



CORPORATE PLAN

2021/22 – 2025/26



Melville Housing
Sustainable Thriving Communities

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Executive Summary

Melville Housing Association is a charitable housing association, regulated by the Scottish Housing Regulator.

Our Corporate Plan sets the framework for our main activities for the five-year period 2021/22 to 2025/26.

The strategy covers the Melville Housing Association Group which includes Melville Housing Association Ltd and Ironmills Developments Ltd.



The aim of this corporate plan is to establish the direction and focus that will support our purpose of:

Providing quality sustainable homes and developing thriving communities that people are proud to live and work in

Although this plan is for a five-year period, it contains operational targets that highlights key performance and priorities that will determine the success of the plan in year one.

Accordingly, we will review the plan each year and update the operational targets on an annual basis. We will undertake a significant review of the corporate and strategic aims every three years.

Melville Housing Association Ltd was formed in 1994 by a group of Midlothian tenants and staff from the Dalkeith office of Scottish Homes. The first homes were transferred in 1995 and since then Melville has developed a reputation as an excellent provider of high quality and adaptable housing services that constantly works to deliver high quality, good value, affordable homes.

We currently own and manage 2,043 properties and we are based at the Corn Exchange, 200 High Street, Dalkeith.

We rent and lease properties mainly in Midlothian with others in Edinburgh, East Lothian, North Lanarkshire, and the Scottish Borders.

Key facts and figures that highlight how we have achieved our purpose in the past year are outlined at Appendix 1.

Mission Statement

The Board of Melville Housing Association undertook a review in 2021 of the Associations' Mission Statement, Corporate Objectives and Values.

We have sought the views of our tenants panel in developing these aims and the following outlines what we aim to achieve.



Melville Housing Sustainable Thriving Communities

Melville Housing Association will support the development of Sustainable Thriving Communities with the following Mission Statement:

MISSION STATEMENT

***Providing Quality Sustainable Homes and
Developing Thriving Communities that
People are Proud to Live and Work in***

Values

Our organisational values demonstrate what we stand for, and what defines the business.

These are the actions and behaviours that will underpin how we will support and develop our mission statement of *Providing Quality Sustainable Homes and Developing Thriving Communities that People are Proud to Live and Work in.*

People focused

we passionately believe it's people that define what we do, and that ensure we can create sustainable communities. We are committed to supporting the continual growth and development of our people to deliver strong and effective governance and excellent services.

Excellent customer services

we aim to connect with our customers, understanding their needs and delivering the quality and range of services that exceed expectations.

Community focused

we are an integral part of the communities that we serve. We aim to meet the diverse needs of local people and develop and maintain strong and vibrant neighbourhoods.

Equality & fairness

we will be open and transparent in what we do, demonstrating fairness and integrity in decision-making and are committed to supporting people achieve equality of opportunity regardless of background.

Innovative

we will be innovative in providing quality homes and delivering services that our communities need to allow them to thrive.



Corporate Objectives 2021/22 – 2025/26

Our key corporate objectives consist of what we want to achieve and how we will do so.

The following Corporate Objectives have been agreed for the period of this plan and approved by the Board and our Tenant Reps Group:

Objective 1 Enhance the Quality of our Homes and Neighbourhoods

Objective 2 Strengthen Core Services

Objective 3 Maintain Excellent Standards of Governance

Objective 4 Support our Communities to Thrive

Objective 5 Spend Wisely

Corporate Objective 1 Enhance the Quality of our Homes and Neighbourhoods

Our key corporate objectives consist of what we want to do and how we will do it.

1. Enhance the Quality of our Homes and Neighbourhoods

As a registered social landlord and charity, we aim to deliver quality homes and neighbourhoods.

We recognise investment in our stock is the most visible and important service for our tenants. We aim to provide an affordable, energy efficient and modern home within an attractive and pleasant environment.

This is important to maintain the value of our stock, ensure high demand for our properties and meet our legal and regulatory obligations.

Top priorities:

- Undertake investment in our existing housing stock to deliver high quality energy efficient homes to meet the needs and aspirations of our current and future tenants
- Support the development of new homes in mixed tenure developments and ensure that any developments are innovative and energy efficient
- Maximise investment and funding opportunities for our housing stock
- Improve our day-to-day repair service
- Maintain neighbourhood spaces to a high standard and improve satisfaction levels



Strategic Outcome: Enhance the Quality of our Homes and Neighbourhoods

Priority	Action	Responsibility	Success measures
SHQS & EESSH	Stock condition survey	Head of Property Services & Property Manager	100% of stock surveyed within a 2-year period to provide comprehensive system of data analysis
	Stock Condition Survey tested for accuracy	Chief Executive & Head of Property Services	Stock condition information independently tested (10% sample of all stock types)
EESSH 2	EPC surveys Develop comprehensive strategy and action plan by 2022/23 to make homes more energy efficient and maximise inward investment	Head of Property Services & Property Manager	Monitor data on energy standard compliance Strategy and costed action plan developed by 2022/23 Achieve 100% compliance by December 2032
Day-to-day maintenance	Improve reactive maintenance performance	Head of Property Services & Property Manager	2 hours to complete an emergency 6 working days to complete a non-emergency

Priority	Action	Responsibility	Success measures
Day-to-day maintenance (cont.)	<p>Improve reactive maintenance performance</p> <p>Monitor Procurement methods</p>	<p>Head of Property Services & Property Manager</p> <p>Chief Executive, Head of Property Services & Property Manager</p>	<p>95% of repairs completed 'Right first Time'</p> <p>95% of repair appointments kept</p> <p>Annual Review of Asset Management Strategy and publish Annual Procurement Report</p>
Programmed maintenance	Procure planned work as identified within asset management strategy – deliver value in cost and performance	Head of Property Services & Property Manager	<p>Appointment and delivery of contractors and contract(s)</p> <p>Monitor contractor performance, cost and quality with regular site visits and tenant feedback – 95% satisfaction achieved</p>
Development New Build Opportunities	<p>Revise Development Strategy</p> <p>Determine viability of future newbuild opportunities</p> <p>Revisit co-housing strategy to determine viability and project opportunities</p>	<p>Development Manager</p> <p>Head of Finance, Corporate Services and Development Manager</p> <p>Development Manager & Housing Manager</p>	<p>Review Strategy in year 1 of plan</p> <p>Assessment of newbuild opportunities incorporated in financial plans</p> <p>Review co-housing options by 2022/23</p>

Corporate Objective 2 Strengthen Core Services

2. Strengthen Core Services

Over the years Melville Housing Association has delivered a number of core services and a key objective is to continue to ensure that our services meet the high standards which we set, that our tenants expect and that go beyond the regulatory requirements set out by Government and Regulators.

Therefore our principal purpose is to ensure that our current and future tenants receive the best possible services.

This is important to maintain our reputation, ensure high demand for our properties and meet our legal and regulatory obligations.

Top priorities:

- Continue to understand and meet the needs of our tenants whilst continually improving customer experience.
- Deliver continuous improvement in arrears, estate management, voids and anti-social behaviour.
- Develop and implement a digital strategy that enhances service delivery for the benefit of our tenants.
- Provide tailored support to tenants to minimise the impact of austerity and welfare reform.
- Maintain neighbourhood spaces to a high standard and improve satisfaction levels
- Maintain high levels of tenancy sustainment.

Strategic Outcome: **Strengthen Core Services**

Priority	Action	Responsibility	Success measures
Tenancy sustainment	Improved tenancy sustainment	Housing Manager and Housing Management	95% of new tenants still in tenancy after 12 months
Rent arrears	Progressive, sustained improvement in rent arrears	Housing Manager and Housing Management	Current arrears 2.75% Former tenant arrears 0.5% Overall (ARC) arrears of 2.60%
Anti-social behaviour	Swifter resolution of neighbour and anti-social complaints Improved resident satisfaction	Housing Manager and Housing Management	90% of anti-social behaviour complaints responded in timescale 100% of tenants satisfied with management of complaints
Voids	Minimise rental loss Improved satisfaction and support tenancy sustainment	Head of Property Services and Property Manager	Average days to re-let 12 Satisfaction with new home 85%
Tenant satisfaction	Improve tenant satisfaction, maximise rental income and support tenancy sustainment	Housing Manager and Welfare & Benefits Team Leader	90% of tenants satisfied with overall quality of services

Priority	Action	Responsibility	Success measures
Homeless	Support homeless applicants by providing: 60% of lets	Head of Property Services	60% of lets to homeless applicants
Tenant Participation	Enhance tenant participation opportunities by Increasing number of tenant reps Increasing tenant representation on the Board	Communications Manager Chief Executive	Two new members on panel by September 2022 Two new tenant members on Board by September 2022
Digital	Develop and implement various digital solutions for Tenants Melville HA	Chief Executive Communications Manager Chief Executive & Senior Management Team	Develop Digital Strategy in 2021/22 Appoint IT Officer in 2021/22 Expand use of communications electronically Actions to be undertaken as identified in digital strategy over period of plan e.g. new build internet service

Priority	Action	Responsibility	Success measures
Equality, Diversity and Human Rights	Equality, diversity, and human rights	Chief Executive	Ensure equality and human rights action plan targets achieved (targets recorded later in this plan)
Communication	Improve tailored communication and connection with customer base	Chief Executive and Communications Manager	Review, social media, website, and newsletters Review Freedom of Information Policy and Procedures
Customer care	Customer service standard Complaints	Chief Executive & Head of Finance & Corporate Services Head of Property Services	Monitor Customer Care Standards Respond to 95% of complaints within target timescale Consider external accreditation standards

Corporate Objective 3 Maintain Excellent Standards of Governance

3. Maintain Excellent Standards of Governance

Melville Housing Association recognises that excellent standards of governance underpin the services that we deliver and therefore a key objective is to continue to maintain the standards that are set.

We recognise that without good governance the organisation cannot exist or function properly for our service users.

Top priorities:

- Invest in our Board and staff to maintain high standards of service and governance.
- Develop and implement succession planning for Board membership to ensure we maintain the right skills and mix of people to provide leadership, shape strategy, manage risk and monitor performance.
- Develop our leaders and managers to manage change and continuous improvement.
- Provide the support to staff to help them do their jobs well and achieve their career aspirations.
- Underpin governance with well-developed equalities and human rights policies practices and procedures.

Strategic outcome: **Maintain Excellent Standards of Governance**

Priority	Action	Responsibility	Success measures
Board performance	Support delivery of strong and effective governance Develop and implement annual training plan to ensure relevant skills on the Board	Chairperson & Chief Executive	All Board members receive annual review 80% attendance at Board meetings 70% attendance at Audit meetings Fill 90% of places on Board spaces 85% attendance at training events
Increase Membership	Increase membership by 2022 Annual General Meeting with membership drive	Chairperson & Chief Executive	10% increase on membership numbers by September 2022
Regulatory Requirements – Annual Assurance Statement	Prepare Annual Assurance Statement and test against regulatory standards	Board & Chief Executive	Full Assurance – with areas of improvement identified or actioned
Staff satisfaction	Maintain high levels of employee engagement	Senior Management Team	100% of staff satisfied in job
Staff development	Ensure staff have skills and knowledge to make a difference	Senior Management Team	All staff have annual appraisal and individual learning plans

Priority	Action	Responsibility	Success measures
Succession planning	Ensure plans in place to adapt to Board and staff changes	Chief Executive	Individual learning plans and scenario planning undertaken Succession Planning Policy implemented
Management development	Improve capacity and capabilities of senior managers and Head of Services	Chief Executive	Management development training
Regulatory	Adhere to Scottish Housing Regulatory requirements	Head of Finance & Corporate Services	Submit in accordance with timeframe five-year projections, loan portfolio and annual financial statements.
Lender	Adhere to loan covenants and other obligations as set by lenders	Head of Finance & Corporate Services	Submit quarterly management accounts, annual audited accounts and long-term projections.

Corporate Objective 4 Support our Communities to Thrive

4. Support our Communities to Thrive

We recognise that we deliver our housing services to various communities and that no two areas are the same. Therefore in delivering services we should aim to understand the needs of different communities to ensure that our excellent standards are delivered appropriately and proportionately.

We also understand that the people that make up our communities will have varying interests, needs and requirements and we will therefore aim to support these so that people want to continue to live and work across our communities.

We recognise that without people the organisation is meaningless and unless people want to live in our homes we cannot exist or function properly.

Top priorities:

- Identify and measure needs to understand and address any inequalities in our communities.
- Work in partnership with organisations that provide valuable community services and support or develop initiatives to meet the current and future needs of our communities.
- Continue to provide an efficient, responsive Welfare Benefits Advice service to assist members of our community.



Strategic Outcome: **Support our Communities to Thrive**

Priority	Action	Responsibility	Success measures
Community Needs	Undertake research on Community Needs 2021/22	Chief Executive & Communications Manager	Satisfaction survey extended to understand non housing community needs
Reduce financial exclusion	Support residents in adapting to austerity and welfare reform	Senior Management Team & Welfare Benefits Team	Deliver and enhance welfare benefits service Benchmark financial gain outcomes with other providers
Ironmills Development	Develop Ironmills to support gaps in community needs not undertaken by other partners	Chief Executive	Examine partner agencies community services by 2022/23 Introduce one new service by 2023/24
Dalkeith Museum	Support Dalkeith Museum by identifying potential volunteers	Chief Executive	Identify two volunteers per annum
Energy Efficiency	Undertake campaign to influence tenant and staff behaviour in relation to energy use	Communications Manager with support from all staff	Campaign to start in 2021/22 and ongoing programme of events throughout period of plan

Corporate Objective 5 Spend Wisely

5. Spend Wisely

We recognise that tenants' rents are our principal source of income, and we want to ensure that this money is spent wisely.

We recognise that the choices we make will impact on individuals and the wider community therefore when we spend, invest or plan service delivery we will consider the impact that this has on our tenants.

We also recognise that how we invest in our stock will impact on our income and we must therefore ensure that any investment has the desired outcome and represents value for money.

Top priorities:

- Minimise rent increases to ensure affordability for our tenants whilst delivering value for money.
- Invest in and/or dispose of stock based on sound asset management whilst achieving value for money.
- Maximise resources available to deliver services and use them efficiently and effectively.
- Ensure effective loan portfolio and treasury management practices, with particular focus on current and future covenant compliance.
- Review options for collaborative partnership working that supports our value for money agenda.

Strategic Outcome: Spend Wisely

Priority	Action	Responsibility	Success measures
Rents	Minimise rent increases	Chief Executive & Head of Finance and Corporate Services	<p>Achieve 2.0% rent increase in year one, RPI or 2.0% thereafter</p> <p>Benchmark performance against other landlords</p>
Improve value for money	Demonstrate value for money	Chief Executive & Senior Management Team	Review value for money outcomes and consider social accountancy practices
Effective treasury management	Control borrowing and investment risks	Head of Finance and Corporate Services	<p>Continually achieve compliance with loan covenants and minimise exposure to investment risk</p> <p>Achieve interest cover of 1.1%</p> <p>Achieve financial indebtedness of <50%</p> <p>Achieve minimum value of charged properties of > 130%</p>

Priority	Action	Responsibility	Success measures
Financial planning and control	Effective financial planning and budget management to deliver corporate plan	Head of Finance and Corporate Services	Annual review of long-term financial forecasts. Prepare annual budget mid-year forecast and quarterly management accounts to monitor financial performance. Achieve salaries less than 20% of income.
Investment Expenditure	Effective financial planning and budget management to deliver investment in current homes Assess long term viability of stock investment and whether disposal strategy is required for specific stock	Head of Property Services & Head of Finance and Corporate Services Chief Executive and Senior Management Team	Planned Investment programme fully funded, and scenario tested Investment versus disposal strategy
Energy Efficiency	Explore existing stock to determine what energy efficiency measures are best suited Support developers to meet net zero carbon homes	Chief Executive, Senior Management Team Development Manager	Technical Solutions agreed and costed by 2022/23 Strategy for net zero agreed by 2022/23 (revisit building back greener strategy)

Equalities & Human Rights Targets

Priority	Action	Responsibility	Success measures
Equalities & Human Rights Training	Refresher training for Board and staff	Chief Executive	100% attendance at training
Equalities Monitoring	Review internally equalities Information and obtain protected characteristic information	Housing Manager Communications Manager	Community profile updated annually Initial review via independent tenant's satisfaction survey 2021/22
	Review and implement best practice guidance in equality monitoring	Board and Senior Management Team	Incorporate & integrate information from above survey into policies developed
Tenant Rep Group	Attract ethnic minority group member(s) and or protected characteristic members to Tenant Rep Group	Communications Manager	At least one new member from a minority ethnic group and one member from underrepresented protected characteristic member to group by 2022/23
Board Membership	Attract ethnic minority group member(s) and or protected characteristic members to Board	Chief Executive	At least one new member from a minority ethnic group and one member from underrepresented protected characteristic member to Board by 2023/24

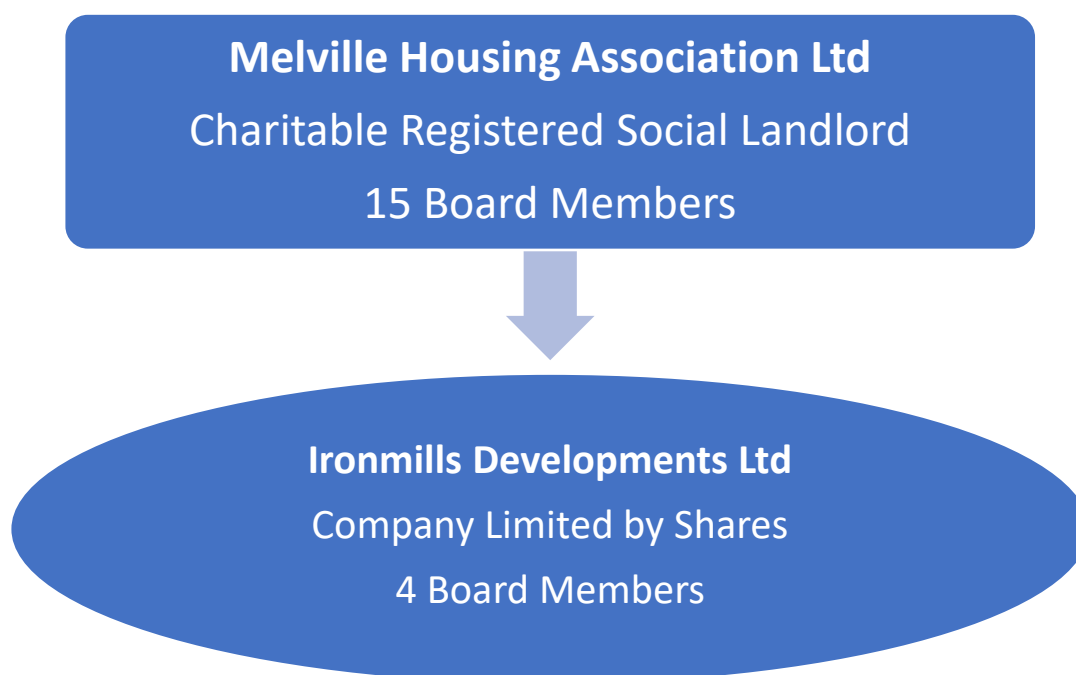
Priority	Action	Responsibility	Success measures
Staff Vacancies	Advertise staff vacancies to equality groups	Chief Executive	Monitoring of equalities in staff appointment processes
Disabilities	Review Occupational Therapist (OT) assessments and undertake work	Head of Property Services	100% of work identified by OT undertaken within 30 days of assessment receipt
	Undertake disability confident employer status (level 2)	Chief Executive & Senior Management Team	Level 2 disability confident status achieved
Equality & Human Rights Partnerships	Develop partnerships with equality and human rights groups	Senior Management Team	Membership of at least two equality groups during 2022//23
Equality Impact assessments	Equality Impact assessments undertaken	Senior Management Team	100% of policy reviews have equality impact assessment undertaken
Regulatory Requirements	Support Equalities and Human Rights work as part of toolkit on regulatory requirements	Chief Executive	Review toolkit prepared in partnership with Scottish Housing Regulator

Structure

Corporate

The Melville Group comprises Melville Housing Association, a charitable Registered Social Landlord, and a non-charitable wholly-owned subsidiary company, Ironmills Developments Ltd which may undertake projects and activities of a commercial nature which Melville Housing Association, as a charity, cannot.

Ironmills Developments Ltd is an independent body with a separately constituted Board of Directors.



Governance

Fundamental to delivering our strategy is the direction determined by our governing body, Melville Housing Association's Board.

The Board meets at least eight times per year to review performance and strategy. A standing Audit Committee monitors, reviews and reports on internal control arrangements and risk management.

Through recruitment, retention, and training, we have a diverse Board with a range of backgrounds and expertise, including tenants, business people (some with backgrounds in finance and housing), and people in public service.

Staff team

Service delivery is delegated by the Board to a professional staff team. We are committed to recruiting, developing, and retaining skilled staff who take pride in their work with a focus on delivering high quality services.

Through supporting individual and group training and development we aim to provide our staff with the skills needed to carry out their work now, and in the future, whilst preserving and promoting a culture of putting tenants first.



The staff structure is outlined at Appendix 2.

Financial Resources

Cumulative Cash Balances

The following table extracted from the Financial Business Plan indicates that the Association will have sufficient cashflow to deliver its corporate and operational objectives.

The Association in determining the cashflow of the business will operate a zero-based budget process and the financial long-term projections are updated annually to ensure that we can continue to meet our legal and regulatory requirements.

STATEMENT OF CASHFLOWS	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
	£000's	£000's	£000's	£000's	£000's	£000's
Net Cash from Operating Activities						
Operating Surplus/(Deficit)	9,511	6,508	2,790	6,006	4,283	3,167
Depreciation & Amortisation	1,435	1,670	1,717	1,752	1,801	1,854
Impairments / (Revaluation Enhancements)	(5,680)	-	-	-	-	-
(Increase) / Decrease in Receivables	20	(128)	(6)	(11)	(6)	(5)
Other non-cash adjustments	54	(3,401)	-	(2,911)	(1,100)	(15)
NET CASH FROM OPERATING ACTIVITIES	5,340	4,649	4,501	4,836	4,978	5,002
Return on Investment and Servicing of Finance						
Interest Received	1	-	-	-	-	-
Interest (Paid)	(1,548)	(1,204)	(1,711)	(1,945)	(2,087)	(2,071)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	(1,547)	(1,204)	(1,711)	(1,945)	(2,087)	(2,071)
Capital Expenditure & Financial Investment						
Construction or acquisition of Housing properties	(2,384)	(3,104)	(3,013)	(2,061)	(1,205)	-
Improvement of Housing	(1,188)	(1,481)	(680)	(992)	(1,283)	(1,050)
Construction or acquisition of other Non-Current Assets	-	(10)	(10)	(10)	(11)	(11)
Sale of Social Housing Properties	70	-	-	-	-	-
Grants (Repaid) / Received	334	1,831	1,210	899	86	-
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(3,168)	(2,764)	(2,493)	(2,165)	(2,413)	(1,061)
NET CASH BEFORE FINANCING	625	681	298	726	478	1,870
Financing						
Debt drawdown	-	-	5,500	-	3,500	-
Debt repayment	(484)	(495)	(495)	(1,877)	(1,969)	(1,969)
NET CASH FROM FINANCING	(484)	(495)	5,005	(1,877)	1,531	(1,969)
INCREASE / (DECREASE) IN NET CASH	140	185	5,302	(1,151)	2,010	(99)
Cash Balance						
Balance Brought Forward	2,647	2,787	2,972	8,274	7,123	9,133
Increase / (Decrease) in Net Cash	140	185	5,302	(1,151)	2,010	(99)
CLOSING BALANCE	2,787	2,972	8,274	7,123	9,133	9,034

We achieve a closing cash balance of over £2m each financial year. We aim to work with a minimum cash balance of circa £1m (£0.8m – £1m) which equates to four to six months of working capital.

Melville uses a variety of financial plans and projections to monitor and support the financial viability of the organisation, to control costs and to support the achievement of the objectives as set out in this corporate plan.

These plans and reports include monthly management accounts (which are reviewed quarterly by the Board), an annual budget and 30 year plan (approved by the Board) and a midyear re-forecast of our annual results, also reviewed by the Board.

The 30-year plan included in this report has been revised to accommodate the objectives of the Corporate Plan, in particular to include a development programme and additional investment to provide external insulation for our non-traditional build properties.

The 30-year plan also includes provision for stock improvements which are in line with our 30-year life-cycle costing plans. The plan also sets aside funds to ensure we achieve our longer term net zero objective.

A summary of our five-year statement of comprehensive income is provided below and is in line with the five-year projections as submitted to the Regulator.

Detailed 30-year projections are included at Appendix 3.



Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
	£000's	£000's	£000's	£000's	£000's	£000's
Gross rents	9,102	9,356	9,598	10,018	10,258	10,463
Service charges	56	56	57	58	59	60
Gross rents & service charges	9,158	9,412	9,655	10,076	10,317	10,523
Rent loss from voids	19	24	57	60	61	63
Net rent & service charges	9,138	9,388	9,597	10,016	10,256	10,461
Grants released from deferred income	165	3,401	-	2,911	1,114	-
Grants from Scottish Ministers	80	72	41	42	42	43
Other income	144	162	123	126	128	131
TURNOVER	9,527	13,023	9,761	13,094	11,541	10,635
Less:						
Housing depreciation	1,333	1,540	1,587	1,665	1,743	1,796
Impairment written off / (back)	(5,680)	-	-	-	-	-
Management costs	2,376	2,689	3,003	3,006	3,041	3,125
Planned maintenance - direct costs	1,013	1,046	979	961	974	1,015
Re-active & voids maintenance - direct costs	939	1,151	1,118	1,164	1,197	1,221
Bad debts written off / (back)	(14)	90	284	292	303	311
Other costs	120	-	-	-	-	-
Operating Costs	87	6,515	6,971	7,088	7,258	7,467
OPERATING SURPLUS	9,440	6,508	2,790	6,006	4,283	3,167
Gain/(Loss) on disposal of PPE	70	-	-	-	-	-
Interest receivable and other income	1	-	-	-	-	-
Interest payable and similar charges	(1,548)	(1,513)	(1,823)	(1,975)	(2,157)	(2,056)
Other Gains / (Losses)	2,062	-	-	-	-	-
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAX	10,026	4,995	967	4,032	2,126	1,111
Interest cover covenant (must be > 1.1)		3.0	2.4	2.4	2.3	2.4

The key assumptions included within our five-year plan are as follows:

- Gross rental income increases by inflation only and by new build additions. Inflation is assumed at 2%.
- Void losses are included at 0.6% of rental income from 2022/23.
- Grants released from deferred income are Housing Association Grants (HAG) while grants from Scottish Ministers are Stage III grants. There is an equal cost associated with this income and is included within planned maintenance.
- Other income includes rechargeable repair income, community service projects income and management fees from Ironmills Development Ltd.
- Impairment written back in 2020/21 relates to the increase in our housing stock valuation as assessed in May 2021 as part of our 3-year revaluation process.
- Planned maintenance represents the non-capitalised element of our life-cycle costing plans.
- Bad debts are assumed at 1.5% in 2021/22 increasing to 3% in 2022/23 and beyond. Current run rates are less than 1%. We have assumed a prudent increase due to the changes in welfare reform and the longer term impact of the COVID-19 pandemic. Interest payable is calculated using the actual rates applicable to our fixed rate loans. For our variable rate loans we have consulted our treasury specialists and assumed LIBOR rates as follows:

INTEREST RATE	2021/22	2022/23	2023/24	2024/25	2025/26
	Forecast	Forecast	Forecast	Forecast	Forecast
	0.10%	3.0%	4.0%	5.0%	5.0%

- All financial covenants are met.

Statement of Financial Position

STATEMENT OF FINANCIAL POSITION	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
	£000's	£000's	£000's	£000's	£000's	£000's
Housing properties - Gross cost or valuation	88,702	93,286	96,979	100,032	102,505	103,570
Less						
Housing Depreciation	3,773	5,313	6,899	8,564	10,307	12,103
NET HOUSING ASSETS	84,929	87,974	90,079	91,468	92,198	91,467
Non-Current Investments	-	-	-	-	-	-
Other Non Current Assets	3,730	3,610	3,490	3,413	3,366	3,319
TOTAL NON-CURRENT ASSETS	88,659	91,583	93,569	94,881	95,564	94,785
Current Assets						
Net rental receivables	104	234	240	250	256	262
Other receivables, stock & WIP	270	270	270	270	270	270
Cash at bank and in hand	2,787	2,972	8,274	7,123	9,133	9,034
TOTAL CURRENT ASSETS	3,161	3,476	8,784	7,644	9,659	9,565
Payables : Amounts falling due within One Year						
Loans due within one year	494	400	400	1,500	1,500	1,500
Other short-term payables	1,646	2,003	2,101	2,115	2,171	2,141
TOTAL CURRENT LIABILITIES	2,140	2,403	2,501	3,615	3,671	3,641
NET CURRENT ASSETS/(LIABILITIES)	1,021	1,073	6,284	4,028	5,989	5,924
TOTAL ASSETS LESS CURRENT LIABILITIES	89,680	92,657	99,853	98,909	101,552	100,709
Payables : Amounts falling due After One Year						
Loans due after one year	28,847	28,399	33,418	30,456	32,002	30,048
Other long-term payables	14,820	13,250	14,460	12,448	11,419	11,419
	43,667	41,649	47,878	42,904	43,421	41,467
NET ASSETS	46,013	51,008	51,974	56,005	58,131	59,242
Capital & Reserves						
Restricted reserves	(1,903)	(1,903)	(1,903)	(1,903)	(1,903)	(1,903)
Revenue reserves	47,916	52,911	53,877	57,909	60,034	61,145
TOTAL CAPITAL & RESERVES	46,013	51,008	51,974	56,006	58,131	59,242
Financial Indebtedness covenant (must be < 50%)		29%	34%	32%	34%	32%

Housing Stock

Housing stock values increase as a result of our planned development programme.

Loans

Loan finance is provided by the Royal Bank of Scotland (RBS). As at 31 March 2021 we had facilities of £31m with RBS with an additional loan facility of £5.5m agreed with Clydesdale Bank (CB) but as yet undrawn. The plan assumes this is drawn down in 2022/23.

Our loans are secured against our Midlothian properties which were originally acquired in 1995. All new properties remain unsecured and potentially are available as security against future finance.

Quarterly reports are provided to RBS and CB and a credit review is completed annually by RBS.

Additional loan finance of £3.5m is assumed in 2024/25 to finance the development programme. This loan can be accommodated within our cash flows and within our covenant constraints.

Treasury Management

We manage our Treasury Management activities in accordance with our Treasury Management Policy. Our Treasury Management policy was updated in 2021 and complies with the Scottish Housing Regulator's Treasury Management Guidance 2015 and the Chartered Institute of Public Finance & Accountancy Treasury Management in the Public Services: Code of Practice and Cross Sectional Guidance Notes (2017 Edition).

The Board monitors compliance with our Treasury Management Policy, and performance against our bank covenants through quarterly reports and an annual Treasury Management report.

As at 31 March 2021 77% of our loans have fixed-rate SWAPS attached to them. The remaining loans are floating rate interest loans linked to LIBOR.

The other Long-Term Payables included in the Financial Position is the mark to market value on our interest rate SWAPS which is disclosed as a liability in line with the requirements of FRS 102.

Sensitivity Analysis

Within the 30-year plan, there are several assumptions over which we have limited control and limited certainty, such as bad debts, voids, inflation and interest rates. To assess the financial impact of variances in these items we have flexed key assumptions within the budget. The results of this analysis are discussed below.

Flexing loan interest rates

Most of our bank borrowings are at a fixed rate of interest, however we have some borrowings which attract variable interest rates. We have assumed LIBOR variable interest rates on these loans of 0.05% increasing to 5% over the 5 year period as forecast by our Treasury specialists, ATFS. If we add 1% to these assumptions in each year, we lose cash of £0.5m in the 5 year plan and £1.2m in the 30 year plan. Overall cash flows, however, remain positive. Interest rates would need to increase to 11% from year 2 before we faced negative cash flows and even then, it would only be after 9 years.

Flexing our bad debt assumption

We currently assume a bad debt rate of 1.5% increasing to 3% during the five year period. If we increase this assumption by 1% then we will incur additional bad debt costs of £0.5m over the 5 year period and £4m over the 30 year period, however cash flows remain positive. Bad debts would have to increase to 9% before we faced negative cash flows and again this would only begin to take effect in year 9.

Flexing the inflation assumption

Our cost base is not particularly sensitive to changes in inflation as our main costs are not inflation linked, and our programmed maintenance spend is driven by a fixed plan. Our reactive maintenance costs are based on a fixed unit cost as tendered by our principal contractor and subject to separate negotiations each year. Inflation does however have a significant impact on our income over the 30 year planning period. If the inflation assumption is reduced from the assumed 2% per annum to 1% with a knock-on effect on costs and rental income, then there is a negative impact on cash reserves of £0.4m in the 5 year period and £15m in the 30 year period.

Conclusion on sensitivity analysis

The items which have the potential to significantly affect our budget results are inflation, bad debts and interest costs. We will continue to monitor these costs throughout the year and report our findings to the Board in our quarterly finance reports.

Risk Management

We have a Risk Management policy to ensure that risks are identified and effectively managed.

Risks are identified by the Board and staff, both through periodic review and ongoing assessment.

We use an established framework which scores the impact and likelihood of the risks identified.

Risks are added to a risk map which is maintained by the Association. The risk map details the actions taken to avoid, reduce or otherwise manage the risk. The map also allows risks to be re-assessed based on the measures taken and the current risk score for that risk.

High risks are reported to the Audit Committee at every meeting. The full risk map is considered by the Audit Committee annually and is circulated to all Board members for information and comment.

In addition to the risk map, all Board papers include a section on risk. This describes any significant risks identified and mitigating measures which are being taken.

The Association has carried out a SWOT and PEST analysis, a summary of which can be found in Appendix 4.

Our approach to risk management is further detailed at Appendix 5. This Appendix outlines our risk management appetite and model.

The Association moved to a service delivery model of all staff working from home during the Coronavirus pandemic and has closely followed Government direction to protect tenants, staff, Board, and other key stakeholders.

The Association has developed a specific risk assessment for Covid-19 given the inherent risks associated with the pandemic.

This register will be maintained as a separate risk assessment and will follow the same principles as our main strategic risk register.

Risks will be added or deleted as appropriate and reported to the Audit Committee for monitoring purposes at the same time as the strategic risks are considered.

During the first year of this plan, we will consult tenants on how they wish services to be delivered going forward in a post Covid-19 world. This is likely to see a hybrid model with services delivered in part by staff at home and in part from our Corn Exchange base.

Developments and Stock Investment

During the period of this plan we will examine opportunities to incrementally grow our stock base with new energy efficient homes built mainly in Midlothian and will work with several partners to deliver this objective.

We will support Midlothian Council to achieve the Local Housing Strategy and build strong partnerships with private housing developers so that we can procure affordable housing as part of larger mixed tenure developments.



Each development opportunity will be subject to a robust appraisal system to ensure proposals are viable, represent value for money and capture whole life costs.

We anticipate that the growth of stock will be gradual as much of our resources will be utilised to invest in our existing stock to meet proposed energy efficiency requirements.

Stock investment will be subject to a similar appraisal system to determine the investment required, with initial priority given to stock that can easily be improved to achieve the Energy Efficiency Standard for Social Housing 2 (ESSH2). Thereafter consideration will be given to investing in the other stock to meet the standard based on the whole life cost of achieving this.

We recognise that much of this investment will be dependent on new technologies being developed and investment may go beyond the initial period of this plan however during the life of this plan we will develop as far as possible investment strategies for each stock type.

The strategy for each home will include not only the requirement for our homes to achieve the ESSH2 standard but will also consider the Scottish Government's twenty year vision for housing which sets out a commitment to adapt and retrofit existing homes to improve energy efficiency and decarbonise their heating, highlighting housing's contribution to ending climate change emissions.

Therefore part of our strategy may include demolition, disposal, and replacement of stock if it is determined it is not economically viable to meet the standards although every attempt will be made to improve the energy efficiency of all our stock.

Our approach to improving our stock will be based on the best available technological solutions and we will support our Board and Staff to increase technical understanding with technical solutions as an enabler to good management.

The table over outlines the current energy values of our stock as of 31st March 2021.

Rating	Category	No of Properties
92+	A	1
81 - 91	B	379
69 - 80	C	1,535
55 - 68	D	104
39 - 54	E	19
21 - 38	F	5

We anticipate that a fabric-first approach will be required and therefore we will examine potential options including an EnerPHit standard to see whether this is an appropriate solution for our stock.



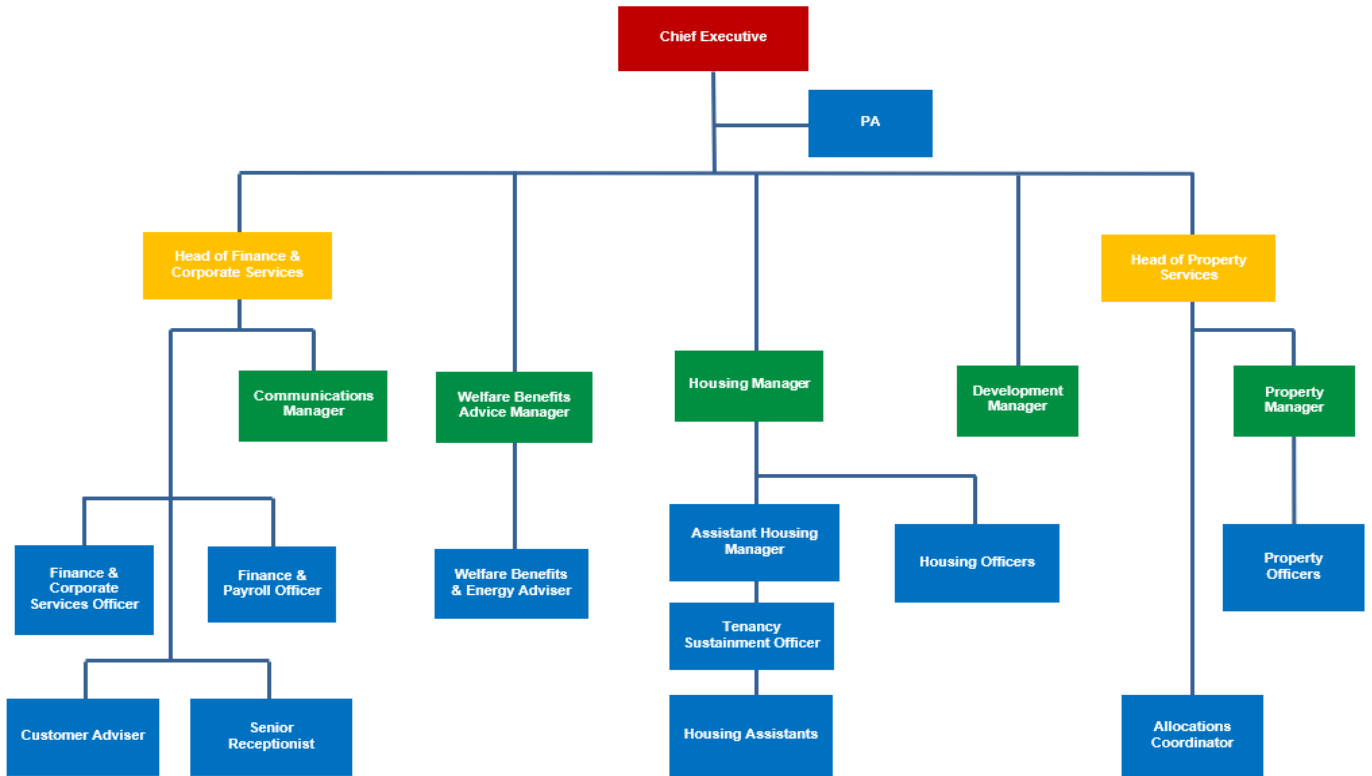
APPENDIX 1

Key Performance

89.10%	tenants satisfied with our overall service
95.95%	tenants feel we are good at keeping them informed about services and decisions
97.20%	tenants satisfied with the opportunities given to participate in our decision-making processes
97.44%	of our stock meets the Scottish Housing Quality Standard (SHQS)
89.41%	tenants satisfied with the quality of their home
1.58 hours	average length of time to complete emergency repairs
6.95 days	average length of time to complete non-emergency repairs
86.98%	reactive repairs completed right first time
100%	of our properties have a gas safety check completed
81.61%	tenants satisfied with repairs carried out in the last 12 months
100%	of complaints responded to in full
3.45 days	average time in working days to respond to SPSO1 complaints
10.11 days	average time in working days to respond to SPSO2 complaints
92.52%	tenants satisfied with our contribution to the management of the neighbourhood
94.50%	of tenancy offers accepted during the year
99.59%	of anti-social cases resolved in the year
95.12%	properties remaining occupied during the year
17.61 days	average number of working days to complete adaptations in the year
69.69%	of all lets made to homeless households in the year
98.51%	of offers to homeless households resulting in a let
16.82 days	average number of calendar days a home was empty in the year
97.44%	of rent due collected in the year
2.59%	gross rent arrears at end of financial year
0.20%	rent lost through homes being empty in the year
1.00%	average weekly rent increase applied for 2021/22
78.82%	tenants who feel their rent represents good or very good value for money
5.29%	tenants who feel their rent represent poor or very poor value for money

APPENDIX 2

Staff Structure



APPENDIX 3

30 YEAR FINANCIAL PLAN

STATEMENT OF COMPREHENSIVE INCOME	Year 1-5	Year 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-30
	2022-2026	2027-2031	2032-2036	2037-2041	2042-2046	2047-2051
	£000's	£000's	£000's	£000's	£000's	£000's
Gross rents	49,693	55,570	61,388	67,741	74,791	82,574
Service charges	289	319	353	389	430	475
Gross rents & service charges	49,983	55,889	61,741	68,130	75,221	83,048
Rent loss from voids	265	333	369	408	450	497
Net rent & service charges	49,717	55,557	61,371	67,723	74,770	82,552
Grants released from deferred income	7,426	-	-	-	-	2,081
Grants from Scottish Ministers	240	230	254	280	224	13
Other income	669	693	765	845	933	1,016
TURNOVER	58,053	56,480	62,390	68,848	75,927	85,661
Less:						
Housing depreciation	8,330	9,560	11,410	14,237	18,003	19,866
Impairment written off / (back)	-	-	-	-	-	-
Management costs	14,864	16,634	18,436	20,206	22,377	25,802
Planned maintenance - direct costs	4,976	5,679	6,466	7,522	7,672	7,587
Re-active & voids maintenance - direct costs	5,850	6,480	7,154	7,898	8,720	9,528
Bad debts written off / (back)	1,279	1,677	1,852	2,044	2,257	2,491
Operating Costs	35,299	40,029	45,318	51,907	59,028	65,273
OPERATING SURPLUS	22,754	16,451	17,073	16,941	16,899	20,388
Interest payable and similar charges	(9,525)	(7,643)	(3,439)	(1,047)	(41)	-
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAX	13,229	8,808	13,634	15,894	16,859	20,388
CUMULATIVE SURPLUS	13,229	22,037	35,671	51,565	68,423	88,811

CASH BALANCES	Year 1-5	Year 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-30
	2022-2026	2027-2031	2032-2036	2037-2041	2042-2046	2047-2051
	£000's	£000's	£000's	£000's	£000's	£000's
Cash Balance						
Balance Brought Forward	2,787	9,034	6,265	10,480	17,091	36,589
Increase / (Decrease) in Net Cash	6,247	(2,769)	4,215	6,611	19,498	24,316
CLOSING BALANCE	9,034	6,265	10,480	17,091	36,589	60,905
Net Present Value of Cash Balance	8,852	6,242	10,099	15,973	32,792	53,156
Discount Factor	3%					

APPENDIX 4

SWOT & PEST Analysis

Strengths	Weakness
<p>Track record</p> <ul style="list-style-type: none"> • High profile with good reputation • Annual Assurance Assessment strong internal audit • High tenant satisfaction results • High demand for housing and low turnover • High tenancy sustainment • Main RSL developer in Midlothian <p>Financial position</p> <ul style="list-style-type: none"> • Fully costed 30-year plan • Strong KPI performance • Prudent income growth and inflation assumptions (viable with or without development programme) • Low gearing loans • Unsecured assets available for future borrowing <p>Good relationships</p> <ul style="list-style-type: none"> • Between staff and residents • Between staff and contractors • Between Melville & Midlothian Council • Between Melville and external stakeholders • Between Melville and Tenants' Representative Panel <p>Board and staff</p> <ul style="list-style-type: none"> • Experienced Board with varied skills • Experienced, skilled and dedicated staff team • Full service provision while working remotely <p>Good housing and asset management</p> <ul style="list-style-type: none"> • Relatively short void-period • Strong asset base • Application of modern procurement techniques • Few SHQS exemptions • Few ESSH failures • Comprehensive planned, cyclical programmes informed by detailed stock condition/life cycle data <p>Environment and culture</p> <ul style="list-style-type: none"> • Good office environment • Strong performance culture 	<p>Financial pressures</p> <ul style="list-style-type: none"> • Variable interest rate on long term loans • Recovery and administration of bad debt • Limited HAG (Housing Association Grant) • Pension funds increasing costs • Former tenant rent arrears • Sales Ledger Debt • Owner debt <p>Board and staff</p> <ul style="list-style-type: none"> • Loss of key personnel • Limited career progression opportunities • Vacancies on Board • Limited tenant representation on Board • Limited IT/Digital resources • Some staff possibly resistant to change <p>Tenants</p> <ul style="list-style-type: none"> • Limited prospective tenant profiling data available • Limited equality monitoring data <p>Premises</p> <ul style="list-style-type: none"> • Large office premises may become surplus to requirements post Covid-19

Opportunities
<p>Improve partnerships</p> <ul style="list-style-type: none"> • Explore partnerships with other RSL's • Reinforce and continue to develop strong organisational culture • Increase membership of Tenants' Representative Panel • Increase membership of tenants on the Board <p>Innovative and Quality Management</p> <ul style="list-style-type: none"> • New technology post Covid-19 hybrid arrangements <p>Better use of resources</p> <ul style="list-style-type: none"> • Enhance value for money strategy • Increase programmed investment work • Rolling in-house stock condition surveys and energy performance certificates <p>Development</p> <ul style="list-style-type: none"> • Increase stock with new build development opportunities • Market testing of alternative technology • Mid-market rents • Housing to 2040 strategy • Climate challenge funding <p>Board and staff</p> <ul style="list-style-type: none"> • Succession planning <p>Others</p> <ul style="list-style-type: none"> • 10% population growth anticipated in next 5 years • Possible expansion of Ironmills Development Ltd <p>Post Covid-19</p> <ul style="list-style-type: none"> • Possible increase in house values • Post Covid-19 hybrid arrangements

Threats
<p>Welfare reform</p> <ul style="list-style-type: none"> • Increase in UC claimants, debt through job loss and removal of UC weekly top up (£20) • HB bedroom tax – withdrawal of Discretionary Housing Payments • Scottish Social Security disability benefits • Increasing costs for court actions <p>Financial pressures</p> <ul style="list-style-type: none"> • Pressure to increase rents and maintain affordability • Potential increase in rent arrears • Private lenders – high rates, punitive if breach of covenants • Reduced HAG levels affecting future programmes • Diverse tenant bases – increase in adaptations <p>Political and regulatory change</p> <ul style="list-style-type: none"> • Westminster government and deficit reduction plan • Scottish Government independence review <p>New challenges</p> <ul style="list-style-type: none"> • Possible reduction in Local Authority services • Increase demand for affordable housing • Increased focus on health & safety requirements • 2032 Energy Efficiency standard • Cyber fraud increasing • Post Grenfell requirements <p>Reduction/loss of funding</p> <ul style="list-style-type: none"> • On-going threat to adaptation budget <p>Brexit</p> <ul style="list-style-type: none"> • Labour availability reduced, increased labour and material costs greater than rent increases • Major repairs taking longer due to reduced access to materials <p>Post Covid-19</p> <ul style="list-style-type: none"> • Uncertainty on inflation • Uncertainty on post covid-19 service requirements • Cost to public purse affecting grants and or other support • Major Repairs taking longer • Increased material costs

PEST Analysis

<p style="text-align: center;">Political & Legal</p> <ul style="list-style-type: none"> • A 2nd Scottish Independence Referendum • Scotland Act 2016 • Welfare reform • Housing (Scotland) Act 2014 • Housing (Scotland) Act 2010 • Homeless targets 2012 • Energy Efficiency Social Housing Targets 2032 • Global Climate Challenge • Climate Change Plan 2018 • UN Framework Convention Paris 2015 • Property Factors Act 2011 • SHR regulatory framework • SHR Annual Risk Assessment • Social Housing Charter 2021 Review • Housing to 2040 Strategy • Heat in Buildings Strategy • Zero emissions new build affordable homes strategy • Interlinked smoke alarms and heat detector requirements • Procurement Regulations • Human Rights Requirements 	<p style="text-align: center;">Social & Cultural</p> <ul style="list-style-type: none"> • Covid-19 pandemic implications • Changing demographic profile • Poverty and deprivation • Skills shortages for energy efficiency work • Crime and anti-social behaviour • Consumerist culture: increased expectations • Need for community development activities • Need for greater partnership working • Increasing partnerships and mergers • Rising consumer expectations and aspirations • Demand for social and affordable homes
<p style="text-align: center;">Economic</p> <ul style="list-style-type: none"> • Reduced public expenditure • Access to private finance • Increasing inflation • Pension costs • Pressure on rent affordability • Instability affecting contractors • Rising energy prices • Increasing unemployment and deprivation • Treasury management • Interest Rates increasing • House price inflation • Post Covid-19 debt 	<p style="text-align: center;">Technological</p> <ul style="list-style-type: none"> • Rising use of social media • Increased internet use • Digital inclusion or exclusion • Digital by Default • Innovations in energy efficiency • Changing building regulations • Improved performance management systems • Rising use of mobile technology • Rising Cyber crime

APPENDIX 5

Risk Management Appetite & Model

Risk Management Appetite

The Association undertakes regular reviews of our risk management to ensure that it is fit for purpose and that our corporate objectives are achievable.

As part of this we have produced a detailed operational risk register which allows the Association to manage risks effectively.

In determining what is the best action to take consideration will be given to the risk appetite of the organisation. This basically means that we will determine whether we will have a low, medium, or high appetite and depending on this appetite what technique we will utilise to either avoid, prevent, retain, cover or transfer the risk.

The higher the appetite the more risk we will take (retain risk) whereas the lower the appetite the more risks we will avoid (avoid).

Risk Management Model

We will focus on risks peculiar to Melville Housing Association supported by a risk model aimed at identifying, ranking and assigning the responsibility of risk within the organisation. To ensure all significant risk areas are identified the Association will seek input from Board and senior staff members.

The model that we will follow examines the likelihood of a situation occurring alongside the impact on the business should this occur. This assessment will be examined twice, once prior to any control measures and secondly once the control measures are in place. The following scoring matrix is used to determine the overall risk rating.

Likelihood	
Almost Certain	5
Likely	4
Possibly	3
Unlikely	2
Rare	1
Blank	0

Impact	
Catastrophic	5
Major	4
Moderate	3
Minor	2
Insignificant	1
Blank	0

Thereafter a rating is determined which outlines whether the risk is low, medium, or high and this is indicated by a traffic light system key for ease of reference:

Combined Scores	Key	Monitoring
1 to 8	Low	Annually
9 - 14	Medium	Twice per Annum
15 - 25	High	Quarterly

The Association will retain the risk register in its entirety (for audit purposes and to monitor movement in risks) however will undertake reviews by the Audit Committee only on areas of strategic **High Risk**.

Formal six monthly staff reviews will be undertaken on **Medium Risk** and annually on **Low Risk** items.

As part of the 6 monthly or annual reviews staff will report any strategic risk that has moved into the high-risk category.

The assessment (likelihood and impact) will consider the risk appetite of the organisation. The current risk appetite of the Association is detailed below..

During the first year of this plan further work will be undertaken to carry out an assessment of risk in comparison to our risk appetite.

RISK APPETITE

Risk Category	Risk Appetite
Financial	Low
Governance	Low
Housing Management	Medium
Stock Condition	Low
Technological	Medium
Legal/ Reputational	Low
Strategic Intent	Medium
Supply Chain	High
Health and Safety	Low
Political	High
Economic	Medium
Social	Medium
Legislative/ Regulatory	Low
Environmental	Medium
Performance Management	Medium
Customer	Medium
Managerial/ Professional	High
Partnership/ Contractual	Medium

APPENDIX 6

Rent Affordability Test

Key
Single Parent
Single Person
Couple - No Children
Couple with children
Single Pensioner
Couple Pensioners

Household Circumstances	Household Income		Weekly Rent	Housing Benefit	Left to Pay	as % of h/hold income
Single Parent	Earnings 16 x £8.36	£133.76	£84.11	£23.43	£60.68	20.23%
Under 25	Child Tax Credit	£67.00	3apt			
One Child	Working Tax Credit	£78.00				
Works 16 hours	Child Benefit	£21.15				
		£299.91				

Household Circumstances	Household Income		Weekly Rent	Housing Benefit	Left to Pay	as % of h/hold income
Single Parent	Earnings (16 x £8.91	£142.56	£84.11	£17.71	£66.40	21.51%
Over 25	Child Tax Credit	£67.00	3apt			
One Child	Working Tax Credit	£78.00				
Works 16 hours	Child Benefit	£21.15				
		£308.71				

Household Circumstances	Household Income		Weekly Rent	Housing Benefit	Left to Pay	as % of h/hold income
Single Person	Earnings 20 x £8.36	£167.20	£77.86	£10.91	66.95	40.04%
Under 25			2 apt			
No Children						
Works 20 hours						
		£167.20				

Household Circumstances	Household Income		Weekly Rent	Housing Benefit	Left to Pay	as % of h/hold income
Single Person	Earnings 20 x £8.91	£178.20	£77.86	£13.84	£64.02	35.92%
Aged 25			2 apt			
No Children						
Works 20 hours						
		£178.20				

Household Circumstances	Household Income		Weekly Rent	Housing Benefit	Left to Pay	as % of h/hold income
Couple	Earnings 16 x £8.91	£142.56	£77.86	£0.00	£77.86	27.30%
Over 25	Earnings 16 x £8.91	£142.56	2 apt			
No Children						
Both work PT						
		£285.12				

Household Circumstances	Household Income		Weekly Rent	Housing Benefit	Left to Pay	as % of h/hold income
Couple	Earnings 30 x £8.91	£267.30	£77.86	£0.00	£77.86	24.93%
Over 25	Working Tax Credits	£45.00	2 apt			
No Children						
One Works 30 hours						
		£312.30				

Key
Single Parent
Single Person
Couple - No Children
Couple with children
Single Pensioner
Couple Pensioners

Household Circumstances	Household Income		Weekly Rent	Housing Benefit	Left to Pay	as % of h/hold income
Couple	Earnings 30 x £8.36	£250.80	£88.38	£0.00	£88.38	19.34%
Under 25 (Age 21)	Child Tax Credits	£120	4 apt			
2 Children	Working Tax Credits	£51.00				
One Works 30 hours	Child Benefit	£35.15				
		£456.95				

Household Circumstances	Household Income		Weekly Rent	Housing Benefit	Left to Pay	as % of h/hold income
Couple	Earnings 30 x £8.91	£267.30	£88.38	£0.00	£88.38	18.67%
Over 25	Child Tax Credits	£120	4 apt			
2 Children	Working Tax Credits	£51.00				
One Works 30 hours	Child Benefit	£35.15				
		£473.45				

Household Circumstances	Household Income		Weekly Rent	Housing Benefit	Left to Pay	as % of h/hold income
Single	State Pension	£134.00	£77.86	£51.31	£26.55	11.44%
Pension Age	Occupational Pension	£98.00	2 apt			
		£232.00				

Household Circumstances	Household Income		Weekly Rent	Housing Benefit	Left to Pay	as % of h/hold income
Single	State Pension	£170.00	£77.86	57.81	£20.05	9.03%
Pension Age	Occupational Pension	£52.00	2 apt			
		£222.00				

Household Circumstances	Household Income		Weekly Rent	Housing Benefit	Left to Pay	as % of h/hold income
Couple	State Pension	£134	£77.86	£66.19	£11.67	3.83%
Pension Age	State Pension	£170	2 apt			
		£304				

Household Circumstances	Household Income		Weekly Rent	Housing Benefit	Left to Pay	as % of h/hold income
Couple	State Pension	£131	£77.86	£77.86	£0.00	0%
Pension Age	State Pension	£131	2 apt			
	Pension Credit	£16.00				
		£278				

Household Circumstances	Household Income		Weekly Rent	Housing Benefit	Left to Pay	as % of h/hold income
Couple	State Pension	£170	£77.86	£42.79	£35.07	10.31%
Pension Age	State Pension	£170	2 apt			
		£340				

Rent Affordability Comparisons

Average Melville Midlothian Rent (20/21)	£86.66
Average Council Rent in Scotland (19/20)	£75.44
Average RSL Rent in Scotland (19/20)	£87.98
Average Mid-Market Rent in Midlothian (Iron mills 20/21)	£130.19
Average Local Private Rent Penicuik	£219.25

Average Weekly Rent Comparison with Midlothian Council

Apartment Size	Melville All Properties	Melville Midlothian Properties	Midlothian Council	Local Housing Rate
	2020/21	2020/21	2020/21	2021/22
1apt	N/A	N/A	£76.64	£94.82
2apt	£77.91	£77.86	£81.32	£158.79
3apt	£84.14	£84.11	£85.29	£189.96
4apt	£88.45	£88.38	£86.59	£253.05
5apt	£97.02	£97.19	£91.88	£390.08

Midlothian Council Rent Affordability

Average Weekly Rent (3 Bedroom)	£83.41
Minimum Wage Income (gross) – 40 hours/week	£328.40
Percentage of Income Spent on Rent	25%

Private Rented Sector Rent Affordability

Average Weekly Private Rent (3 Bedroom)	£219.25
Average Midlothian Full Time Earning	£552.50
Percentage of Income Spent on Rent	40%

Owner Occupancy Affordability

Approximate Mortgage Payment for Midlothian average house price (£225,400)	£187.33
Average Midlothian Full Time Earning	£552.50
Percentage of Income Spent on Mortgage	34%