

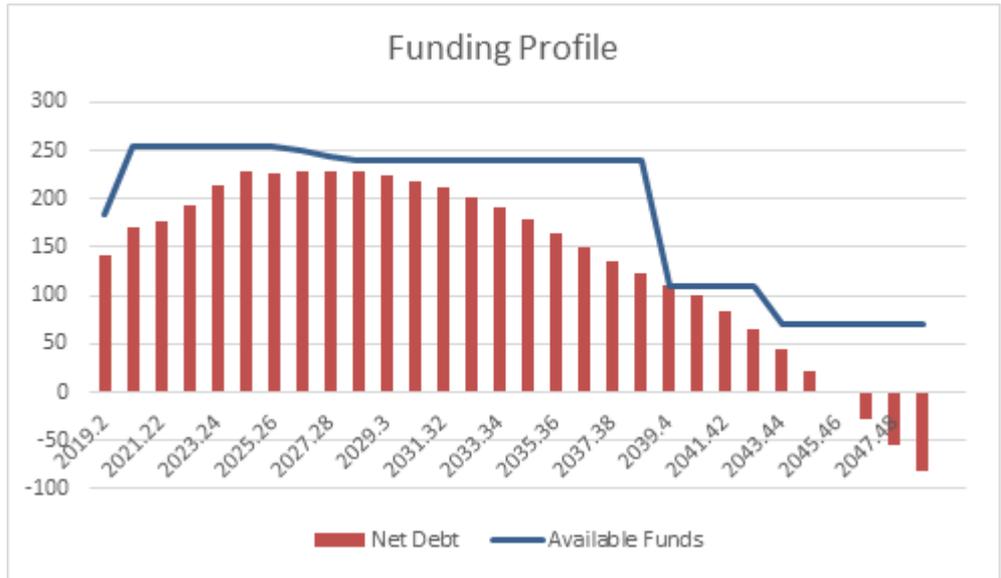
Partnership Business Plan Summary

1 Dumfries and Galloway Housing Partnership's aims

- 1.1 DGHP is seeking to be the strategic landlord of choice across Dumfries and Galloway. As part of its recent strategic review, DGHP decided to develop a constitutional partnership with Wheatley Housing Group to help it achieve this aim.
- 1.2 The six housing associations which are already part of Wheatley Group have together built an outstanding, global reputation for delivering excellent services and value to their customers.
- 1.3 The business plan that is outlined here sets out how DGHP, as part of Wheatley, will achieve its aim of being the strategic landlord of choice in Dumfries and Galloway through deliver excellent services and value to its customers.

2 DGHP's Business Plan in partnership with Wheatley

- 2.1 DGHP's partnership business plan is based on DGHP's existing business plan, with updates to reflect the proposed partnership with Wheatley. Key tenant promises and the value DGHP expects to gain directly from partnership are reflected through key assumptions in the business plan including:
 - up to £125 million of additional investment capacity for communities;
 - development of 750 new properties, over and above the 250 planned already by DGHP, across the region including many designed for older people;
 - planned rent increases of 2% a year for the next 3 years which is significantly lower than the levels assumed without partnership;
 - £1 million in additional staff and management costs from 2020/21 to reflect service and operating model development;
 - Maintaining planned expenditure on compliance related works;
 - Accelerated investment in existing properties and a smoother profile to support effective delivery;
 - No staff redundancies or other efficiencies;
 - Prudent funding assumptions.
- 2.2 The impact of these assumptions and others as part of DGHP's partnership business plan is summarised below.



2.3 This graph shows DGHP will have sufficient facilities available as a to fund investments including the development programme. DGHP's debt level will increase in the short term as investment continues in both existing and new build homes. The debt starts to get repaid in 2028/29 of the plan and thereafter the debt levels reduce. By 2045/46, there will be sufficient cash to repay debt with an estimated closing cash balance of £80.8m.