



Business Plan



2009/2013

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The Direction

Executive Summary

These are challenging times. From a sound financial and operating base and with a strong set of values, Impact will continue to thrive. These are changing times for Impact. We are implementing new Business Planning and Performance Management Framework. We are carrying out a review of Governance. We are moving to a much tighter system of investment. However, coming up almost to our 35th year (November 2010) we are as clear of and confident in our future as we have ever have been.

Our Business Plan sets out our key strategic objectives. It looks at how our organisation will gear itself up to meeting them. It looks at where we fit in relation to the outside world in these difficult times. It links into the new performance management framework in an integrated and powerful way. In terms of governance, the role of our Board is to set direction and monitor performance. Our new business planning framework is the tool to set out our direction. The performance management framework is the tool to measure our success.

It is common in such introductions to say “these are exciting times”. At the moment, this could never be less true!

Mike Muir
Chief Executive

Mike Rose-Troup
Chairman

Mission Statement

There is a hierarchy of strategic documents of which our Mission Statement and Constitution are at the core. Our Mission Statement sets out our highest level commitments, as follows.

Impact is a Charitable Housing Association based in Cumbria.

Through Partnership, we serve local Communities.

We strive to meet Greatest Need.

To do so, we provide high quality Community Investment, Housing & Support.

Summary of Strategic Objectives

Sitting below our Mission Statement are our strategic objectives. It has been a major task to realign our major documents to ensure the “Golden Thread” runs through all of those documents – that is our ability to follow through any of our commitments from our highest level documents through to delivery on the ground. In the section below entitled Road Map we highlight those strategic objectives and explain where they fit within our organisation.

Operation Context

- **Our Local Community**

Cumbria is a County of great contrasts. Indeed, there are almost 3 Cumbrias, each requiring a different approach from us:

1. The West Coast and Furness is a post-industrial economy with high indicators of deprivation (health, education, employment, aspiration). It has a poor quality stock with a significant amount of low demand ex-council housing. The big industrial employers have now disappeared and young people are largely faced with less well paid, more insecure and, in their eyes, lower status employment opportunities. The economy is significantly dependent on Sellafield which directly and indirectly is responsible for 16,000 jobs. The biggest challenges are probably in Barrow (although Impact has little involvement there). Issues for Impact are around: upgrading our stock, dealing with low pay, low aspiration, poor educational attainment, fuel poverty and potentially declining demand for our properties.
2. The National Park is a highly protected landscape in Central Cumbria. Because there are limited opportunities for economic growth, and huge tourism pressures, it is faced with issues around housing, affordability and sustainability. Issues for Impact are around: fuel poverty, sustaining fragile rural communities, the high cost of new development.
3. The Carlisle-Penrith-Kendal (M6) Axis is the area of Cumbria most like the national picture, with the best prospects In terms of economic growth and sustainable communities. Issues for Impact are around filling in gaps, particularly in respect of supported housing, specialist services and local rural issues.

These are challenging times. Firstly; the whole regulatory system in which Housing Associations operate has just changed, with the creation of the Tenants Services Authority (TSA) and Homes and Communities Agency (HCA). We are yet to understand what these changes will mean. What we are sure of, though, is 2 things: through the HCA, funding will be much tighter and, through the TSA, there will be a much stronger tenant/customer focus to housing association activities.

Secondly, the Credit Crunch will cause issues for housing providers and our customers well into 2009. Again, we are still not absolutely clear what effects this will have on us. However, we are absolutely committed to continuing to develop, and continue to meet housing need. Moreover, we are extremely committed to ensuring that our services (particularly our housing) are affordable to people in these changed times. Our summary below (“SWOT” and “PEST” analyses) looks in outline at the risks associated with our current operating environment.

A third issue which will be problematic for all of us in the medium term is the effects of Climate Change. Increasing fuel bills and energy costs will mean that our rural communities are put under increasing pressure and households on low incomes will find it more and more difficult to sustain rural lifestyles or afford to live in our older properties that are more difficult to heat.

Elsewhere in this document we set out clearly our strategic objectives which will ensure an absolute clarity of purpose and direction. The risk assessment (PEST/SWOT) addresses the changing external operating environment. The financial section of this business plan shows how strong the organisation is: we are clear that we can continue to grow steadily during these difficult times.

- **Our Local Administrative and Political Structures**

Cumbria consists of 6 District Housing Authorities, the County Council and the National Park. It is a “two tier” area with individual authorities led by a number of different political coalitions. Although there is now a Countywide Housing Strategy, there are different working relationships in each area. This means that it is difficult for a relatively small organisation like us, working throughout most of the County in a wide range of niches, to maintain a high profile in all fora. There is a government expectation on statutory organisations to work together, collaboratively, through the Local Area Agreement and the Local Strategic Partnerships. However, there is also an increasing pressure on local organisations (and on their independence) from an increasingly strong regional agenda, led by the North West Region’s economic drivers; and there is an increasing regionalisation of contracts.

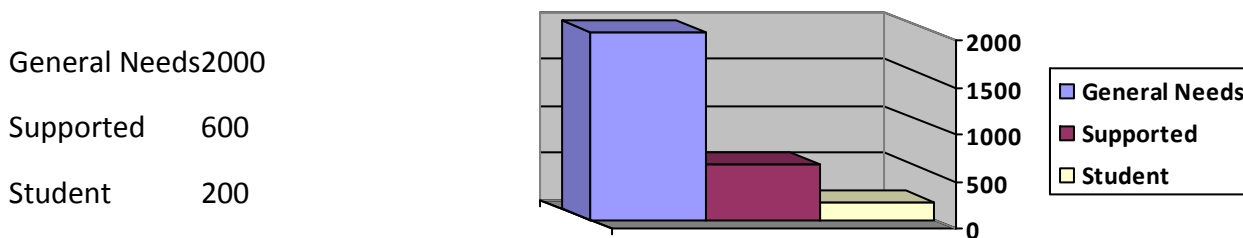
Impact is controlled by its membership and its voluntary Board and Committees. It has no political links and relies on strong partnership working and strong personal and organisational relationships to deliver an effective range of services.

- **Our Customers, Clients, Tenants, Residents, Service Users: a Profile**

The title of this section indicates just how wide a range of people and communities we work with. Over 90% of our tenants are in receipt of some state benefit. All of our supported housing contracts target the most vulnerable members of society. Our training contracts target the most disadvantaged. Our recycling outlets target the poorest members of the local community. Similarly, the communities in which we work tend to be poor- Salterbeck, for example, where we own over 800 properties, is one of the top quartile most deprived wards in England. For our housing, we have homeless targets to meet through local authority nominations.

Our Halls of Residence are slightly different, but they accommodate young people who's stay is quite transitory. Even here, we pride ourselves on the level of personal support we provide, which ensures that students are more likely to settle successfully.

A simple breakdown of house types and households by type would be as follows:



- **Our Profile as an Organisation**

We are a diverse organisation with a wide range of activities that makes it difficult for us to be easily categorized. Despite being a registered social landlord and housing association, only 60% of our income is generated from rents- the pie chart below shows the breakdown. Despite having a turnover of £14m, and free assets of nearly £200m, we have a surplus that is less than 3% (the minimum that our lenders require). Some organisations with our profile have rebadged themselves as “Social Enterprises” but no simple definition illustrates the range of activities that we carry out in pursuance of our Charitable Objects and Mission Statement.

With over 220 staff, training and development is a huge responsibility. We try to develop staff who are flexible and creative- who can adapt their ways of working to the changing needs and aspirations of our customers and the changing requirements of our various funders. It is a key fact that, despite our giving permanent contracts to staff in nearly all cases, over two thirds of our staff

are dependent on either 3 year contracts or the success of our commercial ventures. We aim for Impact to be the “Employer of Choice”.

With an intensive service, meeting often quite challenging needs, that is dispersed over quite wide geographical areas (it can take 2½ hours to travel from one of our offices to another, and still stay within Cumbria), costs are high. We have 28 workplaces. However, as far as possible, we provide a holistic service. Customers and tenants often use a number of our services- we may work with a young person in their secondary school, through into one of our hostels or Foyer at 16, through into a flat with floating support at 18/19, having been through one of training programmes into employment or further education; of course, they may also have bought our furniture to furnish their first flat. Our services are most effective where we can provide this “joined up” approach, either through the services that we provide ourselves or the links that we can provide to partner agencies.

It is convenient to break our services down into a small number of key areas as follows:

- 1. Asset Management:** Maintaining, upgrading (and where appropriate replacing) our existing stock of housing and offices. Developing new housing. We have a clear Asset Management Strategy which sets out our plan for each of our properties and allocates long term funding based on a detailed stock investment programme that is sustainable within our 30yr financial plan. Impact’s main capital programme is determined globally by government, Regional Housing Strategy and Cumbria Housing Strategy. Cumbria’s 6 District Authorities determine which Associations have access to capital grant in their area. Capital funding is administered by the Homes and Communities Agency which requires us to work to very high environmental standards; the consequence of this is that the grant (typically 45-55% of capital costs) is increasingly insufficient to make schemes stack up and not only do we commercially borrow towards capital costs but we increasingly have to subsidise each development, currently by £12-15k. Unfortunately, unless government sees reason soon, that capital programme will become unsustainable. However, increasing funding comes from other sources- health funding, charitable funding, planning gain and so on.... None of which has the onerous burdens of HCA funding.
- 2. Housing Services:** Managing our tenant base- letting, maintaining and dealing with tenancy issues. Dealing with wider community issues, including anti social behaviour. Providing supported housing, either in own managed properties or as support to people living elsewhere (“floating support”). Ensuring that our properties meet the needs of our tenant base (focusing on, say, affordable warmth, disabled adaptations). As with all of our activities, we try to balance the needs of the individual with the needs of the community. Cumbria’s 6 District Authorities require us to allocate a percentage of new and relet tenancies (typically 50%) to their homeless nominations. It is in our main housing management work that will be scrutinized by our new regulatory body the Tenant Services Authority.

3. **Community Services:** We have key specialisms in Domestic Violence (eg women’s refuge, safe houses, counseling service), Young People (eg transitional support, excluded groups in school, youth activities, training), Vulnerable Adults (eg single men and women moving back into mainstream life), Worklessness (eg training, placements and volunteering). All of these areas are funded through public sector contracts or charitable funding. All are therefore at risk. Nevertheless, they are a key part of our role in the local community and ones which we will continue to develop as long as they are effective and cover their costs.
4. **Value for Money:** This area is important enough to identify separately- the need to make best use of our resources through efficient working, prudent financial management, effective procurement and so on. Our approach is to minimize our annual surplus through reinvestment in key activities. Because of the intensive housing management service that we provide, our costs are necessarily high; however, it is crucial to both our reputation and our effectiveness that we constantly strive for best and improving performance.
5. **Environmental:** Our recycling projects (now, just opened our 4th store, in Workington) have two priorities: to provide a range of community benefits and cover their costs/ generate further growth. With a turnover now approaching £1m, they have become a key part of our business. Our proposed Energy Company has the potential for similar growth and success.
6. **Organisational:** As a relatively small organisation, we have to make doubly sure that our structures are sound and cost effective. We recently commissioned an independent review of our Central Services, which clearly confirmed that our costs are very low compared to similar organisations and good value for money- whilst highlighting a number of areas for improvement which are now being actioned. Greater use of IT integration will further streamline our costs whilst new enhancements (paperless office, laptops for Board members, a new HR software system) will also increase flexibility. The current Governance Review will bring our Board and good practice up to date. Cross cutting themes such as Customer Care, Equality and Diversity, Performance and Risk are all held centrally, with our strong Value base now being increasingly complemented by formal accountability frameworks that put us closer to outside regulators, partners and benchmarked organisations.

- **The Strategic Planning Context**

Housing Associations are not public bodies yet we are publically accountable. We are regulated by the Tenant Services Authority and the Financial Services Authority and come under the jurisdiction of the Housing Ombudsman for complaints. We are inspected on behalf of the TSA by the Audit Commission. We are the government’s main provider of additional affordable housing and borrow

extensively on the commercial market to top up capital grant. In return, we are required to develop new properties to a far higher standard than the private sector and our rents are set by a government formula (thus restricting our ability to borrow at higher levels)- we are all in effect “asset rich and cash poor”.

Associations are non-profit-distributing organisations (most are charitable) run by voluntary Boards, appointed by a shareholding membership. Members hold a £1 share which is non-redeemable and which generates no return. We are free to engage in as wide a range of activities as are compatible with our Objects (ie a charitable housing association cannot engage in commercial activities, it would need to set up a non-charitable company or subsidiary) as long as the government’s investment in our affordable housing is safeguarded.

Our Association has always taken the view that, as well as providing affordable housing, we will provide as wide a range of services as possible to assist our tenants and residents and the communities in which they live. Our funding thus comes from a number of statutory, charitable and commercial sources, each of which will have their own funding criteria.

For our housing activities, our regulatory bodies expect us to have not only a high degree of tenant satisfaction but a range of challenging “stretch targets” against which we can measure continuous improvement. Our other funding bodies set contractual targets for us, whilst our more market-orientated activities are driven by the need to cover costs. Our relationship with the outside world is therefore complex and only partly determined by a statutory or regulatory framework.

At this moment, it is unclear whether the current national financial and housing problems will result in greater pressures on us and, if so, on which parts of our business. Indeed, it may paradoxically be that new markets open up through government support to some of our traditional client groups.

- **Business and Service Development**

We are moving over to a Risk based approach to assurance. What this means is that we look at all of our activities rigorously to see what risks they pose to our business and what we can do to mitigate them. This approach will help us to continuously challenge our business assumptions. Importantly, the approach regards inaction or indeed a superficially low risk attitude as being equally risky- for example, whilst withdrawing from the HCA’s capital programme might remove the risk of potentially unfunded cost overruns, the lack of new and stimulating new schemes, of growth and new challenges, the lowered status that would come from not being a developer, all bring risks and consequences of their own. Often, the schemes which we develop will seem, to other organisations, to

bring high risk; however, i) we have a clear niche where we have a clear understanding of cost and risk, ii) we have robust financial systems for appraisal and scheme monitoring, iii) we have a delegated and collaborative management style which empowers staff and encourages them to make best use of resources and be entrepreneurial, with tight parameters that are set centrally.

We see a steady growth in our main service areas over each of the next 5 years, despite inevitable reductions (eg say, through losing tenders) in a small number. We have grown in turnover by 12-15% over each of the last 8 years and we anticipate that growth in general terms to continue. Given the breadth of our activities, it is often difficult to predict the viability of some of our cost centres over longer than 3yr forward periods (the length of some of our contracts); similarly, it is difficult to identify opportunities that may arise in years 2 onwards of our Business Plan. However, our approach of developing on a number of parallel fronts (commonly described as “not putting all of our eggs in one basket”) continues to stand us in good stead.

To give a picture of the range of our activities, a few facts might be helpful:

In 2008 we:

- Trained over 220 young people (themselves replacing trainees who have moved on to education or employment)
- Housed 180 new residents in Supported Housing (replacing people who have moved on into independent living)
- Provided “floating support” to over 180 new people (who replace people who no longer need that intensive support)
- Housed 2033 households in our general needs housing
- Housed a new intake of 200 students
- Recycled 607 tons of furniture and white goods (which would otherwise have gone to landfill)
- Saved 120 tons of CO2 emissions (by upgrading the insulation and heating in our properties)

Road Map

Impact has always been strongly committed to “meeting greatest needs” (as identified in our Mission Statement). The recent report from the Audit Commission on our housing management services has identified the need for greater clarity in both our business planning and our performance management frameworks. The key strategic objectives that are outlined in this section explicitly set out our priorities and agenda for the future.

Key Strategic Objectives

A. Providing High Quality Services

1. Meeting People's Housing Need

Providing a wide range of affordable housing services to meet the needs of people in our urban and rural communities.

We provide good quality housing with an intensive housing management service. Our properties are let at affordable rents to people in need. We let our properties based on public advert, using 2 criteria: the housing and support needs of applicants and what those individuals/households can contribute to the life of the local community. We recognize that these 2 criteria may vary between rural and urban communities.

Our properties are in good condition and, where resources permit, upgraded to meet future needs. We balance 3 key considerations: i) keeping that stock in good condition, ii) adapting it to meet changing needs (eg through adaptation) and iii) reducing costs in use (eg through efficient insulation and heating systems).

We provide a personalized service, with locally based teams providing generic lettings, management and repairs services. We will regularly check with our tenants and residents whether our housing services continue to meet their needs.

Outcomes

1. We will develop additional properties as resources permit.
2. We will provide good quality housing that is in good repair
3. Our rents will be affordable
4. We will let our properties to those in greatest need
5. We will adapt our stock to meet changing needs
6. We will provide a high quality, personal and local housing management service

We will measure our success by

1. The number of new homes completed in the period
2. The % of our homes which fail the Government’s Decent Homes Standard
3. The % of our rents which are in line with or below the maximum target rents set
4. The % of general needs lettings made to:
 - Band 1 applicants
 - Statutory Homeless
 - Supported Housing Residents Moving on into mainstream accommodation
5. Spend on adaptations as a % of the total spend on maintenance
6. The % of Gas Servicing completed on time
7. The % of tenants satisfied or very satisfied with the service overall
8. The % of tenants satisfied or very satisfied with the repairs and maintenance service

How Often

- Annually
Twice a year
Annually
Twice a year

Annually
Twice a year
Annually
Annually

Planned service improvements or changes

1. Revise and update our Asset Management Strategy with reference to the Housing Quality Network toolkit to ensure it meets our current and future needs and has a SMART implementation plan
2. Review procurement of our day to day repairs service and also make the best use of our IT to manage the service better
3. Implement the IBS Gas Servicing module in order to more efficiently manage our Gas Servicing Schedules

Which Plan

- Property Services AP
Operations AP
Operations AP

2. Other Services that People Need

Providing a range of support services to enable people of all ages to lead independent and fulfilling lives.

Through intensive housing management and additional support services (eg budgeting advice, signposting to training/employment services) we help tenants to sustain their tenancy, or to move on in life or to assist them to develop their ambitions.

Through personalized support packages in self contained housing, through adapted housing with additional physical facilities built in and through shared housing for vulnerable adults, we meet as wide a range of needs as we can fund and can provide effectively.

We see our support in the widest possible context. We provide furniture, white goods, domestic energy services, training and links to employment. We will widen the geographical coverage of this range over time and the range of services that we offer, in order to provide a seamless and holistic service to our customers, based on the feedback that we receive.

We will actively seek additional finance to meet new needs and challenges, in dialogue with local communities and partner agencies.

Outcomes

1. We will ensure that as many of our tenants as possible maintain their tenancies
2. We will ensure that as many people as possible sustain their tenancies when they move on
3. We will ensure that all of our tenants and floating support clients have access to debt counseling services (A reduction in tenant debt and financial exclusion.)We will ensure that all of our supported housing tenants, floating support clients and learners have agreed health plans
4. We will offer white goods and recycled furniture to those in greatest need throughout Allerdale, Carlisle, Eden and South Lakes and energy services to those in greatest need throughout Cumbria. Access to good quality low cost furnishings to tenants and local people on low incomes.
5. We will increase the employability of our E2E learners and achieve successful transitions for over 50%

We will measure our success by

1. The % of new tenants in the period sustaining their tenancy for over 6 months
2. The % of our supported residents and clients in the period who:
 - had planned move-on from the projects
 - concluded their support package with one or more successful outcomes
3. The % of our E2E learners in the period who:
 - achieved a recognized qualification
 - went on to further training or employment
4. The number of tenants and residents evicted for rent arrears
5. The number of new clients (Domestic Abuse) who accessed:
 - support via Let Go
 - support via Floating Support
 - support via Outreach & Supported Housing services
6. The number of furniture packages provided free of charge to households in urgent need
7. The % of residents in Extra Care/Sheltered accommodation who say the services they receive are good and that living where they do helps them retain their independence

How Often

- Annually
Twice a year

Twice a year

Annually
Twice a year

Annually
Annually

Planned service improvements or changes

1. Achieve an A grade in the QAF
3. Introduce and implement a new Income Management Strategy

Which Plan

- Supported Housing AP
Operations AP

3. Understanding & Involving Customers

Placing customers at the heart of our organisation, ensuring a strong customer focus in delivering excellent services and outcomes.

We regularly seek feedback from our existing tenants, residents and customers. We do this through questionnaires, focus groups, events, Board and working group membership, and so on.

Customers are involved in both the design and delivery of our services. We actively seek new and more meaningful ways of engaging further with our customers, according to their wishes. We want them to regard us as their “Provider of Choice”.

We also regularly scan the wider community, to see how we can improve our existing services or provide new services to reflect emerging needs.

We want to provide excellent services that people want. We acknowledge that to do so we need to constantly seek consumer feedback and active involvement. We regularly review what we do and how we do it.

Outcomes

1. We will ensure that our customers are happy with the level of involvement that they have in designing and delivering our services.
2. We will ensure that our customers are happy with the quality of service that we provide.
3. We will profile the circumstances and views of all of our customers in order to target a personalized and high quality service
4. We will regularly investigate wider community needs in Cumbria and plan for any gaps that we have identified

We will measure our success by

1. The % of tenants who are satisfied or very satisfied with the opportunities to influence services
2. The % of Board and Committee Members who are Service Users
3. The number of service users consulted on proposed changes to services/new service developments and the response rate
4. The % of service users (non housing and support services) who are satisfied or very satisfied with the service provided

How Often

- Annually
Annually
Annually
Twice a year

Planned service improvements or changes

1. To carry out a full STATUS survey and targeted surveys to collect tenant profile data
2. Develop a systematic, Impact wide approach to customer involvement
3. Adopt “Hear by Right” standards for consultation and involvement of young people
3. Collect views on service provision across all service areas from service users

Which Plan

- Central Team AP
CIT AP
CIT AP
Central Team AP/ all non operations teams

4. Ensuring Equality of Access and Enhancing Diversity

Removing barriers to services and ensuring people of all ages and backgrounds are valued, respected and free from discrimination.

We have a commitment to the people for whom we provide housing and services to treat everyone fairly and with respect. We expect our staff, contractors and everyone else we work with to share these values. Further, we welcome the positive benefits that different perspectives, values and beliefs can bring to our organisation.

We ensure that access to our services is fair and equitable.

We will actively seek ways of reducing discrimination in the communities in which we work.

Outcomes

1. To have a clear and dynamic picture of the backgrounds and needs of our tenants, resident, customers and communities.
2. To have explicit strategies throughout the organisation that explain how we will address diverse needs.
3. Proactively communicate with emerging groups and develop new services accordingly.
4. Achieve Level 3 of the Equality Standard.

We will measure our success by

1. The % of Board and Committee Members who are:
 - from a BME background
 - female
 - have a disability
 - are under age 50
2. The % of lettings we make to people who are:
 - from BME backgrounds
 - have a disability
3. The number of hate incidents reported in the period
4. The % of service users who are satisfied or very satisfied with our service who are:
 - from a BME background
 - have a disability
5. The % of staff who are:
 - male/female
 - from BME backgrounds
 - have a disability
 - are over age 50+
 - are age 18 - 25
6. The top 5% of (staff) earners who are:
 - female
 - from a BME background
 - have a disability
 -

How Often

Annually

Twice a year

Annually

Annually

Annually

Annually

Planned service improvements or changes

1. Carry out a programme of Equality Impact Assessments in partnership with other local Housing Associations and consultation networks
2. Implement the Single Equality Scheme
3. Implement the new Contact Management system to improve the collection and reporting of Anti Social Behaviour including harassment
4. Improved collection and analysis of data across our services in line with the RESPECT standard

Which Plan

Human Resources AP

Human Resources AP
IT & Operations APs

Operations AP

B. Working in Partnership to Support Sustainable Communities

5. Working with Individuals & Communities

We will work with local people in their communities to increase their confidence, enhance social inclusion and empower them to be more self-reliant and better able to access and influence services.

We work in many communities where aspirations and achievement are low. We will work actively with those communities and individuals to challenge and to question.

Key areas for us to measure our success are in enhanced educational attainment, health and employment opportunities. However, we recognize that to do so we need to seek funds to provide support services that encourage greater self-reliance, skills and confidence.

We will use our professional contacts to influence those agencies that are tasked with the role of providing services for our local communities.

Outcomes

1. We will ensure that there are relevant opportunities for involvement across the range of our service provision
2. We will contract with each residents group and agree what actions we can take to improve their social inclusion and we will measure our success against those actions
3. We will expand our volunteer base to offer more people the opportunity to develop their skills and confidence
4. We will develop new ways of working in partnership to transform the lives of our local communities- eg through mentoring
5. We will take positive steps to reduce worklessness

We will measure our success by

1. The number of volunteers and placements supporting Impact’s services in the period
2. The number of young people participating in Youth Work activities in the period
3. The number of Impact supported community initiatives/events in the period
4. The amount of matched funding/income attracted through our work with local people
5. New projects set up in the period

How Often

- Twice a year
- Twice a year
- Twice a year
- Annually
- Twice a year

Planned service improvements or changes

1. Develop an organization wide volunteering scheme
2. Plan and develop Foyers in Whitehaven and Kendal*
3. Work with NDA to set up a mentoring service*
4. Develop the Healthy Aspirations and Learning Opportunities Project to improve services for homeless people*
5. Establish and deliver new Cumbria Youth Support Services with new consortium*

Which Plan

- Human Resources AP
- CIT AP
- CIT AP
- CIT AP
- CIT AP

* subject to funding/contracts and partner support

6. Contribute to Environmental Sustainability

Developing efficient use of energy and resources and assisting our staff, contractors, tenants, residents and customers to live and work sustainably.

We recognise that the world's resources are finite and we all need to live more sustainably. We will lead by example and assist those people with whom we come into contact to act with conscious awareness. To this end, we will work proactively to reduce our own carbon footprint.

We will design and deliver services that are "future proofed" as far as possible so that we are not creating problems for the future. Issues here would include: upgrading our own stock to reduce our carbon footprint; developing buildings which minimize their environmental impact and are more affordable and sustainable in use; encouraging individuals and communities to develop local employment, leisure, recycling and food opportunities; developing new recycling ventures.

We will develop further services as resources permit to further this ambitious brief.

Outcomes

1. We will reduce our CO2 emissions by ensuring that all of our workplaces achieve at least the Bronze standard ("")
2. We will reduce our CO2 emissions by measuring our carbon footprint and setting out ambitious targets to reduce it
3. We will raise the awareness of local communities and minimize their carbon footprint by ensuring that all of residents groups have implemented an action plan for community sustainability

We will measure our success by

1. Average SAP rating of our homes
2. Tonnage of furniture saved from landfill in the period
3. % reduction in CO2 emissions from Contract Hire cars

How Often

Twice a year
Twice a year
Annually

Planned service improvements or changes

1. Set up an Energy Services Company which will provide low cost energy to our tenants and local people
2. Roll out document imaging software across the organization and reducing paper based processes
3. Develop the new West Coast Furniture recycling service
4. Improve insulation to properties
5. Draw up and implement an Affordable Warmth strategy
6. Purchase Green Energy for use in house

Which Plan

CIT AP
Finance AP/IT AP/all teams
CIT AP
Property Services
Planned Maintenance Plan
Operations AP
Finance AP

C. A Healthy Organisation

7. Financially Secure

We will operate to sound financial principles, ensuring the most effective use of our resources for the benefit of our customers and the sustainability of our organisation.

We will make best use of our existing resources, be they financial, human or fixed assets. We will review the services that we commission and that we provide to ensure they achieve maximum efficiency and benefit.

We will constantly challenge our assumptions through a programme of review and benchmarking.

We will develop the principle of Value for Money as a thread that runs through our business so that everyone has a role in making improvement.

We will seek additional resources and partnerships to enhance the services that we provide.

Outcomes

1. We will embed a value for money culture throughout the organisation.
2. Our value for money action plan will generate continuous and sustainable improvements through cost savings and reinvestment.
3. We will continue to review our loan portfolio to ensure that we continue to borrow to fund our development programme without risk to our future.

We will measure our success by

1. Our interest cover (1.15 is minimum set by our Funders)
2. We have sufficient loan facilities in place to meet growth requirements for the next 24 months – amounts anticipated vs amounts available
3. % of rent collected
4. Rent loss through voids as a % of Gross Rental
5. Value for money savings achieved in the period
6. Average maintenance spend per property in the year

How Often

- Twice a year
Annually

Twice a year
Twice a year
Annually
Annually

Planned service improvements or changes

1. Delivery of our revised Value for Money Strategy, including to set targets for cost savings
2. Review of budget setting and consideration of a zero based approach
3. Revised procurement arrangements for:
 - Day to Day repairs
 - Gas Servicing
 - Capital Works
 - DPC works
4. Break even overall on CIT projects in operation
5. Benchmark key services

Which Plan

- Finance AP/all Teams
Finance AP
Property Services &
Operations APs

CIT AP
Central Team AP

8. Effectively Governed & Managed

We will develop competent Board and Staff members working creatively in robust and accountable systems.

Effective Governance and effective Management go hand in hand. Our Business Planning Framework sets out the structure and content of our strategy and direction- this is the responsibility of our Board and Committees to lead. Our Performance Management Framework measures our success- this is the responsibility of our Board and Committees to monitor and of our staff to deliver against.

We recognize that an effective organisation is based on trust, respect and partnership, with a clear and explicit distinction between the roles of the Board and the Staff.

We will sustain and refine efficient systems and assist our committee and staff members to use them competently. We will regularly and rigorously review our systems through external scrutiny and benchmarking. We will similarly review our people's performance through appraisal and development/training.

Outcomes

1. We will implement a new system of Board recruitment, assessment, appraisal and renewal which will ensure the competence and sustainability of our Board and Committees
2. We will implement a new resident and shareholder involvement in our governance structures to meet and exceed the requirements of the new Tenant Services Authority
3. To implement a Balanced Scorecard approach for all staff and teams, measured through the line management and appraisal systems, to ensure that everyone is accountable for delivery of our Strategic Objectives
4. We will adopt an integrated suite of hard systems of Information and Communication (ICT) and soft systems of Audit and Performance Management to ensure that all staff have the tools to successfully deliver the Outcomes from our Strategic Objectives

We will measure our success by

1. Maintaining 4 “Green Lights” or the TSA equivalent
2. Meeting the minimum surplus requirements for funders
3. A satisfactory External Audit Management Letter
4. The findings from external Inspections and Validations
5. The % of published KPIs where our performance is in the top two quartiles
6. The number of Ombudsman cases lodged/found in our favour
7. The % of complainants satisfied with how we handled their complaint in the period
8. The number of frauds or serious incidents reported in the period
9. The % attendance of Board Members at meetings

How Often

- Annually
- Quarterly
- Annually
- Annually
- Annually
- Annually
- Twice a year
- Annually
- Twice a year

Planned service improvements or changes

1. Improvements to the Performance Management Framework and reporting at all levels of the organisation
2. Systematic review and updating of our Strategies to align them with our Key Objectives and include SMART plans
3. Implement recommendations from the Governance Review including the introduction of Member Appraisals

Which Plan

- Inspection Action Plan
- All Directorate APs
- Governance Review Group’s AP

9. High Performing Staff

Promoting Impact as an Employer of Choice by developing and motivating staff to achieve excellence within an entrepreneurial culture.

We will recruit high caliber staff and encourage them to stay through the development opportunities that we offer them. We want them to stay because they share our values and because of the achievement they feel in contributing to the delivery of excellent services. We want them to regard us as their “Employer of Choice”.

In order to be most effective, we will nurture a collaborative style in which people work together as individuals and teams

We encourage healthy competition between staff and teams and will develop a creative, entrepreneurial environment in which our staff and volunteers can achieve their best.

Outcomes

1. We will achieve the standard laid out in the Sunday Times Top 100 Employers’ Survey
2. We will build into our appraisal system a Personal Development Plan and an Added Value Plan for each employee

We will measure our success by

1. The % of staff turnover
2. Average number of work days lost due to sickness absence
3. The average number of training days per employee in the period
4. The outcome from Best Companies Survey
5. The % of staff who rate Impact as a good employer

How Often

Planned service improvements or changes

1. Introduction of new HR software to improve the quality and speed of management information
2. Review of terms, conditions, and pension arrangements in order to remain attractive and encourage good performance
3. Improve training for staff by
 - providing mandatory training for core items
 - offer opportunities via “Skills Pledge” to improve basis skills
 - implement a professional skills strategy
4. Ensure all staff receive an annual appraisal, regular line management, and attend regular team meetings so they are very clear about their tasks and targets, and are kept informed

Which Plan

- Human Resources & IT
APs
- Human Resources AP
- Human Resources AP
- All Directorates

Financial Plan & Risk Management

Medium Term Financial Plan

The medium term financial plan is designed to support the overall strategic objectives. The annual budget setting process aims to ensure that resources are prioritised to maximize the benefits to customers. The detailed allocation of resources contributes to ensuring a financial strength that allows for future growth and development whilst meeting the external requirements of funders and regulators.

Impact Housing Association provides affordable housing throughout Cumbria with an ongoing development programme of 30 new properties per year. Support services, funded through Supporting People account for more than 11% of the annual turnover of the organisation. These services are targeted to meeting greatest need across the county.

Impact Housing Association has a sound asset base on which the organisation can build. Demand for properties is strong and customer satisfaction levels are high. Properties are well maintained and financial investments in community development projects are well managed.

In 2009 Impact will seek to strengthen its financial position further by implementing and embedding a comprehensive Value for Money approach that will lead to ongoing efficiency savings across the organisation and will lead to focused and improved services for customers. There will be a detailed review of the current budget setting process. This will include participation at all levels of the organisation and in particular will be focused on ensuring that customers are able to influence the direction of resources.

Impact will continue to monitor closely the effects of the global credit crunch. Where opportunities arise Impact will seek to achieve efficiencies in loan and cash flow management through effective interest rate management. Impact will work closely with external funders and regulators to demonstrate its effectiveness and its capacity to grow further, founded on a strong financial base. In 2009 Impact will continue to manage proactively the financial effects of short term contracts. These contracts for providing support services including the Let Go Project, training services and youth and community development work amounts to 20% of Impacts Annual Turnover.

The Financial Projections for the organisation for the next five years are as follows:

		2009	2010	2011	2012	2013
Income		£'000	£'000	£'000	£'000	£'000
Rents		9,770	10,183	10,599	11,033	11,372
Contracts		2,733	2,815	2,899	2,986	3,076
Other		1,202	1,243	1,292	1,299	1,310
		13,705	14,241	14,790	15,318	15,758
Expenditure						
Salaries		4,918	5,101	5,289	5,484	5,686
Property Costs		2,965	3,235	3,333	3,434	3,538
Service Costs		876	898	921	944	968
Staffing Costs		635	601	617	632	649
Other Costs		1,624	1,611	1,608	1,687	1,726
Loan Interest		2,326	2,385	2,624	2,581	2,524
		13,344	13,831	14,392	14,762	15,091
Surplus for the Year		361	410	398	556	667
Interest Cover	Forecast	1.15	1.17	1.15	1.22	1.26
	Target (minimum)	1.15	1.15	1.15	1.15	1.15
Gearing	Forecast	56.0%	56.5%	57.0%	57.5%	58.0%
	Target (maximum)	75.0%	75.0%	75.0%	75.0%	75.0%

Managing Risk & Business Opportunity

2008 saw the first year of our newly appointed internal auditors PKF. We appointed PKF because of the risk approach that they take to audit. They are working closely with us to ensure that risk is a thread running through all of our activities. Our Risk Register will become in 2009 a complex management tool- a necessity for an increasingly complex organisation like ours, operating in increasingly difficult times.

Our organisation has always strived to balance the need for a financially sound organisation with a commitment to an entrepreneurial approach. In order to “make a difference” we need to push back the boundaries of the sort of services that we can provide, drawing in additional resources wherever we can to further develop our range of holistic services. We do not see any of our services as either “core” or “enhancements”, but we do have a broad range of activities with different funding mechanisms.

Our housing services are in many ways our bedrock, whilst our support services and training services are based on renewable contracts and our community businesses are based on market forces. Between them all we are able to provide a service that very few organisations can rival, in both quality and integration.

The SWOT & PEST analyses enclosed below are absolutely up- to-date and reflect our position in the current difficult operating environment. We fully anticipate continuing the steady growth and diversification that we have experienced over the last 7 or 8 years. We have a specialist niche and we fully expect (albeit in financially more difficult times) that statutory and charitable bodies will be keen to continue to fund our services which will continue to target those in greatest need. They need to be seen alongside our Risk Assessment.

Summary of our SWOT, PEST & Risk analyses

Each year when revising our Business Plan we consider the internal and external factors that may affect our plans. The SWOT analysis (“Strengths, Weaknesses, Opportunities, Threats”) and PEST analysis (“Political, Economic, Social, Technical/Environmental”) are our standard business tool to check out the reality of our plans. They form part of our Risk-based approach to strategy and services.

Strengths	Weaknesses
<p>Financially strong, with significant equity and borrowing capabilities</p> <p>Strong & dynamic SMT with a wide range of skills</p> <p>Experienced & diverse Board/Committee members</p> <p>High demand stock with clear strategy for future use</p> <p>Diverse organisation with capacity for further growth</p> <p>Areas of excellence in specialist niches e.g. service user involvement & personal and community support services</p> <p>Reputation for collaborative working – a valued partner</p> <p>Entrepreneurial & creative organisation</p> <p>Geared up to new Tenant Services Authority’s role</p> <p>Skilled and flexible staff</p>	<p>Need to improve knowledge of service user base</p> <p>Dependency on government funding</p> <p>Small organisation facing increasingly regionalised public contracts</p> <p>Audit Commission “only-adequate” inspection report</p> <p>Training contracts very tight on cost</p> <p>Youth Work contracts lose money</p> <p>High energy costs of offices and staff travel</p>
Opportunities	Threats
<p>Growth of Cumbria University- Student accommodation and support, joint ventures</p> <p>New public sector contracts (“recession beating” govt investment)</p> <p>Improvements from Audit Commission Inspection</p> <p>Procurement cost savings</p> <p>New Board & members & strengthened governance</p>	<p>Increased competition for</p> <ul style="list-style-type: none"> - student accommodation - supporting people - training <p>Sustainability of some projects</p> <p>Increased regionalisation</p>

<p>Making better use of staff and customer feedback</p> <p>Relationship with stakeholders</p> <p>Extending usage of IT solutions</p> <p>Contribution to environmental agenda</p>	<p>Short term government funding</p> <p>Housing Allowances may reduce rental income</p> <p>Weather changes (storm damage)</p> <p>Increasing pension costs</p> <p>Reductions in charitable donations</p>
<p>Political Factors</p>	<p>Economic Factors</p>
<p>Reductions in government funds</p> <p>Regional investment agenda concentrates on Manchester/Merseyside axis</p> <p>Competition for Social Housing Grant</p> <p>Increasing Homelessness</p> <p>Increased govt support for social enterprise and Third Sector</p> <p>New Housing Association regulatory body (Tenant Services Authority) with emphasis on Customer Engagement</p>	<p>Economic decline continuing in Cumbria</p> <p>Unstable house/land prices</p> <p>Increasing unemployment in low wage/low skill economy</p> <p>Uncertain future for Sellafield/ W.Cumbria</p> <p>University of Cumbria/ growing student population</p> <p>Rising cost of pensions</p> <p>Rising fuel/utility costs</p> <p>Reduced charitable funds</p>
<p>Social Factors</p>	<p>Environmental/Technical Factors</p>
<p>Demography – ageing population (Extra Care, Home Care, Dementia)</p> <p>Low aspiration (esp W.Cumbria & Carlisle)</p> <p>Rural Isolation</p> <p>Rapid increase in migrant workers (& potential fall again)</p>	<p>Climate change</p> <p>Govt recycling targets</p> <p>Rising fuel costs</p> <p>Increased use of tele/home working</p>

Analysis of Risk

There are no major new risks which have emerged for us over the last couple of years. However, there are a number of continuing external factors which bring uncertainty to our forward planning. In the enclosed chart, we identify the key continuing risks based on how likely they are and how damaging they might be. None of these risks affect our viability as a business, however, they do affect our ability to achieve our aspirations for growth. A worst-case scenario in the unlikely event of several of these risks occurring together would be for us to have to retrench, perhaps reducing in size to the level we were at 5 years ago, with (sustainable) short term restructuring costs.

	High Risk	Related Tasks	Medium Risk	Related Tasks
High Impact			1. A high profile project could damage our reputation- either at planning stage or if something goes wrong.	
Medium Impact	<ol style="list-style-type: none"> 1. Funding contracts (eg Supporting People, training, youth work) may be cut back, resulting in unbudgeted short term losses. 2. Increasing pension costs will both increase our costs and force us to close our current scheme to new members. This could make us less attractive than the public sector as 		1. The move to Cumbria-wide housing budgets and a political shift to unitary working could threaten our capital funding for new projects (eg. Foyers and Extra Care Elderly)	

	<p>“Employer of Choice”. TUPE pension rules will stop future transfer of public sector contracts to us.</p> <p>3. Following the critical Audit Commission Inspection, if we don’t sustain the momentum for change, we will lose both internal/external credibility and any potential efficiency benefits.</p>			
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