

BROADWAY PARK HOUSING ASSOCIATION LTD

BUSINESS PLAN

April 2007 to March 2011

Registered Office: 423-425 Ashley Road, Parkstone, Poole, Dorset BH14 0AX

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## 1. INTRODUCTION

This Business Plan (the “Plan”) has been prepared by the Board and Senior Management of Broadway Park Housing Association Limited (the “Association”), with the intention of bringing together information about the organisation and its policies and to demonstrate its future viability.

The Plan details the structure of the Association, its activities and objectives, its governance and management and its financial projections. In the context of housing provision nationally, and even locally, the Association is a small player, but it still regards itself as having a significant role to play in its local area, particularly in the Borough of Poole. The main objective of the Association is to provide high quality housing at affordable prices and crucial to this aim is the Association’s style of management, which concentrates on personal contact with residents and on encouraging them to become involved in the running of the business.

This Plan has been prepared in good faith, but responsibility for verifying its contents rests with the reader. No liability is accepted for errors or omissions. This document may not be reproduced in whole or in part without the written authority of the Association.

## 2. LEGAL STATUS

The Association is a registered Industrial and Provident Society under the Industrial and Provident Societies Act 1965 (Registration No. 20293R). It is also registered with the Housing Corporation (Registration No. L0711). New Rules were adopted at the Annual General Meeting held in September 2005 and accepted by the Housing Corporation in October 2005. These new Rules enabled the Association to gain charitable status with HM Revenue and Customs. A copy of these Rules is available on request.

The Association’s Board of Management works within the guidelines of the NHF’s Competence and Accountability 2004.

### 3. EXECUTIVE AND MANAGEMENT SUMMARY

#### **Overview by the Chairman of the Association**

Since its inception in 1973, Broadway Park Housing Association Ltd has:-

- ✓ Evolved into a professional, local and independent organisation which seeks to serve the needs of its immediate community.
- ✓ Pursued a well thought out building campaign and acquired additional properties that suited its portfolio.
- ✓ Forged working relationships with local authorities and other housing associations.
- ✓ Worked with local businesses and contractors to support the local economy.

Our achievements over the past few years include:

- ✓ Achieving charitable status in 2005. This better reflects our not-for-profit ethos and means the association no longer pays Corporation Tax on its surpluses. These can, instead, be used to fund major repairs and future developments.
- ✓ Strengthening the Board by new members with new skills joining the Association.
- ✓ Partnering with local contractors and with other housing associations to achieve value for money for our residents.

For the future, we would like to:

- ✓ Remain independent in order to provide a personal service to our residents, but still seek to offer them value for money.
- ✓ Provide high quality, decent homes for those who choose to live in our properties.
- ✓ Work with our residents to provide both them and future residents with relevant, efficient, high quality services.
- ✓ Continue to slowly expand the Association, so that we can house more local people who cannot access housing in the market place.
- ✓ Ensure that the Association is guided by an effective Board in possession of the necessary skills. Board appraisals are carried out to reveal the strengths and weaknesses of the Board as a whole.

The next few years will be challenging, but they also look to be exciting.

### **Overview by the Chief Executive of the Association**

Broadway Park is a small, independent housing association which prides itself on the high quality of its service. The five staff members work hard to provide a value-for-money service corresponding to the needs and expectations of our residents. All staff are committed to continually improving the service we provide and to working closely with residents to match what is offered with what is required. We will work in partnership with other housing associations and agencies where this enables us to improve our service and we will seek to share good practice with other housing providers.

The Association has a strong Board who are committed to maintaining our independence as long as that is considered the best way to provide the best possible service. In 2005 the Association attained charitable status with the Housing Corporation and HMCE. This has removed the requirement to pay Corporation Tax on any surpluses, meaning they can be used to benefit residents and improve the housing stock. Such sums are currently being used to ensure that all the Association's properties meet the minimum requirements of the Decent Homes Standard in the prescribed time. The Association also plans to undertake a modest development programme, looking to expand the stock by approximately four units a year, enabling us to help further families and individuals who cannot access housing in the market place.

The next three years will be a challenge for the Association, but one which both the Staff and the Board are committed to undertaking to ensure that the Association's vision is further fulfilled and high quality housing is provided to those who need it.

## 4. VALUES AND OBJECTIVES

### Vision

**Broadway Park Housing Association Limited aims to be a successful provider of well managed and good quality homes for those whose needs cannot be met in the commercial housing market or by statutory local authority housing provision.**

### Values

- The Association is committed to providing high quality, value for money, affordable homes in the Poole area using both public and private finance.
- The Association will behave in an ethical and open manner towards all of our stakeholders.
  - *The following values will underpin the way we work:-*
    - **Respect** – for all individuals.
  - **Equality** – a commitment to equal treatment for all our staff, customers and other stakeholders.
- **Valuing difference** – a recognition of and respect for the differences between people.
- **Rights** – a recognition that all employees, members, customers and other stakeholders have a right to expect equal and consistent high standards in their contact with the Association.
  - **Responsibilities** – a recognition that all staff and members have a responsibility to promote high standards and to represent the Association in a positive way.
- **Participation** – a recognition that all staff, members and customers have a part to play in the success of the Association.
- **Innovation** – a willingness to change and to explore new ways of improving the service we provide.
- **Best value** – a commitment to providing the best possible service at the best possible price.

## Objectives

*The Association aims to:*

- Be a housing provider of choice in the local area, providing housing that meets people's differing needs.
- Increase the housing stock, subject to the availability of finance, by the provision of well designed and eco friendly homes.
- Meet and exceed our performance standards.
- Provide a resident focussed management service.
- Strengthen the Board structure and consolidate the mechanisms of management control.
- Be a responsible business with regard to the environment.
- Carry through our improvement programme to ensure that housing stock complies with the Decent Homes Standard and meets the aims of the Association in terms of providing good quality homes.
- Be a good and responsible employer.
- Be a professional business.

This Business Plan sets out our work programme for the next five years. We will review our progress towards achieving the aims set out in this Plan annually.

This Plan sets out a clear strategic direction. Its purpose is to explain what we want to achieve and how we aim to meet our objectives. We will use it to help us plan and manage our work and to measure our performance.

Our progress will be monitored through the annual budget review, the use of performance indicators and an annual review of the Plan itself, which will be brought to the Board of Management in December each year.

## 5. PERFORMANCE INDICATORS AND TARGETS

As a small housing association the Housing Corporation has reduced the number of performance indicators we need to use to measure our success, but we have chosen to monitor the full range of indicators used by the larger associations. This enables us to measure our performance against the larger housing providers and helps us to deliver the best possible service to our residents or potential residents. Each performance indicator measures how effective we are across a range of activities and enables us to particularly target those areas where we fall below acceptable standards or where we feel there is room to provide a better service.

The use of each performance indicator will be monitored alongside Housing Corporation Guidance and we will also monitor our results over a period of time with an annual summary of results being produced in July each year. Any adverse trends or unexpected results will be thoroughly investigated. The measurements taken from the performance indicators will also be used as part of staff performance reviews.

*The performance indicators currently used by the Association are as follows:-*

- **Rent**
  - Average weekly gross rent (including service charges) for all general needs properties.
- **Vacant dwellings and lettings**
  - General needs average re-let time.
  - Number of properties vacant and available for re-let.
  - Number of properties vacant and unavailable for re-let.
  - Number of general needs lettings made to BME households.
- **Stock condition**
  - Average SAP rating (energy efficiency) of dwellings.
  - Percentage of dwellings failing to meet the Decent Homes Standard.
- **Repairs performance**
  - Percentage of emergency repairs completed within target.
  - Percentage of urgent repairs completed within target.
  - Percentage of routine repairs completed within target.
  - Appointments made that were kept.
- **Service to tenants**
  - Percentage of tenants who were satisfied with the overall performance of their landlord.
  - Percentage of tenants satisfied with the opportunities offered to participate in decision-making.
- **Financial performance**
  - Weekly operating cost per dwelling.
  - Operating cost as a percentage of turnover.

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- Weekly investment per dwelling. This relates to the expenditure on routine, planned and major repairs for each dwelling.
- Percentage of annual net rental income that was collected.
- Percentage of rent lost due to dwellings being void.
- Current tenant arrears at the end of a period as a percentage of annual turnover.

## 6. MANAGEMENT OF THE ASSOCIATION

### **Board of Management**

The Rules of the Association provide for overall direction and control of its activities to be exercised by a Board of Management composed of a maximum of twelve and a minimum of six elected shareholding members of which a maximum of two members may be residents of the Association. Members are appointed at the annual general meeting and usually serve for a three year term, at the end of which they may offer themselves for re-election. Any Board member having completed nine years continuous service shall not be eligible for re-election until the next following annual general meeting. The names of the current Board members, together with brief summaries of their background and experience are provided as Appendix 1.

*The Board meets approximately six weekly and has two committees which meet whenever the need arises. The Committees are as follows:-*

- The Finance and Audit Committee which appoints the internal and external auditors and reviews their work, reviews the annual financial statements, quarterly management accounts and the budget and agrees, reviews and monitors the financial policies and procedures.
- The Remuneration Committee which reviews the salary structure and pay levels of all staff members, agrees, reviews and monitors the policy on remuneration and benefits and appraises the performance of the Chief Executive.

The Board also appoints Lead members for Housing Management and Development who work closely with staff in those areas.

The Board and the committees operate within the Standing Orders of the Association which are reviewed annually.

The Chairman of the Board is elected by the Board for a period of three years. The Board may also elect one or two Vice Chairmen who will deputise for the Chairman in his absence. The Chairmen of the committees and the lead Members are elected by the Board on an annual basis. The Chairman carries out an annual appraisal of the working of the Board and its members and makes recommendations about any skills which are missing. The performance of the Chairman is appraised by an independent third party.

### **Staff**

*There are currently five members of staff at the Association and an overview of their job descriptions and experience is given in Appendix 3. Due to a low turnover, staff have considerable experience and depth of understanding of the Association's business and all staff members are encouraged to play a part in the management of the Association.*

*All staff have a formal appraisal once a year and an update at the half year. Strengths and weaknesses are identified and staff are encouraged to access training where that is appropriate or to learn from each other where other staff members have the relevant skills. Staff development is a priority for the Association, as happy, well-equipped staff members help to promote an efficient, well-managed Association.*

## 7. CURRENT PROFILE OF THE ASSOCIATION

### Historical Profile

The Association was first registered in 1972 under the Industrial and Provident Societies Act 1965 and in 1973 with the Housing Corporation. Its aim has always been to provide good quality, affordable housing in the local area for those who cannot access housing through the public or private sectors.

The Association has grown slowly, but steadily over the intervening years and now manages just over 200 properties predominantly in Poole itself, but with a few in Bournemouth and Wimborne. These properties are either general needs rented or shared ownership. Nominations are taken from the relevant Local Authority when a property is vacated.

### The Association's Residents

#### Housing Allocations

The Association's Board has adopted a formal policy for the allocation of housing to applicants. In all cases the prime objective is to offer housing to those in need. An equal opportunities policy has been adopted and all applicants for housing are considered. A copy of the allocations policy is available on request.

#### Tenancies

The Association had a total of 203 properties located in the Poole, Bournemouth and Wimborne areas as at November 2006. These are let out on a variety of tenancies and leases.

#### Rent

The Association aims to set rents so that they are affordable, but also allow for the proper maintenance and upkeep of the property. All rents are set within the parameters of the Housing Corporation's Rent Restructuring regime and target rents will be met by 2012.

Rents on new properties are influenced by the amount of Social Housing Grant that has been allocated to the property.

*Average rent levels at April 2006 were as follows:-*

Type of property	Average weekly rent and service charges £
1 bed	69.31
2 bed	88.38
3 bed	93.87
4 bed	100.28

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### Rent collection

It is the Association's policy to investigate all cases of non-payment of rent for one month or more by means of letters and/or personal visits. The Association's staff offer basic advice to prevent escalating arrears before referring to other agencies where appropriate. Failure to reach satisfactory arrangements for repayment of the arrear is likely to result in action for possession once the debt has reached the equivalent of two months rent. The present target level for current arrears is 2.5% and gross arrears at March 2006 were 2.4%.

### Voids

The Association aims to have properties empty for as little time as possible. Voids for all property types are reported quarterly to the Board. Voids expressed as a percentage of the gross annual rental income were 1.3% for the year to March 31<sup>st</sup> 2006.

### Asset management

The Association's stock is generally in good condition. A Stock Condition Survey is carried out regularly to identify those properties which require improvements. It is the aim of the Association to ensure that all properties meet at least the Decent Homes Standard by 2010. A programme of major and cyclical repairs is also in place to ensure that good conditions are maintained post 2010.

### Responsive repairs

The Association has agreed the following response times for day to day repairs:-

<u>Repair type</u>	<u>Timescale</u>
Emergency repairs	Within 24 hours of being reported
Urgent repairs	Within 7 days of being reported
Routine repairs	Within 28 days of being reported
Other repairs	Normally within 2 months of being ordered.

### **Financial strength**

The Association has continued to consolidate its financial strength over recent years.

Summary Balance Sheets and Income and Expenditure Accounts for the years ended March 31<sup>st</sup> 2005 and 2006 can be found in Appendix 4. The two most relevant features as far as the overall financial health of the Association is concerned are that:-

1. The accumulated revenue reserves increased from £1,409,483 at March 31<sup>st</sup> 2005 to £1,474,445 at March 31<sup>st</sup> 2006.
2. A steady growth in property ownership is evidenced by the increase in housing properties held at cost in the financial statements, which rose from £8,243,711 at March 31<sup>st</sup> 2005 to £9,559,193 at March 31<sup>st</sup> 2006.

## 8. DEVELOPMENT OBJECTIVES

### Overall Expansion

It is the Association's aim to increase the number of rented or shared ownership homes in management as finances and grant allocations allow. It will do this by:-

- Working with its development partner, Synergy Housing Group, to source suitable sites and funding for development. The Association will also seek to join the Wessex Development Partnership or its successor.
- Seeking out small development companies which may want to work with a social landlord.
- Using the RCGF to help finance development projects.
- Using the Association's reserves to finance small one-off projects with reduced levels of grant.

The Association plans to develop between four and six units each year and this is reflected in the Financial Projections in Appendix 5.

## 9. FINANCIAL PROJECTIONS

It is only from a sound financial base that the Association can plan to expand its operations and to increase the number of homes in management over the next five years. This section outlines those plans and the key elements of the Association's financial strategy and a summary of the financial projections themselves can be found in Appendix 5.

### **Financial Strategy**

The Association will continue to maintain the growth of its reserves, providing an increased level of security against the risks of the development programme. The strategy for achieving this includes:-

- Increasing rental income in line with Housing Corporation guidelines, but within the constraints of the Rent Restructuring Regime.
- Keeping a tight control on all costs by involving all staff members in the budgetary and monitoring process.
- Using the results of the Stock Condition Surveys to better plan the financing of major and cyclical repairs.

### **Financial Projections**

*The summary financial projections which are found in Appendix 5 have been prepared using the following key assumptions:-*

- Inflation has been assumed to be 3.4% throughout the period.
- Interest rates have been assumed to 5.75% on all loans.

APPENDICES TO THE BUSINESS PLAN

Appendix	Title
1	Board of Management
2	Organisation of Association
3	Staff Members
4	Summary Financial Statements
5	Financial Projections

BROADWAY PARK HOUSING ASSOCIATION LIMITED

APPENDIX 1

Board Of Management (at September 2006)

Mrs Ann Schofield	Chairman. Tenant Member
Mr Mark Bailey	Vice Chairman. Fellow of the Institute of Financial Accountants.
Mr Robin James	Vice Chairman and Chairman of Remuneration Committee. Fellow of the Chartered Institute of Housing. Diploma in Management. Managing Director, Purbeck Housing Trust, which is part of Synergy Housing Group.
Mrs Sheila Way	Chairman of Finance and Audit Committee. Fellow of the Chartered Institute of Certified Accountants. Corporate Accountant with Synergy Housing Group.
Mrs Colette Robson	Lead Member for Housing Management. Member of the Chartered Institute of Housing. Housing Manager with Bourne Housing Society.
Mr Peter Davy	Lead Member for Development. Member of Royal Institution of Chartered Surveyors. Surveyor with King Sturge
Mr Tudor John	Managing Director of local manufacturing company.
Miss Claire Dickinson	MRTPI Town Planner with RPS Planning
Mr Trevor Luff	Tenant Member

APPENDIX 2

**Organisation of the Association**

Chairman

Vice  
Chairmen

Chairman of  
Finance and  
Audit  
committee

Lead Member  
for  
Development

Lead Member  
for Housing  
Management

Chairman of  
Remuneration  
Committee

Board  
Members

Chief  
Executive

Surveyor

Housing  
Services  
Officer

Office  
Manager

Housing Officer

APPENDIX 3

**Staff Members (at September 2006)**

<p>Fiona Ferenczy</p>	<p>Chief Executive, Company Secretary and Director of Finance. BscEcon in European Community Studies. Member of the Institute of Chartered Accountants. Currently studying for an MA in Housing and Community Renewal Responsible for Finance, HR, Board matters and general running of the Association.</p>
<p>Annina Frost</p>	<p>Office Manager 15 years banking experience and 10 years as proprietor of own business. Responsible for rent accounting, arrears, managing Housing Services Officer and general smooth running of the office.</p>
<p>Catrin Promitzer</p>	<p>Housing Officer Diploma in Tourism and Hotel Management Responsible for Housing Management, Tenant Participation and general office administration.</p>
<p>Nichola Webster</p>	<p>Housing Services Officer BA in Business Management Responsible for organising all the responsive and cyclical maintenance, ensuring that the housing stock is maintained in good order and arranging the contracts for the provision of services.</p>
<p>Roy Winkup</p>	<p>Surveyor 50 years experience in the building trade. Responsible for reviewing and checking all technical matters relating to repairs and maintenance.</p>

## APPENDIX 4

## Summary Financial Statements

Balance Sheet	Year ended March 31 <sup>st</sup> 2006 £'000s	Year ended March 31 <sup>st</sup> 2005 £'000s
<b>TANGIBLE FIXED ASSETS</b>		
Housing Property and other assets	9,668	8,354
Less: Social Housing Grant	(3,894)	(3,337)
Less: Depreciation	(160)	(129)
	<hr/>	<hr/>
	5,614	4,888
<b>NET CURRENT (LIABILITIES)</b>	<hr/>	<hr/>
	(13)	(11)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<hr/>	<hr/>
	5,601	4,877
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>		
Housing Loans	3,700	3,095
Other	27	3
Capital and Reserves	1,874	1,779
	<hr/>	<hr/>
	5,601	4,877
<b>INCOME AND EXPENDITURE ACCOUNT</b>		
Turnover	658	606
Operating costs	(350)	(328)
	<hr/>	<hr/>
Operating surplus	308	278
Loss on sale of housing property	(6)	0
Interest receivable and similar income	12	11
Interest payable and similar charges	(202)	(209)
	<hr/>	<hr/>
Surplus on ordinary activities before tax	112	80
Tax	(17)	(20)
	<hr/>	<hr/>
Surplus for the year	95	60
Revenue reserves brought forward	1,779	1,719
	<hr/>	<hr/>
Revenue reserves carried forward	1,874	1,779
	<hr/>	<hr/>

## APPENDIX 5

## Financial Projections

**Forecast Income and Expenditure Accounts**

	2006/07	2007/08	2008/09	2009/10	2010/11
	£'000	£'000	£'000	£'000	£'000
Turnover	688	704	733	763	794
Operating costs	(382)	(418)	(440)	(464)	(488)
Interest payable	(220)	(221)	(242)	(263)	(263)
Other income	3	6	10	10	10
Surplus	89	71	61	46	53
Reserves b/f	1,409	1,498	1,569	1,630	676
Reserves c/f	1,498	1,569	1,630	1,676	1,729

**Forecast Balance Sheets**

	2006/07	2007/08	2008/09	2009/10	2010/11
	£'000	£'000	£'000	£'000	£'000
Housing properties and other assets	9,957	10,029	10,654	11,304	11,979
Less: Amortisation	(193)	(227)	(266)	(310)	(360)
Less: SHG	(3,940)	(4,086)	(4,346)	(4,621)	(4,921)
	5,824	5,716	6,042	6,373	6,698
Current assets	51	153	163	252	(30)
Total assets	5,875	5,869	6,205	6,625	6,668
Housing loans	3,935	3,835	4,105	4,475	4,448
Capital and reserves	1,940	2,034	2,100	2,150	2,220
	5,875	5,869	6,205	6,625	6,668

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APPENDIX 5 cont

Financial Projections

**Forecast Cash Flows**

	2006/07	2007/08	2008/09	2009/10	2010/11
	£'000	£'000	£'000	£'000	£'000
Income and expenditure surplus	89	71	61	46	53
Less: Corporation tax paid	(17)	0	0	0	0
Add:					
Amortisation	33	34	39	44	50
Depreciation	6	6	4	4	3
Major repairs provision	90	99	105	110	115
	<u>201</u>	<u>210</u>	<u>209</u>	<u>204</u>	<u>221</u>
Less:					
Capital repaid on loans	(92)	(85)	(85)	(85)	(85)
Major repairs	(91)	(85)	(85)	(90)	(90)
	<u>18</u>	<u>40</u>	<u>39</u>	<u>29</u>	<u>46</u>
Cash b/f	95	149	365	339	393
Capital expenditure	(310)	(150)	(525)	(650)	(675)
Capital income	0	180	0	0	0
SHG	46	146	160	275	300
Loans drawdown	300	0	300	400	0
Cash c/f	<u>149</u>	<u>365</u>	<u>339</u>	<u>393</u>	<u>64</u>