



Business Plan 2024

1. Introduction

Upkeep Shettleston Community Enterprises Ltd (“Upkeep”) is a successful social enterprise, established in 2005.

We are a wholly-owned subsidiary of Shettleston Housing Association (SHA) and a company limited by shares. ‘Upkeep’ is a commercial trading company with a turnover of around £2.5 million and employs 46 staff (44.4 FTE).

We have our own Board which operates in accordance with an Independence Agreement and a Service Sharing Agreement with SHA.

We provide SHA with a range of services including:

- Day to day and cyclical maintenance
- Void works and Major Repairs
- Stair cleaning, back court maintenance and bulk waste uplift.
- Landscape gardening

In addition to Shettleston, Upkeep also provides services on a much more limited scale to a range of other RSL’s and private clients.

From its inception in 2005, as an estate services provider, Upkeep grew rapidly in the ensuing years and built up an external customer base in addition to a fast-growing role in the delivery of SHA’s repairs and maintenance programme.

We have always had a strong social purpose and focus on community benefit, particularly through the contribution we can make to local employment and training opportunities.

2. What we are about...

a) Our Purpose

We are a social enterprise, providing high quality, value for money property maintenance and estate management services to Shettleston Housing Association and its tenants. We contribute to the local community and economy through the creation of employment, training and development opportunities in the area.

b) Our Vision

Our vision, which we share with our parent, is of:

Thriving and prosperous local communities where all residents enjoy great homes and services, an attractive physical environment, and good life chances.

c) **Our Values**

Our values, and the behaviours that we believe are required to underpin these (also shared with SHA) are:

- **Customer service:** *commitment, service excellence, professionalism, engagement, respect*
- **Making a difference for the community:** *achievement, social conscience, environmental impact, social & economic Impact, innovation*
- **Teamwork:** *partnership working, creative problem solving, communication, accountability, social Inclusion*
- **Fairness:** *equal treatment for all, honesty, trust, integrity, openness*

3. **Strategic analysis**

We keep our operating environment under review and consider the company's strengths, weaknesses, opportunities and threats to be as follows:

SWOT analysis

Strengths	<ul style="list-style-type: none">▪ Long established company with track record and experienced, skilled and committed staff team.▪ We benefit from the support of our parent, Shettleston Housing Association (SHA) – particularly in terms of financial management, governance and compliance, HR and IT support.▪ SHA is our main customer and its business is relatively stable.▪ Supplementary external estate management and reactive works contracts continue to be received and it is anticipated this will continue into 2024/2025. Good overall performance in service delivery.▪ Recent VFM study confirms that prices for work are competitive.▪ Well-resourced in terms of premises, equipment and vehicles.▪ A range of trades and services offered.▪ Stable finances with surpluses projected into future years.▪ Track record of delivering benefits to the community through job and training opportunities and good relationships with other community bodies.
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<p>Weaknesses</p>	<ul style="list-style-type: none"> ▪ Range/capacity of trades has been adversely impacted by recruitment difficulties in recent years and a potential need to review competitiveness of salaries and conditions of service offered. However, recent attempts at recruiting an additional painter and joiner have been successful, potentially showing signs of movement in the market. Potential scope for improved consistency in quality of some services. ▪ SHA perception of a need for a more commercially-focused approach to compete with external contractors for SHA planned maintenance contracts. ▪ Scope for further strengthening of Board with specific skills.
<p>Opportunities</p>	<ul style="list-style-type: none"> ▪ Opportunity to secure longer term commitments to current works from SHA. ▪ Potential for future expansion into more planned / major works. ▪ Potential to tender for additional external works – particularly with neighbouring RSLs - although main focus to continue to be on SHA going forward. ▪ General waste collection situation in Glasgow offers potential opportunities to sell expertise and services in respect of bulk uplift. ▪ Developing technology opens up opportunities for cost saving /efficiency and effectiveness improvement (e.g. drone technology and new roof maintenance equipment). ▪ Potential savings on purchase of materials and plant through use of national procurement frameworks. ▪ “Cost of living crisis” exacerbates existing community needs and may open up additional grant funding opportunities to meet those needs. ▪ Climate change and bio-diversity objectives amongst national and local policy makers opens up opportunities to diversify into greener activities. ▪ Potential support from agencies such as Skills Development Scotland (SDS) to help with our approach to staff development and working arrangements.
<p>Threats</p>	<ul style="list-style-type: none"> ▪ Availability and cost of materials, labour, equipment and fuel due to economic disruption & inflation caused by Brexit, Covid and war in Ukraine.

	<ul style="list-style-type: none"> ▪ Potential effect of economic change on SHA’s overall financial position may impact on contract prices/hourly rates and volume of works to be awarded going forward. ▪ Glasgow City Council arrangements for allowing housing associations free use of waste depots for bulk items for their tenants subject to ongoing review and could jeopardise this business area. Recently introduced changes in legislation to combat the prevalence of Persistent Organic Pollutants ‘POPS’ in the waste stream may hasten the arrival of these charges. The impending SHA rent and service charge restructure will involve consultation with customers around services and potentially result in changes/reductions to services currently provided by Upkeep. ▪ Particular health and safety risks due to: <ul style="list-style-type: none"> - nature of business and work carried out. - risk of increase in mental health and other issues amongst staff due to wider economic/social situation. ▪ Ongoing need to meet other legal/regulatory requirements, including those arising from being part of an RSL Group e.g. FOI. ▪ Heightened cyber security risks in global environment.
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Upkeep’s Board regularly reviews the key risks facing the organisation and action required to best manage these. A copy of the summary of our Risk Register at April 2024 can be seen at **Appendix 1:**

4. Progress in 2023/24

Progress made against last year’s Delivery Plan is outlined below:

Objective 1: Continue to improve customer service and value for money to SHA

Upkeep’s main customer is Shettleston Housing Association (SHA). SHA periodically carries out a value for money (vfm) review of Upkeep’s services and the latest of these was concluding at the time of the adoption of the 2023 Plan with some further work to be carried out. This had included an independent review of Upkeep charges to SHA by the Ewing Somerville Partnership (quantity surveyors) which confirmed that Upkeep’s charges for most activities were competitive and represented value for money.

Following the positive outcome of the VFM review several key tasks have been completed in the 2023/24 year to improve service delivery and ensure that Upkeep continues to provide the Association with a high quality, responsive level of service.

The methodologies used to create invoices through the system have been streamlined to reduce labour intensive processes and create uniformity across voids, reactive and cyclical works.

SHA's new framework agreement for additional supporting contractors has been implemented and baseline data on costs and timescales will be collected, reviewed, and shared with Upkeep as necessary to provide an ongoing comparison of costs between Upkeep and the independently procured companies across a variety of disciplines.

SHA has rolled out a new lettable standard and Void procedures with input from the team at Upkeep. It is hoped this will reduce turnaround times for Voids, clearly outline a baseline standard for the works required and ultimately improve the standard of properties across SHA's stock. This is continually monitored with weekly and monthly meetings taking place involving key personnel across the group.

The team at Upkeep continue to work well with their colleagues in maintenance at SHA which has improved the scheduling of works allowing for greater clarity in forward ordering materials and helping ensure jobs are carried out 'right first time'.

The management team at Upkeep continually reviews and benchmarks the speed and quality of works provided by different staff members and are confident the team in place provide a high-quality level of service to SHA.

Through clear communication and a mutual understanding and respect for each other's roles within the group structure, working relationships between Upkeep and the maintenance team are developing well. Regular meetings continue to be held providing a focused platform to discuss ongoing works and resolve any issues in a timely fashion.

Objective 2: Continue to develop our staffing and working arrangements to ensure that Upkeep has a high performing culture and is seen as a great place to work.

Upkeep continued to focus on staff training and development.

All staff appraisals have been completed with follow up reviews scheduled in advance of the new financial year. The process has allowed staff a platform to discuss their current roles, aspirations for the future, request training and where necessary ask for additional support. They have also provided the management team the opportunity to address underperformance and encourage staff development as appropriate. This process will be ongoing year on year.

The new attendance management policy has been implemented across the group allowing for greater clarity of process.

Upkeep's sickness absence rate was slightly above the 4% target at the end of the third quarter but this was adversely impacted by some unavoidable long-term absences and the underlying trend continues to be positive compared to earlier years.

We continue to look for appropriate ways of developing a shared culture /ethos and all staff within the group show a real commitment to the tenants of Shettleston. Many of Upkeep's staff team are local to the area and as such have a vested interest in improving the community and built environment managed by SHA.

We held a successful joint away day on 3rd November which saw a number of staff from across the group visit Boom Battle Bar in the city centre. The event was enjoyed by all and provided a great opportunity for staff to socialise away from the offices.

Objective 3: Strengthen and develop the business to ensure ongoing viability

Good progress has been made with the assessment by the Director of Finance and Corporate Services (DFCS) of the profitability of each of Upkeep's business cost centres.

The delay in finalising new salaries/pension arrangements has meant that it has taken longer than anticipated to review Upkeep's finances and to finalise charge out rates for 2024/25 but amended rates have now been assumed within the final budget.

Objective 4: Deliver employability support and opportunities and continue to evaluate and review our social impact and role in the community going forward.

Upkeep continued to provide apprenticeship and training opportunities. We currently support three apprentice Joiners funded by CITB who are progressing well. It is hoped that these three individuals will be key to the success of Upkeep winning additional work from SHA in the coming years when they are full time served.

We continue to work with Glasgow Guarantee with three staff members having joined us through their employability support programme and we continue to provide work experience in conjunction with St Andrews Secondary school.

Consideration will also be given to the feasibility of offering apprenticeship for Painters in the coming year with funding and college places already secured for July /August 2024.

Upkeep has analysed the makeup of our workforce in the past year to measure our impact on the local employment market and identified that of our full-time permanent staff over 70% lived in the East end of Glasgow and over 70% of staff had been with Upkeep for over five years. This clearly shows that Upkeep has a positive impact on the employment market in the area and that staff retention is high.

Objective 5: Ensure that Upkeep is achieving high standards of governance and compliance throughout the business

The Group-wide Policy on Equality, Diversity and Human Rights was adopted. The integration of the group wide processes regarding commitment by staff and Board members to the Code of Conduct and in relation to declaration of personal interests have been completed.

The Board has continued to focus on risks and compliance issues. There were no significant issues of non-compliance with legal and regulatory requirements during the year.

To ensure that we achieve our Strategic Objectives as outlined above a Delivery Plan has been agreed (see **Appendix 2**). This sets down specific projects/targets for each Objective showing lead responsibilities, target timescales and an indication of the risk to the Company of non-delivery of each item.

5. Our Strategic Objectives

Our Strategic Objectives for the coming plan period will continue to be as follows:

- 1. Continue to improve customer service and value for money to SHA**
- 2. Continue to develop our staffing and working arrangements to ensure that Upkeep has a high performing culture and is seen as a great place to work.**
- 3. Strengthen and develop the business to ensure ongoing viability**
- 4. Deliver employability support and opportunities and continue to evaluate and review our social impact and role in the community going forward.**
- 5. Ensure that Upkeep is achieving high standards of governance and compliance throughout the business.**

The sections below provide more information about how we will seek to deliver against each of these Strategic Objectives:

5.1 Continue to improve customer service and value for money to SHA

We want to continue the good progress that has been made in recent years.

With SHA we will continue to review our ongoing performance against the Association's Social Housing Charter based and other KPIs (e.g. repair response times; void re-let times etc) and seek to continuously improve in this regard against the 2023/24 out-turn figures.

We will agree with SHA a revised service specification , clear performance measurement indicators and associated rate in respect of the close cleaning, back court maintenance, bulk uplift and landscaping services. We will participate where possible in any SHA tenant engagement relating to the ongoing development of these services and their costs.

SHA carried out its latest comprehensive Tenant Satisfaction Survey in summer 2023. One key finding was that satisfaction with the repairs service was 87%. This by any standard is a good result and continues to compare well with sector averages but does represent a drop from 95% three years earlier. The survey firm highlighted some dissatisfaction with aspects of the repairs service and an objective within SHA's Service Improvement Action Plan is to increase participation in the ongoing satisfaction survey and ensure that results are reviewed and lessons learned accordingly.

In conjunction with this it is intended that we complete the rationalisation process for the gathering of customer feedback. At present SHA and Upkeep independently gather feedback from customers following completed jobs.

As SHA's data also includes the work of other contractors it needs to be streamlined to allow for reporting on Upkeep only jobs which would afford us a greater understanding of how the tenants feel Upkeep performs. It is also felt that Upkeep's feedback while useful may result in crossover and the group is keen to ensure that tenants are not contacted for feedback about the same job on more than one occasion.

It's also important to both parties that we have an efficient and effective invoicing process and we will support the review of repairs / finance and maintenance IT systems to simplify and reduce turnaround timescales.

5.2 Continue to develop our staffing and working arrangements to ensure that Upkeep has a high performing culture and is seen as a great place to work.

We want to further develop our staffing and working arrangements as part of the progression of our "people strategy".

- We expect to be able to complete and implement the review of salaries and pension arrangements and terms and conditions that was commenced in 2023 to ensure that these continue to be competitive.
- A new staff handbook will be introduced this year.
- We will commission our first independent survey of staff satisfaction with the aim of ensuring that we have feedback from all of our employees to help inform the ongoing development of our working arrangements.
- We still hope to be able to take advantage of the "Skills for Growth" programme (through Skills Development Scotland (SDS)), or similar, to identify other areas for potential improvement should funding become available for this.

SHA will be reviewing a number of HR related policies in the coming year and consideration will be given as to whether these should be Group-wide policies.

Real progress has been made in recent years in improving relationships between the two staff teams within the Group. We want to continue to develop this shared culture/ethos and understanding of common objectives between Upkeep and SHA staff. Priorities going forward will continue to include:

- Regularly updated information about how Upkeep's work and performance contributes to the overall work of the Group.
- Working Groups on areas of common interest with representation from both staff teams.
- Joint events for staff and Boards across the Group Another staff conference or similar event for everyone within the Group.
- The development of improved joint understanding of respective roles, responsibilities and financing arrangements within the Group.

5.3 Strengthen and develop the business to ensure ongoing business viability

Upkeep's financial position has strengthened considerably in recent years. Our objective going forward is to continue to develop the business and ensure its longer-term viability. There will continue to be a strong focus on the efficiency and effectiveness of the business and we will review the range and quality of trades and services offered on an ongoing basis.

It is important that there is a clear understanding of the respective income and costs (including apportioned overheads) of our different operating activities to enable an understanding of relative profitability. This information is also important for SHA as it reviews the charges it pays to Upkeep (and in some cases directly passes onto its tenants as service charges). Considerable progress has been made in this regard in the past year and we aim to continue with this.

The development of a new, updated, service specification for our caretaking services to SHA is a priority for the coming year as SHA consults with its tenants regarding its future rent and service charge structure. This will provide a platform for the negotiation of a multi-year contract for these services in due course. At present these are delivered on the basis of annual agreements only

Our main priority for the foreseeable future will be to meet the needs of SHA as our key customer. However Upkeep has successfully bid for work with some other customers, and will consider other significant opportunities that arise – particularly with neighbouring housing associations. This can significantly enhance the overall profitability of the company with additional income generated for marginal additional cost outlays.

Looking ahead there is potential for Upkeep to carry out some higher value and potentially more profitable, planned maintenance works for SHA e.g. through the kitchen replacement programme. To do this we will need to demonstrate that we can offer - and maintain – a service that represents relative value for money in comparison with other specialist providers. In the coming year we will carry out an assessment of our development needs in this respect, in conjunction with SHA, and agree an action plan accordingly.

5.4. Deliver employability support and training opportunities and continue to evaluate and review our social impact and role in the community going forward.

Upkeep has always had a strong focus on providing a wider social benefit to the local community and we want that to continue.

Whilst the local area has seen significant improvements during the lifetime of the housing association it continues to face a number of significant social and economic challenges.

For years Shettleston has scored highly in most of the indicators of deprivation. According to the *2020 Scottish Index of Multiple Deprivation (SIMD)* 75% of the 16 data-zones (small areas of population) in our catchment area are in the most deprived 20% in Scotland and 62.5% are in the bottom 10%. The indicators used to establish deprivation include unemployment, health, and educational attainment so our community is poorer, unhealthier and has people with fewer qualifications and skills than more affluent parts of the country. The “cost of living crisis” will exacerbate these issues.

As such, providing good employment and training opportunities can make a very important difference. This was part of the Association’s original drive for establishing the company.

We want to build on the significant achievements of recent years by continuing to develop and support new apprenticeships and other training opportunities. We also want to review the impact of this activity and promote and publicise our role, with the aim of further developing this aspect of the business.

Another significant way in which the company has impact is on the environment generally and through our carbon emissions in particular. SHA has committed to developing a “green strategy” for the Group in the coming year and we will fully engage with and support this.

5.5 Ensure that Upkeep is achieving high standards of governance and compliance throughout the business

Like any business Upkeep has legal and other governance requirements to comply with.

The fact that Upkeep is the subsidiary of a Registered Social Landlord provides an added dimension in this regard as SHA, the company’s “parent” is subject to specific regulatory requirements in relation to the operation of Group Structures and means that Upkeep is, for example, subject to the provisions of the Freedom of Information (Scotland) Act.

Through its own self-assessment processes the Board of SHA has to assure itself that these requirements are being fulfilled and this means greater accountability and reporting requirements for Upkeep than would apply to many similarly sized private companies. This will continue to require a strong focus on governance best practice.

The Board continues to function well but is currently without a Chair after the previous post-holder was elected as Chair of the SHA Board and it will be a priority to fill that position early in the 2024/25 year.

The Board still has just one independent Board Member, despite a Group-wide recruitment effort in the summer of 2023. Continuing efforts at targeted recruitment will be undertaken to help address this.

A Group-wide review of composition and capacity of Boards will be undertaken in the first half of 2024/25, with independent consultant support to respective Chairs, and the Upkeep Board will agree a Development Plan following on from this.

Given the relatively high-risk nature of much of the work carried out by Upkeep there is a need to regularly review health and safety arrangements and the Board's oversight of these.

There is an ongoing need to ensure that the governance framework for Upkeep and the Group remains appropriate and we will continue to annually review the relevance and operation of our key governance documents and ensure that the respective roles of the Board and staff (Upkeep and SHA) are clear and appropriate.

6. Resources and financial projections

6.1 Overview

Attached at **Appendix 3** is a copy of the five year financial projections for Upkeep. This is based on the approved budget for 2024/25.

The budget figures for 2024/25 have then been uplifted by 2% in the years that follow for both income and expenditure.

The projected costs for direct materials are based on the assumption that a set percentage of income is spent on these direct costs. 50% of income is projected as direct costs for year ending 2024/25 for reactive & void and 41% of income for planned & cyclical and major works. In respect of estate caretaking and cleaning activities, this is based on a 3% and 2% assumption respectively. Landscaping costs are also modest at 2%. These cost percentages are based on past trends however they will be closely monitored through the quarterly management accounts reporting.

These projections do not take into account any future growth or diversification opportunities however the plans can be updated as and when opportunities arise.

Upkeeps performance is dependent on the level of work instructed from SHA. As such, any changes to the planned activities of SHA in relation to repairs and maintenance, major works or service charge activities will impact on the results for Upkeep.

6.2 Summary of Financial Results

The results on Page 1 and 2 show that surpluses will arise in each of the financial years and range from £74,504 in 2024/25 to £124,039 in 2028/29.

Page 3 shows that the statement financial position is strengthening in each of the financial years due to the increasing profits; a positive net assets position is maintained over the 5 year period. At the end of March 2029, capital and reserves are expected to be £1,009,396.

On page 4, a summary of the cashflow shows that cash should increase and reach around £872,629 at the end of March 2029.

No account of gift aid or tax has been included in these projections.

Risk ID No	Category	Risk Owner	Issue / Hazard Causing Risk	Risk Description	Risk Consequences (effect)	Classification	Existing Mitigating Controls	Control Owner(s)	Date completed	Residual scores after mitigating control action:			Agreed treatment of residual risk	Risk within appetite?	Remarks
										Likelihood	Impact	Risk Exposure (LxI)			
1	Finance & Economy	DFCS	Operating environment: Post Brexit / Pandemic.	High inflation and low growth economy.	Issues with procurement prices / availability of subcontractors / suppliers and materials.	Strategic	Quarterly management accounts.	DFCS	Ongoing	3	3	9	Manage	Yes	Ongoing review of costs / forecast position. Look to review / implement best practice procurement processes. Inflation is coming down and is set to reduce further. Have not reduced scoring further at this time, pending final review of expected component renewal costs following stock condition survey.
							Review of budget estimates and forecast position.	DFCS	Ongoing						
							Reprogramming of SHA planned investment.	DPS	Sep-22						
							Ongoing review of operating environment.	HOp	Ongoing						
							Expand supplier base.	HOp	Ongoing						
2	Finance & Economy	DFCS	Potential for second Scottish Independence referendum.	Indyref2: Economic damage.	Issues with procurement prices / availability of subcontractors / suppliers and materials.	Strategic	Quarterly management accounts.	DFCS	Ongoing	1	3	3	Manage	Yes	Ongoing review of costs / forecast position.
							Review of budget estimates and forecast position.	DFCS	Ongoing						
							Reprogramming of SHA planned investment.	DPS	Sep-22						
							Expand supplier base.	HOp	Ongoing						
							Ongoing review of operating environment.	HOp	Ongoing						
3	Governance	DFCS	Failure to have appropriate controls and procedures in place to demonstrate compliance with GDPR/FOI.	Breaching GDPR / FOI legislative requirements.	Reputational impact. Financial fines.	Operational	Management service provided by SHA.	CEO	Ongoing	1	3	3	Manage	Yes	Review of SHA policies - adopt as Group policies: SHA Information and ICT Security Policy - last reviewed Jan 2022. SHA Information Security Incident Management Policy - last reviewed Sept 2019 - this needs updated. SHA received Cyber Essentials accreditation December 2023. GDPR training has been organised for Board and Staff before the year end.
							Management service provider have suitably skilled staff.	DFCS	Ongoing						
							Fit for purpose policies in place.	DFCS	Ongoing						
							Up to date procedures for dealing with personal data in place.	DFCS	Ongoing						
							Suitable security arrangements in place - physical.	DFCS	Ongoing						
							Suitable security arrangements in place - cyber.	DFCS	Ongoing						
4	Governance	CEO	Unable to retain / recruit Board Members and / or fill identified skills gaps. Unable to meet quorum.	Ineffective governing body.	Loss of skills and experience. Board is unable to operate / make decisions.	Strategic	SHA Board engagement.	CEO	Ongoing	1	3	3	Accept	Yes	One resignation and one new Board Member recruited in Q4 of 2023/24. Board is still effective.
							Streamlined governance arrangements within group structure to reduce burden on board members.	CEO	Nov-22						
							Alternative recruitment methods (other than mainstream adverts).	CEO	Ongoing						
							Actively recruiting / seeking suitable appointees.	CEO	Ongoing						
5	Development / Investment	HOp	Subcontractors failing / folding due to impact of rising costs / inflation and inability to pass on fully to customer base.	Contractor insolvency / failure.	Incomplete works if mid-contract. Reduced customer satisfaction. Delays to planned programme of works. Increased cost of alternative contractor / supplier.	Operational	Expand supplier base.	HOp	Ongoing	3	2	6	Manage	Yes	Aim to recruit in-house trades where possible (e.g. electrician). Currently recruiting for an in-house joiner - opportunity to test the market and assess level of response - may be necessary to be flexible in terms of salary offering within affordable parameters. A favourable response may indicated changes in the market and if so we will look again at electrician recruitment. Successfully recruited in-house painter early January - Will now look at potential to offer painting apprenticeships - funding and college places have been through CITB. Upkeeps apprentice joiners all progressing well, one approaching final year, this may provide Upkeep an excellent opportunity to take on additional kitchen / bathroom replacements from SHA. HOP will explore proposal with SHA MM & DPS.
							Recruit trades in-house.	HOp	Ongoing						
							Appropriate due diligence on new contractors.	HOp	Ongoing						
							Suitable insurance cover.	DFCS	Ongoing						
							Ensure structured payments / valuations received for large value works.	HOp	Ongoing						
							Continually reviewing operating environment.	HOp	Ongoing						
							Suitable procurement process followed.	HOp	Ongoing						

Risk ID No	Category	Risk Owner	Issue / Hazard Causing Risk	Risk Description	Risk Consequences (effect)	Classification	Existing Mitigating Controls	Control Owner(s)	Date completed	Residual scores after mitigating control action:			Agreed treatment of residual risk	Risk within appetite?	Remarks
										Likelihood	Impact	Risk Exposure (LxI)			
6	Development / Investment	HOp	Reduction in work instructed by SHA.	Over-reliance on SHA income stream.	Reduced turnover and cashflow. Impact on business viability if long term. Need to assess resource, possible redundancies.	Operational	Quarterly management accounts.	DFCS	Ongoing	2	5	10	Manage	Yes	Upkeep currently have capacity to deliver gas safety within Void properties on behalf of SHA. MM * DPS happy for this top proceed (currently looking at contractual obligations with existing contractor to facilitate. Upkeep has taken on SHA hygiene services previously provided by external contractor. See updated narrative at Risk 5 above on recruitment of suitable staff to deliver alternative services and areas of potential growth. Q3 Management Accounts results less than expected.
							Review of budget estimates and forecast position.	DFCS	Ongoing						
							Benchmarking charges to ensure Upkeep remains competitive / provides VFM.	HOp	Ongoing						
							Seek alternative income sources - external to SHG.	HOp	Ongoing						
							Look to offer alternative services to SHA.	HOp	Ongoing						
							Regular Group team meetings / updates / feedback.	DPS	Ongoing						
7	H&S	HOp	Failure to meet SHA / EEHDC landlord's obligations.	Tenant or resident H&S incident. Tenant & resident safety	Injury, death. Property damage. Regulatory intervention for SHA. HSE action. Legal action. Financial fines. Increased property repair costs. Reputational impact.	Operational	Regular and appropriate staff H&S training.	HOp	Ongoing	1	3	3	Manage	Yes	Increased focus on tenant safety by SHR. Upkeep staff completed Mould Growth specialist training alongside SHA team. Upkeep staff to be aware of landlord priorities and report back any concerns visible when out at properties. Upkeep staff to remain vigilant / keep tenant safety high on its agenda / report any concerns arising from property repair visits. Upkeep team regularly report defects to SHA Housing and Maintenance teams, providing photographic evidence where possible.
							Up to date risk assessments for works carried out.	HOp	Ongoing						
							Housing Officer Visits / Estate Management.	DCCS	Ongoing						
							Internal Audit Reviews.	SMT / HOp	Ongoing						
							Board oversight through reporting.	Board	Ongoing						
							Fit for purpose policies in place.	SMT / HOp	Ongoing						
							Fit for purpose procedures in place.	SMT / HOp	Ongoing						
							Insurance cover in place.	DFCS	Ongoing						
Parent company is a experienced property manager and registered letting agent.	SMT	Ongoing													
8	H&S	HOp	Poor management of the H&S function and/or lack of adherence to policies.	H&S incident: staff member.	Injury, death. Legal action against Upkeep / SHG. Reputational impact.	Operational	Induction process includes H&S code of conduct.	HOp	Ongoing	1	3	3	Manage	Yes	Regular health & safety training and reminders to staff. New IHASCO training portal implemented for use over the 2023/24 year. This includes basic training modules on Manual Handling etc. In person training also being delivered to supplement IHASCO training such as sharps safety & removal and roped access safety and rescue. To progress group wide H&S risk review and action planning.
							Internal / risk audit.	DFCS	Ongoing						
							Scheduled H&S training.	SMT / HOp	Ongoing						
							H&S standing agenda item at Board / staff meetings.	SMT / HOp	Ongoing						
							Adherence to H&S policies.	All staff	Ongoing						
							Staff code of conduct	Staff	Ongoing						
							Fit for purpose policies in place.	SMT / HOp	Ongoing						
							Fit for purpose procedures in place.	SMT / HOp	Ongoing						
Embed H&S responsibility throughout Upkeep / SHG.	SMT / HOp	Ongoing													
9	Staff / HR	HOp	Upkeep / SHG not being an employer of choice.	Loss of key personnel and / or inappropriate recruitment and / or inability to recruit.	Disruption to staff working / effectiveness. Disruption to service delivery. Unable to provide a quality service. Reputational damage.	Operational	Succession planning.	HOp	Ongoing	1	5	5	Manage	Yes	Continue to benchmark salary levels and package that can be offered. Recruitment for certain trades has been difficult (electrician for example). Improve performance management across full organisation - all staff. Following October Board Paper HOP & CSM2 have made an offer to Unite the Union to put to their members, the outcome of their ballot was received in Feb 24 - union members rejected the offer. Work is ongoing to resolve.
							Staff engagement and surveys.	CSM	Ongoing						
							SHG - group approach / team events.	CEO	Ongoing						
							Tighter HR approach.	CSM	Ongoing						
							Quality induction process.	HOp	Ongoing						
							Investment in staff training.	HOp / CSM	Ongoing						
							Performance management system in place however not across all staff.	SMT / HOp	Ongoing						
							Benchmarking salary levels / package offered.	HOp	Ongoing						
							Stronger recruitment process.	SMT / HOp	Ongoing						
Review pension offering.	DFCS	Ongoing													
10	Staff / HR	HOp	Upkeep adopts EVH pay rates / scale - this could negatively impact on charge out rates.	Loss of income as charge out rates become too costly.	Reduced turnover and / or profit margin. Material costs have also been increasing.	Operational	Actively monitor and benchmark salary levels.	HOp	Ongoing	1	5	5	Manage	Yes	Upkeep will continue to track EVH salary increase for 2024/25 and keep pace with the Glasgow Living Wage which stands to rise from £10.90 per hour to £12.00 per hour for our level 1 staff. Ongoing review of profit margins for each activity.
							Actively monitor and benchmark charge out rates.	HOp	Ongoing						
							Ongoing review of financial performance through management accounts / budgeting process.	CSM	Ongoing						

Upkeep Business Plan: Delivery Plan 2024/25

Introduction

The **Lead Managers** referred to are as follows:

<u>Upkeep:</u>	HO	- (Head of Operations - John Thomson);
	CSM 1	- (Corporate Services Manager - Karen Weir);
	ESM	- (Estate Services Manager - Paul McNeill).
<u>Group:</u>	CEO	- (Chief Executive -Tony Teasdale);
	DCCS	- (Director of Customer and Community Services - Craig Russell);
	DFCS	- (Director of Finance and Corporate Services - Kirsty Brown);
	DPS	- (Director of Property Services - Colette McKenna)
<u>SHA</u>	CRO	- (Community Regeneration Officer - Jamie Sweet);
	CSM 2	- (Corporate Services Manager - Jo Farren);
	FM	- (Finance Manager - Ola Ajobiewe),
	HM	- (Housing Manager -Sandra McIlroy);
	ICTM	- (ICT Manager - Lhyam Sumal);
	PSM	- (Property Services Manager - Matt Stewart)

Risk of non-achievement

- Low (Lost opportunity to improve but without significant adverse consequences);
- Medium (Significant performance, financial, strategic or governance implications);
- High (Severe risk and potentially business critical)

	Key priorities/tasks/projects/targets	Lead	Target	Risk if not achieved
1.	Continue to improve customer service and value for money to SHA			
1.1	Review and rationalise invoicing process through repairs / finance and maintenance IT systems to simplify and reduce turnaround timescales.	HO/PSM/ ICTM	Q2	●
1.2	Continue to review the impact of the new labour rates for 2024/25 which have been agreed at this point on the basis of assumptions regarding salaries and changes to staff pension going forward. Regard will be had to affordability to both Upkeep and SHA and the position to be initially reviewed at the mid-year point.	HO/DPS/ DFCS	Q3	●
1.3	Agree new rates, service specification and clear performance measurement indicators with SHA in respect of the close cleaning, back court maintenance, bulk uplift and landscaping services. This to be finalised following consultation by SHA with its tenants.	ESM/ DHCS	Q4	●
1.4	With SHA rationalise procedures for gathering and sharing customer feedback, reporting on this and sharing lessons learned.	CSM1/ PSM / HO	Q2	●
2.	Continue to develop our staffing and working arrangements to ensure that Upkeep has a high performing culture and is seen as a great place to work.			
2.1	Further develop our “People Strategy”:			
	2.1.1 Commission a staff satisfaction survey and develop an action plan in light of results	HO/ CSM2	Q2	●
	2.1.2 Introduce a new Staff handbook	HO/ CSM2	Q1	●
	2.1.3 Explore scope for participate in the “Skills for Growth” programme in conjunction with support from Skills Development Scotland (SDS) to identify other areas for potential improvement.	HO/ CSM2	Subject to funding availability	●

	Key priorities/tasks/projects/targets	Lead	Target	Risk if not achieved
2.2	Complete the review of salaries /pension arrangements and terms and conditions to ensure that these continue to be competitive.	DFCS/ CSM 2 / HO	Q1	●
2.3	Review the following HR policies:			
	<ul style="list-style-type: none"> Recruitment 	CSM 2	Q1	●
2.4	Continue to develop a shared culture/ethos and understanding between Upkeep and SHA staff through:			
	2.4.1 Regularly updated information about Upkeep's work and performance and how this contributes to the overall work of the Group.	HO/CEO	Ongoing	●
	2.4.2 Establish/maintain Working Groups on areas of common interest with representation from both staff teams.	All	Ongoing	●
	2.4.3 Hold joint events for staff and Boards across the Group	DFCS/ CSM 2	To be confirmed	●
	2.4.4 Develop improved joint understanding of respective roles, responsibilities and financing arrangements within the Group.	All	Ongoing	●
3.	Strengthen and develop the business to ensure ongoing business viability			
3.1	Continue to review and assess Upkeep's finances to ensure newly agreed charge out rates and reductions to contracted works to ensure ongoing profitability.	DFCS	Q2	●
3.2	Continue to review scope for additional external work that can be delivered in a way that strengthens the overall business without a drop in service to SHA	HO	Ongoing	●
3.3	Work with SHA to develop a plan for improving business capacity & performance aimed at being in a position to start winning contracts for more profitable business from SHA (e.g. kitchen replacements).	HO	Q3 2024/25	●

	Key priorities/tasks/projects/targets	Lead	Target	Risk if not achieved
4.	Deliver employability support and opportunities and continue to evaluate and review our social impact and role in the community going forward.			
4.1	Deliver additional apprenticeships and training opportunities: Secure CITB funding and college place to recruit an apprentice painter	HO/CRO	Q2	●
4.3	Actively participate in the development of a “Green Strategy” for the Group	HO/ ESM	Q4	●
4.4	Continue to review the “wider role” that Upkeep can play in the community.	HO/ CRO	Q4	●
5.	Ensure that Upkeep is achieving high standards of governance and compliance throughout the business.			
5.1	Continue to strengthen the Upkeep Board:			
	5.1.1 Members to elect a Chair of the Board	Board	Q1	●
	Seek to recruit one or more additional independent Board Members in accordance with targeted specialist skills / experience gaps.	CEO	Q2	●
	5.1.3 Undertake the annual review of the composition and capacity of the Upkeep Board, with independent consultant support, and agree a Board Development Plan.	Chair	Q2	●
5.2	Provide further training to the Board on Member roles and responsibilities as company directors.	CEO	Q4	●
5.4	Review general approach to procurement having regard to the principles of openness, accountability and fairness contained within SHA’s new Procurement Strategy and ensuring compliance with all procurement regulations/legislation directly applicable to Upkeep.	DPS/HO	Q4	●
5.5	Carry out a review of health and safety arrangements and reporting in-line with Group wide processes.	DFCS/ CSM2/ HO	Q4	●
5.7	Annually review the Intragroup Agreement and Service Sharing Agreement with SHA.	CEO	Q4	

Upkeep Shettleston Community Enterprises Limited
Detailed Projected Operating Profit/Loss Statement

Appendix 3

	Projected RPI				
	1.020	1.020	1.020	1.020	1.020
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
	2024/25	2025/26	2026/27	2027/28	2028/29
	£	£	£	£	£
<u>INCOME</u>					
SHA Maintenance					
Landscape Maintenance	360,000	367,200	374,544	382,035	389,676
Planned and Cyclical Maintenance	411,363	419,590	427,982	436,542	445,273
Reactive & Void Property Maintenance	1,379,903	1,407,501	1,435,651	1,464,364	1,493,652
Major Works	105,000	107,100	109,242	111,427	113,655
Sub total	2,256,266	2,301,391	2,347,419	2,394,368	2,442,255
SHA Other					
Close Cleaning, Bulk Uplift & Backcourt Maint.	531,697	542,331	553,177	564,241	575,526
Window Cleaning/Graffiti Removal	-	-	-	-	-
Edrom Path & SHA Office Cleaning	54,924	56,022	57,143	58,286	59,452
Miscellaneous SHA: Others	-	-	-	-	-
Sub total	586,621	598,353	610,320	622,527	634,977
Non-SHA Works					
Close Cleaning	6,269	6,395	6,522	6,653	6,786
Miscellaneous Non-SHA	67,200	68,544	69,915	71,313	72,739
Miscellaneous - EEHD	22,464	22,913	23,372	23,839	24,316
Sub total	95,933	97,852	99,809	101,805	103,841
	2,938,820	2,997,596	3,057,548	3,118,699	3,181,073
<u>DIRECT COSTS</u>					
<u>Materials Costs for SHA Works</u>					
	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
	2024/25	2025/26	2026/27	2027/28	2028/29
	£	£	£	£	£
SHA Maintenance					
Landscape Maintenance	23,180	23,643	24,116	24,599	25,091
Planned and Cyclical Maintenance	196,720	200,654	204,667	208,760	212,936
Reactive & Void Property Maintenance	641,876	654,713	667,808	681,164	694,787
Major Works	50,212	51,217	52,241	53,286	54,352
Sub total	911,988	930,228	948,832	967,809	987,165
SHA Other					
Close Cleaning, Bulk Uplift & Backcourt Maint.	12,982	13,242	13,506	13,776	14,052
Window Cleaning/Graffiti Removal	-	-	-	-	-
Edrom Path & SHA Office Cleaning	7,020	7,160	7,303	7,449	7,598
Miscellaneous SHA: Others	-	-	-	-	-
Sub total	20,002	20,402	20,810	21,226	21,650
Non-SHA Works					
Close Cleaning	159	162	165	169	172
Miscellaneous Non-SHA	1,703	1,737	1,772	1,807	1,843
Miscellaneous - EEHD	10,743	10,957	11,177	11,400	11,628
Sub total	12,604	12,856	13,114	13,376	13,643

Staffing and Support Costs

Upkeep: Wages and Salaries	1,547,998	1,578,958	1,610,538	1,642,748	1,675,603
SHA Support Costs: Payroll Share	103,147	105,210	107,314	109,460	111,650
Vehicles Running Expenses	134,537	125,288	106,577	101,681	103,714
Sub total	1,785,683	1,809,456	1,824,429	1,853,889	1,890,967

2,730,277	2,772,942	2,807,184	2,856,300	2,913,426
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Other Income

Grant Income Received	6,875	2,500	-	-	-
Recovery of Contract Mgrs Costs	-	-	-	-	-
	6,875	2,500	-	-	-

Office Overheads

Audit Fees	11,000	11,220	11,444	11,673	11,907
Bad Debts	500	510	520	531	541
Bank Charges	400	408	416	424	433
Culrain St Rent	10,250	10,455	10,664	10,877	11,095
Depreciation - Computer/Office Equipment	6,742	4,320	3,931	123	-
Electricity	6,000	6,120	6,242	6,367	6,495
Gas	5,500	5,610	5,722	5,837	5,953
Health & Safety	2,200	2,244	2,289	2,335	2,381
ICT Computer & Support Costs	27,774	28,330	28,896	29,474	30,064
Insurance	3,200	3,264	3,329	3,396	3,464
Legal Expenses	3,000	3,060	3,121	3,184	3,247
Postage	1,000	1,020	1,040	1,061	1,082
Printing & Copier	8,345	8,512	8,682	8,856	9,033
Professional Fees	1,285	1,311	1,337	1,364	1,391
Protective Clothing	8,000	8,160	8,323	8,490	8,659
Repairs & Maint - Other	3,900	3,978	4,058	4,139	4,221
Repairs & Maint - Premises	10,000	10,200	10,404	10,612	10,824
Stationery	1,900	1,938	1,977	2,016	2,057
Subscriptions	1,452	1,481	1,511	1,541	1,572
Sundries	2,500	1,020	1,040	1,061	1,082
Telephone & Internet	8,695	8,869	9,046	9,227	9,412
Training	14,000	14,280	14,566	14,857	15,154
Travel	-	-	-	-	-
Water at Work	400	408	416	424	433
Water Rates	2,871	2,928	2,987	3,046	3,107

140,914	139,646	141,963	140,916	143,608
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TOTAL OPERATING COSTS

2,871,191	2,912,588	2,949,148	2,997,215	3,057,034
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OPERATING SURPLUS/(DEFICIT)

74,504	87,509	108,401	121,484	124,039
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UPKEEP**PROJECTED STATEMENT OF FINANCIAL POSITION**

	31/03/25	31/03/26	31/03/27	31/03/28	31/03/29
	£	£	£	£	£
FIXED ASSETS					
Cost less depreciation	50,146	28,270	17,449	12,374	12,374
CURRENT ASSETS					
Stock & WIP	35,585	35,585	35,585	35,585	35,585
Debtors	267,526	267,015	266,494	265,963	265,422
Cash at Bank	401,231	507,028	622,673	748,049	872,629
	704,342	809,628	924,752	1,049,597	1,173,636
Creditors falling due within one year	(127,727)	(127,727)	(127,727)	(127,727)	(127,727)
Net Current Assets/Liabilities	576,615	681,901	797,025	921,870	1,045,909
Total Assets less Current Liabilities	626,761	710,172	814,474	934,244	1,058,283
Creditors falling due after more than one year					
Hire Purchases - Motor Vehicles	(9,910)	(5,812)	(1,714)	0	0
Deferred Tax	(48,887)	(48,887)	(48,887)	(48,887)	(48,887)
Net Assets	567,964	655,472	763,873	885,357	1,009,396
CAPITAL AND RESERVES					
Share Capital	1	1	1	1	1
Revenue Reserve	567,963	655,472	763,872	885,356	1,009,395
	567,964	655,472	763,873	885,357	1,009,396

UPKEEP SHETTLESTON COMMUNITY ENTERPRISES LIMITED
FIVE YEARS CASHFLOW PROJECTION

INCOME	2024/25	2025/26	2026/27	2027/28	2028/29
	£	£			
Estate caretaking & office cleaning	592,890	604,748	616,843	629,179	641,763
Maintenance: various	1,985,930	2,025,649	2,066,162	2,107,485	2,149,635
Landscape maintenance	360,000	367,200	374,544	382,035	389,676
Other Income	6,875	2,500	-	-	-
	<u>2,945,695</u>	<u>3,000,096</u>	<u>3,057,548</u>	<u>3,118,699</u>	<u>3,181,073</u>
EXPENDITURE					
Payroll Costs	1,547,998	1,578,958	1,610,538	1,642,748	1,675,603
Recharges - Payroll SHA	103,147	105,210	107,314	109,460	111,650
Purchases	944,594	963,486	982,756	1,002,411	1,022,459
Overhead Costs	133,672	134,815	137,512	140,262	143,067
Vehicle Costs	95,816	97,732	99,687	96,727	103,714
	<u>2,825,227</u>	<u>2,880,202</u>	<u>2,937,806</u>	<u>2,991,608</u>	<u>3,056,493</u>
Net Operating Cash Inflow/(Outflow)	120,468	119,895	119,743	127,091	124,580
Capital Expenditure	(10,000)	(10,000)	-	-	-
Hire Purchase Cash Payments	(8,933)	(4,098)	(4,098)	(1,715)	-
Opening Balance	299,696	401,231	507,028	622,673	748,049
Balance Carried Forward	<u>401,231</u>	<u>507,028</u>	<u>622,673</u>	<u>748,049</u>	<u>872,629</u>