



Business Plan

2018 - 2023

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1. Introduction

Apna Ghar ('Our Home') was founded in 1979 by a group of disabled people, using a day centre in Central Middlesex Hospital.

Mr Ashok Ghosh OBE, a key member of this group, had a vision to provide suitable homes and services to Asian people with disabilities. His vision still remains the driving force for us, in ensuring our services enable people to be independent.

This was in response to an urgent need for housing and support for this community across all age groups. They faced a disproportionate disadvantage of having fair access to suitably adapted and equipped homes.

To meet this need Apna Ghar came into existence. Initially the work involved raising awareness and lobbying for the housing rights and interests of Asian people with disabilities in North West London. This momentum led to support and acceptance by local authorities and a number of housing associations, leading to our first two homes in 1992.

We grew rapidly by entering into development relationships with a range of larger housing associations in a number of local authority areas. We build on this and now provide housing and services to a diverse customer base.

We provided support services directly to our tenants. Changes to supporting people funding and contracts meant a refocus on how we deliver services. Staff know each of our tenants closely and we offer a unique service. We always keep our tenants at the heart of everything we do.

We currently look after 298 homes across seven London boroughs. We own 108 of these homes and manage 190 on behalf of 12 different housing associations. Overall 47% of our homes are wheelchair standard. Our strategy of owning homes from managing them, has proved a success and led to a stronger long term financial base.

Social housing has faced unprecedented changes recently. The 1% rent cut for four years, from 2016 to 2020, has presented a real challenge to us. We have looked at the opportunities this brings and will explore market rent, shared ownership and other options. This is to ensure that we remain viable to continue to meet the needs of our tenants.

Next year will be a milestone for us when we will celebrate 40 years of our original vision which still remains alive today.

2. The Top Line: Our Vision, Mission and Values

Our vision, mission and values were developed with input from both staff and board members. Having a collaborative, team approach captures our spirit to move forward together. Every staff and board member has a role to play in the future success of the business, uniting behind a common purpose.

Vision

A viable community business

Mission Statement

Enabling independent lifestyle choices

Our Values

Respect, Dignity, Reliability

3. Strategic Objectives

We have four strategic objectives setting out a framework for achieving our goals and setting our future direction of travel. These cover viability, services, assets and partnerships.

1. Viability

We have a sound reserve base, providing solid foundations to move forward with confidence. Being prudent has been key to maintaining our viability and this approach is also key to our future success.

Having an asset base of 108 homes has slowly started paying dividends to our growth and future viability. This helped us to manage a transition, which resulted in high repair costs at the initial stages.

In the current financial year we are looking to buy 23 homes from three of our existing freeholder landlords. This will provide improved financial strength for us. We will then seek further funding to acquire more homes. We will continue to work with partners to identify new schemes with different tenures.

We have lender confidence with Metro Bank, our key lender, having increased our headroom on gearing and are fully compliant with all loan covenants.

In maintaining our future viability, we will look to diversify our stock portfolio to cover market rents and shared ownership. We will look to a maximum 20% range to diversify. Each project or home we buy will be subject to a robust risk assessment and subject to stress tests. Strengthening our viability will enable us to do more for our tenants to improve their independence.

For the 190 homes that we manage for other housing associations' we will keep the management allowances under constant review and aim to renegotiate rates where possible.

Integral to our viability is to ensure this is underpinned by a culture of value for money, looking to continuously make cost savings and efficiencies.

2. Services

Our services to residents will be based on a customer focus to deliver excellence. This will also extend to our new tenure forms such as market/shared ownership homes.

We have a very committed and experienced staff team that works well. In improving our customer satisfaction levels we look to using IT, new and flexible ways of service delivery. Staff will be supported and trained to ensure we comply with our customer service standards. We will carry out a full customer service survey and benchmark our performance to ensure we are in the top quartile. The board will provide strategic support and guidance in ensuring we meet the needs of our tenants.

On the ground we provide a range of other services to support our tenants. These include:

- liaison with Occupational Therapists to ensure Aids & Adaptations are carried out to their homes to enable independent living
- help with Welfare Benefit Claims such as Disability Living Allowance (DLA), Personal Independence Payments (PIPs) etc
- signposting to other charities & specialist organisations helping disabled people (e.g. provision of grants, advocacy work)
- working closely with local authority occupational therapy and social services to obtain suitable nominations for our adapted homes
- staff that speak 4 different south Asian languages, with a deeper understanding of cultural needs so can offer customised help & advice

Building on our current provision, we aim to focus more on specialist research and services for people with disabilities. These include individual, family and community level involvement.

To bolster our staff team we will consider volunteers and apprenticeships to carry out project or specialist work.

Our customer care and service standards set out what we do. These will be updated to define our unique service in working with our tenants. Staff will be trained and supported to ensure a can do positive attitude within the team. Staff as well as board members will demonstrate that we live out our values of respect, dignity and reliability, to deliver our mission, as well as develop continuously.

3 Assets

Our homes provide the asset and financial underpinnings to provide services for our tenants. By looking after our homes we strengthen our position to buy more homes to meet the huge demands for affordable housing.

We have a comprehensive set of stock condition survey data on all our 108 owned homes. We use this intelligence to set our repair budgets, covering both planned/programmed and responsive repairs. Our 30 year financial forecasts are build on this information.

We are developing a comprehensive asset management strategy which will go live this financial year, considering our short and long term strategy in looking after our homes.

Over the years, we've used different ways of looking after our stock with a range of contracts and contractors. We've learnt the importance of an economic and effective service. This financial year we've changed both our gas and responsive repairs contractors, demonstrating value for money. Our responsive repair costs have been reduced dramatically over the last two years. We will now work on efficiencies and benchmark our performance to move towards top quartile levels.

We currently manage 190 homes and have reviewed the impact on our finances. We will seek to improve the terms of these contracts through renegotiation or seek the acquisition of the units. By 2021 we aim to own 134 homes prioritising the acquisition of schemes, which generate surpluses in the near & medium term over stock transfers of existing properties. We will also aim to have ten market rent/shared ownership homes, or other tenures within this profile.

We will continue partnership with Sanctuary HG, Octavia, and PA Housing (formerly Asra) to develop some of these homes in addition to looking to purchase homes through Section 106 Agreements with developers.

Future growth will be managed incrementally to ensure we maintain a strong viable business.

4. Partnerships

We have a track record of partnership working with a range of organisations. These started with meeting the housing and support needs of Asian people with disabilities. Today these partnerships have been key to our success as a niche housing provider, enabling us to deliver value for money.

We belong to Black and Minority Ethnic London, a group of fourteen BME Housing Associations to improve services & also the life chances for communities in which we work. In aligning our work with this partnership, we will focus on our primary purpose in working with people with disabilities.

We will build on the three areas for collaboration that have already borne successes:

- Joint Procurement
- Employment
- Learning and Development

We are members of Disability Rights UK and are also partners in a community research project called “Hamare Avaaz” (Our Voice). This project is looking into barriers to independent living faced by disabled women in London’s Asian Communities and is partnership with the Asian Peoples Disability Alliance (APDA). We look forward to the findings of this research to implement them to improve our services.

We will continue to work in partnership with other organisations which seek to improve the lives of our tenants.

4. The Planning Context – SWOT Analysis

In developing our business plan we used industry standard tools to assess where we are and where we want to be in the short and long term future.

Our position in working with a range of communities and partners provides us with a unique position in going forward. This SWOT exercise has been done collaboratively at both staff and board level.

Strengths

- Good reputation with Local Authorities & Partner Housing Associations
- Approved partner of Brent & Harrow Councils for Accessible Homes
- We offer very personalised services to tenants in different languages
- Settled & Dedicated Staff & Board
- Good knowledge of our stock
- £2m financial reserves
- Good Relationship with Metro Bank with over £12m loan facilities agreed to date – c.£3m of which is undrawn
- Lender confidence in our work
- Having our own new offices, having rented various premises for over 30 years
- Good housing management performance on rent arrears and voids

Weaknesses

- Small stock size & geographical spread over 7 London Boroughs means little “economies of scales”
- Maintenance costs higher than our peers
- Low customer satisfaction levels on quality of some repairs
- Size of operational surpluses means expenditure on Learning & Development & IT enhancements lower than our peers

Opportunities

- Linking with and supporting work around disability with Asian communities, based on research and participating as well as leading on such projects with grants
- Widening our stock profile to provide other forms of tenures such as intermediate and market rents, shared ownership
- Having five Developing Associations work with us to fulfil our acquisition targets within the Medium Term
- Our office developer offering possibilities of further properties to us
- Our own office could be let out – e.g. the boardroom, workstations for floating support officers
- Innovation in working with IT and setting our service standards
- Collaborative business planning to move forward collectively with the board and staff in alignment

Threats

- Roll out of Universal Credit & other welfare reforms may increase rent arrears
- Land & property prices kept rising in London – making new developments difficult to fund
- Small size – susceptible to predatory takeovers & pressure from Regulators to merge
- Interest rates and or substantial inflation increases
- Government policy on Supported Housing funding (from April 2019)
- Affordable Housing Grant & Disabled Facilities Grants (DFG) Funding being restricted in future
- Loss of experienced staff

Risk Management

Our board takes overall responsibility for risk management. Risks are evaluated periodically and are recorded along with the means of control on a risk map.

Robust controls ensure mitigation on the effects of adverse risks. Regular risk reports are presented to the Audit and Risk Committee and the board.

5. The Way Forward

The key to future success is the commitment of the board and staff to our vision. By working together, we intend to fulfil our purpose and our commitments to our stakeholders. Above all we put our residents at the heart of everything we do. Our priority is enable independent lifestyle choices for the communities we serve.

The Six Milestones

We aim to demonstrate our expertise through a performance management framework. This will require alignment of our vision with individual targets and performance indicators. This will drive up standards and help to share our knowledge to continually improve services. By collaborating and working in partnership we set out the six key milestones we want to achieve. By delivering our vision to be a viable community business, by April 2021 we will have:

1. A stronger finance base, keeping our business in surplus
2. A diverse asset base by owning 150 homes to include 10 shared ownership/market rented homes
3. Carried out three disability projects linked to improving the life choices of our tenants at individual, family and community levels
4. Improved our repairs service by implementing our asset management strategy
5. Delivered value for money through partnerships, joint procurement and using more digital technologies and flexible working
6. Moved to top quartile performance in all our key service areas.

Performance Monitoring, Review and Evaluation

The delivery of our vision and mission goals will be supported by an operational plan underpinned by SMART objectives and targets.

The Chief Executive will ensure progress is monitored on a regular basis. The board will review delivery plans through quarterly performance reports. An annual evaluation will inform us on our performance.

6. Finances

Our Finances - Assumptions

Our main medium to long term assumptions are highlighted below:

Assumption	Term
Inflation - RPI	2.5%
Inflation - CPI	2.0%
Rental Income	Reduction of 1% April 2019, CPI +1% from April 2020
Base Rate	2018/19=0.75%, increasing by 0.25% in November 2018, 0.25% in January 2019 and 0.25% in October 2019
Voids & Bad Debts	0.5%
Repairs & Maintenance	Increasing by RPI +1% from April 2020
Acquisitions- ISHA units	7 units in December for £320k
Acquisition – Octavia units	4 units in April 2019 for £330k
Acquisitions – Guinness units	9 units in August 2019 for £1.0m
Acquisitions- shared ownerships	6 units in October 2020 for £2.0m
Shared ownerships – 1 st tranche	25% : MV =£2.5m
Shared ownership – staircasing	10% in 2025 & 10% in 2030

Our Finances – Results

Our financial plan shows how our income and expenditure will be managed over the coming years. These figures have been tested against a set of possible variations to external factors.

All figures in £'000's

2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Actual	Forecast	Forecast	Forecast	Forecast	Forecast

Income & expenditure account

Turnover	2,471	2,445	2,450	2,556	2,664	2,740
Operating costs	<u>(2,146)</u>	<u>(2,101)</u>	<u>(2,027)</u>	<u>(2,086)</u>	<u>2,151</u>	<u>2,214</u>
Operating surplus	325	344	423	470	513	526
Interest payable	<u>(308)</u>	<u>(340)</u>	<u>(420)</u>	<u>(435)</u>	<u>(438)</u>	<u>(422)</u>
Surplus	17	4	3	35	75	104
Shared Ownership Gain	-	-	-	<u>115</u>	-	-
Surplus /(deficit) for Year	17	4	3	150	75	104

Interest cover	162%	154%	140%	176%	160%	170%
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Cash

Cash generated in year	660	454	824	1,145	1,118	1,102
Development expenditure	<u>(1,680)</u>	<u>(740)</u>	<u>(3,350)</u>	<u>(2,070)</u>	-	-
Capital grants	935	406	2,046	-	-	-
Other capital expenditure	<u>(12)</u>	<u>(200)</u>	<u>(200)</u>	<u>(200)</u>	<u>(200)</u>	<u>(200)</u>
Loan repayments	<u>(345)</u>	<u>(380)</u>	<u>(400)</u>	<u>(440)</u>	<u>(480)</u>	<u>(480)</u>
Interest paid	<u>(308)</u>	<u>(340)</u>	<u>(420)</u>	<u>(435)</u>	<u>(438)</u>	<u>(422)</u>
Cash draw-down	750	1,450	1,100	2,000	-	-
Cash carried forward	450	1,100	700	700	700	700

These figures demonstrate long term growth in turnover and surplus. We shall continue to comply with all covenants linked to our loans. Our ambition to develop or acquire new homes is reflected in our plan together with spend on replacing components. Overall, we believe we will continue to be financially stable during the delivery of our business plan.