

Scottish Veterans' Residences

Business Plan

2022

CEO

11 March 2022

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Introduction

1. [Document Overview](#). This business plan, together with our strategy, form our core strategic documents. This plan defines how we will achieve our strategic objectives and deliver our operational services. It is primarily an internal document, which has been approved by the SVR Governing Body¹ but may be shared with appropriate stakeholders. Its preparation has been informed by the Scottish Housing Regulator's (SHR's) recommended practice for Business Planning. The Plan provides the operational, financial and workforce framework for the third delivery year of our strategy. We judge that the strategic objectives, identified in 2018, remain valid. Their priority for delivery however, and resource requirements merit further review as the implications of estate condition surveys, and the requirements to achieve net carbon zero become clearer.
2. [The Impact of Covid-19](#). The effects of 2 years of Covid-19 measures have had an impact on operational delivery, caused the cancellation or postponement of the planned refurbishment of some elements of the estate, and some projects. Some measure of progress was maintained. We remained compliant in gas and electrical safety checks across the estate, we installed interlinked smoke detectors and alarms in all our tenanted properties, in compliance with Scottish Government legislation, and we were able to complete window replacement and refurbishment at our historic Whitefoord House site. Notably, a condition survey of the entire estate was completed on our behalf by F3 Building Surveyors (built infrastructure) and DKI (Mechanical and Electrical service condition). Their reports and recommendations are key in forecasting our maintenance requirements and informing to some degree, how we should address the challenge of achieving net carbon zero across the estate.
3. Over the Covid-19 period, void rates at Whitefoord House were greater than forecast and budgeted. We have been unable to confirm definitively why this has occurred, we suspect it is due to Covid-19 measures; movement restrictions, and the Government's funding of hotel accommodation for the homeless. This was at variance to Bellrock Close and Rosendael, both of which maintained occupancy levels. The greater void levels resulted in a reduction in income. Operating costs rose due to the employment of additional domestic staff to provide additional cleaning and dining service to combat the potential spread of Covid-19. In addition to a more frequent cleaning regime, cleaning practice was enhanced to include monthly viricidal treatment of surfaces. Whilst income decreased and operating costs rose, this was partially offset by successful grant applications, and reserve income, as our investment portfolio held up well and its value grew in relation to its pre-Covid-19 level.

Operating Environment

4. The economic consequences of the UK's withdrawal from the European Union are manifesting themselves, principally in terms of increased inflation and lengthening supply chains. Notwithstanding the geopolitical shock and destabilising effect of the Russian invasion of Ukraine, it is very likely that this will exacerbate inflationary pressure. For SVR this is particularly relevant in food and building material costs. Nationally, inflation is driving salary costs upwards, employee and employee National Insurance contributions will both be subject to a 1.25% increase from April 2022, and a significant outflow of staff from the health and care sectors, in part at least related to

¹ The Plan was approved by the Governing Body at its meeting on 11th March 2022.

“Covid burnout”, has led to limited availability of suitably qualified and experienced care and support staff. In recognition of this dynamic, the Governing Body awarded a generous 4.0% mean pay award to SVR employees to retain and attract good quality staff.

5. HM Treasury published its forecast for the UK economy during 2022². Its average of independent forecasts predicts overall UK GDP growth to achieve 4.4%, Inflation (CPI) to be 4.0%, and Unemployment 4.4%. Regionally, at 4.8%, Scotland’s GDP growth in 2022 is expected to exceed the remainder of the UK with the exception of the West Midlands and the South East. The GDP averages provide the expectation that economic growth will gradually slow following the rebound from Covid-19 impacts, with KPMG³ predicting that the UK economy will return to its pre-pandemic long-term growth trend in 2023. According to PWC⁴ inflation is expected to peak at 6.5% in April 2022 but will moderate significantly by the end of the year to approach the Bank of England’s 2.0% target by the start of Q2 2023. Whether these GDP and inflation forecasts will remain valid following the Russian invasion is uncertain but they have been used to understand the expected economic context in 2022. We will continue to monitor such forecasts and review this plan should they be subject to significant variation.
6. The significant spike in energy prices is a significant contributory factor to the increase in inflation, which fortunately we have been able largely to mitigate by securing 3 year fixed cost contracts for all 3 of our principal sites, with the exception of Rosendael’s electricity contract. Increased energy cost is likely to be further exacerbated by the Russian invasion in the immediate and short-term until there is confidence of continued supply. Increases to energy process are very likely to bring financial hardship to our Tenants and we will monitor the situation.
7. We have been successful in our annual rent negotiations with City of Edinburgh, Dundee, and Glasgow City Councils and have achieved uplifts of 5.9%, 5.4%, and 4.3% respectively.
8. We do not expect any significant changes in the demography of the veterans that we support and the population figures recorded in our strategy and the 2020 Business Plan remain valid⁵. The national census has been delayed in Scotland until this year and it is unlikely that its data will be published until 2023. It is likely it will contain useful data as the census contains a question to identify Veterans.
9. [Scottish Independence](#). The Scottish National Party continues to plan for a referendum on Scottish independence. The First Minister has indicated her intent for this to take place in 2023. Should the referendum proceed and Scotland votes for independence, which is subsequently recognised as legitimate by the UK Government, there are likely to be significant implications for SVR, including but not exclusively, funding, legislation, regulation and Defence relationships. A full and detailed review of our strategy and business model would be necessary should this occur. As a referendum is not currently authorised, the impact of Scottish independence has not been considered further in our analysis.

² HM Treasury: Forecasts for the UK Economy No 414, January 2022.

³ KPMG UK Regional Economic Outlook January 2022.

⁴ PWC Economic Outlook December 2021.

⁵ We assume that the number of UK veterans will reduce, both in absolute numbers (from 2.5m in 2016 to 1.6m in 2028), and as a proportion of the overall UK population. The veterans’ population in Scotland is very likely to be consistent with that of the remainder of the UK both in absolute numbers and as a proportion.

2022 Financial Plan

Treasury Management

10. SVR has adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) definition of Treasury Management;

"the management of SVR's borrowing, investments and cashflows, including banking, money market and capital market transactions, the effective control of the risks associated with these activities; and the pursuit of optimum performance consistent with those risks."

11. Following the recent publication of SFHA's Guide on Treasury Management⁶, SVR's policy is being reviewed and developed in accordance with the Guide. The policy will provide definition of the targets and triggers for short-term liquidity, capital funding liquidity, borrowing⁷, and total debt.

2022 Financial Plan Summary

12. After operating costs, depreciation, and capital investment and expenditure, our 2022 financial plan forecasts a deficit of £261k. This assumes:

- Receipt of £4.184m housing benefit and tenant and resident rent;
- Receipt of tenant and resident personal contributions;
- Receipt of £45k grants, donations and legacies;
- Receipt of £160k investment income;
- Any retained Covid-19 measures permit the completion of capital projects costing £410k.

	2021 Forecast Outturn £m	2022 Plan £m
Income (Housing Benefit/Rent)	4.027	4.184
Income (Commissioned services)	0.106	0.106
Income (Donations and Grants)	0.045	0.045
Income (Investment)	0.160	0.160
Income Total	4.338	4.495
Expenditure (Housing Support)	1.781	1.893
Expenditure (Maintenance)	0.557	0.602
Expenditure (Catering)	0.619	0.655
Expenditure (Office Costs)	0.057	0.058
Expenditure (General Costs)	0.077	0.079
Operating Costs Total	3.091	3.287
Operating Surplus	1.247	1.208
Head Office Costs	0.748	0.731
Surplus before depreciation	0.499	0.477
Depreciation	0.319	0.328

⁶ SFHA Treasury Management Guidance published February 2022.

⁷ Currently limited to £10m by SVR's Rules.

Surplus after depreciation	0.180	0.149
Major Repairs and Capital Expenditure	0.090	0.410
Forecast/Plan	0.090	(0.261)

Table 1: Summary of 2022 Financial Plan.

Financial forecast and modelling

13. The financial plan for 2022 is based on the predicted 2021 outturn, capital works identified during condition surveys as being required to be completed within 12 – 24 months, and an assessment of the expected operating environment during 2022.

Base Case Assumptions

14. The following principal assumptions were employed in the 2022 financial plan:

- **Rent:**
 - Housing Benefit/Rental Income for HMOs increases by an average of 4.0%⁸. No increase to tenanted property rents.
 - Voids losses are assumed to be 10% HMOs and 5% Flats.
 - Rent collection – bad debts 1.5% of gross HMO rent.
- **Staff costs:**
 - We have maintained our commitment to pay the Real Living Wage to those employees on that scale, resulting in an uplift of 4.21% to £9.90 per hour. Senior Management Staff received a 3.75% uplift and all other employees 4.25%.
 - Where appropriate we are committed to aligning the Residence management structures to deliver clearer lines of responsibility and accountability, better management, and to provide better internal opportunities for staff development and progression. Dependent on the outcome of the review and consultation, there may be a small number of redundancies, for which we have allocated up to £25k for redundancy payments.
- **Other:**
 - Overhead Recharge (Total Head Office budget) – Whitefoord House 40%; Rosendael 25%; Bellrock Close 25%; and Tenanted Properties 10%.
 - The planned capital expenditure does not require the drawdown of any of the investment portfolio. Cash holdings remain available for re-investment.
 - Maintenance – Overall inflationary increase of 2.0%. The condition surveys have identified a number of requirements for major repair in the short term. The Governing Body has decided to undertake these in year to prevent further deterioration and cost increase.
 - Heat and Light – with the exception of Rosendael’s electricity supply, no change due to fixed-term contracts. Rosendael’s heat and light budget was increased by £8k, an indicative

⁸ An increase of 4.0% rental income was assumed in the budget, which was developed prior to the agreement of the respective Local Authorities to our rent proposals for 2022.

25% increase in electricity costs from February 2022. This unfortunately was a significant under-estimate. Through our energy consultants we secured a 24-month contract at an increase of 203% on the previous contract, which was lesser increase than that we would have incurred had to pay the out of contract rate.

- Inflation – 2% across all other costs.
- KPIs – have been set for all 3 Residences and Tenanted properties in respect to rent voids, technical and non-technical arrears, maintenance costs, and catering (Rosendael & Whitefoord House only).

Capital and Refurbishment Planning 2022

15. The 2022 plan includes a forecast of capital expenditure of £410k as summarised below:

Description	Value £k
Whitefoord House – Curtilage	60
Whitefoord House – Incoming Power and Distribution Boards	72
Rosendael – Curtilage	40
Rosendael – Kydd House Lift Replacement	65
Edinburgh flats – Kitchen & Sanitaryware refurbishment	100
Edinburgh flats – Pelham Burn Lift Replacement	73
TOTAL	410

Table 2: *Capital Planning 2022.*

Risks and Caveats

16. There are a range of variables and uncertainties which could result in actual financial performance varying against this plan. The Governing Body wish to highlight the following caveats and qualifications:

- Rental income is our principal source of income and is subject to our flats and rooms being occupied and void levels remaining within target. In 2021, we experienced increased void levels at Whitefoord House as a result of travel restrictions imposed to limit Covid-19 transmission. A repeat of such restrictions could reduce rental income during 2022.
- Our investment income is subject to market performance. This risk is partially mitigated by the breadth of our portfolio which includes Government and Corporate Bonds and exposure to equities in North America, Japan, Asia Pacific, Emerging and Global Markets, Alternatives and Cash, as well as UK and European equities. In the immediate and short term, the Russian invasion of Ukraine will depress the markets and will result in a decrease in the value of the portfolio. The equity element of the General Fund however, is invested with the aim of providing long term capital and income growth, and has a 10-year horizon. It is expected that this investment strategy will mitigate a short-term downturn.
- Donation and Grant income is dependent on our brand remaining strong and our charitable objects, mission and purpose continuing to chime with the public and charitable trusts.

Business Strategy

Strategic Direction

17. [Service Delivery](#). The Governing Body remains committed to maintaining service delivery at its current levels as a minimum, and providing investment to develop further pathways to employment for Residents, a tapered outreach support service for former Residents, and where surplus capacity exists, allowing non-resident Veterans access to our activities and services.
18. [Digitalisation](#). We have invested in the digital transformation of the charity with the aim of improving our access to information and data and exploiting that to improve our decision making, our business processes, and our communication with stakeholders. The infrastructure is now largely complete, and as we become familiar with the enhanced digital landscape and capabilities, we will begin to exploit opportunities.
19. [Sustainability and Carbon Literacy](#). We recognise the impact of climate change and are cognisant of the UK and Scottish Governments' agendas for carbon neutrality and achieving net zero emissions. We recognise we have a role to play in helping achieve these targets and that where we are able, we should do so in advance of legislation. We have provided carbon literacy training to a staff cohort and achieved accreditation with the Carbon Literacy Project as a Carbon Literate Organisation. Having achieved a working baseline in carbon literacy, during 2022 we intend to:
 - Enhance our carbon literacy accreditation by training a further staff cohort and providing the evidence to achieve Silver level accreditation;
 - Conduct carbon surveys of our sites;
 - Form a partnership with Edinburgh World Heritage Trust (EWHT) to develop the conservation of our historic Whitefoord House campus, undertaking a conservancy survey to identify options to improve its energy and thermal efficiency; and
 - Continue to develop our corporate knowledge regarding sustainability and energy technology.
20. We have recognised that the Whitefoord House campus may require significant changes to its heating provision to improve thermal efficiency and contribute to achieving net carbon zero. The project described in our 2020 Plan to develop the Whitefoord House Bowling Green, into a garden has been postponed, in recognition that its site may be required to house alternative energy sources.

Strategic Objectives

21. We retain 7 strategic objectives. From these objectives, our operational and management activities will flow. We will measure our success by setting targets against these objectives, ensuring that we deliver them effectively and efficiently:

- As a baseline, maintain the current level of provision of our housing support service for our Residents. This is to help achieve the best outcomes for them as individuals. This will include benchmarking and quality assurance to ensure safe, effective and person-centred support.
- Fulfil our statutory and regulatory duties as a RSL to provide high quality, warm and safe accommodation for our Tenants and Residents.
- Provide in cooperation with appropriate partners;
 - Activity and pathways to support those Residents who are able to enter or return to sustainable employment; and
 - A tapered support service for former Residents who have secured their own tenancies, to ensure that if required, they are able to access timely and effective support to enable them to retain their tenancy and independent living.
- Monitor our estate and property portfolio to ensure that it remains appropriate for our mission to be executed effectively and that we are able to exploit fiscal opportunities.
- Develop and raise our profile by playing a positive and supportive role within the charitable and housing association sectors; sustaining the awareness of politicians, local authorities, the Scottish Veterans Commissioner and Armed Forces Champions; conducting appropriate marketing; and the use of social media.
- Realise the benefits of our investment in digital infrastructure by analysing and utilising and data efficiently and effectively. This will allow the Governing Body to make decisions informed by accurate and related data and the staff to operate and manage the organisation more efficiently and effectively.
- Working with partners and consultants continue to develop our carbon literacy, understand and quantify our carbon footprint and take the measures required to reduce emissions and our impact on the environment, preferably in advance of legislation where feasible.

Approach

22. Recognising that we are a small charity, where necessary, we will further develop collaboration and cooperation with appropriate stakeholders for the benefit of our Residents and Tenants. We will support our Residents to access the services and activities they need to live as independently as possible. We aim to support those that are able, to return to living independently, in their own accommodation. We will engage with both Residents and Tenants to understand their needs and provide high quality services and accommodation.
23. We will develop and raise our profile by playing a positive and supportive role within the charitable and housing association sectors; sustaining the awareness of politicians, local authorities, the Scottish Veterans Commissioner and Armed Forces Champions; conducting appropriate marketing and the use of social media.

24. We will support our staff by providing a fair and competitive package of benefits, and the training they require to undertake their roles. We will consult them on service delivery and encourage them to suggest how services can be improved. In undertaking this we hope they will value their employment with SVR, be motivated, and seek to deliver the best outcomes for our Residents and Tenants.

Strategic Plans

25. Having identified our strategic objectives, we need to define how we will achieve them and the outcomes we expect to deliver having done so. The key activity required and how we will deliver them are set out below. So that we can determine if they have been achieved, we have also identified appropriate performance measures:

Strategic Objective 1. Maintain the current level of provision of our housing support service for our Residents.

This is to help achieve the best outcomes for them as individuals. This will include benchmarking and quality assurance to ensure safe, effective and person-centred support.

Outcomes

- Residents living appropriately active and fulfilling lives.
- Residents living as independently as they are able.

Key activity to deliver

- Work with Residents to identify their goals.
- Support Residents to undertake activities, training and education to assist them achieve their goals.
- Provide support to Residents in compliance with National Care Standards.

How we will deliver

- Assist Residents to maximise the benefits for which they qualify.
- Use of a standardised assessment tool to identify goals and record and monitor progress.
- Assist Residents to access any specialised services they require.
- Provide a safe, caring and secure environment in which Residents can develop.

Performance measures

- Audit of Resident support plans.
- Number of Residents moving on to occupy their own accommodation.
- Resident satisfaction levels.
- Care Inspectorate grading.

Strategic Objective 2. Fulfil our statutory and regulatory duties as a Registered Social Landlord (RSL).

To provide high quality, warm and safe accommodation for our Tenants and Residents.

Outcomes

- An effectively governed organisation that is compliant with the regulatory requirements of the Scottish Housing Regulator (SHR).
- Our Residences deliver Resident satisfaction.
- Tenanted properties deliver customer satisfaction.
- Our properties meet required property standards.

Key activity to deliver

- Review our governance structures and procedures.
- Provide evidence to the Governing Body from which to draw assurance of compliance.
- Regular consultation with Tenants and Residents regarding quality of accommodation.
- Annually deliver the outcomes required by the Scottish Social Housing Charter.
- Provide support to Residents in compliance with National Care Standards.
- Provide Tenants and Residents with the information on our performance and governance as set out in the SHR's Regulatory Framework.

How we will deliver

- Investing in our built infrastructure to meet quality standards.
- Senior Management Team to gather evidence for Governing Body.
- Programming preventive maintenance to properties.
- Hold quarterly Tenant and quarterly Resident meetings.
- Provide information for Tenants and Residents in a variety of formats.

Performance measures

- User satisfaction levels.
- Annual Report on Scottish Social Housing Charter benchmarking against other RSLs.
- Governing Body Annual Assurance Statement to the SHR.
- All our properties meet EESSH and SHQS.
- Care Inspectorate gradings.

Strategic Objective 3a. Develop activity and pathways to support those Residents who are able to enter or return to sustainable employment.

To provide the skills for Residents to be able to enter sustainable employment.

Outcomes

- Residents able to undertake sustainable employment.

Key activity to deliver

- Collaborate with appropriate stakeholders to develop a pathway to sustainable employment for Residents.
- Support Residents to undertake activities, training and education.
- Develop and implement a revised Employment Rent Relief Scheme (ERRS).

How we will deliver

- Work with Scottish Government (Convener of Cross-Party Group for Armed Forces & the Veterans Community) and other stakeholders to co-ordinate and enhance employment opportunities for our Residents.

Performance measures

- Establishment of employment pathway.
- Number of Residents taking up ERRS.
- Number of Residents taking up employment.

Strategic Objective 3b. Develop a tapered support service for former Residents who have secured their own tenancies or other accommodation.

To ensure that if required, they can access timely and effective support to enable them to retain occupancy of their own accommodation and independent living.

Outcomes

- Former Residents able to live independently and sustain their occupancy of accommodation.

Key activity to deliver

- Support and prepare Residents to move to own accommodation.
- Collaborate with Poppyscotland to develop a tapered outreach service for former Residents.

How we will deliver

- Work with Poppyscotland Welfare Service to define and deliver support provision to Residents as they transition into their own accommodation.
- Offer service access to Residents prior to moving on to their own accommodation.

Performance measures

- Service Level Agreement/Memorandum of Understanding for service provision established between SVR and Poppyscotland.
- Number of former Residents able to maintain tenancies or other means of independent living.

Strategic Objective 4. Monitor our estate and property portfolio.

To exploit fiscal opportunities and ensure that the estate and property portfolio remains appropriate for our mission to be executed effectively.

Outcomes

- Minimise property voids.
- Our properties deliver value for money.
- Our properties meet EESSH and the SHQS.
- SVR estate is fit for purpose.
- Improved energy and thermal efficiency.

Key activity to deliver

- Ensure properties are maintained to a high standard.
- Maintain a property database.
- Execute a maintenance programme.
- Develop and implement a revised ERRS.
- Undertake a conservancy survey of the Whitefoord House campus.
- Undertake carbon surveys of all sites.

How we will deliver

- Continuing to invest in the maintenance and upkeep of our properties.
- Monitor and review repair and maintenance performance.
- Consult to understand the options to improve energy and thermal efficiency.

Performance measures

- Void rates.
- Tenant satisfaction with time taken and quality of repairs.
- Repair completion time.
- Baseline carbon footprints published for all sites.

Strategic Objective 5. Develop and raise our profile.

By playing a positive and supportive role within the charitable and housing association sectors; sustaining the awareness of politicians, local authorities, the Scottish Veterans Commissioner and Armed Forces Champions; conducting appropriate marketing; and the use of social media.

Outcomes

- SVR recognised within sectors as a strong, financially stable and supportive service provider.
- SVR considered and consulted by others in the development of strategy and policy.

Key activity to deliver

- Undertake external engagement with politicians, local authorities and Armed Forces Champions, and others.
- Support Veterans and Armed Forces and broader Third Sector organisations and membership groups and other charitable Housing Associations.
- Contribute to appropriate consultations.
- Achieve Silver level accreditation as a Carbon Literate Organisation (CLO).
- Publicise key events and visits to SVR.

How we will deliver

- Offer briefings and visits to our Residences to politicians, local authorities and Armed Forces Champions.
- Maintain membership of Cobseo, Veterans Scotland, ACOSVO, SFHA, SHN, TPAS Scotland and other appropriate organisations.
- Membership of the Scottish Veterans Wellbeing Alliance providing support and activities to Veterans, both resident and non-resident.
- Attendance by relevant staff at seminars and conferences.
- Attendance at outdoor events and games.
- Maintain and develop an online media presence.
- Complete the requirements to achieve Silver accreditation as a CLO.

Performance measures

- Number of meetings with politicians, local authorities and Armed Forces Champions.
- Regulator, funder and donor confidence.
- Positive media articles.
- Requests for participation/presentation at conferences/seminars.

Strategic Objective 6. The digital transformation of the charity.

To provide for the efficient, effective and secure collection, analysis and manipulation, and reporting of data, and management of assets. This will allow the Governing Body to make decisions informed by accurate and related data and the staff to operate and manage the organisation more efficiently and effectively.

Outcomes

- A digitally connected organisation able to communicate, share and analyse and exploit data securely and effectively.

Key activity to deliver

- Migrate all data to the cloud.
- Develop digital strategy for the organisation.
- Identify the required digital functions and design the architecture to provide the required functions across SVR.
- Provide required training to staff allowing them to be comfortable with the change and able to use platforms, software and functions effectively.
- Improve data visualisation to develop effective managerial dashboards.

How we will deliver

- Investing in the network, hardware and software to deliver digitalisation.
- Consult with staff and stakeholders to determine digital requirements.
- Reviewing functionality to ensure return on investment is delivered.

Performance measures

- Improved data analysis and understanding.
- Data updates in near real time.
- Better informed decision making.
- Automation of reports and returns.
- More efficient and effective business processes.

Strategic Objective 7. Reduce Environmental Impact.

To understand and quantify our current impact on the environment to identify the resources that will be required to comply with expected forthcoming environmental legislation. We wish to achieve the required standards in advance of legislative requirements if possible, utilising the full range of available grants.

Outcomes

- Compliance with statutory environmental requirements.
- More energy efficient offices and properties.
- Improved energy and thermal efficiency.
- Achievement of net carbon zero.

Key activity to deliver

- Conduct audit of SVR's environmental impact.

- Partnership with EWHT to understand options for conserving Whitefoord House whilst improving energy and thermal efficiency.

How we will deliver

- Invest in measures that deliver better energy efficiency.
- Invest in measures that further reduces heat loss in our properties.
- Install Electric Vehicle Charging Points at Bellrock Close, Rosendael and Whitefoord House.
- Convert site vehicle fleet to electric vehicles.
- Obtain appropriate environmental grants to help offset internal investment.

Performance measures

- Reduction in organisational energy bills.
- Reduction in tenants' energy bills.
- Vehicle fleet electrification.
- Our properties meet EESSH 2 (requirement still to be confirmed) and continue to meet the SHQS.

Value for Money

26. We are committed to delivering value for money (VfM). We recognise the important relationship between rents and VfM. We take into account the ability of Residents and Tenants to pay and undertake consultation with both groups and with the relevant local authorities for the support elements of our charges. Where we can retain service provision without recourse to rent increases we will do so.
27. We recognise that it would be advantageous to be able to demonstrate the impact and value of our service provision by reporting Social Return on Investment (SROI). In doing so, we would further demonstrate our accountability and it would assist in our efforts to improve our organisational efficiency.

Asset Management

28. For SVR, asset management is the process by which we ensure that the assets we need to operate our business are effective in delivering the required function and provide VfM. Asset management covers a range of activities, including maintenance, inspections, audits and security measures to ensure they remain effective and are used efficiently.
29. SVR's assets consist of:
- Property for which we hold the Freehold:
 - Our 3 Residences providing supported accommodation; Bellrock Close, Rosendael and Whitefoord House; and
 - Our stock of 46 properties providing general-purpose accommodation, which are in Dundee, Glasgow and Edinburgh.
 - Our head office accommodation, which shares the Whitefoord House campus.

- Our skilled staff; those that support our Residents, those that maintain our Residences and those that manage the organisation.
 - The Governing Body Members who govern SVR and set its strategic direction.
 - Other assets such as IT, vehicles and equipment that allow us to support and manage SVR.
 - Our financial position that underpins SVR and allows us to achieve our strategic direction.
30. Following completion of condition surveys in 2021, our asset management plan requires revision. In undertaking the plan's revision, we will ensure it provides the framework for the management of our assets so that we are able to achieve our objectives. The plan is to include programmes covering planned maintenance for the physical fabric of our properties, including the requirement to continue to meet SHQF and EESSH, replacement of domestic infrastructure such as bathroom appliances and the replacement of catering infrastructure. The plan will also state the value of the assets and the frequency of audits and inspections.

Corporate Priorities

31. To improve the effectiveness and efficiency of SVR, the following work-streams have been identified as our priorities for resources and/or investment during 2020. These work-streams are cross-cutting and will result in the achievement of our strategic objectives, or in improving internal business process and the effectiveness and efficiency of SVR:
- **Statutory compliance.** Ensure we maintain compliance with statutory requirements to enable SVR safely to provide our services;
 - **Reduce Environmental Impact.** Quantify our current impact on the environment to understand the resource that will be required to comply with direction and legislation. We wish to achieve the required standards in advance of legislative requirements if possible, utilising the full range of available grants;
 - **Digital transformation.** Complete the digital transformation of SVR to provide the Governing Body with accurate data to make better and more informed decisions and provide the efficient, effective and secure collection, analysis and manipulation, and reporting of data, and management of assets.
 - **Service Development.** The enhanced provision of services for our Residents which are designed to deliver better outcomes, and widen access to non-Resident Veterans;
 - **Resident and Tenant engagement.** Enhance our engagement with our Residents and Tenants to ensure their views and requirements are fundamental in shaping our service offering;
 - **Stakeholder engagement.** Increase our cooperation and collaboration with appropriate stakeholders for the benefit of our Residents and Tenants, and the wider Veterans' community;

- **Policy Update.** Although initiated prior to the merger, a complete review of our corporate policies and procedures, revising where necessary and standardising the format of the complete suite;

Social Impact

32. Our principal impact is to provide warm and safe accommodation for homeless veterans in necessitous circumstances; taking them from situations of need and helping them to recover their dignity and purpose. We seek to provide the support needed for them to live as independently as they are able. For those that are able, we help them to secure their own accommodation and we have commenced the development of pathways to assist them into, or return to, sustainable employment. For those for whom our Residences become their home, again we will provide the support and activities for them to live as independently as they able within our Residences.

Annex A

SVR Budget 2022 Summary

Budget for the year ended 31 December 2022					Budget 2022	Budget 2021
	Whitefoord	Rosendael	Flats	Bellrock	Total	Total
INCOME						
Rental Income	2,244,391	1,120,536	212,015	606,933	4,183,875	4,027,336
Other Income	29,428	13,350	8,900	36,400	88,078	88,078
TOTAL INCOME	2,273,819	1,133,886	220,915	643,333	4,271,953	4,115,314
EXPENDITURE						
Housing Support	880,964	580,220	7,000	424,875	1,893,059	1,780,679
Maintenance	259,513	157,161	71,694	113,254	601,622	556,800
Catering	378,534	275,855	-	1,071	655,460	619,450
Office Costs	23,032	22,501	-	12,199	57,731	56,600
General Costs	22,440	21,114	5,100	30,294	78,948	77,400
Total Operating Costs	1,564,483	1,056,851	83,794	581,693	3,286,821	3,090,929
Operating Surplus	709,337	77,035	137,121	61,639	985,132	1,024,385
Head Office Costs	291,990	182,479	74,058	182,357	730,884	747,632
Surplus before depreciation	417,347	(105,444)	63,064	(120,718)	254,248	276,753
Depreciation	115,000	56,200	82,700	74,100	328,000	319,400
Surplus after depreciation	302,347	(161,644)	(19,636)	(194,818)	(73,752)	(42,647)
Donations					45,000	45,000
Investment Income (net of fees)					160,000	160,000
Surplus after donations & investment income					131,248	162,353
Major repairs & capital expenditure					410,000	90,000
(Deficit)/Surplus					(278,752)	72,353