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# **BUSINESS PLAN**

## **2023 – 2028**

May 2023



# SECTION 1

## INTRODUCTION

### 1.1 Introduction

This business plan is our core strategic document and sets out our organizational objectives for the next 5 years. It is primarily an internal document, reviewed and updated annually, and approved by the Associations Board.

This plan is an updated version of the 2022-2027 plan following an annual review that considered several factors including:

- Changes in the operating environment
- Current risks
- Progress made over the previous 12 months.

### 1.2 Purpose of the Business Plan

The purpose of the business plan is to:

- Consider and take proper account of our operating environment, including opportunities and threats, as well as our own internal strengths and weaknesses.
- Detail our strategic objectives and priorities and set out the key actions we will take in order to achieve these objectives.
- Confirm that we have the resources necessary to implement the plan and help us to identify and mitigate any risks we face in delivering the key actions; and
- Provide an overarching strategy for other strategies and plans and a framework to enable us to monitor our progress and measure our success.

## SECTION 2

### ABOUT US

#### 2.1 Background

Westfield is a West Cumbria-based housing association with a strong local reputation for the quality of homes and housing services provided. The Association was formed in 1950 by United Steel Companies Ltd. and its local subsidiary Distington Engineering Company Ltd to house key workers moving to Workington for employment in new iron foundry and engineering shops.

Between 1952 and 1955 the Association built an estate (Westfield) of 134 family houses adjoining the United Steel Companies own development of 54 semi-detached dwellings.

The original Board was formed from senior staff at Distington Engineering which provided management services until March 1981. Following the company's disengagement from housing involvement the Board established the Association as an independent body registered with the Housing Corporation.

Since establishment as an independent body the Association has continued to grow including a stock transfer from Allerdale Borough Council in 1993 of 223 homes. More recent development has included a number of small new build schemes to meet local needs, many in more rural areas close to Workington. Currently (March 2023) the Association owns and manages 617 properties (see property breakdown below), all located in Allerdale, with 372 properties on the Westfield estate in south Workington.

Over the years our wider community role has been crucial to us. Our ambition is to make a lasting and positive difference to our customers and the wider community and a key aim has been to work to ensure that tenants and local residents live sustainably and successfully.

In 2004 the Association developed the Minto Centre (a former infant school on the Westfield estate), as a Neighbourhood Centre/HUB. The Centre currently provides accommodation for:

- Westfield Housing staff
- Footsteps Nursery
- Workington Sure Start Children's Centre

The Footsteps nursery is owned and managed by the Association and provides childcare places for up to 200 children aged 3 months to 5 years. The nursery has its own business plan and has operated self-sufficiently. More recently cost pressures have increased and in 2022/23 the nursery operated at a deficit. An efficiencies plan has been agreed aimed at dealing with the deficit and other plans are being considered to ensure the nursery remains sustainable.

In 2012 the Association received both the Small Housing Association of the Year and the overall Landlord of the Year award in the UK Housing Awards.

## **2.2 Board and Staff Structure**

### Board

The Association is an independent not for profit organization governed by a volunteer Board and registered as a Community Benefit Society. The Board is responsible for the direction and overall management of the Association and is elected at the Annual General Meeting by the shareholders of the Association.

The Board meets quarterly and has adopted the National Housing Federation's 2020 Code of Governance; the Association's Governance Policy is reviewed by the Board on an annual basis.

### Staff Structure

The Association currently employs 16 housing staff (15.08 full-time equivalent) and 29 nursery staff (20.06 full-time equivalent). The staff structure is detailed in Appendix 1.

## **2.3 Achievements**

Over the last period the following improvements and achievements have been delivered:

- Governance has been improved. Board membership has been refreshed and the skills base strengthened. Significant changes have been made to governance structures and reporting systems including amending the structure, composition and remit of committees, improving board skills assessment and appraisal processes and improving the performance and management reports considered at each meeting.

The Governance and Financial Regulations Policy was updated in 2021 to reflect requirements in the new National Housing Federation (NHF) Code of Governance 2020 and Board is working towards full compliance with the code.

- The Association continues to be financially strong and to deliver services cost effectively. The surplus for the year 2022/23 was £392,000 (before pension adjustments) with an operating surplus as a percentage of turnover of 18.17%. Across most financial metrics the Association is achieving its targets and performs well compared to others.
- Performance generally strengthened in 2022/23-against a number of key performance indicators and remains generally good in comparison to others. Customer satisfaction rates on most indicators improved in the year. A key focus of the plan is ongoing performance improvements and high customer satisfaction rates. Although the impact of Covid diminished, the operating environment, particularly political and economic factors, continued to present challenges and to impact on performance, particularly voids and repairs.

The performance management framework has continued to be developed to ensure accuracy and sufficiency. The Association is a member of the Acuity Benchmarking Club and assesses performance against a peer group of similar small associations. New Tenant Satisfaction Measures (TSM's) as agreed for the sector were introduced in the year and will enhance comparative satisfaction data.

Performance details for 2022/23 are given in the following table:

Indicator	Performance 2020/21	Performance 2021/22	Performance 2022/23	Target 2022/23	Comparative Performance 2022/23 (peer group associations)*	Target 2023/24
% of rent lost through dwellings being vacant	0.33%	1.04%	0.91% ↑	0.30%	Upper – 0.36% Median – 0.79% Lower – 0.99%	0.30%
Average re-let time	9 days	13 days	13 days ↔	7 days	Upper – 21 Median – 27.24 Lower – 37	7 days
Current arrears as a % of annual rent debit	3.26%	3.25%	3.61% ↓	3.5%	Upper – 2.46% Median – 3.92% Lower – 4.39%	3.5%
% customers satisfied with overall service	100%	94%	100% ↑	99%	Upper – 94% Median – 84% Lower – 82.14%	99%
% customers satisfied with the repairs and maintenance service	98%	91%	95% ↑	97%	Upper – 93% Median – 90% Lower – 84%	98%

% customers satisfied with the value for money for their rent	100%	95%	100% ↑	97%	Upper – 99.25% Median – 91.75% Lower – 74.32%	98%
% customers satisfied that the Association listens to their views and acts on them	100%	91%	100% ↑	97%	Upper – 93% Median – 85% Lower – 81%	98%
% customers satisfied with their neighbourhood as a place to live	93%	95%	98% ↑	96%	Upper – 90.55% Median – 83.10% Lower – 68.83%	97%

- A full stock condition survey was completed in 2022. The survey has provided comprehensive condition data, including energy efficiency performance. The data provides a better understanding of future maintenance needs, including de-carbonisation requirements, and enables more accurate stock investment forecasts.
- As part of a Cumbria wide consortia grant funding of £440,000 was secured from the Social Housing De-Carbonisation Fund (Wave 2.1). The funding will support works to improve the energy efficiency of 46 of the association’s least efficient homes over the next two years. The application process required significant data collection and analysis and has significantly improved understanding of future de-carbonisation needs and costs.
- A new development programme was started with 19 bungalows being constructed in phase 1 of a 31-home development on the Westfield estate. Grant funding has been secured towards the build cost as part of a Development Agreement with Homes England and new loan finance procured.
- In line with the Customer Engagement Strategy a new Customer Panel was established in 2022. Along with other groups and measures to increase customer engagement the Panel will enhance the understanding of customer views and is a significant step forward in ensuring that the customer voice is heard and acted on.
- A stronger and more comprehensive risk management framework has been developed. Risk identification, monitoring and review have been strengthened and a generally more robust approach adopted.

Regular and robust internal audit has been undertaken of high-risk activities and used to inform and develop systems and processes and give assurance in these

areas.

- Several key strategies have been refreshed/created, including the Customer Engagement Strategy, Asset Management Strategy, Development Strategy and IT Strategy. These strategies include more detailed objectives and plans to achieve the ambitions and strategic objectives set out in this plan.

## **2.4 Strengths**

The most recent SWOT and PESTLE analyses conducted in 2023 are appended to this plan (Appendix 2). Of note are:

- **Our reputation:** The Association has an excellent reputation with customers and other stakeholders for the quality of its properties and its housing service. This reputation has been an important factor in sustaining re-let performance in a challenging housing market, and in forging effective partnerships to enhance service provision.
- **Our financial strength:** Ongoing healthy surpluses, good liquidity and a low (but increasing) cost base have enabled high levels of investment in the housing stock and plans for continued growth in stock numbers.

The nursery operated at a deficit in 2022/23 and a key aim of the Nursery Business Plan is to move the nursery back to a break-even position or better. There is no exposure to uncertain funding streams.

- **Our small size:** The Association's size and local base has enabled a flexible and responsive service. We have a good local knowledge of, and relationship with, individual tenants and the ability to respond effectively to the diverse needs of our customers.
- **Experienced, knowledgeable and committed staff and members.** Our Board and staff continue to demonstrate their commitment to the organization and to the local area. Staff and members have a broad skills base and in-depth local knowledge and are ambitious to strengthen and grow the organization, including maximizing the social value from its activities.

## **2.5 Weaknesses**

- Some systems and processes are outdated and require modernization. IT systems/technology benefits are not fully utilized. A new IT Strategy has been developed and some systems updated/improved, but this is a work in progress.

Data quality and extraction has been improved via the development of the new performance management framework and increased utilization of IT systems but is not always sufficient to provide the necessary business intelligence and inform

decision making.

- Formal engagement with tenants and wider communities and our understanding of our customers (their views, needs and aspirations) is not as comprehensive as we would like it. Work is ongoing to build better understanding and accountability to tenants and ensure that services are aligned to, and meet, customer requirements. New customer profiling data has been obtained for nearly 70% of tenants (March 2023) but data has not yet been analysed to better understand customer needs and inform service development.
- The Association's small size limits resources and in some areas there is limited in-house specialist knowledge. A staff review was completed in 2021/22 and additional staff resource provided in business-critical areas which has reduced this risk. The Association is a member of the Community Housing Association North West Group (CHNW) and is involved with discussions considering areas for more collaborative working and sharing of resources.
- There has been a lack of strategic direction for the nursery. A new Nursery Business Plan was agreed in early 2022 with clear strategic objectives, including expanding capacity and building the income base. The current financial challenges faced by the nursery require a review of the plan with the objective of ensuring future sustainability. Stronger financial and performance management will be critical to ensuring successful implementation of plans/achievement of objectives.
- A limited pool of contractors with an over-reliance on single, small contractors for some trades.

## **2.6 Threats and Opportunities**

- The operating environment has become increasingly challenging and unpredictable with a series of economic shocks, including from Covid, the war in Ukraine and Brexit. High inflation, a tight labour market and supply chain issues have increased costs and impacted on service delivery. In the last year (2022/23) the impact has been most acutely felt in the nursery with serious impacts on recruitment and linked reductions in childcare hours and income, and on costs. Cost inflation has been a significant factor (not the only one) in large increases in repairs and maintenance spend and in increases in development costs (build and borrowing costs). The cost-of-living crisis presents serious challenges to many tenants, including in some instances the ability to sustain the tenancy.



Although cost and other pressures are expected to ease during 2023 the environment is likely to remain exceptionally challenging and there remains the possibility of further unexpected shocks. Robust and ongoing review and appraisal of plans, including rigorous business plan stress testing will be critical to ensuring that we can meet essential service commitments including delivering against housing quality, safety and de-carbonisation requirements, whilst developing new homes and maintaining viability and service quality. Engaging effectively with customers to understand impacts, needs and views will be important to making informed decisions on business and service priorities.

- There will also be learning from the crisis, for example building on the digitisation of working practices and services, including new models and opportunities for tenant engagement.
- The reputation of the sector has been damaged by recent publicity around disrepair and in particular damp and mould. This could affect relationships with key stakeholders and impact on the achievement of organizational objectives and priorities.
- Local government re-organisation in Cumbria (implemented from April 2023) may result in changed priorities and approaches with, for example, implications for future development, lettings, availability of funding etc. This may be both a threat and an opportunity.
- The association's relatively strong financial situation and reputation provides opportunities for further growth, both in stock and services. The former Southfield School site on the edge of the Westfield estate provides a significant growth opportunity but will require robust appraisal that takes account of wider commitments and other priorities.

## SECTION 3

### OPERATING ENVIRONMENT

#### 3.1 The National Context

With the impact from Covid and Brexit still significant issues and war in Ukraine disrupting political and economic structures there continues to be a high degree of uncertainty in terms of the national landscape/operating environment. The recent rent settlement for April 2023 applying a 7% rent cap, whilst better than expected, has added to financial pressures, and further reduced financial headroom. A new rent settlement is due for April 2025 onwards which will have further negative impact on business plans if below the current settlement of CPI + 1%.

The Social Housing White Paper published in late 2020 set out the government's key objectives for the sector and is due to be enacted as the Social Housing Regulation Bill in 2023. Key elements of the Social Housing White Paper include:

- A focus on tenant safety and building and maintaining homes to a high and safe standard. The recent Building Safety and Fire Safety Acts introduce a new framework and requirements for building safety including a new Building Safety Regulator role.

The white paper includes a new Decent Homes Standard and a clear expectation that investment in existing stock is sufficient to maintain safety and high quality.

- The delivery of new homes, particularly that help tenants take a first step towards home ownership. The current Affordable Homes Programme 2021-2026 provides £11.5 billion of funding for the sector to develop up to 180,000 new homes.
- Improved engagement between tenants and landlords with stronger consideration of the tenant voice and greater accountability to tenants.
- Stronger regulation of compliance with the consumer and economic standards for registered providers, including an enhanced role for the Housing Ombudsman in dealing with investigations of complaints handling. New consumer standards are expected in 2024 with a consultation on the revised standards in 2023.
- Measures to address climate change, including the de-carbonisation of homes. The UK government has a target to be carbon neutral by 2050 and a requirement for all social housing homes to achieve an EPC rating of 'C' by 2030. A new 'Future Homes Standard' may be implemented for homes built after 2025 which could see fossil fuel heating systems such as gas boilers banned from new homes within 5 years. The move to carbon neutral will require significant steps towards improving the energy efficiency of stock and cutting carbon emissions. Limitations on the level of retrofit works possible in many properties and the availability of contractors to undertake works are likely issues.

Environmental, Social and Governance (ESG) standards will be increasingly important in coming years with lenders taking account of organisations ESG credentials in assessing loan applications.

Other factors at a national level include:

- Regulatory expectations including the importance of a co-regulatory approach and a culture of openness and transparency. Clear regulatory expectations include:
  - Strong and effective governance- Competent Board's and Executive's that set clear direction, have oversight of delivery and understand and manage risks effectively;
  - Ensuring tenant safety and meeting health and safety legal requirements;
  - Compliance with the economic and consumer standards published by the Regulator;
  - Understanding and maintaining stock condition and managing assets effectively;
  - More supply
  - A focus on value for money with optimal use of assets and resources and improving efficiency, economy and effectiveness, and;
  - Better and more comprehensive measurement of tenant satisfaction. The new Tenant Satisfaction Measures introduced from April 2023 are intended to enable better and more consistent measurement of satisfaction rates and trends and come on the back of decreasing satisfaction rates across the sector over the last 4-5 years and concerns about poor levels of service delivery.
- The ongoing roll out of welfare reform with continuing reductions in the real value of many benefits and a tougher sanctions regime. Compounded by the current cost of living crisis this is causing greater financial challenges for many tenants and customers. The continued piloting of right to buy schemes for housing association tenants. The extension of right to buy, as well as the introduction of the shared ownership right to buy, remain possibilities.
- Ongoing pressure on the NHS and social care budgets will continue to increase the demand for preventative solutions to keep residents safe in their own homes for longer and increase demand for support services to enable safe and more independent living.

The government has introduced the 'Better Care Fund' to improve support to vulnerable people and allow for better integration.

- Cuts in local council budgets are likely to continue and adversely affect service provision to local communities. Conversely the levelling up agenda may present new opportunities with some additional funding being provided to West Cumbria.

### 3.2 The Local Context

The current Allerdale Borough Council Housing Strategy highlights several key local factors:

- A decreasing but super-aging population. Current forecasts are that the overall population will decline by 1.1% by 2037 but that the age profile will change with 33.3% of all residents being age over 65 by this date, with a corresponding decline in the 15-64 age group (17% decline).
- An insufficient stock of affordable homes. The strategy identifies a net annual affordable housing need of 175 properties up to 2021. In Workington and Maryport demand is identified for larger family homes and older persons properties, particularly bungalows. Significant numbers of older people are living in larger, under-occupied and unsuitable housing with many having more complex needs e.g., as a result of frailty, dementia and other longer-term conditions.

The strategy recognizes that there are a number of different housing markets in the borough. Demand for social rented housing is very different in different areas with some localities and property types experiencing low demand, including parts of Workington. Bid figures and housing registrations from the Cumbria Choice Scheme confirm high demand for bungalows.

A recent housing needs analysis has been carried out by the local authority and results are awaited. Following local government re-organisation and the establishment of the new Cumberland authority a revised housing strategy is expected although the timing of this is unknown. The Cumberland authority is formed from the amalgamation of three previous separate districts and the former County Council and this is likely to have implications for future priorities and approaches.

- High levels of deprivation in some areas. The borough has 7 areas that rank within the 10% most deprived areas in England, all located in Workington and Maryport. Poor health and well-being, higher than average unemployment and financial stress are key elements of this deprivation.
- Fuel poverty is an issue for significant numbers of residents and will worsen as energy price increases impact. The issue is compounded by the rural nature of the borough and the lack of mains gas in 20% of the borough, and by the poor energy efficiency of much of the older housing stock.

Local policy objectives include:

- Encouraging and promoting homes for life that will provide better housing options for older people.
- Supporting households who are financially challenged.
- Building choice for households about the type and tenure of housing they live in.

- Ensuring appropriate levels of move on accommodation.
- Engaging with communities to influence decision making.
- Reducing the number of households in fuel poverty.

The Cumbria Housing Group has set a target of 33,000 new homes across the county by 2030, including 8800 new affordable homes (a mix of rent and sale options). The group aims to support the provision of high-quality market housing to attract skilled people to Cumbria, generate wealth and sustain local economies and services.

Specific objectives set by the group are:

- Regenerating housing including bringing empty homes back into use and improving energy efficiency.
- Supporting independent living including:
  - a programme of new extra care schemes;
  - better designed housing that can be easily adapted over the lifetime of the occupant; and
  - the prevention of homelessness.

From the Association's perspective local factors of note are:

- A ~~more~~ challenging lettings environment. Demand patterns are changing, and turnover has increased, in part due to the wider range of housing choices available to tenants (e.g. Cumbria Choice Lettings scheme, an expanded and competitive private rented sector etc.). A number of the Association's homes are under-occupied with a need for more older persons housing.
- A more challenging development environment. The Association has finances and borrowing capacity in place to support a larger development programme. However, more challenging financial circumstances and competing demands have made development more difficult and increase risk.
- Increased financial pressures on tenants. Although rent arrears have remained relatively stable over the last three years (2020-2023) there was a significant increase over the previous 3 years, primarily as a result of welfare reform and particularly the introduction of universal credit. The current cost of living crisis is likely to lead to higher levels of tenant debt and potentially more tenancy failures.

# SECTION 4

## OUR MISSION, VISION AND VALUES

### 4.1 Our Mission:

To enable people to thrive through the provision of high quality, affordable homes and excellent customer centered housing and community services.

### 4.2 Our Vision:

Driving change, working with others to create great homes, great communities and great opportunities.

### 4.3 Our Values:

- **Customer Driven:** Making a real difference to customers is at the heart of what we do.
- **Honest, open and accountable:** We work with integrity and build trust.
- **Empowered:** We take responsibility and we empower others.
- **Collaborative:** We work effectively with each other and with stakeholders.
- **Challenge:** We question and test, are open with our views and open to challenge.

# SECTION 5

## BUSINESS STRATEGY

### 5.1 Our Strategic Objectives:

To ensure that we remain focused on achieving our mission and vision we have developed a set of 6 strategic objectives. The objectives have reference to the operating environment including risks faced, strengths/weaknesses/opportunities/threats, and national and local policy objectives and requirements.

The activities of the Association work to these objectives. We will measure our success by setting targets against the objectives, ensuring that we deliver them effectively and efficiently.

Our six objectives are:

- Deliver excellent, relevant, value for money services that meet local needs.
- Maintain and enhance the quality of our homes.
- Foster strong, cohesive and thriving communities.
- Strong and effective tenant engagement.
- Maintain financial strength.
- Provide new homes that meet our communities needs.

### 5.2 Our Strategic Plans

Our plans are summarised below with tasks for the current year set out in more detail in the Delivery/ Management Plan for 2023/2024 (Appendix 3). This plan follows on from the Delivery Plan for 2022/23 and works to the strategic objectives and priorities set.

The Delivery/Management Plan is revised annually as part of the wider Business Plan review and tasks not included in the Delivery Plans to date will be undertaken in subsequent years.

### 5.3 Value for Money

It is important that we use our resources efficiently and effectively in achieving our strategic objectives. For us delivering value for money is about efficient use of resources to make the most impact we can on the lives of our tenants and the wider community in which we operate.

Value for money is a key consideration running through all our activities. However, there are some areas of planned activity that are particularly important with respect to value for money. These are:

- Building customer engagement: Understanding our customer needs and aspirations is critical to the provision of community services that provide maximum benefit/greatest social value. The initial focus of the plan is on building engagement and developing understanding with the aim of developing/facilitating access to required services once needs and aspirations are more clearly understood.
- Updating our stock condition data and developing our asset management strategy and records in order that our assets are used to maximum benefit and re-investment levels increased, including re-establishing our development programme in line with local needs and strategic priorities.
- Gaining a better understanding of our cost base and using this understanding to improve efficiency, for example through service reviews, a staff structure review and partnership working.
- Improving our performance and delivering better outcomes, including increasing levels of customer satisfaction, strong performance on health and safety, voids and arrears, and greater social impact. We measure social value for new tenants, but need to better understand how our activities contribute to better life outcomes/quality of life improvements for residents.
- Further development of our performance management framework ensuring that measurement of progress against our strategic objectives, of impact made and of value for money gains can be easily tracked, and performance understood.

A new Value for Money Strategy has been created that details current VFM priorities and tasks. The existing suite of Key Performance Indicators (KPIs) includes relevant VFM measures and is attached as

Appendix 4

This plan recognizes the need for additional resources to support ongoing strategic development and improving performance. Our aim is to secure these resources efficiently and ensure effective resource allocation aligned to strategic objectives.



## 5.4 Our Priorities

Whilst the Association seeks to maximise impact, current capacity requires that the objectives and activities detailed are prioritized and that the plan is rooted in reality. This requires a degree of 'trade off' between objectives.

Factors considered in determining priorities are:

- Customer needs and priorities: The Association exists to meet customer and community needs and improve life outcomes. Ensuring that this is achieved is fundamental to our mission/being.
- The operating environment, including regulatory and legislative compliance.
- Risk and the extent to which each objective and activity mitigates the highest risk. Ensuring tenant safety and protecting the future viability and reputation of the Association are the highest priorities for the organization from a risk perspective.

The Management Plan details timescales for specific tasks. With regard to the agreed Strategic objectives the immediate priorities are:

- **Maintain/enhance the quality of our homes**

Investment in the housing stock is a priority for customers, essential to maintaining safety and quality and important to maintaining financial viability. The Association's stock condition data has recently been updated and will be the basis for determining future stock investment requirements and costs.

- **Maintain financial strength**

The Association is financially strong but ambitious to grow and widen its role to create more social value from its activities – the ability to meet this ambition requires building financial strength and capacity.

- **Strong and effective tenant engagement**

Understanding customer needs and aspirations is critical to achieving the ambition of added social value and excellent services. Current understanding is limited and gaining understanding is the first step towards meeting these ambitions and customizing services to residents and community's specific needs.

- **Provide new homes that meet our communities needs**

Future growth in the housing stock that has beneficial financial impact will provide greater resource to invest in properties and in community services. The Association is re-procuring loan finance to facilitate the planned development programme including revising loan security arrangements in order to ensure sufficient borrowing capacity for the planned development programme. Developing new homes will enable a provision more aligned to current and

future housing needs, provide higher quality properties and contribute to improved neighbourhoods and local environments.

Progress on the Management Plan will be reviewed annually and the Business Plan may be revised depending on progress in achieving outcomes and other factors.

## 5.5 Tasks and outcomes sought

### Strategic Objective 1

*Deliver excellent, relevant, value for money services that meet local needs*

#### Outcomes sought:

- Our services achieve high levels of customer satisfaction.
- Our services are high performing compared to others.
- Our services are delivered efficiently, at competitive cost.
- Our services are becoming more efficient (have the same outcomes for reduced resources or better outcomes for the same results)
- Our services deliver social value and have a positive impact on people and communities

#### Priority Tasks

#### Service Reviews

- Carry out regular service reviews, prioritising weaker performing services (weaker outcomes, lower satisfaction, higher costs etc.). Reviews to include customers and include:
  - gaining understanding of customer view of excellence;
  - determining the added value to the customer; and
  - mapping the customer journey.

Reviews to utilize lean thinking model, or similar, and identify actions to improve value for money, including potential better utilization of I.T.

**Ongoing: Two reviews to be undertaken 2023/24.**

### **Information technology**

- Review and revise the IT Strategy, establishing clear priorities and an implementation plan for further IT development/greater use of technology aligned to business and service needs.

**Completed 2020/2021**

### **Service Standards**

- Review and set new service standards in discussion with customers. Set key indicators to assess performance against standards, including the provision of benchmarking data.

**Completed 2022/23**

### **Customer Profiling**

- Undertake a customer profiling exercise. Profiling information to inform future service requirements and delivery, including services to meet care and support needs.

### **Social Value**

- Develop a model for measuring the social value of services and activities to better understand the wider impact of the association's activities to residents and communities.

**Completed 2020/2021 for new tenants. Further measurement required.**

### **Performance Management**

- Review organisational KPIs, including agreeing key measures to track improvements to service delivery and meet strategic objectives.

**Completed 2020/21**

- Further develop the Performance Management Framework to include expectations with regard to KPI calculations and reporting, including key information to ensure consistency of reporting.

**Completed 2022/23**

## **Policies and Procedures**

- Create a new policy review template. Policy reviews to include consideration of:
  - customer feedback;
  - service review outcomes;
  - complaints learning;
  - sector good practice;
  - regulatory/legislative changes;
  - local context and housing priorities.
  - value for money

**Completed 2022/23**

## **Strategic Objective 2:**

### *Maintain/enhance the quality of our homes*

#### **Outcomes sought:**

- High levels of customer satisfaction with their homes
- Our homes are safe, warm and affordable
- Our homes meet regulatory and legislative requirements
- Our homes meet current and future housing needs.
- The repairs and maintenance service delivers value for money.

#### **Priority Tasks**

#### **Asset Management Strategy**

- Review the Asset Management Strategy setting out clear objectives for asset management and including a stock investment programme that:
  - is sustainable within the 30 year financial plan;
  - maintains properties in good and safe conditions;
  - aligns to customer needs and aspirations.

- Consult tenants on asset priorities and ensure customer views and aspirations inform the Asset Management Strategy and stock investment decisions.

**Completed 2020/2021. Reviewed annually.**

#### **Asset and Liabilities Register**

- Develop the Asset and Liabilities Register, including component accounting, to provide comprehensive, accurate and up to date asset data and to support sound asset management decisions.

**Completed 2022/23: Further development of register in progress.**

#### **Stock Condition Data**

- Update the stock condition data, completing surveys of all properties over a 3-year period.

**Completed 2022/23 except for no-access properties (55). Outstanding surveys to be completed by August 23.**

#### **Energy Efficiency**

- Explore options for improving the energy efficiency of existing stock and incorporate works to improve energy efficiency in the Stock Investment programme.

#### **Minimum Lettable Standards**

- Create a minimum lettable standard that sets clear, agreed quality standards.

**Completed 2021/22**

#### **Contracts**

- Review existing agreements/contracts with contractors to ensure cost and operating criteria are set and are being met.

#### **Statutory and Regulatory Compliance**

- Assess the implications of the Building Safety Bill and other building safety reforms and ensure compliance with all requirements.

## Strategic Objective 3

### *Foster strong, cohesive and thriving communities*

#### **Outcomes sought:**

- Residents benefit from our activities and other opportunities provided.
- Opportunities for residents to meet local needs and aspirations are increased.
- Tenants have successful tenancies and good housing outcomes that meet their needs and aspirations.
- Residents are happy with their community as a place to live.

#### **Priority Tasks**

##### **Local Offer**

- Use customer profiling and other information to gain a better understanding of tenant/residential economic and social needs. In collaboration with tenants, create a local offer to meet identified needs and aspirations.

**Completed 2020/2021**

##### **Partnership Working**

- Map local resources and services and develop networks and partnerships as appropriate, to meet identified needs and aspirations. **Completed 2021/22**
- Ensure awareness of local strategies relevant to strengthening communities and take account of strategies and priorities in developing community service provision.
- Explore the 'Better Care Funding' programme and other opportunities to lever in support for residents requiring care and support.

##### **Neighbourhood Policy**

- Develop a Neighbourhood Policy for the Westfield Estate detailing the association's role on the estate and how the estate will be maintained and the environment kept attractive.

**Completed 2021/22**

## **Nursery**

- Review the Nursery's strategic objectives and business plan and set clear goals for the next 3 – 5 years. Review to include considerations of inter-generational work/projects.

**Completed 2021/22. Further review of Business Plan 2023/24**

## **Apprenticeships**

- Explore and develop an apprenticeship programme to provide opportunities to local residents to build skills and career opportunities – align apprenticeships to succession planning to meet staffing requirements.
- Use development and maintenance investment programmes to leverage employment/skills training opportunities.

## **Neighbourhood Investment Fund**

- Continue to support community incentives via our Neighbourhood Investment Fund.

**Ongoing: £36,000 allocation to fund in each of the last 3 years**

## **Energy Costs**

- Develop a project to encourage and support tenants to reduce energy costs.

## Strategic Objective 4

### *Strong and Effective tenant engagement*

#### **Outcomes sought:**

- Customer needs and aspirations are understood
- Customer needs and aspirations are met
- Appropriate opportunities are available for all customers to be involved
- Customers feel that their views matter/are taken account of

#### **Priority Tasks**

#### **Customer Engagement Strategy**

- Create a Customer Engagement Strategy detailing how engagement will be developed to:
  - build understanding of tenants needs and aspirations;
  - ensure the tenants and community voice is heard and is integral to decision making and service improvement;
  - build accountability to tenants;
  - build tenant/resident capacity; and
  - create a framework to enable the above.

**Completed 2020/2021. Strategy reviewed annually.**

#### **Customer Feedback**

- Extend the remit and range of customer surveys and feedback mechanisms, including making better use of social media and I.T.

**Completed 2021/22**

- Carry out 3-yearly visits to tenants.

**Completed 2022/23; Visits in progress**



### **Engagement Opportunities**

- Identify opportunities for engagement and create an annual calendar of events.

### **Complaints Management**

- Overhaul the Complaints Management system/process to ensure comprehensive recordings, responsiveness, good outcomes and learning to improve service delivery.

### **Completed 2020/2021**

- Introduce formal quarterly reviews of complaints to review handling and consider learning.

**Completed: Quarterly reviews in place. Learning reported to Executive team and Board**

### **Tenant Board Membership**

- Seek to recruit two tenant members to the Board.

## **Strategic Objective 5**

### *Maintain financial strength*

#### **Outcomes sought:**

- The Association is viable and sustainable.
- The Association delivers value for money
- The Association has sufficient resources to deliver its mission and objectives.

#### **Priority Tasks**

#### **Governance and Financial Management**

- Complete and embed governance and financial management improvements as per improvement plan 2018.

#### **Completed 2022/23**

#### **Procurement**

- Explore options for greater partnership working/sharing of resources to maintain/enhance capacity in the most cost- effective way.

- Review our loan portfolio and re-procure as appropriate. **Completed 2022/23. Further loan finance to be procured in 2024.**

#### **Service Reviews**

- Implement efficiency measures from service reviews and annually assess impact/VFM gains e.g. reduction in operating costs, improved outcomes and additional value gained.

#### **Asset Management**

- Develop long-term, robust investment projections and programmes.

#### **Staffing**

- Review the staff structure to ensure the effective use of staff resources and maximization of capacity aligned to strategic objectives

**Completed 2021/22**

#### **Right to Buy**

- Monitor government proposals for extending right to buy and model the financial implications as appropriate.

#### **Income Collection**

- Review the approach to rent collection and processes for preventing and managing rent arrears.

**Completed 2022/23**

#### **VFM**

- Review and revise the VFM Strategy

### **Strategic Objective 6**

*Provide new homes that meet our communities needs*

#### **Outcomes sought:**

- New homes meet current and future needs.
- New homes contribute to financial sustainability.

- New homes are affordable.
- New homes are energy efficient and meet carbon emission requirements.

### **Priority Tasks**

#### **Development Strategy**

- Create a Development Strategy that considers and sets out clear objectives relating to:
  - type and mix of development;
  - location of new development;
  - cost effective procurement including sharing resources/joint procurement with other housing associations; and
  - current needs, demands and local strategic priorities.

#### **Completed 2020/2021. Annual strategy reviews**

#### **New Homes**

- Develop 150-200 new homes by 2030 including more older persons housing (e.g. bungalows), and more family provision.
- Review and update the Development Scheme Appraisal Model. Ensure new development has a positive financial impact. **Completed 2020/2021**
- Set up a Development Sub-committee to consider and appraise new developments. **Completed 2021/22**
- Apply for a new development agreement with Homes England. **Completed 2021/22**
- Review the “Buy-back” programme to ensure that homes purchased have a net positive financial impact. **Completed 2020/2021**
- Explore the development of Passihaus properties, or similar, to improve the energy efficiency of new homes constructed.
- Explore the provision of “homes for life” accommodation.

# RISKS

Our risk framework is set by the Board and monitored and reviewed by the Audit and Risk Committee. Current risks have been identified with reference to the objectives and activities detailed in this plan.

The Association has adopted the three lines of defence model for managing risk including a comprehensive and targeted internal audit programme. Outcomes from these audits and other assurance activities are used to drive improvements and ensure risks are effectively managed.

The Board has determined a low to medium risk appetite with a cautious approach focused on maintaining the viability and reputation of the Association.

Current strategic risks are shown in Appendix 5

## SECTION 6

### **FINANCIAL PLANS AND FORECASTS**

#### **Financial Objectives**

This Section provides an overview of the Association's financial performance and future plans and forecasts, as set out in detail in the appendices to the Business Plan.

The key objectives are set out in Section 5 and the Financial Plans and Forecasts set out in Appendix 6 are constructed to facilitate the achievement of those objectives.

#### **Current Financial Position and Performance**

Key facts taken from the 31 March 2023 Financial Statements :

The Association owns and manages 613 properties with 436 Social Rented, 123 Affordable Rented and 54 Intermediate Rented Properties.

We have a surplus for the year of £392k before pension adjustments

We have cash and investment balances available at the year-end of £1,172k and Income and Expenditure Reserves of £13,711k.

Our loan debt was £6,376k with additional liabilities in respect of Pensions of £469k and RCGF of £177k.

We had Deferred Capital Grants of £9,029k being amortised to Income at a rate of £123k per year.

As a percentage of Turnover our Operating Surplus was 18.17% and Net Surplus 9.9%.

All our loan covenants have been met.

#### **Base Case Assumptions**

The key financial and operating assumptions used to generate the Financial Plans and Forecasts are set out below. The forecasts, set out in detail at Appendix 6, use the 2023/24 budget (with some updating, particularly around the development programme timetable and reflecting ongoing activities to mitigate the Nursery Deficit) as a starting point and then manage the ongoing impact of inflationary and other increases to both income and expenditure together with one-off or recurring amendments to reflect specific events in each of the years, most notably regarding Planned Maintenance expenditure and Decarbonisation cost following the SCS work.

The introduction of the development programme noted in previous years Business Plans has been delayed and reprofiled. The development programme included in this Plan commenced in January 2023 and brings properties in to management as follows:

Year	Units
2022/23	-
2023/24	23
2024/25	16
2025/26	-
2026/27	20
2027/28	40
2028/29	45
2029/30	-
2030/31	-

This Business Plan does not include any additional properties acquired through 'Buybacks'. This has resulted in a lower level of overall development spend and will be considered by Board with regard to the appraisal methodology during 2023/24.

<b>Inflation</b>	The model uses CPI as the basis for inflation. Increases of 10% for 2023/24, 3.5% for 2024/25, 2.5% for 2025/26 and 2% thereafter.
<b>Rents</b>	Increase of 7% (Capped) for 2023/24 in line with the imposed rent cap. The (CPI + 1%) rent settlement is in place to 2024 and rent increases have been applied accordingly. Increases after this rent settlement period have been applied at CPI only.
<b>Void &amp; Bad Debt</b>	Rate used throughout the Plan have been increased from 1.75% to 2.75% to reflect current and forecast economic conditions.
<b>Property Maintenance</b>	Day to day, planned and cyclical maintenance budgets have been set to reflect the results of the SCS and Decarbonisation works (excluding net Zero Carbon by 2050) to maintain our properties at a 'decent' standard for 2023/24 with future increases over the life of the plan increased by inflation and accommodating the new properties brought in to management through the development programme.
<b>Development Prog</b>	The plan incorporates the acquisition of 144 new units of accommodation over the first 6 years of the plan as set out in the table above.

- Interest Rates** Bond finance of £6m is at a fixed interest rate of 5.2%. Additional loan finance via the Barclays RCF is required during 2023/24 to support the development programme at an assumed rate of base rate + 1.25%.
- Treasury Mangt** The plan requires additional loan finance of £20.1m during the period from 2023/24 through to 2028. This is a reduction from the previous BP as a result of cutting the Buyback programme. After 2028, the Association builds up significant cash balances which offer further opportunity to develop or invest in other new initiatives.
- Management costs** Salary increases are linked to rent inflation for 2023/24, so for the base case an increase of 7% in 2023/24, for 2024/25 the increase has been capped at CPI only and thereafter. Other costs are assumed to increase at CPI.
- Footsteps Nursery** Fee paying income is assumed to increase by 7% in 2023/24 and by CPI + 0.5% thereafter. Whilst grant funding has not historically been increased on an annual basis, there is now a basis to assume annual increases so the assumption is an annual increase of 2%. Bad debts are assumed to continue at the current rate of 0.25% throughout the plan. The discount offered to WHA tenants for fee paying hours of 50% is applied across the full plan.

### The Next 10 Years

Over the next 10 years we anticipate that our cumulative annual revenue surpluses/(deficit)of (£2,369k), including the cost of planned maintenance, will generate a breakeven cash position. Support for the development of 144 units of accommodation will include the opening cash balances of £1,172k and new funding from 2023/24 of £20.1m required during the period to 2028.

The cost of the 144 units is forecast to be £21.156m

The following table shows the potential impact of a range of individual factors that would have an adverse effect on the Business Plan. Each impacts the surplus for the year and, therefore, the overall new debt required to fund the development programme.

		Cumulative Surpluses/(Deficits) To 2033	Additional Borrowing To 2033
Base Case Budget		(£2,369)	£20,100k
Scenario	Increase/(reduction) in Surplus	Increase/(reduction) in Borrowing	Increase/(decrease) in Cash held at Year 32
1 Interest Rates +2% for 2025, 2026, 2027	-(£661k)	+£500k	-(£161k)
2 Inflation Rates +2% for 2025 and 2026	-(£342k)	+£925k	-(£305k)
3 Inflation Rates -1% for 2025 and -1% for 2026	+£44k	-(£60k)	+£16k

4 Responsive Repairs increase of £100k per year	-(£1,328k)	+£550k	-(£777k)
5 Remove Southfield development	APPLIED AS PART OF MITIGATION		
6 Rent increase at CPI -1% for 2025 and 2026	-(£1,039k)	+£355k	-(£684k)
7 Multivariate using Scenarios 1, 4, and 6	-(£3,103k)	+£1,530k	-(£1,573k)
8 Mitigated Scenario 7	-(£1,440k)	-(£15,450k)	-(£777k)

The Stress Testing demonstrates that the Business Plan is robust, in respect of its resilience to individual scenarios. The table above shows that the Association is most sensitive to increases in Responsive repair costs, reduction in rent increases and an increase in variable interest rates. Interest rate exposure on borrowings is managed by fixing the rates for a large part of the loan portfolio. This will be particularly important as the Association borrows significant additional sums to fund the development programme.

#### SCENARIO 1

This results in a breach of the Interest Cover covenant in 2026 and 2027 and a breach of the 'Golden Rule' of 120% Interest Cover in 2025 and is a consequence of the timing difference between incurring the development costs and generating new rental income streams as the properties come in to management.

#### SCENARIO 2 and 3

These demonstrate that the Business Plan is not very sensitive to changes in inflation rates. This will result from a balance between the impact on the Revenue side, where the rental income stream has a greater impact than cost, as against the impact on Capital spend on Development...so a higher rate of inflation will improve the Revenue position but worsen the Capital position and vice versa with lower inflation rates.

#### SCENARIO 4

Responsive Repair cost is difficult to predict within any one given time period. The year 1 Budget incorporates a lower level of spend on Responsive Repairs than we have experienced in recent years. This follows from some elements of one-off expenditure and carry-over costs from prior years no longer being likely to occur. However, the unpredictable nature of, for example, the number and costs of Void properties in any year need to be considered. Adding £100k of Responsive Repair costs to each year of the Plan provides some headroom against those currently anticipated Budget costs. This Scenario results in the 'Golden Rule' of 120% Interest Cover being breached from 2025 through to 2028, though there is no breach of the 110% covenant.

#### SCENARIO 5

This Scenario has now been incorporated as part of the Mitigation Strategy applied in Scenario 8. It was intended to demonstrate the consequence of discontinuing the Development Programme after completion of Phases I and II and the Story Homes S106 purchases. Whilst the headline measures of



Surplus, Borrowing and Cash balances improve, there is a deeper issue at stake here. Over the longer term of the Business Plan (30 years rather than the 10 year period used here) our cash balances increase by £12.327m...however, we have failed to invest £16.113m in to new housing stock, so in net terms we have 'lost' £3.786m of cash and we don't have the 105 properties and the benefits they would bring to providing accommodation for people in housing need. Essentially this demonstrates the short term gain from terminating the development programme against the long term gain to be achieved from continuing. This kind of action has a use as mitigation should the Association find itself in short term difficulty, but it demonstrates that properly evaluated viable developments add value to the Association in the long term.

#### SCENARIO 6

Having experienced a capping of rent increase for the year commencing 1<sup>st</sup> April 2023, this scenario assumes that rent increases are capped at CPI -1% for 2025 and 2026 before returning to CPI only for the rest of the Plan. This results in a breach of our 'Golden Rule' on Interest Cover from 2025 to 2028, then again from 2030 to 2032.

#### MULTIVARIATE using Scenarios 1, 4 and 6

These three scenarios have the most impact on the Business Plan demonstrating the sensitivity to Interest Rates, below inflation rent increases and unfunded additional Maintenance Costs. This combination breaks the BP resulting in Covenant breaches in 2025 to 2034 then Interest Cover dipping below the 'Golden Rule' of 120% in 2035 to 2037.

#### MITIGATED MULTIVARIATE

The Multivariate Scenario 7 damages the Business Plan in a very significant way and over a long period from 2025 to 2034. In terms of impacts for mitigation, the actions need to be fast acting and have a big financial impact.

In order to reduce the level of borrowing and, therefore, interest costs, the primary mitigation is to remove the Southfield site from the Development Programme.

That still leaves a requirement to mitigate in the early years of the Business Plan. This is managed in two ways, firstly to reduce salary increases in 2025 and 2026 to match rent increases at CPI -1%, and secondly to reprofile Planned Maintenance works to push costs away from 2025 and 2026 and bring them back in 2027 and 2028.

These actions bring the Plan back in to compliance with loan covenants, reinstates the 'Golden Rule' buffer on Interest Cover at 120% against a covenant at 110% and would provide an opportunity to re-engage with development, but on a slower more spread out basis over the next 10 years or so.

What this demonstrates is that, whilst monitoring the BP against current and forecast economic conditions and our performance on managing Maintenance Costs to Budget levels, this must be dovetailed in to our appraisal and commitment in to the development of the Southfield site with particular attention being given to the realisation of anticipated reductions in Interest Rates as/if Inflation Rates fall and the impact that might have on any uplift in the build cost for the Southfield site.

The above scenarios have been applied to both the 10 year forecast and the 30 year forecast. Their impact on key performance measures are set out below:

#### CUMULATIVE CASH

The graph below shows the cumulative cash position of the Association over the 30 year forecast period. During the period of developing the 144 new properties through to 2028, the outflow of cash on those developments turns the cash position negative. That will be covered by the additional borrowing of £20.1m for the Base Case and additional amounts as per the scenarios tested.

This iteration of the Business Plan incorporates a higher level of cost for the new build properties to reflect the high levels of inflation currently being experienced.

The Base Case and Scenarios 1 to 6 show a similar profile with a recovering cash position once the developed properties come in to management and generate cash income. The Multivariate Scenario 7 shows a worsened and declining cash position. The Mitigated Scenario 8 shows the cash position coming back in to balance. The second dip in Cumulative Cash at year 2050 is a consequence of long term loans becoming repayable. In this iteration of the Plan, we have used a 25 year loan period to reflect the uncertainty in the market for long term finance. It should be noted that developments are appraised on a 40 year payback, so there is a continuing positive income stream built in to that assessment for 15 years beyond the loan repayment point.

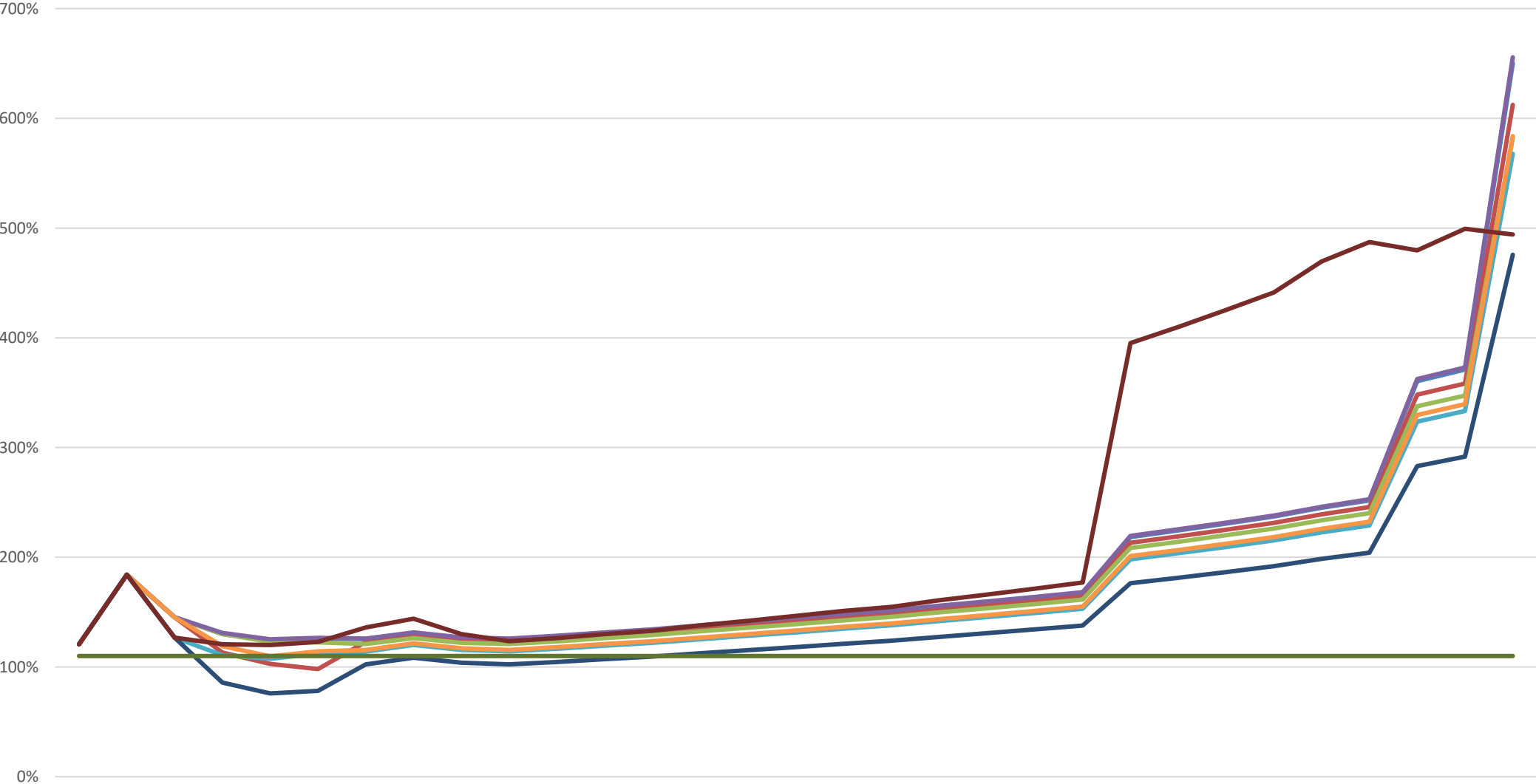
# CUMULATIVE CASH



## INTEREST COVER

Interest cover is a key covenant requirement for our funders and is monitored through the year, though the test of compliance is only required at the year end. As noted above, there are a series of Scenarios as tested that breach either our 'Golden Rule' of 120% or the actual covenant level of 110%. This demonstrates the Plan has become more sensitive to stress testing and is a consequence of the inflationary effects on our cost base and cost of development allied to the capping of rent increases for the year commencing 1<sup>st</sup> April 2023 at a below inflationary level. The Multivariate Scenario 7 shows a lengthy period of covenant breach. The Mitigated Scenario 8 demonstrates a strong level of Interest Cover with a big positive jump after 2043 when our THFC loan facility is repaid.

# INTEREST COVER

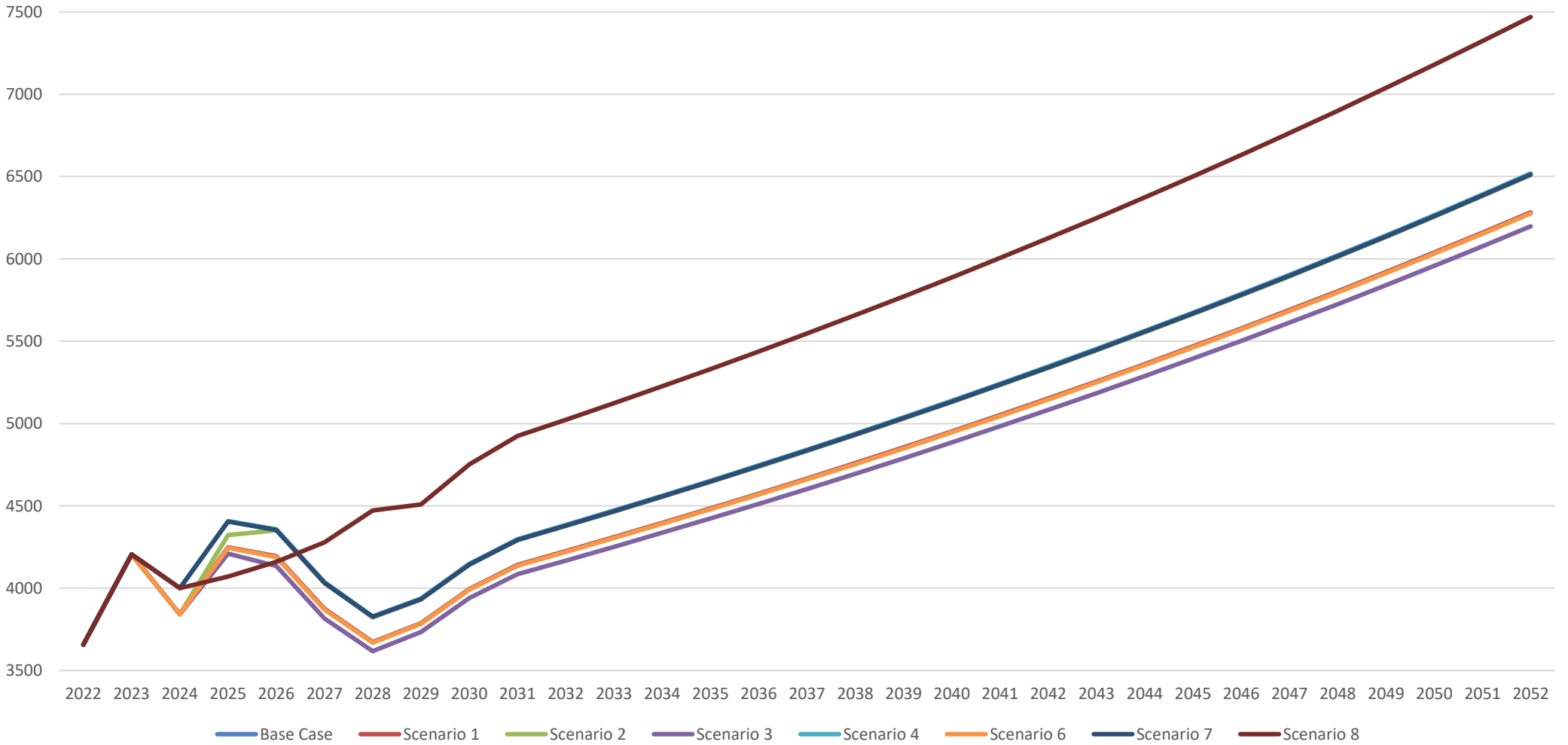


Base Case Scenario 1 Scenario 2 Scenario 3 Scenario 4 Scenario 6 Scenario 7 Scenario 8 New Funding Covenant

## SOCIAL HOUSING COST per HOME

This is a key Value for Money metric required by our Regulator. The early years of the Plan show a reduction in cost per home as a result of the Phase I, Phase II and Story Homes S106 properties coming in to management and diluting cost. This is followed by a period of cost increase as the next development phase for the Southfield site takes a couple of years to come on stream. Again, those properties coming in to management depresses the cost per home and this again followed by a steady increase in cost per home with no additional developments forecast and the natural inflationary pressures increasing cost through the remainder of the 30 year forecast period.

# SOCIAL HOUSING COST PER HOME



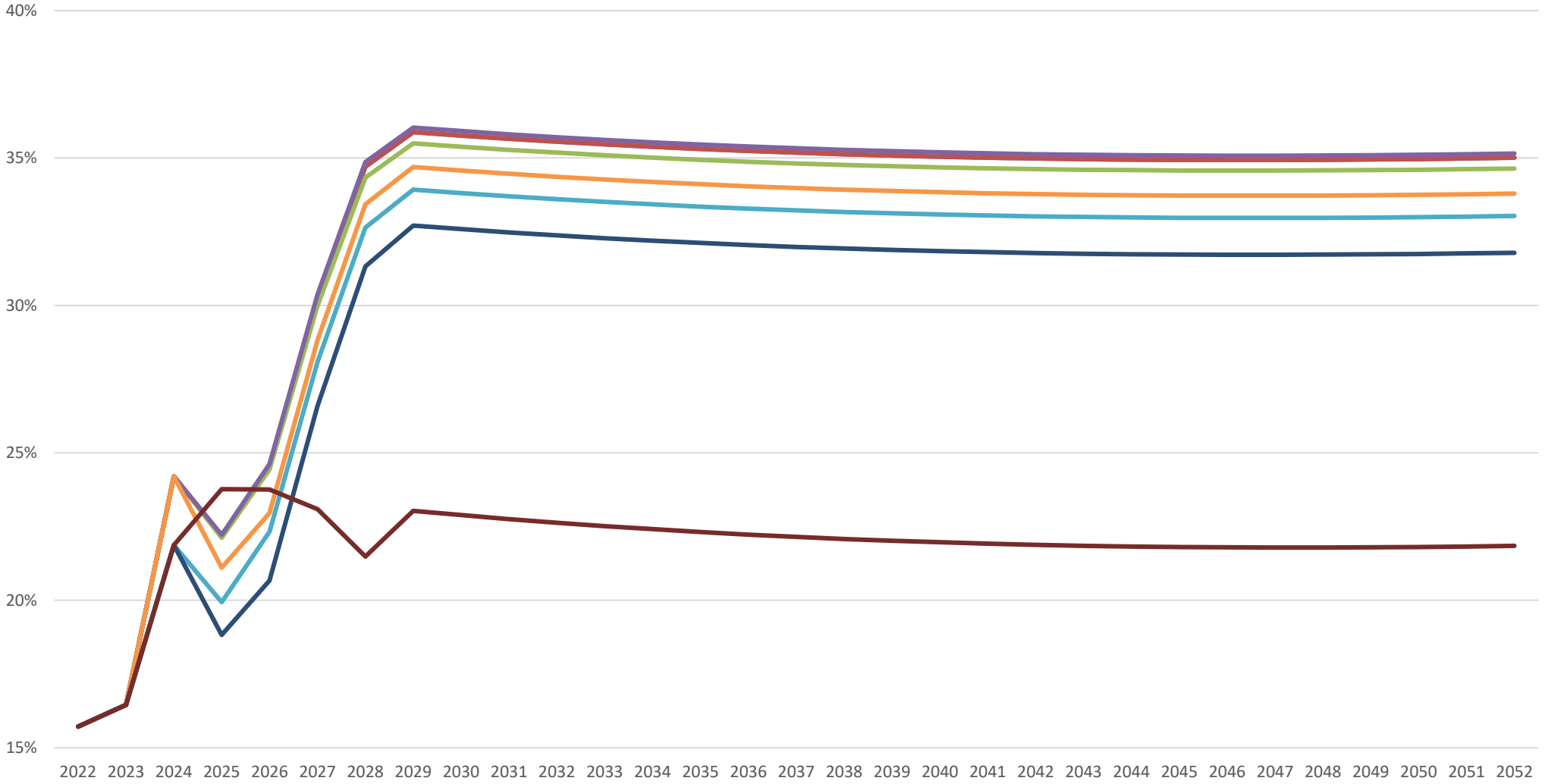
## OPERATING MARGIN

Another key Value for Money metric, Operating Margin improves strongly through to 2028 when the benefits of additional development properties coming in to management ceases. Operating margin then flat lines through the rest of the Plan period, slowly declining as cost pressures increase without the benefit of additional income from new developments.

The Mitigated Scenario 8 does not show the higher level of improved Operating Margin as the Southfield development is culled from the programme. This clearly demonstrates the long term value to the Association of continuing with its current development strategy.



# Operating Margin



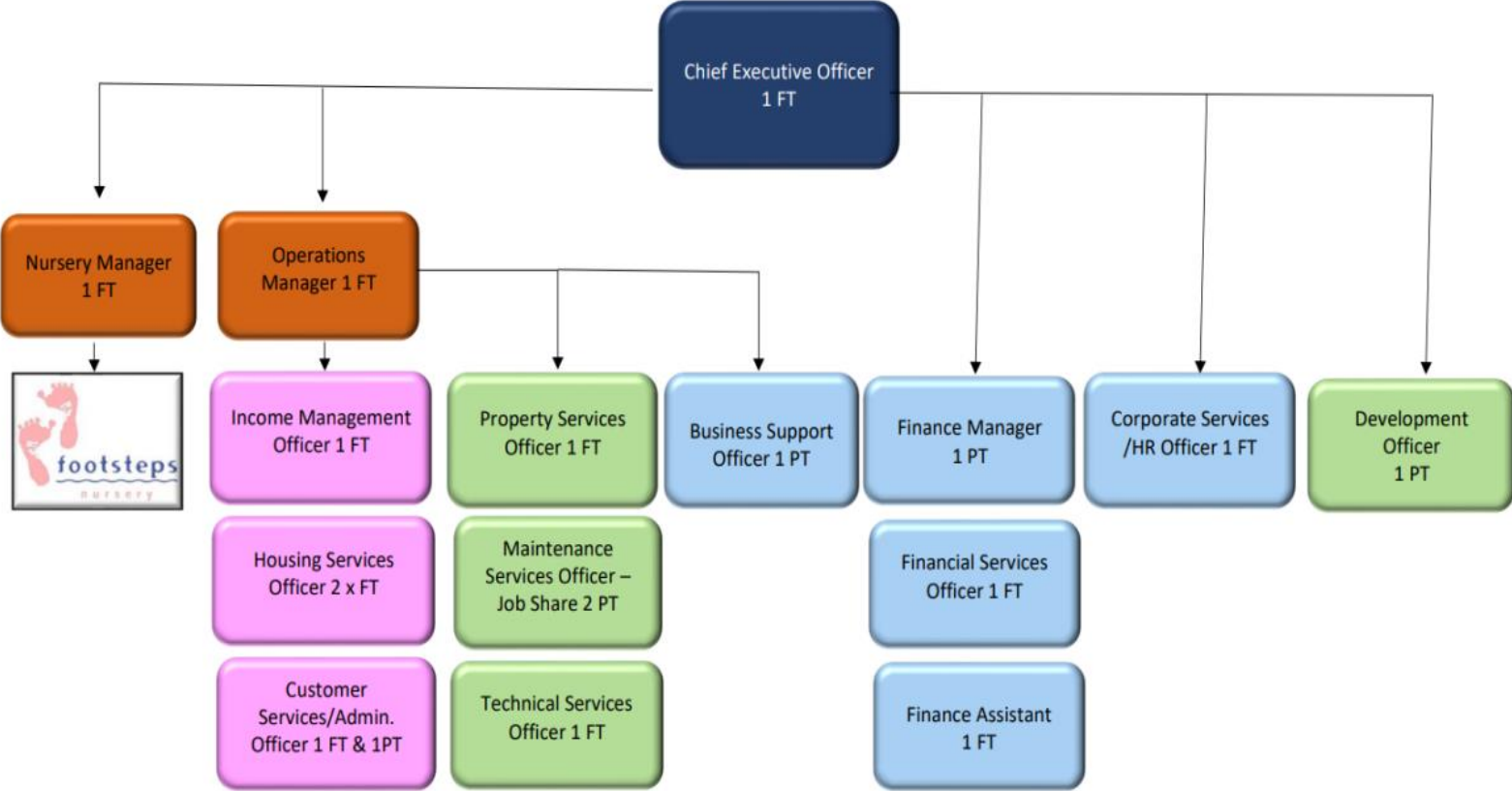
— Base Case — Scenario 1 — Scenario 2 — Scenario 3 — Scenario 4 — Scenario 6 — Scenario 7 — Scenario 8

## Conclusion

The forecasts and stress testing scenarios demonstrate that the Association remains in good financial health and can withstand significant negative impacts. The utilisation of current surplus cash resources on properties that will generate a net positive cash flow improve a number of key performance and Value for Money metrics. However, it is recognised that external factors need to be regularly monitored to ensure risks are managed and remedial actions taken should the Association be exposed to significant changes in its operating environment. Of particular concern is the, as yet, unknown impacts of moving towards a Net Zero Carbon environment by 2050.

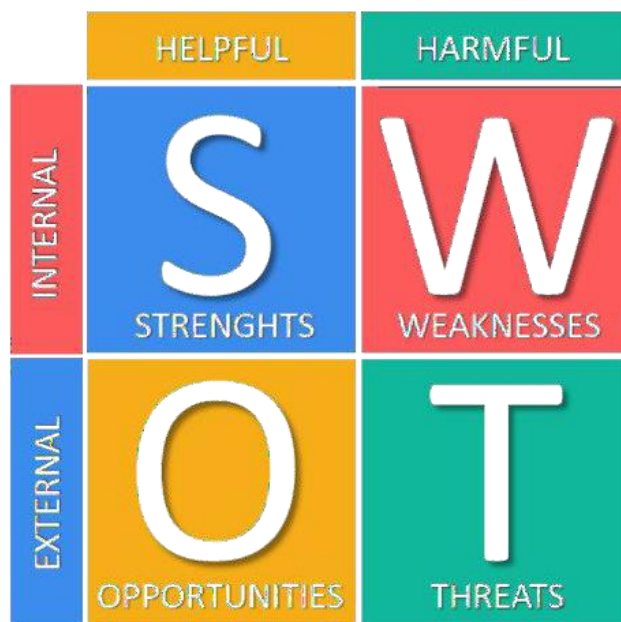
Appendix 1

# Organisational Structure



## Appendix 2

### ORGANISATIONAL BASELINE ASSESSMENT – SWOT ANALYSIS



#### STRENGTHS

- Our reputation – with customers and stakeholders
- Staff team experienced in current working methods and knowledge of community
- Commitment to provision of a locally-based housing association
- We know our tenants personally / individually
- Quality of the Westfield estate
- Standard of maintenance of our homes
- Use of small, local contractors
- Community roots / history
- Footsteps Nursery- Delivers significant community benefit
- Liquidity – annual surpluses and significant cash reserves
- ~~Low cost base~~
- Solid IT infrastructure (servers, desktops etc)
- No high-rise homes / flammable cladding risks
- No exposure to uncertain service funding streams (e.g. Supporting People)
- Our small size should increase our flexibility and responsiveness to opportunities
- Low risk development activity. No market sales
- Collaborative approach/networking to support improved service delivery e.g. membership of Community Housing Associations North West Group

## WEAKNESSES

- Our size limits the resources that we have at our disposal.
- Single “point of failure” risk in a small staff team
- Insufficient use of technology and IT functionality.
- Manual based systems. Limited IT skills
- Reliance on limited pool of small, local contractors.
- Unavailable / inaccessible data.
- Very little engagement with community / tenants through social media channels
- Lack of diversity of service provision
- Inefficient processes and procedures
- Limited engagement with community / tenants collectively; tenant feedback not ~~robust~~ sufficiently analysed/considered.
- Not clear evidenced understanding of our customer needs and expectations.

## OPPORTUNITIES

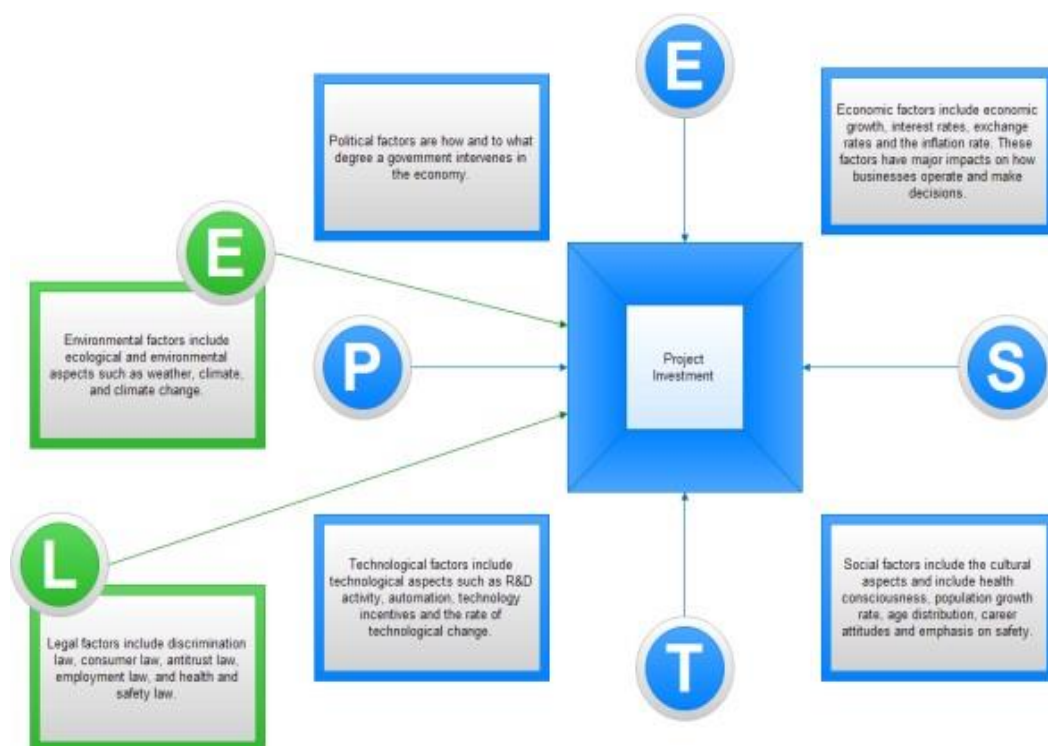
- Wider community investment / tenant support initiatives to reduce poverty and isolation.
- Development on land we own (limited, but does exist)
- Former Southfield School site
- An aging population gives opportunity to provide wider services / collaborate with health care service providers.
- Wider tenure choice
- Asset management in isolated villages – sell and re-invest?
- Collaboration with other Associations
- Collaboration / formal partnership agreements with local developers
- Greater collaboration between maintenance providers
- Eco-initiatives and funding to reduce fuel poverty and de-carbonise homes
- Build on services provided by Footsteps (e.g. parent support initiatives)
- Increased use of technology (service delivery; data analysis; communications; asset management)
- Levelling up agenda

## THREATS

- Economic uncertainty (high inflation, tight labour market, supply chain issues).
- More demanding/resource intensive regulatory requirements.
- Extension of the Right to Buy/introduction of Right to Shared Ownership
- Local mergers, increasing competition for development opportunities / rent affordability.
- Rent cap. Future rent increase levels lower than assumed in business plan assumptions.
- Threat of “coerced merger” from regulator / regulatory intervention / increased regulation
- Decline in availability of s106 deals / private developers establishing their own “for-profit registered providers.”

- Welfare reform / Universal Credit / local poverty increasing arrears.
- Aging tenant base not replaced by new tenants.
- “Old fashioned” service values becoming unattractive to a new, younger tenant community.
- Rising cost of loan finance
- Loss of current reputation as an employer as delivery model evolves.
- Inability to attract new Board and Committee members.
- Nursery not self-supporting (cost increases, income reductions)
- Shortage of contractors
- De-carbonisation requirements and costs

## ORGANISATIONAL BASELINE ASSESSMENT – PESTLE ANALYSIS



“PESTLE” is a way of evaluating the external environment in which we operate. The data and evaluation can be used to inform the “SWOT” analysis (strengths, weaknesses, opportunities, threats) - see later.

The diagram above refers to “project investment”, but for us it informs how we utilise the resources we have available (e.g. the surpluses we currently make each year).

### POLITICAL

- Housing policy focus on home ownership as the tenure of choice
- Focus on the number of homes built, rather than strategic needs (housing and community)
- Government change leading to uncertainty in / changes in housing policy, including government funding streams

- Housing policy. Strong focus on safety, property and service quality and effective customer engagement.
- Right to Buy extension and Right to Shared Ownership.
- Welfare reforms, continuing reductions in values of benefits.
- 2025 rent settlement could be reviewed as part of a government cost cutting drive to address high level of public debt and high inflation.
- Local political priorities: Local housing development vehicle/housing company; Local government re-organisation may affect priorities and slow decision making.
- Levelling up agenda. Potential for additional funding, support for regenerative projects.

## **ECONOMIC**

- Impact of Covid. Recession, reductions in income, increased operational and development costs. Pressures on public funding
- Impact on local economy of failure to build new reactor at Moorside; delays to West Cumbria Mining plans; uncertainty over development of wave power options
- Low property prices in our main areas of operation limit scope for cross-subsidising social housing from open market sales
- Low grant rates available for government funding
- Low open market rents and property prices in main areas of operation make our rents less attractive
- Poor transport links deter investment in West Cumbria
- Low incomes in south Workington (in 2016, 31.6% of households in Moss Bay had incomes below £10,000; in Allerdale, average incomes are below £23,000)
- Mergers between other local housing associations widening gap in size between Westfield and the rest
- Impact of Covid and Brexit on loan finance availability / cost / value of loan security
- Rising interest rates in medium-term
- Global slow growth in medium-term reflected in local growth prospects.

## **SOCIAL**

- Aging population and changing age profile of population
- Increase in mental health issues, resulting in impact on services (e.g. hoarding)
- Changing relationship between number of households and population (smaller family units)
- High percentage of tenants with a disability
- Low levels of academic attainment
- Child obesity rates high in West Cumbria
- Perceived stigma of living in social housing
- Poor transport links / poor schools deter relocation of staff to West Cumbria
- Changing social communication channels
- Social isolation / loneliness
- Changing consumer preferences for housing – prefer new homes to old
- Recent increases in anti-social behaviour locally

## **TECHNOLOGICAL**

- Broadband connectivity not as good in West Cumbria as many other areas
- Pace of change of technology
- “Digital by Design” for transactions becoming the norm, risking isolating individuals
- Demand for 24/7 access to services; on-line transactions
- Divide in technological awareness between generations
- The Internet of Things / smart homes
- Off-site construction of houses / 3D printing
- Electric cars could change estate requirements
- Increased availability / analysis of data leading to new consumer insight
- Changing communication channels
- Move to a cashless society and impact upon poorest families
- Demand for technological “retrofit” being required for our homes
- Increase in collaboration between businesses (including between housing associations)

## **LEGAL**

- Changes to Decent Homes Standard in wake of Grenfell Tower tragedy
- Eco-retrofit for existing homes. Future homes standard
- Building Safety Bill, Fire Safety Act, Social Housing Regulation Bill and other safety legislation
- Extension of Freedom of Information Act
- On-going implementation of data protection legislation as a result of the General Data Protection Regulations (GDPR)
- Regulatory focus on health & safety, customer engagement and consumer standards.
- Increased powers promised for tenants.
- Increasing minimum living wage and minimum pension contributions

## **ENVIRONMENTAL**

- Decarbonisation agenda- EPC ‘C’ by 2030 and Zero carbon homes by 2050
- Proximity to Lake District National Park
- Proximity to Sellafield
- Based on the “Energy Coast”
- Increased risk of floods / global climate change
- Former coal-mining district / risk of subsidence
- Increasing expectations regarding recycling
- Environmental/Social/Governance standard



## APPENDIX 3

### Management Plan: 2023/2024

**Principle Strategic Objective: Deliver excellent, relevant, value for money services.**

#### Measures/KPIs

- High (top quartile compared to peers) and improving customer satisfaction levels (individual services and overall satisfaction with the association).
- High performing (top quartile compared to peers) and improving services.
- High social return on investment
- Cost of services competitive compared to others (median quartile or better)
- High % of tenants satisfied that their rent represents value for money.

Task	Further details	Other applicable strategic objectives	Outcomes	Lead	End Date	Progress
Carry out two service/process reviews, identifying and implementing efficiency/VFM improvements.	Reviews to consider VFM improvements, efficiency gains, measures to improve performance and customer experience.	Maintain financial strength	Improved performance/better outcomes. Better customer experience Improved value for money. Better utilisation of IT.	Operations Manager	Mar 24	
Complete the Customer Profiling survey. Analyse and report results and use information to inform future service requirements and delivery.		Foster strong, cohesive and thriving communities.	Understanding of customer needs. Service delivery aligned to diverse customer needs.	Operation's Manager	August 23- completion of surveys.  Dec 23- Results analysed, reported and actions identified.	
Explore and expand the measurement of social value to include existing tenants.		Foster strong, cohesive, and thriving community's	Social value/benefit of services understood and informs decision making on service delivery	Operation's Manager	December 23	

**Principle Strategic Objective: Maintain/Enhance the quality of our homes**  
**Measures/KPIs**

- 100 % properties meet decent homes standard.
- High and improving levels of customer satisfaction with quality of homes.
- All safety requirements met on time.
- Improving average energy efficiency rates
- High ratio of planned to responsive repair works.
- Competitive cost per property (median quartile or above) for responsive repairs and void works, and major and cyclical works

<b>Task</b>	<b>Further details</b>	<b>Other applicable strategic objectives</b>	<b>Outcome</b>	<b>Lead</b>	<b>End date</b>	<b>Progress</b>
Complete the development of the Asset and Liabilities Register	Relevant documents to be linked. Expansion of data held to enable property performance appraisals.	Deliver excellent services. Maintain financial strength	Full, accurate and up to date record of assets and liabilities. Understanding of property performance.	Finance Manager/Property Services Officer	September 23	
Create a 30-year stock investment programme.	Updated stock condition data used to create new programme. Processes put in place to ensure condition data is kept up to date	Maintain financial strength	Clear picture of future maintenance works and costs	Property Services Officer	July 23	
Put in place new service level agreements with contractors		Deliver excellent services	Clear contract requirements. Improved performance.	Property Services Officer	August 23	
Carry out a service review of responsive and void repairs	Review to consider costs and management processes	Deliver excellent services	More efficient processes. Reduced costs. Increased customer satisfaction with service.	Operations Manager/Property Services Officer	July 23	
Develop an Energy Efficiency/Sustainability Strategy			Clear approach to improving energy efficiency/de-carbonising the stock and the associations activities	Operations Manager/Property Services Officer	September 23	

**Principle Strategic Objective: Foster strong, cohesive and thriving communities**

**Measures/KPIs**

- High social value achieved from our activities e.g., nursery, housing services, community support initiatives.
- Appointment of apprentices
- High and improving levels of satisfaction with the neighbourhood as a place to live.
- Increasing number of new opportunities created to meet local needs and aspirations.

<b>Task</b>	<b>Further details</b>	<b>Other applicable strategic objectives</b>	<b>Outcomes</b>	<b>Lead</b>	<b>End Date</b>	<b>Progress</b>
Review and update the 'Local Offer'.	Update to consider information from the customer profiling exercise, 2021 community survey and relevant local community strategies. Review carried out in discussion with the Customer Panel.	Deliver excellent services	Offer addresses identified and agreed customer needs and aspirations.	Operations Manager	Nov 23	
Review and revise the Nursery Business Plan		Maintain financial strength	Nursery delivers a high-quality early years' service and is financially sustainable.	Nursery Manager/Finance Manager	Nov 23	
Explore and develop further apprenticeship opportunities.	Explore opportunities in the nursery, and the development and de-carbonisation programmes.		Opportunities for local residents to build skills and career opportunities. Apprenticeships help meet staffing requirements	Corporate Services Officer	Nov 23	
Develop a project to encourage and support tenants to reduce energy usage and costs.		Deliver excellent services.	Reduced energy costs for tenants.	Housing Officers	Nov 23	

**Principle Strategic Objective: Strong and effective tenant engagement**  
**Measures/KPIs**

- High % of tenants satisfied that the association listens to their views and acts on them.
- Increased number of customer engagement tools and increasing numbers of customers involved.
- Evidence of service changes/improvement in response to feedback

Task	Further details	Other applicable strategic objectives	Outcomes	Lead	End Date	Progress
Continue to develop and support the Customer Panel, including developing a scrutiny role.	Development Plan agreed with the Panel. Objectives to include a broader/more diverse membership and training aligned to future role.		Panel is a representative body for tenants, including a key forum for holding Westfield to account.	Operations Manager	Mar 24	
Establish a Customer Digital Engagement Group.	Group to provide feedback on services, input to reviews (e.g., policy reviews) and act as a sounding board for service changes/proposals.	Deliver excellent services	Higher levels of feedback, better understanding of customer views. Services meet customer expectations.	Operation's Manager/Housing Service's Officer	Aug 23	
Review and rationalise the collection of customer satisfaction data.	Ensure data is collected in line with requirements, is collected efficiently and that the most appropriate survey methods are used.		Sufficient and high-quality data is obtained.	Business Support Officer/Operations Manager	September 23	
Establish regular and more robust reviews of customer feedback, including complaints.	Reviews clearly identify themes, areas for improvement and improvement actions.	Deliver excellent services	Customer views are understood and used to improve services.	Operation's Manager	July 23	

**Principle strategic objective: Maintain financial strength**

**Measures/KPIs**

- Make a surplus of (TBC) over the period of this plan
- Level of re-investment (capitalised major repairs and new development) achieves targets
- Strong and improving performance on financial metrics
- Identifiable VFM gains

Task	Further details	Other applicable strategic objectives	Outcomes	Lead	End Date	Progress
Develop the VFM Strategy action plan and implement.		Deliver excellent services	Strong VFM culture. Improved VFM.	CEO	July 23	
Review and update the Procurement Policy			Effective and efficient procurement that evidences VFM	Finance Manager	September 23	
Implement a budget management framework with devolved management and accountability for defined budget holders.	Clear budget management processes.		Effective budget management with early identification of issues and clear remedial actions.	Finance Manager	August 23	
Implement agreed actions to improve the efficiency of nursery operations.	Quarterly progress reports to Board.  Review progress Sept 23 and determine any further actions required.		Nursery deficit minimised.	Finance Manager/Nursery Manager	September 23	
Explore options for collaborative working and sharing of resources via CHANW.			Services delivered at less cost.	CEO/Operations Manager	March 24	
Monitor performance on financial metrics quarterly			Improved financial performance information	Finance Manager	July 23	

**Principle Strategic Objective: Provide new homes that meet our communities needs**

**Measures/KPIs**

- Number of new homes developed achieves target
- New homes developed align to identified needs

Task	Further details	Other applicable strategic objectives	Outcomes	Lead	End Date	Progress
Review the development programme further to a decision on the former Southfield School site		Maintain financial strength	Development plans re-appraised and clear plan for achieving future growth.	CEO	October 23	
Review the 'Buy back' programme	Ensure properties purchased have a positive financial impact and deliver community benefit.	Maintain financial strength	Clear understanding of financial performance of buy back properties and wider benefits. Decision on whether to continue	Finance Manager/ Development Officer	September 23	
Explore the development of 'passihaus' properties, or similar.	Part of development of Energy Efficiency Strategy	Foster strong, cohesive and thriving communities	New homes are energy efficient (minimise carbon emissions), and affordable	Development Officer	December 23	

## APPENDIX 4

### Key Performance Indicators Suite 2022/23









PI Code	Measure	Strategic/ VFM Measure	Performance 2020-21	Performance 2021-22	Performance 2022-23	Target 2022-23	Target 2023-24	Trend in Quarter	Traffic Light	Benchmark (end of 2022-23)
Rents										
HMPI 220	Current tenant arrears as a % of annual rent debit	SO 01 VFM	3.26%	3.25%	3.61%	3.5%	3.5%	↑	Red	Median
	4 weekly rolling average of rent arrears	SO 01 VFM	-	3.62%	3.77%	3.5%	3.5%	↑	Red	n/a
HMPI 210	Rent collected as a % of rent owed	SO 01	101.59%	98.76%	98.40%	100%	100%	↑	Red	Lower Quartile
HMPI 330	Former tenant arrears as a % of annual rent debit	SO 01	0.82%	0.78%	1.01%	1%	0.95%	↓	Red	Lower Quartile
SPBM 050	Current UC arrears excluding tenants with APA	SO 01	2.97%	2.01%	3.82%	3%	3%	↑	Red	Median
SPBM 060	Percentage of UC cases with APA	SO 01	36.73%	36.47%	31.59%	40%	40%	↔	Red	n/a

PI Code	Measure	Strategic/ VFM Measure	Performance 2020-21	Performance 2021-22	Performance 2022-23	Target 2022-23	Target 2024-24	Trend in Quarter	Traffic Light	Benchmark (end of 2022-23)
Voids & Lettings										
GNPI 30	% of rent lost through dwellings being vacant	SO 05 VFM	0.33%	1.04%	0.91%	0.50%	0.50%	↓	Red	Lower Quartile
GNPI 36	Average days taken to re-let homes	SO 05 VFM	9 days	13 days	13 days	7 days	7 days	↓	Red	Upper Quartile
Maintenance & Development										
	Ratio of planned/reactive	SO 02	53/47%	39/61	56/44	60/40	60/40	↑	Red	n/a
	% stock surveyed in last 5 years	SO 02	0	30%	92%	65%	100%	↔	Green	n/a
RSH 204	New supply delivered (social housing units)	SO 06	0.32%	0.33%	0.49%	2.75%	0.49%	↑	Red	Median
EPC 01	Average energy efficiency rating	SO 02	70	69.9	70	71	71	↔	Red	n/a
G15C0	% dwellings with a valid gas safety certificate	SO 01	99%	100%	99.8%	100%	100%	↓	Red	Upper Quartile



PI Code	Measure	Strategic/ VFM Measure	Performance 2020-21	Performance 2021-22	Performance 2022-23	Target 2022-23	Target 2023-24	Trend in Quarter	Traffic Light	Benchmark (end of 2022-23)
BS01	% of gas safety checks completed within target	SO 01 VFM	91.5%	96%	99%	100%	100%	↔		Upper Quartile
BS02	No. of fire risk assessments overdue	SO 02	0	0	0	0	0	↔		n/a
	No. of high priority fire safety actions overdue	SO 02	0	0	0	0	0	↔		n/a
	% of stock Electrical tested within last 5 years	SO 02	24%	69%	98.4%	88%	100%	↑		n/a
BS03	% of pre 2000 stock with an asbestos survey	SO 02	-	-	20%	25%	33%	↔		n/a
	Monthly Legionella testing complete at The Minto Centre	SO 02	3	3	3	3	3	-		n/a
	% of properties with adequate Fire Alarms (in accordance with Fire regs 2022)	SO 02	-	-	99.2%	100%	100%	↑		n/a
	% of properties with adequate CO Alarms (in accordance with Fire regs 2022)	SO 02	-	-	99.7%	100%	100%	↑		n/a

## Financial Metrics - Annually

PI Code	Measure	Strategic/ VFM Measure	Performance 2021-22	Target 2022-23	Performance 2022-23	Trend against prior year	Traffic Light target to actual	Benchmark (end of 2022-23)
RSH 501	Headline social housing cost per unit	SO 01	£3,755	£3,914	£4199		<span style="background-color: red; color: red;">-</span>	Upper Quartile
CPP 01	Cost per property of housing management	SO 01	£360	£433	£386		<span style="background-color: green; color: green;">-</span>	Median
CPP 02	Cost per property of responsive repairs and voids	SO 01	£1,097	£997	£1082		<span style="background-color: red; color: red;">-</span>	Lower Quartile
CPP 03	Cost per property-major and cyclical works	SO 01	£1,293	£1,381	£1,667		<span style="background-color: red; color: red;">-</span>	Median
RSH 304	Re-investment %	SO 02	3.08%	11.04%	5.59%		<span style="background-color: red; color: red;">-</span>	Lower Quartile
RSH 103	Interest cover	SO 05	159%	193%	135%		<span style="background-color: red; color: red;">-</span>	n/a
RSH 101	Operating margin (all activities)	SO 05	17.93%	17.69%	17.44%		<span style="background-color: red; color: red;">-</span>	Lower Quartile
RSH 102	Operating margin (social housing activities)	SO 05	23.10%	26.60%	24.64%		<span style="background-color: red; color: red;">-</span>	Upper Quartile

**Key:**

<b>Code</b>	<b>Strategic Objective</b>
SO 01	Deliver excellent, relevant, value for money services
SO 02	Maintain/Enhance the quality of our homes
SO 03	Foster strong, cohesive and thriving communities
SO 04	Strong and effective tenant engagement
SO 05	Maintain financial strength
SO 06	Provide new homes that meet our communities needs

## APPENDIX 5

### Strategic Risks

**Health and Safety:** Staff or customers are harmed/injured/killed through an act or omission by WHA, the nursery or its contractors.

**Data:** Poor data quality/integrity. Insufficient investment in, and use of, technology, data breach, lack of data security.  
Non-Compliance with regulatory standards and legislation.

**Political and economic uncertainty and potential impact on costs and income** e.g. higher maintenance and loan costs, financial hardship and higher levels of bad debt.

**Welfare Reform:** Reduced income/higher arrears. Higher tenancy turnover and cost.

**Small size:** Insufficient expertise and resource. Potential greater impact of changes e.g. loss of experienced staff/board members, ability to adapt to new requirements etc.

**Development:** Failure to develop. Development undertaken outside of an agreed framework and new schemes not viable. Increasing costs make schemes unviable.  
Contractor failure.

**Maintenance:** Future maintenance needs not properly understood (e.g. because of poor stock condition data). Lack of strategic approach. Higher than anticipated maintenance costs, insufficient stock investment, tenant safety compromised, problems letting etc.

**Business Continuity:** Lack of preparedness leading to service disruption or failure.

**Nursery:** Nursery operates at a loss and is a drain on financial and management resource.

**Fraud:** Lack of robust control procedures. Service disruption and reputational damage.

**Governance:** Lack of Board oversight and scrutiny.

**The current Strategic Risk Register details the above risks including control measures, ratings and further actions required.**



# Westfield Housing Association

## Business Plan 2023-33

### Housing Management

	Forecast Business											
	Outturn	Plan										
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income</b>												
Gross Rental Income	3,016	3,270	3,595	3,709	3,927	4,299	4,724	4,819	4,915	5,013	5,113	
Gross Service Charge Income	54	59	60	62	63	65	66	68	70	71	73	
Communal Facility & Garage Plot Income	5	4	4	5	5	5	5	5	5	5	5	
Losses arising from voids and bad debts	(81)	(75)	(101)	(104)	(110)	(120)	(132)	(134)	(137)	(140)	(143)	
SHG release	116	116	117	117	117	117	117	117	117	117	117	
<b>Net Income</b>	<b>3,110</b>	<b>3,375</b>	<b>3,676</b>	<b>3,789</b>	<b>4,002</b>	<b>4,366</b>	<b>4,781</b>	<b>4,874</b>	<b>4,970</b>	<b>5,067</b>	<b>5,167</b>	
<b>Expenditure</b>												
Employee Costs	607	734	760	779	794	810	826	843	860	877	895	
External Consultancy Costs	100	57	58	60	61	62	64	65	66	68	69	
<b>Estate Costs</b>												
Reprofile Planned Maint works to achieve covenant compliance			200	100	-87	-137						
Planned Maintenance	653	658	687	704	718	733	747	762	778	793	809	
Day to Day Maintenance	676	446	466	478	487	497	507	517	527	538	549	
Cyclical Maintenance	186	187	195	200	204	208	212	216	221	225	229	
Service Costs	54	60	63	64	66	67	68	70	71	72	74	
Property Insurance	65	65	68	69	71	72	74	75	77	78	80	
<b>Office Overheads</b>	200	230	241	247	252	257	262	267	273	278	284	
<b>Other Operating Expenses</b>	87	88	92	95	97	99	100	102	105	107	109	
Property Depreciation	620	620	640	660	680	700	720	740	760	780	800	
Less: Allocated elsewhere	(128)	(152)	(159)	(163)	(167)	(170)	(173)	(177)	(180)	(184)	(188)	
<b>Total Expenditure</b>	<b>3,119</b>	<b>2,992</b>	<b>3,311</b>	<b>3,292</b>	<b>3,176</b>	<b>3,198</b>	<b>3,407</b>	<b>3,481</b>	<b>3,556</b>	<b>3,632</b>	<b>3,709</b>	
<b>Surplus/(Deficit) for the period</b>	<b>(10)</b>	<b>383</b>	<b>365</b>	<b>496</b>	<b>826</b>	<b>1,168</b>	<b>1,373</b>	<b>1,393</b>	<b>1,414</b>	<b>1,435</b>	<b>1,458</b>	

# Westfield Housing Association

## Business Plan 2023-33

### Footsteps Nursery

	Forecast Business										
	Outturn	Plan									
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income</b>											
Fee Paying Income	399	474	515	525	535	546	557	568	580	591	603
Grant Funded Income	295	332	338	345	352	359	366	374	381	389	396
Lunch Fee & Other Income	35	35	38	39	40	41	42	43	44	45	47
Provision for bad and doubtful debts	-1	-2	-3	-3	-4	-4	-4	-4	-4	-4	-4
Furlough											
<b>Net Income</b>	<b>727</b>	<b>840</b>	<b>888</b>	<b>906</b>	<b>924</b>	<b>943</b>	<b>962</b>	<b>981</b>	<b>1,001</b>	<b>1,021</b>	<b>1,042</b>
<b>Operating Costs</b>											
Employee Costs	618	725	750	769	784	800	816	833	849	866	883
Nursery costs	38	34	35	36	37	38	38	39	40	41	41
Office Overheads	52	58	60	61	62	64	65	66	67	69	70
Expansion Depreciation	0	0	0	0	0	0	0	0	0	0	0
Bank & Finance Costs	2	2	2	2	2	2	2	2	2	2	2
Internal Administration Charges	59	60	62	64	65	66	68	69	70	72	73
<b>Total Expenditure</b>	<b>769</b>	<b>878</b>	<b>909</b>	<b>932</b>	<b>951</b>	<b>970</b>	<b>989</b>	<b>1,009</b>	<b>1,029</b>	<b>1,050</b>	<b>1,071</b>
<b>Surplus/(Deficit) for the period</b>	<b>(42)</b>	<b>(39)</b>	<b>(22)</b>	<b>(26)</b>	<b>(27)</b>	<b>(27)</b>	<b>(27)</b>	<b>(28)</b>	<b>(28)</b>	<b>(29)</b>	<b>(29)</b>