year 1 of the transfer, Kingdom will review the service charges across all properties and introduce a revised service charge structure from April 2023 that ensures all charges are fair and transparent.
5. Keep the Local Fairfield Office	<ul style="list-style-type: none"> ● We recognise the local and strategic benefits associated with having a local base and will retain the current office. ● Fairfield’s transferring staff have been retained and operate from the local office. ● Kingdom’s leadership team and staff providing wider role services will also operate from the local office as required.
6. Retain Existing Staff	<ul style="list-style-type: none"> ● All Fairfield staff were retained and transferred to Kingdom and no redundancies took place as part of the transfer. ● The transferred Fairfield staff terms and conditions are protected through TUPE. ● Transferred staff have full access to Kingdom’s learning and development programmes ● The experienced management team at Kingdom will provide support and lead the local Fairfield team to deliver excellent services. ● Kingdom's culture change programme is being introduced and embedded to ensure a customer focused culture.
7. Be Financially Viable	<ul style="list-style-type: none"> ● A new post-transfer 30-year business plan has been created that addresses the gaps in Fairfield’s previous plan. ● The new plan demonstrates how the package of benefits to former Fairfield tenants will be paid for over the 30 year period whilst maintaining rent affordability. ● The new plan ensures that Kingdom will continue to meet the requirements of our lenders over the terms of the loans.
8. Good Governance	<ul style="list-style-type: none"> ● Our strong and skilled Board at Kingdom that will ensure full compliance with SHR Standards, good governance, scrutiny, and robust decision making. ● A former Fairfield Board member took up the reserved place on the Kingdom Board and will be directly involved in overseeing implementation of the transfer plans. ● We will continue our proactive engagement with the SHR to ensure the commitments are monitored and implemented. ● We will develop positive engagement with local politicians and the Council to provide assurance as one of the Council's strategic housing providers with a clear commitment to the



	Perth & Kinross area.
9. Strong Community Voice	<ul style="list-style-type: none"> ● We have created a Local Area Committee with direct links to the Kingdom Board, with arrangements in place for tenants and people in the community to engage proactively with us. ● The Local Area Committee will have delegated authority and responsibilities for administering local community budgets and projects related to areas such as; <ul style="list-style-type: none"> ○ The Fairfield Trust fund of £131,000, where the funding has been ring fenced to benefit tenants in the Fairfield area. ○ The environmental improvement programme. ○ A £5,000 community benefit fund that has been secured by PKC linked to the new build housing on the former Fairfield Centre site. ○ Redevelopment of the local disused play area. ● During 2022 we will increase the size of our wider role team by three officers to allow the introduction of the following support services to former Fairfield tenants: <ul style="list-style-type: none"> ○ Tenant Participation, ○ Energy advice and environmental initiatives, ○ Sustainable tenancy support projects.
10. Expanding Housing Choice and Options	<ul style="list-style-type: none"> ● Kingdom has plans to provide over 300 new build social and mid market rent homes in the Perth & Kinross area over the next 3 years, to enhance choice and options for current and future tenants. ● All housing vacancies and new homes will be allocated through the Council’s Common Housing Register.

Operational Constraints and Risks

As part of the transfer business case a full risk assessment was carried out and controls have been identified and implemented to mitigate the risks.

We are confident that all the commitments will be delivered, however there may be unavoidable or unforeseen events that could delay implementation.



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During 2022 we will still be working through the impact of the Covid pandemic and whilst recovery plans are in place, a recurrence of a similar event in the future could impact on business continuity.

At the time of preparing this business strategy inflation rates are increasing, energy costs are the highest they have been in over 10 years and the cost of living is increasing at significant levels. This risk has both a business impact and also creates significant challenges for our customers.

The impact is not exclusive to the Fairfield transfer arrangements and could have an impact on all our areas of operations due to factors associated with increasing costs, supply constraints and resource shortages.

Although these factors will have a short term impact we are confident the economic and environmental factors will stabilise in the medium to longer term.

Business Development Opportunities

Although we have been active in Perth and Kinross since 1999, the Fairfield transfer of 514 homes enhances our presence in the area. Through our planned development programme we will have over 1000 affordable homes in Perth and Kinross within the next 3 years.

Our increased size provides opportunities to enhance our profile locally through developing business initiatives and expanding our existing services to customers in Perth and Kinross. Business development opportunities that will contribute to the implementation of the transfer strategy will be progressed over the next few years, and include;

- We will continue the development of our new supply affordable housing programme to provide homes for social rent and mid market rent.
- We will expand our asset management arrangements through the introduction of our In-house maintenance service in the Perth & Kinross area.



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- We will continue discussions with Perth & Kinross Council to lease a new build housing project in Fairfield which means we will be able to broaden housing options available to former Fairfield tenants and provide new housing for other people living in the area.
- We will expand our employability and training initiatives in the Perth & Kinross area.
- We will provide a development for people over 55 years of age in Scone, and investigate the feasibility and demand for a co-housing initiative.
- We will expand our support and care services through the Perth & Kinross Framework.
- We will assess the success of Local Area Committee arrangements, and if successful we will investigate the roll out of the model to other areas of operation.
- We will expand and further develop the tenancy support services we provide.

Customer Profiling and Stakeholders

As part of the Fairfield transfer our key customers will continue to be tenants and people in communities. Various stakeholders will have an interest in the ongoing implementation of our Fairfield transfer plans, the key stakeholders include;

- The Kingdom Board,
- Management and staff,
- Local communities,
- SHR,
- Scottish Government,
- Perth & Kinross Council and Local politicians,
- Lenders.



Section 6 - Customer Services

6.1 Introduction to Our Purpose and Vision

Our aim is to deliver excellent customer service throughout the organisation and to all of our customers - external, internal and potential new customers. Regardless of how and when our customers approach/contact us they should receive the same level of service and a service that reflects the values of the Kingdom Group.

In creating the new Operational Service Area a priority was to centralise our customer service delivery across all operational areas. The Customer Service team will provide a central 'one stop shop' for excellent frontline customer service but the delivery of excellent customer service will remain a priority for the whole organisation.

We recognise that all of our customers will have different expectations and preferences so it is essential that we have a menu of options for the delivery of our customer service. A substantial amount of work has already been done on this - particularly in relation to digital options - and our aim will be to develop this further over the life of this plan and to ensure the customer receives excellent service regardless of the means of delivery.

6.2 Objectives and Key Priorities

Our overriding objectives are -

- Centralisation of our existing customer service delivery under the new Customer Service Manager.
- Increase our customer intelligence to inform & enhance service delivery.
- Reduce customer effort and increase customer satisfaction.
- Provide staff with the knowledge, skills and confidence to deliver excellent customer services.



Within these objectives our priorities during the life of this plan will be -

Centralisation of existing customer service delivery

- Recruitment of Customer Service Manager.
- Move and rename Customer Contact Team.
- Create Kingdom's Customer Service Standard.
- Create a new Customer Service Improvement Plan.
- Achieve Customer Service Excellence Accreditation.

Customer intelligence development

- Data gathering from customer engagement exercises, complaints review, benchmarking.
- Analysis of data to create customer profiles and identify any barriers.
- Journey mapping for key customer experiences.

Reduce customer effort/increase satisfaction

- Continue to develop digital services for customers with particular focus on self service options.
- Develop 'one stop shop' approach for customer service time (maximise service delivery at first point of contact).

Provide staff with the knowledge, skills and confidence to deliver excellent customer services

- Develop our existing customer champion programme to encourage positive behaviours.
- Create an internal training programme for customer service delivery across all operational areas.
- Create space for staff innovation.



6.3 Outputs and Outcomes

Key outcomes -

- Creation of Kingdom Customer Service Standards for all customer groups.
- New Customer Service Improvement Plan/Customer Excellence Action Plan (covering 2022 - 2025).
- Centralised Customer Service team under the newly recruited Customer Service Manager.
- Customer Service Excellence Accreditation achieved and retained.
- Business Development proposals developed for new target markets.
- Further award wins for Customer Service delivery.
- Improved Complaints process with a focus on lessons learned/service improvement.

Measures

- Increased customer satisfaction,
- Increased number of compliments,
- Increased number of Frontline Resolutions,
- Increased % of customers using My Kingdom portal/Kingston webchat/digital solutions.

6.4 Operational Risks and Constraints

In seeking to improve customer service delivery there is little risk as the outcomes should all be positive however there are some current operational challenges and constraints that we would look to overcome with the customer service strategy over the period of the corporate plan -

- Separation between departments resulting in duplication of some processes and inconsistencies in approach.
- Multiple platforms not all of which interact with each other.
- Drive for efficiency *can/may* distract from service delivery.



- Lack of clear standards at an organisational level.

To balance out these challenges/constraints there has been some excellent work carried out in relation to Customer Services which will be built on as part of the corporate plan including;

- Numerous Award wins,
- Kingdom CARES programme,
- Customer Service Improvement Plan,
- Tenant Participation approach.

6.5 Business Development and Delivery Plans

As customer service is at the heart of our service delivery any new business development will have an element of customer service within it and have a centralised approach across the organisation will inevitably assist with the ultimate delivery of excellent standards in customer service.

The key roles of Customer Service Manager and Customer Excellence Leader should be involved in projects and proposals from across the organisation at an early stage to ensure Customer Service Excellence is embedded right from the start.

There are a few particular targets to focus on within the life of this plan some of which have already been progressed and others are still to be initiated -

- **Repairs Service for Private Owners** - this is being led by the **Asset Management** department with a pilot planned for Q1 of 2022/23. This will be a relatively small scale pilot to ensure we can deliver on immediate demand but key to the success of this and the potential to expand will also come down to excellent customer service. Given this is aimed at private owners we need to understand what expectations



they have on customer service so that we meet/exceed these. Feedback on this will be a key priority for the Customer Service Team.

- **Factoring** - along similar lines to the repairs service for private owners this is a real business opportunity not only in enhancing our current factoring offering but to identify opportunities to sell this service to other groups of owners and in particular to other RSLs who are factors by default but may not have the skills / experience / teams to do this. Prior to expanding we need to ensure the system is effective but also ensure that our customer services in this area are enhanced so again they meet the likely higher expectations. This will be led by our **Alternatives Tenure Team**.
- **Private Landlords** - the Private Rented Sector has experienced a number of changes in recent years and current proposals¹ will introduce more standards, regulation and security for tenants. It is likely that some private landlords will find these challenging to meet and there are two potential opportunities for us;
 - If the landlord decides to dispose of their PRS property we can acquire (with or without vacant possession),
 - If the landlord wishes to retain the property for investment properties but cannot manage the tenancy admin/demands we can look to develop a role as PRS manager building on our skills and experience in delivering for tenants across social and MMR.

6.6 Customer and Stakeholder Profiling

Whilst our initial focus will be on our Direct Customers once we have developed our standards and established our services we will look to develop the standards and positive behaviours to deliver these to our indirect customers and partners/stakeholders.

¹ Scottish Government Consultation - A New Deal for Tenants 2021/22



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As set out in 6.3 there are some key business development opportunities which involve customer services and as such we have identified a group of potential customers as well.



Section 7 - Development Strategy

7.1 Introduction to Our Purpose and Vision

The Development Service comprises 3 teams whose main purposes are to provide:

- new build affordable housing through **Capital Investment (CI)**,
- employability and training outcomes through **Kingdom Works (KW)**,
- repair and disability adaptation services through **Care & Repair (C&R)**.

Our processes are underpinned by sustainability and climate change drivers, continuous improvement in customer service and compliance with regulatory requirements. We demonstrate a positive collaborative approach to deliver on our objectives in accordance with our CARES and Leadership Values. Our aim is to enhance our local communities through customer focused provision of more high quality affordable homes and wider role activities that help deliver the vision, values and strategic objectives of the Group.

7.2 Objectives and Key Priorities

Our service objectives and priorities for the period of the Plan will be to:

- Provide new quality affordable homes, employability and adaptation services.
- Deliver added value, community benefits and positive environmental outcomes
- Deliver growth and opportunity through collaborative partnership working.
- Demonstrate innovation that recognises zero carbon ambitions and sustainability.

Our key priorities will be to:

- Achieve quality measures, business targets and strategic objectives.
- Work collaboratively to secure new opportunities and efficiencies.
- Drive enhanced service delivery with customer focus
- Contribute directly to enhancing our new Net Zero Strategy



7.3 Business Development and Delivery Plans

Our affordable housing programme is fully aligned with our Business Plan, Net Zero Strategy and KI Strategy. We have Alliance agreements with Ochilview HA in Clackmannanshire and with Fife, Glen and Ore Valley HAs, through the Fife Housing Association Alliance (FHAA). The FHAA is recognised as lead developer in Fife until 2024 and KHA continues to be the lead RSL developer in Clackmannanshire. In establishing local Housing Need & Demand Assessments for our projects, including the appropriate level of Particular Needs housing, we liaise closely with our Local Authority colleagues.

Under our Delivery Plan we set out our commitments regarding the following:

- Ensure capacity to deliver quality homes aligned with funders' targets.
- Ensure alignment with the Climate Change Plan and our Net Zero Strategy.
- Compliant use of relevant Procurement Frameworks, with increased emphasis on environmental considerations to support biodiversity for new Frameworks.
- Retain Preferred RSL Partner Lead Developer Status in our key areas of operation.
- Embed expanded level of 'Green' Jobs & Training through employability projects.
- Expand customer service delivery and engagement through collaborative working.

We maintain a sustainable capacity to develop mixed tenures through working collaboratively within the Group on a range of new business plans, including plans:

- to establish and deliver on **new co-housing options** following on from our acquisition of the new build Scone project in Perth & Kinross.
- in line with our **Fairfield Integration and Implementation Plan**, to build on an increased capacity and appetite for new affordable housing options in PKC.
- to review appropriate **reprovisioning and partnership options** for Support & Care and proposals to support KI priorities including non-grant funded tenures.



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Information regarding our Kingdom Works and Care & Repair services is included in the *Community Initiatives Section*.

7.4 Customer and Stakeholder Profiling

We will continue to work collaboratively with a range of key stakeholders including:

- Residents and Local Communities,
- Departments across the Group,
- Supervisory & Regulatory Bodies,
- Scottish Government, Local Authorities,
- Potential partners where mutual benefits are available.

7.5 New Affordable Housing Supply - Outputs and Outcomes

The Capital Investment team develops new housing in Fife, Perth & Kinross, Falkirk and Clackmannanshire. We consider strategic opportunities in other areas and we develop different tenures in consultation with key partners, assessing projected demand, funding, viability, target groups, house types, private market and affordable values.

The table below summarises our delivery plans for different tenures and for our Partners:

5 Year Plan (2022-2027)	Social Rent	Low Cost Home Ownership	Mid Market Rent	Total
Kingdom Housing Association	1,416	40	160	1,616
Kingdom Initiatives	0	0	61	61
Affordable Housing Delivery Partners	341	0	0	341
Total	1,757	40	221	2,018

More detailed tables are in the Affordable Housing Supply Appendix.



Our new build partners' capacity may fluctuate over time so, as part of a stress-testing assessment, KHA maintains capacity to develop 100 additional units per annum to ensure headroom between Business Plan capacity compared to potential unit delivery.

We aim to provide at least 70% Social Rented (SR) new homes and the 5 year plan shows that we will continue to provide more than 85%. However, alternative tenures provide Programme flexibility, help establish mixed tenure communities and strengthen local economic development so it is important we retain capacity to deliver other tenures. Our main alternative tenure is Mid Market Rent (MMR). KHA lease completed MMR units to KI who are the landlord for all our MMR tenants. Development of MMR by KI is on an exceptional basis. KI will be the developer of 61 new build properties in St Andrews.

New Build rents are set in line with our Group Policy to ensure they remain affordable. We will not apply an unaffordable premium to new build project rents. If priority projects fail our viability assessment then we will seek to secure additional subsidy, or seek approval for internal funding, rather than inappropriately increasing affordable project rents.

7.6 Operational Risks and Constraints

We identify and implement a range of controls and actions to mitigate Strategic, Operational and Project risk outcomes to align with our 'target risk' appetite in terms of impact and likelihood. Our Strategic risk for Development relates to a range of potential changes resulting in a failure to meet key development targets that impact on our Business Plan. Other key risk areas managed through our risk management processes include:

- Potential impact of procurement non-compliance in relation to our projects.
- Uncertainty or significant change in financial, employment or housing markets.
- Potential extraordinary pressure on grant rates and/or cost of service delivery.
- Uncertainty or change in funding priorities for delivering wider role initiatives.
- Potential failure of RSL partner to finance a transfer model housing project.



- Issues related to retention of required skills, knowledge and experience.

We assess a range of factors to ensure positive outcomes for all parts of our service including viability, value for money, income generation options and project-specific requirements. Non-standard projects that do not meet our normal internal viability criteria may only be carried forward by exception if approved by the Group's Chief Executive.

Key constraints relate to funding availability, available security in unencumbered assets, current and projected compliance with Gearing and Interest Cover covenants, limited demand or limited data to assess demand and exceptional risk factors that cannot be sufficiently mitigated through available controls and actions. Other factors affecting capacity include land availability, grant subsidy levels or conditions, exceptional inflation, changing revenue, capital or operating costs.

Capacity is reassessed if outturns vary significantly from assumptions. If significant changes impact on our Strategy making our Strategy unviable, then we will amend our Plan and consider alternative strategies based on:

- Cross subsidy of new affordable housing and innovative funding streams.
- New partnership arrangements with other RSLs and Local Authorities.
- Expanding our range of project management and consultancy services.
- Redevelopment of existing stock and / or selective disposal options.
- Additional self-investment for improved quality, environmental or energy efficiency, for conversion, brown field, high profile or innovative projects.

7.7 New Affordable Housing Supply - Quality, Innovation and Sustainability

Quality design supports sustainable places, public health, community safety, empowerment and identity so we recognise design and place making in Scottish Government Planning Policy, Designing Streets, Creating Places, Place Standards, Delivering Better Places in



Scotland, and other good practice guidance. Core criteria for our design standards include our Net Zero Strategy, quality specification, energy efficiency, Housing for Varying Needs, Secured by Design Gold Standard, whole life maintenance assessments and Health & Safety compliance. We will engage with requirements identified in the Housing to 2040 Initiative and 2024 Heat Standard, including a focus on addressing global warming, and we will contribute to key Design reviews including Housing for Varying Needs.

Our successful track record of delivering innovation as part of our new affordable housing supply programme includes:

- our first sustainable housing project in 2000; the first fully accredited Passivhaus standard house in the UK for social rent in 2010; comparative studies from 2012 Housing Innovation Showcase 2012;
- in the past year we have:
 - our first completed public electric vehicle charging points on new build sites,
 - conversion of both a Category B listed building to provide 5 self contained flats for social rent along with support facilities as well as our former Development staff office to provide 2 private access flats for social rent,
 - both conversions repurposed and revitalised important buildings that were lying empty and supported Fife's Rapid Re-Housing strategy.

Our current and planned innovation activities include:

- Building Performance - Fraser Avenue regeneration project:
A Building Performance Study in partnership with Gannochy Trust to establish as-built performance versus design predictions, plus performance testing of breathing wall technology.
- Modern Methods of Construction (MMC) - gap site in Torryburn:
Off-site manufacturing and modular construction where lessons learned will help inform future use of MMC provision within our programme.



- Low Carbon Homes - Net Zero Ambitions and 2024 Heat Standard:

In prioritising alternative low carbon heating sources, in addition to air source heat pumps we have projects on site at Dunfermline and Glenrothes which connect into local district heating networks. Our Glenrothes project, which will provide 85 new homes for social rent, has been selected to participate in a heat study to inform the Scottish Government's New Build Heat Standard. We will deliver 30 new social rented homes built to passivhaus standards at Gauldry which due to their high thermal and energy efficiency levels will require minimal heating and will deliver on our Net Zero ambitions.

- Electric Vehicle Charging - Strategy Roll out:

To support the Scottish Government's vision of removing petrol and diesel vehicles on Scotland's roads by 2032 we will continue to prioritise on-site implementation of our Electrical Vehicle Charging Strategy as part of our New Build Programme.

- Housing Options - new build special lettings initiative:

30 amenity standard affordable homes at Guardbridge will be allocated to households over age of 55. This lettings initiative helps address identified particular housing need and facilitates continued delivery of affordable housing in an area where school capacity cannot support new family housing.

- New Partnerships and Innovative Opportunities:

- In Scone a new build project of 51 flats for residents aged 55+ who want to establish a community that embraces co-housing management principles,
- In St Andrews a new partnership with the University to deliver 61 new affordable homes through a bespoke Special Purpose Vehicle,
- In Perth a potential new partnership to help relocate and revitalise an existing Support & Care facility within the impressive Bertha Park Village.



7.8 Site Acquisitions

A commitment to land banking has been part of our Development Strategy since 2007, allowing us to consider acquisition of sites ahead of grant funding being available. Our updated *Landbank Strategy* is in the Appendices.



Section 8 – Housing Services Strategy

8.1 Introduction

The Kingdom Group provides Housing Services to over 6,000 customers including:

- Tenants of Kingdom Housing Association (Social Rent),
- Tenants of Kingdom Initiatives (Mid Market Rent),
- Housing Applicants,
- Shared Ownership,
- Private owners (Factoring),
- Other Organisations who lease properties from us,
- Communities in which we operate.

We own or manage affordable homes to meet a wide range of housing needs, across our geographic areas of operation, as highlighted below;

- Fife; 5,103 homes,
- Perth & Kinross 852 homes,
- Clackmannanshire; 217 homes,
- Falkirk; 73 homes.

This strategy sets out the principal housing services objectives which are:

- Deliver excellence across our core housing service activities.
- Further develop tenancy sustainment and support services.
- Enhance customer engagement activities across all services.
- Deliver digital service transformation.
- Demonstrate continuous development of service capacity.

Our timetable to deliver these and additional key projects designed to support them are outlined in the KHA Delivery Plan.



The housing service objectives support the Kingdom Group strategic objectives. We will achieve our objectives through working collaboratively with key stakeholders and partners. We will work with Local Authorities and other partners to make a proactive contribution to developing and delivering initiatives to deliver positive outcomes in line with the relevant Local Housing Strategy. In delivering our objectives we will apply innovative thinking to develop service efficiencies and deliver excellent customer focussed services.

Key areas of risks and constraints that will be managed through this strategy include:

- Maximising income through efficient rent collection and voids management processes.
- Continuous improvement and service developments to be inclusive for all customers.
- Enhance and maintain additional support services to support tenancy sustainability and prevent increased voids.
- Developing the capacity of the service to meet growing service demand.
- Access to external funding to deliver enhanced support projects.

8.2 Excellence across core service activities

We will work to deliver service excellence across all key service activities. We will achieve this through clear planning of activities and continuous review and improvement of service outcomes. Core activities include, but are not limited to:

- Promoting and ensuring fair and equal access to affordable housing.
- Providing quality housing services to support tenants.
- Maximising rental income through effective arrears and voids management.
- Delivering customer service excellence.

8.3 Enhance tenancy sustainment and support services

We have a strong track record of developing and delivering services to support tenancy sustainability. Our current support services include Money Advice, Tenancy Sustainment, and Energy advice. We will continue to:



- Promote and develop new and existing support projects across all of our areas of operation.
- Continuously review customer support requirements and service outcomes
Source external funding to facilitate expanded support operations.
- Collaborate with partner organisations to develop viable projects.

8.4 Enhance Customer Engagement activities across all services

Customer Engagement is a key function for driving service improvements. Our Tenant & Customer Participation Strategy sets out our approach, which has received recognition within the housing sector for good practice in this area. We will continue to develop and deliver an enhanced range of customer engagement options through:

- Promotion of customer engagement activity in order to recruit new participants.
- Delivery of a service scrutiny programme by our volunteer Tenant Scrutiny Panel.
- Reviewing the range of options for engagement and adapting approaches to support inclusive options and maximise opportunities for customer engagement.
- Continuing to roll out and support digital engagement channels.

8.5 Digital Service Transformation

Digital service options can provide fast, easy and flexible service access for customers. We will develop digital services as part of a range of service channels that support customers to access services in a way that works best for them. We will work to increase the proportion of customer transactions through digital channels through:

- Promoting access to digital service options.
- Increasing the range and quality of services that can be fully accessed through digital channels.
- Implementing a new IT system to provide a platform to streamline internal processes and support enhanced digital services to customers.



8.6 Develop Service Capacity

We will continuously review and develop service capacity and capability through:

- Providing a comprehensive range of appropriate training and development options
- Promoting innovation and individual empowerment
- Considering opportunities for business growth and diversification
- Promoting employee health and wellbeing.
- Review processes and implement any changes identified to deliver service efficiency.
- Promotion of Kingdom and the work of the Housing Service internally and externally.
- Developing and maintaining collaborative partnerships.



Section 9 – Asset Management

9.1 Purpose and Vision

We have defined Strategic Asset Management as the strategy which will ensure we manage, maintain and invest in our property assets to ensure that our properties provide attractive, good quality homes for our residents and future customers, at an affordable cost to them and us.

For Kingdom, this definition reflects the process we apply to ensure that the assets we need to operate our business are managed effectively, provide value for money, support growth and diversity and are sustainable into the future.

The asset management strategy recognises that effective maintenance is essential to ensure our properties continue to meet housing needs and remain sustainable in the future, these include planned, cyclical and reactive maintenance and our voids process.

9.2 Operational Constraints and Risks

Strategic risks, associated with asset management are assessed as part of our business planning process, and risk registers are reviewed in accordance with our risk management policy, to ensure we have a good understanding of actual and potential risks which could impact on our strategy.

Our housing stock is relatively new in comparison to some other landlords and has been built to high standards and is well maintained, therefore when identifying and assessing asset management risks, we take a proportionate approach which reflects the age, type and the condition of our assets.

There will be unforeseeable and unavoidable events which could occur due to external



factors. Examples of risks which could fall into this category might include financial factors impacting on maintenance costs, health and safety incident, resourcing, environmental or weather related issues and other economic conditions which result in an unexpected risk. To minimise the impact of risks we apply management monitoring processes and have business continuity plans in place.

9.3 Objectives & Key Priorities

Our priorities for the coming years are:

- Maintain our focus on meeting and exceeding our targets for our reactive repairs service and improving customer satisfaction levels.
- To deliver our annual planned maintenance programme and develop our medium and longer term programmes.
- To improve efficiencies, in the short term this will be focussed around maximising the benefits from our new repairs system introduced in 2021. This has the potential to improve productivity of our operatives and streamline administration processes making us better able to cope with stock growth.
- To deliver the 3-year investment plan to improve the properties in the newly transferred, former Fairfield HA operating area.
- To extend the in-house repairs and maintenance team and its operating area to take over the reactive maintenance delivery in the Perth & Kinross areas.
- For the second phase of the Energy Efficiency Standard for Social Housing in Scotland (ESSH2), develop an action plan from the recently completed desktop assessment of KHA's properties, along with a programme to bring applicable stock towards meeting the requirements by 2032.
- Continue to monitor SHQS compliance and ensure all properties are able to meet the standard, including completing the programme delivering electrical safety inspections, needed to meet the new electrical safety element of SHQS.



9.4 Business Development Opportunities

Business Growth – We have planned to trial a revenue generating service through our in-house maintenance team to carry out work for other customers. With the implementation of our new systems we now think we have the infrastructure in place to allow this trial to go ahead in early 2022/23.

The initial plan is to introduce a service offering reactive repairs for other owners within our mixed tenure developments. If this service proves to be successful, then both the type of work offered and the customer base could potentially be expanded to increase income through the project. The options for growth could be through offering services to other RSL's or private landlords in our operating area and private individuals.

To allow for possible future growth in profit making activities, over the next couple of years we will investigate the feasibility of setting up a repairs and maintenance subsidiary, separate from KHA, which will be less constrained in the type of work it can undertake. If the investigation shows this is feasible a business case will be developed setting out how this could be done.

9.5 Customer Profiling and Stakeholders

We recognise that there are a number of key stakeholders in relation to our asset management strategy. These include:

- Residents, those we support, local stakeholders and the wider community.
- Our Board of Management, KI Board of Directors and staff.
- Funders and lenders.
- The Scottish Housing Regulator and other regulators.
- Partners, such as the local authority, contractors, others RSLs, agencies and community groups.



9.6 Outputs and Outcomes

Outputs:

- To meet and exceed our targets for reactive repairs service delivery and improve void turnaround times.
- To deliver our planned replacement programme in an efficient manner.
- To improve efficiency of operations and increase productivity through the introduction of the new repairs system.
- To deliver the first year of the 3 year former Fairfield area investment plan.
- To extend the in-house repairs and maintenance team to carry out reactive repairs in the Perth area.
- To develop an action plan to work towards meeting EESSH 2 requirements by 2032.
- To meet SHQS including the new electrical safety requirements.
- To put in place a pilot service offering chargeable repairs.
- To explore and if viable develop a business plan for creating a repairs and maintenance subsidiary.

Outcomes:

- Improve customer satisfaction with our reactive repairs service.
- To develop our planned maintenance programming and improve accuracy of costs for future replacements.
- To improve efficiency and increase resilience in service delivery.
- To introduce an improved reactive repairs service for our new customers in the former Fairfield area.
- To work towards improving the energy efficiency of our stock to meet 2032 EESSH2 Targets.
- Faster turnaround of void properties and increased rental income.
- Expand services delivered and increase customer base.



- Develop the service to make it more suitable for delivering future business development.



Section 10 - Net Zero Strategy

10.1 Introduction

Net Zero Carbon can be defined as “the balance between the amount of greenhouse gas produced and the amount removed from the atmosphere” (nationalgrid, 2022).

The global climate is changing due to high levels of greenhouse gases in the atmosphere. Our planet is getting warmer and carbon dioxide levels have risen by 50% over the last century. If no action is taken and global temperatures continue to increase it will have a disastrous impact on humanity and biodiversity.

To address this climate emergency the Scottish Government has confirmed a phased greenhouse gas emissions reduction target which aims to end Scotland’s contribution to climate change by 2045.

Target summary below:

- Year 2030 - 75% reduction,
- Year 2040 - 90% reduction,
- Year 2045 - net zero.

Approximately 20% of Scotland’s greenhouse gas emissions come from buildings. With a focus on good insulation standards and the use of renewable technologies we have been contributing to the reduction of these emissions for many years through the delivery of new affordable homes built to high sustainability standards as well as energy efficiency compliance and planned improvements to our existing homes. Moving forward we will need to do more if we are to meet the Scottish Government’s ambitious targets.



This strategy will contribute to the delivery of Kingdom's strategic objectives and underpin our commitment to tackle climate change and to further reduce our carbon footprint not just in relation to the homes that we provide but across all areas of our business.

10.2 Objectives & Key Priorities

We will achieve our objectives through working collaboratively with key stakeholders to address our impact on climate change and ensure regulatory compliance and a just transition to net zero.

The key objectives of this strategy are;

- Reduce emissions from office buildings, vehicles and services,
- Reduce emissions from our existing housing stock,
- Reduce emissions from our newbuild programme,
- Raise the profile and benefits of energy efficiency and support our customers, communities and staff to adapt to the impacts of climate change.

Our priorities over the next 5 years to help deliver these objectives are to;

- Assess our current business activities to better understand our environmental impact and to establish a benchmark going forward to monitor our progress.
- Carry out a capacity assessment to establish the cost of the transition above current investment profiles.
- Explore new funding opportunities to assist with the delivery of this strategy.
- Adopt a fabric first approach to retrofit and in our newbuild to ensure that our homes are as energy efficient as possible to reduce energy waste, help tackle fuel poverty and mitigate against energy price increases.
- Progress planned improvements in accordance with the Energy Efficiency Standard for Social Housing (ESSH 2) standards.



- Prioritise the installation of net zero carbon heating systems within our newbuild programme in preparation for the new Heat Standard which will require all new buildings consented from 2024 to use zero emission heating.
- Explore green hydrogen options for heating our homes and offices.
- Explore options to enhance biodiversity.
- Review our procurement processes to increase emphasis on environmental performance.
- Drive forward a range of innovation projects using off site construction, Modern Methods of Construction, new low carbon technologies and renewable battery storage to establish mainstream capabilities and inform future design.
- Extend the provision of Electric Vehicle Charging facilities for our customers, communities and staff.
- Implement an electric vehicle replacement programme to reduce the carbon footprint of our maintenance fleet.
- Increase training opportunities for the 'green jobs' sector.
- Launch collaborative projects with other affordable housing providers.
- Raise customer and staff awareness of climate change through a range of mediums and training to drive forward behavioural change.
- Extend the use of sensor technology and SMART metering to gather building performance data to help inform future investment and design and allow our customers to live in their homes as environmentally and cost effectively as possible.

Further details and target timescales are included as part of our delivery plan.

We recognise that we have a long way to go before we are net zero carbon and that we will never eliminate carbon emissions from all of our activities so we will explore ways to offset these emissions which will include expanding our use of renewable energy and enhanced planting and landscaping.



To monitor the effectiveness of this strategy and its actions a Net Zero working group will be established. Our outcomes and targets will be aligned to existing sector and national performance.

10.3 Operational Constraints & Risks

The Achieving Net Zero in Social Housing report published in 2021 by the Zero Emissions Social Housing Taskforce (ZEST) sets out 8 key challenges along with a series of recommendations and actions to address climate change through a shared commitment to tackling technical, financial, social and environmental challenges within the social housing sector.

The findings from the report have been used to inform this strategy and help identify the following key risks:

- The capital cost of delivering our net zero targets will be expensive and sourcing sufficient external funding to cover this will be challenging.
- The requirement for higher grant subsidy to meet reduced carbon targets will impact on the number of new affordable homes being delivered if there is no uplift to the Scottish Government's Affordable Housing Supply Programme budget.
- Currently many zero carbon heating systems are more expensive to run compared to fossil fuel alternatives.
- Insufficient low carbon infrastructure and technologies.
- Rising inflation, energy prices and the impact on affordability for our customers.
- Compliance with continually changing and enhanced regulatory requirements (ESSH 2 review in 2023, Building Regulations 2022, Heat Standard 2024).
- The impact of COVID-19 on the global supply chain in terms of longer lead times and increasing material costs.
- Identified skills gaps and labour shortages within the construction industry.
- Resistance to behavioural and lifestyle changes.



10.4 Business Development Opportunities

The Scottish Government estimates that the total investment required to achieve net zero emissions in our buildings will be in excess of £33 billion. The scale of this investment presents an opportunity for us to boost local economies and create green jobs/training opportunities through our procurement activities and our Employability project.

Through collaboration with Local Authorities there is an opportunity for us to inform the Local Heat and Energy Efficiency Strategies (LHEES) and achieve potential financial savings through area-based delivery of energy efficiency and heat decarbonisation solutions.

The Scottish Government's Housing to 2040 strategy looks to ensure all new affordable homes achieve zero emissions by 2026. To achieve this we will need to make better use of offsite construction and explore new ways of designing and building our homes. This provides an ideal opportunity to explore new partnering arrangements to encourage improved supply chains and more cost effective offsite manufacturing solutions and design.

10.5 Customer Profiling & Stakeholders

To deliver our strategy we will collaborate with a wide range of stakeholders to ensure that we all play a part in meeting the challenges and risks faced through climate change in a fair and supportive manner.

It is reported that approximately 33% of tenants living in social rented accommodation in Scotland are in fuel poverty therefore alongside our efforts to achieve net carbon we will engage with our customers to keep rents affordable and help tackle fuel poverty in line with the Scottish Government's aim to eliminate this by 2040.

Our stakeholders include:

- Staff, customers, local residents and the wider community,



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- Local Authorities and Scottish Government,
- Other affordable housing providers,
- Contractors and design consultants,
- Supervisory and regulatory bodies,
- Environmental charities.

Supporting Documents:

This strategy is linked to the following strategies, policies and regulations:

[Climate Change legislation](#)

[Climate Change Plan Update](#)

[Achieving Net Zero in Social Housing](#)

[Housing to 2040 Strategy](#)

[Kingdom Group Sustainability Policy](#)

[Heat in Buildings Strategy](#)



Section 11 - Community Initiatives within the Kingdom Group

Kingdom is a diverse organisation and we provide a full range of projects and services that extend beyond the provision, management and maintenance of housing.

One of our strategic aims is to provide added value through community initiatives. We plan to deliver community benefits through support activities which will potentially benefit our tenants, residents and communities, in line with our mission to provide **more than a home**.

Kingdom has been involved with activities beyond our core social rent housing activities for many years. Examples include: our Support & Care activities; our Care & Repair / Small Repairs projects; Kingdom Works, our employability project and community initiatives delivered through our contracts, which provide a community benefit outlined within our Corporate Plan.

Our community initiatives apply to all our areas of operation, where we provide support and advisory services to a wide range of partners and organisations, in delivery of community initiatives and community benefits.

Our community initiatives project supports a wide range of organisations and individuals in the communities where we operate, including:

- Tenant, resident and community projects,
- Training and employment,
- Energy efficiency and the environment,
- Education and schools initiatives,
- Public art.

We will continue to develop new projects and strengthen, complement and enhance existing projects, focussing on:



- Increasing the number of community benefits projects which provide a direct benefit to tenants.
- Demonstrating direct (Kingdom) involvement in delivering community benefits and employment/ training opportunities.
- Formalising community benefits as part of our procurement strategy; demonstrating compliance with current Public Contracts (S) Regulations.
- Regenerating community spirit and improving our communities.
- Agreeing indicators and targets across our activities.
- Securing funding to continue to grow the range of projects we will deliver.
- Investigating sustainable income sources and social enterprise projects.
- Maintaining existing partnerships and developing new relationships.

11.1 Care & Repair

In 1995, we established our Care & Repair Service, where we provide advice and assistance services to older owner occupiers and people with a disability. The service has evolved and developed over the years and now provides private sector adaptations, procurement and advice and assistance services. The service receives revenue funding from Fife Council and business plan targets are reviewed and set annually.

11.2 Small Repairs Service

Our Small Repairs Service was set up in 2000 as part of our Care & Repair Service. The project provides small low-cost repairs to a similar customer group as Care & Repair. The Small Repairs Service aims to undertake over 800 small repairs each year.

11.3 Kingdom Works

Our Kingdom Works staff have secured funding to progress employability projects, which we have been delivering each year since 2008.



Kingdom Works is our employability project, funded through Local Authority, Scottish Government, European Funding and Opportunities Fife.

The project provides an employer engagement and coordination function, to support tenants, unemployed people and people on low incomes to participate in training and employability projects.

The project is demonstrating a full range of positive outputs related to training and employability objectives. As part of the Kingdom Works project we provide an advisory and support role to contractors, consultants, suppliers and other organisations involved in delivery of community benefits.

The Kingdom Works service mainly operates in Fife, due to funding availability, however over the period of the plan it is the intention to try and secure funding in our other areas of operation to expand our employability services.

11.4 Charitable and Community Initiatives Fund

As a charitable RSL, Kingdom Housing Association can make donations to other charities and local community groups.

The Kingdom Group operates separate Charitable and Community Initiatives Funds to support charities, local community groups, clubs, schools and individuals working on community initiatives. The aim of the fund is to help enhance the quality of life, improve the environment and to assist with funding to support events that promote community togetherness.



The Community Initiatives fund has been established to promote or improve the economic, social or environmental well being of Kingdom's residents, or other people in the areas where Kingdom operates.

We are keen to help to promote and support appropriate causes which further our aims and support our strategic objectives. The Community Initiatives fund is managed and administered by the Chief Executive's team.

11.5 Volunteering & Fund Raising

For many years Kingdom staff have participated in fundraising initiatives which have raised a significant amount of money to support charities and community initiatives. There is a volunteering scheme where staff are provided with paid time off to volunteer and support local projects.

11.6 Fife Housing Association Alliance

Delivery of our community initiatives strategy is facilitated through our partnership with the Fife Housing Association Alliance (the Alliance) and other partners: the other members of the Alliance are Fife, Glen & Ore Valley Housing Associations.

The Alliance has been operating since 2006. The Alliance members regularly review and revise the working partnership relationship and key strategic issues.

11.7 The Naumann Initiative

The Naumann Initiative is a project that supports homeless people to access training and employment opportunities. The participants are provided with both a home and a job.

We have expanded the project through an accredited employer's register, where we identify the homeless people, provide them with employability services, provide a home



and sustainable tenancy services. We have engaged with local employers who provide the jobs.

11.8 Conclusions

For many years it has been recognised that housing associations deliver a wide range of activities and services that extend beyond our core activities related to the provision, management and maintenance of housing which is reflected within our Corporate plan. Community initiatives projects provide the opportunity to support the communities where we operate through the provision of projects and services which contribute to the Kingdom Group mission to provide **more than a home**.



Section 12 - People Strategy

12.1 Introduction

We believe our people are the key to our success. As well as ensuring that our people practices are fair, consistent and robust, we will put mechanisms in place to ensure we have the people resources to achieve our business plans and continue on our journey towards being an employer of choice.

The HR Director is responsible for implementation of the approved employment strategy and policies. HR Services consists of HR, Health & Safety, Payroll, Learning & Development and Health & Wellbeing. It provides services, support, guidance and advice to all departments and subsidiaries in the Kingdom Group and leads the development and implementation of our people practices and procedures.

12.2 Aims of the strategy

This strategy is designed to deliver the following outcomes:

- Aim for Kingdom to be seen as an employer of choice by our own people and by those in the communities and sectors we operate in and to aid and facilitate recruitment, retention and succession planning.
- Develop a workforce that has the skills, knowledge and motivation to deliver Kingdom's goals now and in the future.
- Ensure our people feel valued, listened to and treated fairly.
- Achieve Platinum Investors in People accreditation.
- Achieve Platinum Investors in Young People accreditation.
- Maintain or reduce levels of absence, discipline, grievance and employment litigation.



12.3 Key elements of the strategy

We have identified 5 strategic priorities in the people strategy:

1. Delivery of Business-Centred Services that Protect Kingdom - The services and support provided by HR Services will be aligned to the business needs of Kingdom. Our people policies, procedures and practices will appropriately manage risk taking into account our legal and regulatory requirements, meet the needs of our business and treat our people fairly and with dignity.

We will:

- Support the development and implementation of a Working From Anywhere Policy for the Kingdom Group which will provide a framework in which we will work more flexibly post-pandemic.
- Engage with Kingdom's departments to fully understand their business and people challenges and provide services, support and advice aligned to those needs.
- Provide pragmatic guidance which helps achieve Kingdom's business objectives whilst complying with statutory, regulatory and policy requirements.
- Continue to review and refine our people policies, practices and procedures to ensure they are effective, compliant and fit for purpose.
- Continue to provide a payroll service that is robust, compliant and provides an efficient, customer focussed and simple employee experience.
- Continue to implement, manage and monitor our Health & Safety responsibilities across all our areas of operation and ensure all management and staff accept responsibility for operating a compliant Health & Safety environment.
- Support Kingdom in developing constitutional partnerships.
- Consider opportunities to provide support to other organisations on a commercial basis

2. Workforce Planning and Resourcing - Robust and effective Workforce Planning and Resourcing will allow us to 'Future Proof' our business by taking a long term view on what



skills and people we need and when. We aim to have the people and skills we need when we need them rather than reacting to those needs as they arise.

We will:

- Develop improved HR management information which will show trends and projections to allow departments to make informed decisions on people resources.
- Develop a Kingdom Workforce Planning and Resourcing tool which will factor in historical trends, predicted turnover and estimated resource requirements based on the business plan to forecast resource requirements at key points in future years.

3. Diversity & Inclusion (D&I) - Diverse and inclusive organisations have increased employee satisfaction, have higher employee productivity and collaboration, empower employees to share their ideas and feedback openly and enable effective problem-solving and creativity. Working with colleagues in our customer-facing teams we will create and take forward work to make Kingdom a more diverse and inclusive employer and service provider.

We will:

- Create a D&I forum consisting of employees and customers from different groups who will scrutinise our policies and processes, raise awareness about various groups and take forward initiatives to make Kingdom more diverse and inclusive.
- Gather and analyse data to identify opportunities for Kingdom to be more diverse and inclusive.
- Work with the D&I forum to consider areas where we have known inequalities and /or imbalances and identify methods of addressing those.
- Continue to encourage and support Employee Led Networks such as Women at Work and the LGBT+ Network



- Undertake a full review of our recruitment and selection policy, processes, practices and documentation to ensure we are encouraging applications from as diverse and talented people as possible.

4. Employee voice and engagement - Key to being an employer of choice is our people feeling they are valued and listened to.

We will:

- Review our employee communication channels to make them more inclusive and effective.
- Develop a strategy to create and embed an “employer brand” for Kingdom.
- Develop tools to enable continuous improvement and generate innovative working practices across Kingdom.
- Continue to drive forward our Health & Wellbeing agenda with a view to making it “business as usual” in Kingdom.
- Conduct a full review of the benefits we afford our people to ensure we are rewarding them in ways they value.
- Continue to use internal and external measures and accreditations such as liP, liYP, Healthy Working Lives, etc to identify initiatives to improve employee engagement
- Work to develop a mindset amongst Kingdom’s people and supporting tools and frameworks in which we balance robust governance and control with innovation and empowerment.

5. Learning & Development (L&D) - We want Kingdom to have a true learning culture in which our people can meet their potential and that sets us apart from other employers.



We will:

- Continue to develop and embed our “Kingdom Academy” which houses all our L&D offerings including a Management Development Programme, mandatory training and personal development opportunities for succession planning and growing our future talent.
- Conduct a Training Needs Analysis in every department which will feed into the Kingdom Workforce Planning and Resourcing tool to drive training, development and recruitment plans.
- Develop a mentoring & coaching system to facilitate the sharing of knowledge and experience across Kingdom and externally.

12.4 Constraints

Protecting Kingdom, its business and its reputation will be paramount with any risks being identified, considered and mitigated in the implementation of this strategy. Where possible, both time and cost efficiencies will be sought and, where that is not possible, costs will be minimised and only incurred where it is believed there will be an acceptable return on investment.

The employment terms and conditions we offer must balance attracting and retaining quality people with providing good value for money and meeting the expectations of our stakeholders.

Employment initiatives and projects should be cost-neutral where possible and, in any case, costs should be minimised with a demonstrable return on investment and/or increased efficiencies.



Section 13 – Digital

13.1 Introduction

Digital technology is critical to the Kingdom Group with the ability to transform the organisation and deliver continuous improvement. The digital strategy is created to ensure that appropriate infrastructure, applications and systems are available in order for Kingdom to deliver services in an efficient, consistent and cost effective manner whilst ensuring clear and transparent alignment with organisational strategic aims and objectives.

13.2 Current Position

Kingdom's digital infrastructure is fully cloud and hosted on Google Cloud Platform (GCP). The move to public cloud implementing GCP in 2019 removed two-thirds of Kingdom's virtual servers and subsequently removed Kingdom's private cloud infrastructure in 2021. World leading security systems have been implemented to ensure compliance with international computing standards, including ISO:27001. Cyber security is prioritised to ensure good practice is performed throughout the Group. ChromeOS was implemented in 2018/19 and is the foundation for browser based SaaS applications whilst providing the most effective end user device security and performance. Our strategy has progressed from Cloud First in 2017, to Cloud Only in 2020 and will progress to SaaS only in 2022.

The majority of software applications are SaaS based including Google Workspace for email, the remaining legacy applications are secured with browser access through Awingu, removing the need for a traditional VPN. Over 500 managed chrome devices are used to access applications and data, secured with multi-factor authentication. Over 450 mobile devices are managed by Kingdom.

13.3 Strategic Intent

We are planning on an exit from our own public cloud (GCP) infrastructure, this will be



achieved by removing legacy applications, housing systems in 2022/23, finance and other other remaining systems in 2023/24.

A key focus will be replacing legacy housing management systems in 2022. Rubixx, a SaaS system, will be the core system that will surface data from other systems via APIs and ensure we focus on a single source of truth, with no data replication. We will implement a device and User based system borderless networking in 2022. Implementing further SaaS systems has a significant positive impact on cost and reduces the cyber risk threat, this will include the removal of our Awingu remote access to GCP in 2024. This will also remove all Microsoft licence agreements.

An increase in budget spend in 2022/23 is predominantly due to implementing replacement systems. Budgets will decrease in 2023/24 and in 2024/25 due to the removal of legacy systems. On average, Group costs will decrease by 6% over the next 3 years in comparison to the 2021/22 budget. As SaaS is essentially renting systems, our cost per property and per user will be transparent and consistent. Ensuring SaaS systems adhere to computing standards and good security practices will be core to protecting customer and corporate data.

13.4 Digital Strategic Objectives

Our high level objectives, expected outcomes and timescales are listed below within the four pillars of our digital strategy.

13.4.1 - Customer Focused

13.4.1.1 Improve the online customer experience to access services and data - This will be achieved by replacing the current 'MyKingdom' in 2022/23 with a new system developed by Rubixx. This will be the foundation to introduce additional services, automation and surface more customer data via API's. A review of customer payment



systems will commence in 2023/24, this will likely introduce open banking for easier and faster customer payments.

13.4.1.2 Progress Technology in Housing and Care - We will progress our technology enabled care in Housing pledges, SCVO digital participation and our SFHA and TPAS Healthier Homes Initiatives commitment. In 2022, we will commence implementation of sensor technology in homes to support Customers and analyse property performance. Testing with multiple suppliers will allow us to review customer feedback and supplier systems that can help shape further retro fits and our new build programme. Our Technology in Housing and Care group will review additional personal technology to support independent living.

13.4.1.3 Provide effective digital support and training - to meet business needs, KPIs and SLAs to the Group and partner organisations.

13.4.2 - Enhance Digital Infrastructure

13.4.2.1 Ensure the security and performance of all Digital systems - Compliance of computing standards should remain at 100% with effective management and auditing of systems. Upgrades will be performed to minimise disruption and penetration testing completed to ensure the security of customer and corporate data. Protection from Malware, data loss and other cyber risks will be effectively managed.

13.4.2.2 Ensure quick and effective networking - Implement a zero trust Security Access Service Edge (SASE) in 2022/23 for all devices regardless of location. This will include a review of office connectivity and WiFi services.

13.4.2.3 Ensure the best use of all software applications - This will be achieved by reviewing and keeping the Group updated via training and Happeo communications on new features within Google, BOX, Zoho, Dialpad, Appsheet and other SaaS systems. We have seen a shift in communication methods since 2020, therefore Unified Communications will be reviewed in 2023/24.



13.4.2.4 Reduce data to meet legislative requirements - This will be achieved by ensuring one source of the truth with no replication of data. A data warehouse will be introduced following the implementation of Rubixx Housing in 2022/23. Reporting for Rubixx and TotalMobile will be a key focus in 2022/23.

13.4.3 - Maximise Business Efficiency

13.4.3.1 Implement housing systems - In 2022 Rubixx will replace MRI Orchard. This will provide quick access to employees from any device, will automate processes and link to various systems. We will continue to review processes in 2023, and beyond to introduce further efficiencies.

13.4.3.2 Review and implement finance systems - To improve efficiencies including automation. Soft market testing will be progressed in 2022 to review systems. An implementation of new or updated software is likely in 2023/24. This will also include a full review of P2P systems.

13.4.3.3 Improve efficiencies of our asset management system - In 2022 we will collaborate with TotalMobile to progress projects including review of data, customer portal, supplier portal, Rubixx integration, reporting and analytics.

13.4.3.4 Improve KSC systems and efficiencies - We will implement improved rota management systems and continue to support KSC with the transition to core back office systems for efficiencies and effective employee engagement and collaboration.

13.4.3.5 Review our HR system - Soft market testing in 2022 will identify how we can improve systems. Key outcomes include improved automation, customer and user experience and interfacing with KSC systems.

13.4.3.6 Ensure effective data management, reporting and analytics - This will be achieved by successful migration, cleansing and imports to Rubixx and TotalMobile in 2022/23. We will explore options from both suppliers and additional SaaS analytical software.



13.4.4 - Knowledge and Compliance

13.4.4.1 Effective procurement, contracts and budget management - Our SaaS strategy focuses on short term contracts to provide maximum flexibility for the ever changing technological landscape. We will focus on new systems that will achieve efficiencies and best value.

13.4.4.2 Effective risk management and business continuity - Our plans and actions will be updated regularly to reduce risk, minimise interruption and achieve business as usual.

13.4.4.3 Implement and update strategies, policies and procedures - Digital will ensure good controls are in place and actions progressed to effectively manage day to day operations.

13.4.4.4 Effective Project Management - A structured approach in line with our project guidelines will be applied to all projects from initial business requirements through to completion and lessons learnt.

13.4.4.5 Meet Audit requirements - Controls will be reviewed to ensure audit actions are met.

13.4.4.6 Engagement and learning in Digital Technology - Digital will engage with partners, peers, suppliers and keep up to date with technology. This will include attendance at conferences and progressing training opportunities to sustain and advance the Group and personal development.



Section 14 - Kingdom Support & Care CIC (KSC) Business Strategy

14.1 Introduction

Kingdom Support & Care CIC (KSC) provides care at home and housing support for over 300 people across East Central Scotland. We provide great support to people with a range of needs, including Learning Disability, Autistic Spectrum disorder, People with Challenge, Mental Health issues, Homelessness and Addictions and age related illnesses.

We provide support from a few hours per week to 24/7 support, including night time support. The majority of our funding comes from Health and Social Care Partnerships but we also provide support to people through Housing and Neighbourhood Services contracts, Direct Payments and Self Directed Support.

This strategy sets out the principal objectives of KSC which enable us to deliver high quality support to customers, achieve growth and diversity to ensure the future of the organisation and contribute to delivering on the Kingdom Group strategic objectives. We will achieve our objectives through working collaboratively with key stakeholders and partners. In delivering our objectives we will meet or exceed statutory and legal requirements, apply appropriate risk controls, develop and comply with internal policies and apply innovative thinking to create and develop opportunities for the future

14.2 Purpose and Vision

Our purpose is to provide great support which helps people have great lives, living as fully and independently as possible as part of their community.

Our vision is to be an organisation which champions the rights of our customers and supports them, their families, and the communities in which they live, to have positive futures together.



14.3 Priorities and Service Objectives

Improve the financial position of KSC

We will work to maintain robust financial management in order to improve the financial position of the organisation, ensuring that we monitor and take action to protect and mitigate risk to the organisation, staff and those we support through:

- Control of employment costs.
- Achieving annual or as agreed uplifts to contracted rates.
- Maximising delivery of contracted hours.
- Maximising use of digital approaches to achieve efficiencies.
- Creating new models of support to increase business and respond to Local Authority requirements.
- Creating income generating services where possible

Achieve growth and diversity

We will investigate ways of continuing to grow and diversify the business in order to respond to local needs, expand the skill base within the organisation and enhance the long term future of KSC. We will do this through:

- Expansion of business in current frameworks.
- Investigating potential acquisitions, partnerships and alliances.
- Creating a KSC Learning Academy to create additional income through delivering training and creating a supply of trained staff for KSC and the Social Care Sector..
- Exploring the potential for remote and blended services.
- Exploring opportunities for new income generating services.

Achieve excellent and high quality services

We will strive to deliver excellent services which are of high quality, enabling those we support to lead the best lives possible and delivering services in the most effective and efficient way. We will do this through:



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- Achieving CI Grades of 5 (Good) and 6 (Excellent).
- Improving and evidencing satisfaction levels for all customers.
- Training and developing staff to a high standard.
- Maintaining and developing Service Audits.
- Including those we support in business development through the participation group.
- Maximising use of digital systems to improve efficiency.
- Improving use of technology enabled care.

Enhance the workforce

We are committed to developing a skilled, qualified and registered workforce who deliver high quality services to our customers. We will continue to invest in the workforce to promote professional development, develop a wide range of skills and improve engagement across the organisation. We will do this through:

- Vocational training to meet SSSC registration requirements and enhance staff skills.
- Succession planning approach to build potential within KSC for the future.
- Enhancing staff training programs and developing staff champions in new areas of service.
- Improving recruitment and retention and promoting a career, not just a job.
- Promoting and improving staff health and wellbeing.
- Regular staff satisfaction surveys.
- Working towards Platinum IIP Award.
- Developing The Voice Staff Consultative Group.

Enhance KSC reputation and brand

We are committed to providing support to anyone in our communities who requires it. We will continue to positively promote our services so that those who need support can easily access it, be confident that they will receive high quality services and be able to make a contribution to their service and community. We will do this through:



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- Regular good news stories in a variety of channels.
- Contribution to external forums and partnerships.
- Effective recruitment and brand promotion campaigns.
- Improved use of the website.
- Good communication with H&SCP's and other customers at all staff levels.
- Delivery of all contracted supports to a high standard.
- Providing added value in communities and addressing local needs through the participation group and potential subsidiary organisation.

14.4 KSC Business Development and Delivery Plans

During the period of the plan, more detail of which can be found in the Group Delivery Plan, we aim to progress and implement the following objectives:

- Develop a proposal and funding mechanism for a new model of accommodation with support, for people with complex and challenging needs.
- Work towards Platinum Investors in People accreditation.
- Investigate opportunities for acquisitions, mergers, partnerships and alliances to enhance our skill base and ability to respond to emerging needs.
- Create and implement a digital inclusion strategy with and for those we support.
- Revisit opportunities for the development of income generating business which is not reliant on Local Authority funding.
- Develop the KSC Learning Academy to deliver training externally and create a supply of trained staff for KSC and the wider social care sector to ease recruitment issues
- Develop remote and blended services.
- Develop a business plan and model for providing added value to communities, potentially through the creation of a subsidiary company and involving those we support.



Key areas of risks and constraints that will be managed through this strategy include:

Risks

- Insufficient funding available to meet employment costs and generate a reasonable surplus.
- Funding may not be available for investment in communities and creation of a subsidiary.
- There may be no appetite or available funding for remote and blended services.
- Creating income generating business needs investment which may not provide a good enough return.
- Recruitment and retention in Social Care may not improve sufficiently to enable plans to be followed.
- Uncertainty regarding the implementation of the Feeley report and impact of a National Care Service.

Constraints

- Having the right number of people with the right skills and at the right level to implement all the development plans.
- No ability to reduce operating costs further meaning any development costs must be met through investment of funds.
- Opportunities for new models of support constrained by procurement approaches.
- Limitations of external/grant funding due to business status.
- Difficulty in engagement with staff who primarily lone work.

14.5 Customer Profiling

Our current customers are:

- People we support and their families.
- Health and Social Care Partnerships.
- Housing and Neighbourhood Services.



Future customers may also include:

- Social Care Providers.
- General employers (for example for mental health training).
- Members of local communities.

14.6 Outputs and Outcomes

Outputs are the measurable and tangible work activities/tasks we undertake on a daily basis in order to achieve our objectives. We aim to achieve the following outputs in the coming year:

- To deliver all contracted hours of support to a high standard.
- To have improved staff recruitment and retention rates.
- To achieve growth in both hours delivered and in new geographic areas.
- To have one new income generating business up and running in the next year.
- To have the KSC Learning Academy in place and achieve year one objectives.
- To have a digital strategy in place for people we support.
- To have redesigned appropriate services to become remote and blended.
- To have a plan in place for developing a business to provide added value for communities.
- To have made progress towards Platinum liP and improved staff engagement.
- To have reviewed the KSC Learning and Development strategy.
- To have identified opportunities for acquisitions, mergers and partnerships to enhance KSC.
- To have all parts of the reprovioned and new Homelessness services in place.

Outcomes are the effects we see in our customers lives and on business performance as a result of our work. We aim to achieve the following outcomes in the coming year:

- Those we support living good lives, achieving their outcomes and being connected to family, friends and the wider community.



- An improved financial position for KSC and less reliance on Local Authority funding.
- An expanded portfolio of business and enhanced reputation in the sector.
- KSC contributes to national and local agendas through innovation and partnership working.
- Demonstrable partnership working in place which can attract funding and enhance KSC skill base and reputation.
- KSC making a contribution to meet local community needs and enhance community engagement and social capital investment.
- A fully engaged, motivated and satisfied workforce resulting in improved staff recruitment, retention, low turnover and sickness rates.
- A highly qualified and competent workforce who deliver excellent care and have career development opportunities with KSC.
- Remote and blended supports in place which enable people we support to be digitally skilled and included, with enhanced skills and life opportunities.



Section 15 – Kingdom Initiatives

15.1 Introduction

Kingdom Initiatives (KI) owns 202 Mid Market Rent (MMR) homes and manages a further 785 on behalf of partnering organisations.

It is envisaged that new build MMR properties will continue to be developed by Kingdom Housing Association. We plan to further develop our activities over the next 5 years through the provision of these MMR homes which will be constructed and owned by Kingdom Housing Association and leased to KI to manage on completion.

KI will focus on strategic partnerships and other income generating activities to complement the objectives of the both Kingdom Housing Association and Kingdom Support & Care to facilitate business development activities highlighted within their own plans.

15.2 Purpose and Priorities for the next year

The role of KI is to carry out activities which complement the objectives of Kingdom or which KHA itself cannot undertake by virtue of its charitable status. The main driver for the year ahead will be to lay the foundations to work towards making KI a more financially stable business and, eventually, attractiveness to lenders.

The key priorities are to;

- Evaluate and change the financial relationship between KHA and KI on current and future MMR properties.
- Finalise contract on St Andrews project and work towards earning income in year 2.
- Business proposal sign off and organisation set up for factoring, maintenance and repair services to expand and drive income.
- Business proposal sign off and organisation set up to provide consultancy/outsourced back-office services.



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- Manage and maintain homes for our MMR customers and provide excellent customer focused services.
- Demonstrate innovation through the activities progressed.
- Apply and demonstrate good governance as an independent company within the Kingdom Group.
- Investigate and support the Kingdom group of companies to develop the business, through initiatives such as:
 - Establishing an MMR project and operating as a co-housing community initiative for people over 55 years of age.
 - Investigate initiatives for a wider range of customers to meet housing needs for other customer groups such as older people, young people and ex forces customers.
 - Investigate initiatives for support and care projects and services to support people with particular needs.

15.3 Current Activities

To date KI has mainly focused on development and leasing of MMR properties and the table below summarises projects developed and managed by KI, which have been developed for affordable housing, as at March 2022 :

Source	No Units
KI Mid Market Rent & Other Tenures (owned)	202
KHA Leased Mid Market Rent	664
Fife Council Leased Mid Market Rent	121
TOTAL	987

**includes NHT properties that will revert to Social Rent in the future*

The Group's Mid Market Rent (MMR) properties are predominantly located in Fife (c85%), with other properties located in Clackmannanshire, Falkirk and Perth & Kinross. The MMR



portfolio mainly consists of 2 bedroom flatted developments (c70%) and MMR continues to be popular across all areas of operation, with limited voids and strong demand evident at new developments.

15.4 Future Business Development and Growth Initiatives

15.4.1 - MMR Development Activity

Future MMR projects will be constructed by KHA and leased to KI on completion. Projects to be delivered will continue to meet the Group's financial viability assessment based on market demand and suitability of MMR for a locality. Whilst sites will mainly be constructed within KHA, KI can still continue to progress exceptional MMR projects if required to do so and via our partnerships strategy will look to secure further MMR opportunities for the Kingdom Group.

15.4.2 - Partnerships

After 4 years of discussions, 2022 will see KI embark on an exciting project with the University of St Andrews to build and provide maintenance services to 61 postgraduate homes for at least the next 45 years. This project has provided valuable insight into working with the Higher Education sector and different funding and liability mechanisms. This knowledge and the site itself, will provide a blueprint to not only work with the University of St Andrews on further projects but expand into the wider Higher Education sector.

15.4.3 – Factoring, Maintenance and Repair Expansion

KI will look to facilitate the expansion and monetising of services already provided to our KHA tenants. The launch of a new system by our Digital Team will allow for efficient automated booking and invoicing of services. On a multi-phased rollout, services will expand to incorporate developments of strategic partners, existing private estates and eventually have scope to take on large public sector housing contracts.



15.4.4 – Outsourcing – Consultancy Services

Many small to medium RSLs do not have the financial capacity to operate with large teams of staff covering all required operational areas. Many choose to outsource certain back-office services to private sector providers. Given our in-house expertise and recent experience in working with Fairfield Housing Association, there is an opportunity to utilise our teams to offer services we use on a day-to-day basis.

These services will range from HR, Payroll, Finance, Governance, Digital and Health and Safety offered on either a consultancy or complete outsourcing basis. Not only would this provide KI with a revenue stream, it could also allow for us to work with RSLs that may be of strategic future interest to KHA (as was the case with Fairfield).

15.5 Funding

The main constraint related to KI activities and growth relates to the funding of projects. KI does not have a capital base, being primarily funded by long-term debt owed to KHA. One objective over the next 5 years is to reduce reliance on KHA by expanding services and profitability, thus placing KI in a more favourable financial position to raise its own borrowing in the future.



Section 16 - Financial Strategy

16.1 Introduction

The financial strategy is designed to complement and support the strategic objectives of the Group.

16.2 Priorities and Service Objectives

The overarching strategic financial priority is to meet the requirements of a viable long term financial model which incorporates all of the Group's ambitions. This includes reference to the following:

- Long-term affordability of rents.
- Making adequate provision for planned, cyclical and responsive maintenance expenditure.
- Taking advantage of development opportunities.
- Secure appropriate finance and comply with all lender covenants.
- Enable KSC to meet its strategy to develop high quality, cost effective support and care services that meet the clients' needs.
- Enabling KI to meet its strategy of providing services and projects complementary to KHA's core activities.
- Supporting all activity within the Group whilst ensuring the business case for investment and borrowing meets the Board's agreed criteria.

The Finance Department has a series of KPIs reported to the Board quarterly. There are also the following key service objectives:

- To provide the highest quality service to its internal and external customers.
- To operate as a business advisory and support function for the Kingdom Group.
- To continue the transition from paper-based to digital processes to maximise efficiency.
- To set robust financial policies and ensure they are adhered to.
- To identify and manage financial risks through appropriate policies and controls.



- To manage the liquidity requirements for each Group company with robust forecasting models.
- To meet all financial compliance requirements of stakeholders including the Scottish Housing Regulator, lenders, HMRC, the FCA and OSCR.

16.3 Delivery plan

Strategic priorities for the Finance Department have been identified for the period of this plan which are referred to in the relevant section of this document. They are summarised as follows:

- **Automation of processes** will enable the team to focus on management information, analysis and support for both existing and potential business activities to ensure colleagues and Board members are fully aware of the financial implications of stated objectives.
- **Improving presentation** of financial information across the Group via charts and dashboards.
- **Obtaining sufficient funding** to enable the Group to fulfil its strategic objectives.
- **Integrating** new joint ventures, subsidiary companies or Transfers of Engagement.
- **Ongoing review and Implementation of controls** to ensure protection against error and fraud, and compliance with all financial and tax legislation.
- **Review required resources and the business case** (including market demand) for the provision of Finance services to smaller RSLs.

16.4 Business Development Areas

As a support function of the Group the finance team will provide the necessary support to colleagues in assessing business cases for all projects during the period of this plan and obtaining appropriate finance when required. We will adopt a balanced approach to appraisal of business cases to ensure that non-financial factors are given appropriate



weighting in the overall assessment and ensure the relevant Board makes informed decisions.

16.5 Financial Projections

The financial projections for KHA have been updated to reflect the approved 2022/23 budget and planned activity over a 30-year financial model. Development assumptions change as opportunities arise and the model is updated periodically to review the impact on the business on incorporating the planned development activity (particularly on introducing further borrowing and achieving covenant compliance throughout). The objective is to ensure a KHA remains a financially viable organisation that can deliver on its long-term commitments to all stakeholder groups including tenants and lenders. The business plan assumes that KHA will continue to have access to loan finance and the assumptions and outcomes will be reviewed regularly to ensure required funding is accessed from lenders.

Separate models are prepared for KSC and KI will be approved by the respective boards. From the Group's perspective the model takes a prudent approach in assuming no gift aid from either company to KHA. In practice both companies' plans produce surpluses which will be available for gift aid once target reserve levels are exceeded.

Quarterly management accounts are produced for Kingdom, which are presented to both the Board and senior management. Full covenant checks are completed on both the business plan and actual financial performance and reported to the Board and lenders on a quarterly basis.

The business plan is based on forward projected assumptions driven by the income and cost base from the 2022/23 budget. A summary of the main assumptions forming the basis of the business plan are as follows:



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Business Plan Assumptions Summary

Year	2022/23	2023/24	2024/25	2025/26	2026/27	2027-32	2032/32+
Estimated KHA Cost Base Inflation	budget	3.0%	2.5%	2.0%	2.0%	2.0%	2.0%
Voids	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Bad Debts	2.2%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Rent Increase*	2.0%	2.0%	3%	2.5%	2.5%	2.5%	2.5%
Salary costs increase	budget	3.25%	2.75%	2.25%	2.25%	2.25%	2.25%
Repair Costs Increase	budget	3.25%	2.75%	2.25%	2.25%	2.25%	2.25%
Borrowing Rate - Variable Loans	budget	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%

* variations may apply due to the Fairfield CPI rent transfer commitment

The financial projections in Appendix 3 incorporate the following:

- 3.1 - Main economic assumptions
- 3.2 - Cash Flow projections
- 3.3 - Statement of Comprehensive Income projections & loan covenants
- 3.4 - Statement of Financial Position projections
- 3.5 - Loan projections
- 3.6 - Sensitivity analysis

Sensitivity analysis: The purpose of sensitivity analysis is to carry out a risk assessment on the most significant assumptions, for the organisation to be aware of the impact of certain events and to consider the strategies required to mitigate these risks. The sensitivity analysis has generated a series of “what if” risk scenarios to stress test the business plan with the results provided in Appendix 3.6. The scenarios tested are:



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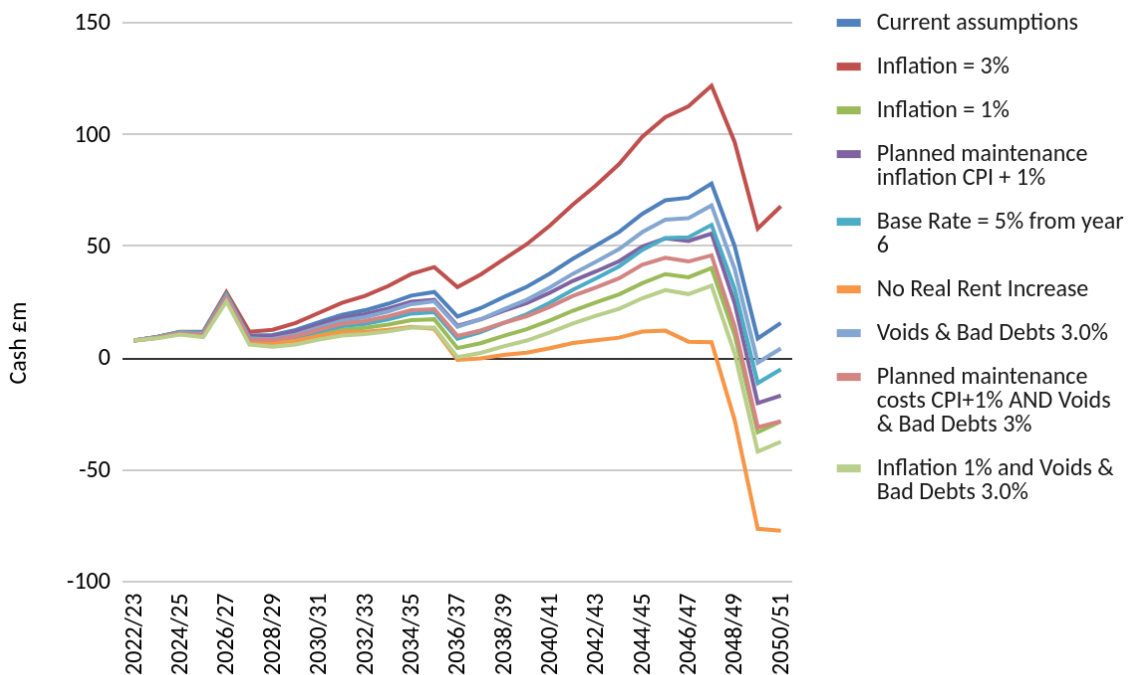
Scenario	Comments
Inflation = 3%	The model assumes the level of inflation running through the model to settle at the 2% CPI target level set by the Bank of England (subject to higher rates until 2025). As a debt funded organisation, higher inflation benefits Kingdom in reducing the real value of loans.
Inflation = 1%	Conversely, lower inflation than the level set in the model has an adverse impact for the same reasons cited above. Although there have been rare occasions of zero inflation in the past, it is highly unlikely that there would be a sustained period which would have a material impact on the projections.
Planned maintenance inflation CPI + 1%	The model assumes material costs increase 0.5% higher than CPI throughout. If this assumption is increased to CPI+1%, the cash and covenant position weaken - in those circumstances this can be addressed by revisiting timing of maintenance programmes..
Base Rate = 5% from year 6	Kingdom has taken advantage of the low interest rate environment in recent years and currently has 95% of its loan portfolio on fixed interest rates with staggered maturity dates, including a majority in the form of private placements with fixed rates of up to 35 years. Consequently exposure to adverse interest rate movements is limited particularly in the early years of the plan. Applying an average base rate of 5% impacts on future borrowings built into the plan.
Inflation-only rent Increases	Over the life of the plan we wish to keep rent increases as close to inflation as possible to maintain affordability. In isolation, without adverse movement in other assumptions, inflation-only rent increases may be possible and will be considered particularly in later years when interest covenants and cash have headroom.
Voids & Bad Debts 3%	The plan assumes a long term loss of 2%, but 3% would still enable cash and covenants to comply with minimum targets.
Planned maintenance costs CPI+1% AND Voids & Bad Debts 3%	This combination would lead to consistently lower levels of cash and a negative cash position at the point of bullet loan repayments. If a long term pattern developed along these lines then action would be taken in reviewing the timing of component replacements, reducing void periods, managing arrears and ultimately rent levels.
Inflation 1% and Voids & Bad Debts 3%	In a sustained low inflation scenario, a consistent combined loss of 3% throughout the model would reduce headroom and result in a negative cash balance were the private placement loans to be repaid as scheduled in 2049 and 2050. Similar actions to the previous scenario would be required.



Cash Reserves

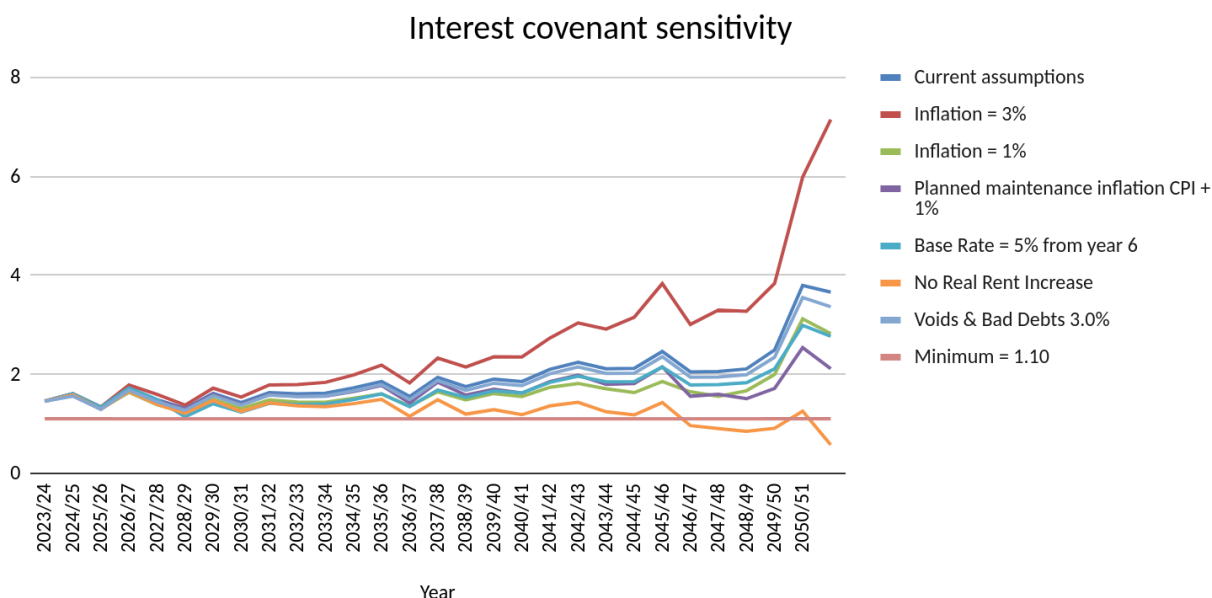
Cash reserves are at their lowest in the short-term due to planned development investment within Kingdom, as well as the accelerated investment in improving Fairfield stock in line with the transfer promises. The reserves increase significantly from year 6 with the benefit of rental income from Kingdom’s completed developments and the accelerated investment on Fairfield having been completed. There is adequate scope for additional borrowing from 2024-26 if cash balances drop below target levels. Kingdom’s gearing ratio is not projected to rise above 50% (maximum specified in loan agreements = 69%) and there is significant unsecured stock. We will endeavour to limit rent increases based on economic conditions at the time. The drop in cash reserves from 2048 is a result of £85m of private placements being repaid over 2 years. The mitigation strategy would be to renegotiate a further long-term facility should this be required - this should be easily achievable given the resultant relatively low level of borrowing remaining, and significant headroom on covenants.

Projected closing cash balances:



Lender Covenants

Kingdom has a minimum interest cover covenant of 110% applied by all of its lenders, albeit the definition of adjusted operating costs for the calculation varies. The chart below tracks the 110% hurdle rate using the strictest definition.



The lowest points for interest cover is typically after new borrowing for Kingdom’s development programme (given the related rental income does not kick in until post-completion), and the significant early-year investment in Fairfield’s properties as part of the transfer offer. The chart shows the impact of various scenarios. The greatest negative impact is caused by applying inflation-only rent increases. However unless rent controls are imposed by the Government then the Association will continue to have control over rent increase decisions.

In each potential scenario action would be taken to prevent or mitigate the impact. Certain scenarios are unlikely to apply together, for example low inflation accompanied with high interest rates.



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To conclude, the Group remains able to grow and develop in line with the strategic objectives in this plan. In achieving this we will be reliant on support from our lending partners, but we are confident we will continue to be able to demonstrate viability and robust assumptions to accompany the investment decisions.



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