

# The Thenue Group



## Summary Business Plan

April 2019 to March 2024

## Section 1

- 1.1 This key document is our 'business plan'. In this document we aim to capture all the important data, analysis, trends and information, looking forward, all in one place. It becomes our annual bible. We put as much as we can, both in financial and non-financial terms, into the document that gives a thorough understanding of our main priorities, challenges and direction of travel over the short to medium term future.

For us, process is as important as content, and in order to begin to look forward, we need to take stock and see what has been achieved in the previous year. That means that the process of starting to look forward commenced at the half-year point 2018/19, (September 2018).

Having established our four core values, (passion, excellence, respect and connection), then our task again for this year is to further embed them through the organisation. Our strategic business planning session with the Board in December 2018 resulted in both a number of business objectives for the coming twelve months and also some specific Action Plans that the staff teams are progressing.

- 1.2 The overall financial picture over the next twelve months is shown below in the table.

<b>Budget for the year to 31 March 2020</b>	<b>£ million</b>
<b>Income</b>	<b>£17.182</b>
<b>Expenditure</b>	<b>£14.712</b>
<b>Operating surplus</b>	<b>£2.470</b>
<b>Less non-operating costs, (net interest, goodwill)</b>	<b>£1.922</b>
<b>Projected surplus for the year</b>	<b>£0.548</b>

The full financial picture is shown in section 5.

- 1.3 Our vision, mission and values remain unchanged. So too, our five main strategic objectives. With these five, we have focused our immediate attention to nine main business objectives for the year 2019/20. How they link together is shown below.

- 1.4 Scanning our environment and the wider context that exists means that we are more aware of factors that may have more of a direct impact on the association over time. Their common and related threads are highlighted in section six, our five main current priorities. They are:-

- Universal Credit
- Additional private lending
- Our digital strategy
- Community Wi-Fi
- Our self-service app
- Key Performance Indicator targets
- Mobile working
- Rent affordability
- Rent review and consultation

- 1.5 Often, we forget that Thenue Housing Association is the Parent of the Group, although the subsidiary companies play a small part in financial terms, they play a bigger part when it comes to community connections.

- 1.6 The value of our assets is currently circa £180 million. It's vitally important that we invest in and generally look after these bricks and mortar assets. Some, because of our requirement to bring them

up to 2020 energy standards, combined with their construction type, do present us with some challenges. How we plan to overcome them and how we plan to aspire to an overall stock base of around 2,800 units is covered.

- 1.7 Our Community Regeneration activities and projects have seen great success. Having been awarded £327k in grant for our two major projects, (CLIC and Choices for Change), the financial pressure is off as we can count on both streams of funding until 2020. Our aim for 2020 is to review completely our Community Regeneration strategy.
- 1.8 Risk management is the identification, assessment, and prioritisation of our risks followed by coordinated and economical application of resources to reduce, monitor or control the likelihood and impact of the particular event. Risk management's objective is to assure uncertainty does not deflect us from achieving our business objectives. Risks can come from various sources: they can be external (say imposed by economic conditions or Government): or they can become a factor of a business objective that we wish to achieve. Whatever the source, we have developed a process to evaluate all our risks, although they are not all replicated in the business plan. Whilst reviewing all risks, we identified overall 33 potential risks facing the association; each have been assessed and scored.
- 1.9 We are currently a 'gold' accredited Investor in People organisation. This was one of our major achievements of 2015. We were successful with our re-accreditation of the 'gold' standard in November 2018. There are a number of recommendations going forward that we need to work on through 2019 and 2020.
- 1.10 The role of the Scottish Housing Regulator is changing and one factor that will be new to us will be the production of an annual assurance statement, (by October 2019). This, because of its important also features as one of our nine business objectives for the coming year.
- 1.11 The Thenue Business Plan was approved by the Board of Management on 29 January 2019.

## Section 2 - The Purpose of Plan

**There are at least five good reasons for having this plan: -**

- The Business Plan is intended to be a tool that will assist us to move forward and achieve our goals.
- It aims for a level of detail, which allows the Board to see how the core work of the association can be monitored and controlled.
- Both individual managers and our Executive Team will ensure those day-to-day tasks and the performance of individual members of staff accord with the overall plan.
- The Executive Team have been and will remain responsible for developing the activity plans associated with the various operational objectives we have identified.
- These activity plans are to be incorporated into the staff personal development review process and will also be monitored bi-annually.

## Section 3 - What we stand for



### **Our Mission Statement:**

We are committed to developing, managing and maintaining a range of affordable quality housing in sustainable communities. Working with our people we aim to improve all our services and grow deep community roots.

### **Our vision:**

Working together we create better homes and stronger communities...making people happy.

## Our values:

Passion	Excellence	Respect	Connection
<ul style="list-style-type: none"><li>• We are committed, determined and motivated</li></ul>	<ul style="list-style-type: none"><li>• We aim to be the best in everything we do</li></ul>	<ul style="list-style-type: none"><li>• We treat everyone with courtesy and dignity, recognising diversity</li></ul>	<ul style="list-style-type: none"><li>• We listen, to engage with our customers and communities</li></ul>

## Section 4 – Our strategic objectives

To deliver our vision, we have developed five strategic (longer-term) objectives.

They are:-

- Providing a variety of affordable housing and related services in a responsive and efficient way.
- Listening and responding to the different needs and preferences of our customers; achieving high customer satisfaction.
- Investing in our staff, our Board and resident volunteers; developing our values.
- Continually delivering value for money for all our customers.
- Tackling poverty through community projects and programs.

## Section 5 – our budget

<b>Income &amp; Expenditure Account</b>	<b>Year to 31/3/20</b>
<b>INCOME</b>	
Rental Income	13,950,093
Service Charges	424,526
Less: Voids	114,632
Sub Total	14,259,987
Release of Capital Grants (FRS102)	2,395,050
Factoring Fees	64,297
Factoring Recharges	127,557
Income from Leased Properties	55,526
Subsidiary Company Management Charges	10,003
Community Regeneration Grants	206,477
Other Income	63,500
<b>Total Income</b>	<b>17,182,396</b>
<b>EXPENDITURE</b>	
Reactive Repairs	1,854,111
Cyclical Repairs	1,166,301
Major Repairs/Improvements	3,114,915
Bad Debts	214,935
Service Costs	360,800
Property Insurance	206,901
Rent & Debt Collection Costs	38,651
Property Management Legal Costs	58,587
Community Safety	33,516
Council Tax on Empty Properties	4,196
Factoring Costs	133,935
Community Regeneration Project Costs	68,477
Wider Role/Tenant Participation Costs	51,101
Other Property Revenue Costs	4,132
Housing Depreciation	4,563,361
Deduct: Major Repairs Capitalised	-1,266,300
Sub Total	10,607,620
Employee Costs	3,011,363
Employee Costs-Pension Administration charge	18,501
Staffing Overhead	72,132
Office Overhead	511,660

<b>Income &amp; Expenditure Account</b>	<b>Year to 31/3/20</b>
Corporate Overhead	316,336
Corporate Overhead	127,796
Board Overhead	15,495
Other fixed asset depreciation	131,400
Deduct: Development overhead capitalised	-100,042
<b>Sub Total</b>	<b>4,104,640</b>
<b>Total Expenditure</b>	<b>14,712,260</b>
<b>Operating Surplus</b>	<b>2,470,137</b>
Gain on Sale of Houses	0
Loan Interest	1,902,631
Other loan charges	39,750
Interest on Overdraft	0
Other Finance Charges-Pension	19,656
Interest Earned	-12,973
<b>Sub Total</b>	<b>1,949,064</b>
Release of Negative Goodwill	27,486
<b>Sub Total (Non Operating Items)</b>	<b>1,921,578</b>
<b>Surplus/(Deficit) in Year</b>	<b>548,558</b>
<b>Reserves Brought Forward</b>	<b>23,163,287</b>
<b>Reserves Carried Forward</b>	<b>23,711,846</b>

<b>Balance Sheet</b>	<b>Year to 31/3/20</b>
<b>Tangible Fixed Assets - Housing</b>	
At Start	197,344,521
Additions	31,391,079
Major Repairs/Dev Admin Capitalised	1,366,342
Component Disposal	
Disposals	0
At End	230,101,943
<b>Depreciation</b>	
At Start	45,179,386
On Disposals	0
Charge for Year	4,563,361
At End	49,742,747
<b>Housing Cost - Net of Depreciation</b>	<b>180,359,196</b>
<b>Other Fixed Assets</b>	
Net Book Value at Start	4,319,942
Additions	58,569
Disposals	
Depreciation in Year	131,400
Net Book Value at End	4,247,111
<b>Investments</b>	<b>100</b>
<b>Sub Total</b>	<b>184,606,407</b>
<b>Negative Goodwill</b>	<b>-651,871</b>
<b>Current Assets</b>	
Debtors	1,078,249
Net Rental Debtor	503,112
Cash in Bank and on Hand	3,074,837
Sub Total	4,656,197
<b>Current Liabilities</b>	
Creditors	2,184,230
Pension Creditor	555,964
Loan Principal Due in one year	1,889,562
Sub Total	4,629,757



<b>Balance Sheet</b>	<b>Year to 31/3/20</b>
<b>Net Current Assets/(Liabilities)</b>	26,441
<b>Total Assets less Current Liabilities</b>	183,980,977
<b>Less :Loans</b>	42,965,299
<b>Less :Pension Deficit</b>	516,089
<b>Less :Provisions</b>	200,000
<b>DEFERRED INCOME</b>	
Social Housing Grant	113,717,836
Other Public Grants	1,810,188
Other Fixed Asset Grants	1,059,554
<b>Total Deferred Income</b>	116,587,578
<b>Total Net Assets</b>	<b>23,712,011</b>
<b>Capital &amp; Reserves</b>	
Share Capital	165
Revenue Reserves	23,711,846
<b>Total Capital &amp; Reserves</b>	<b>23,712,011</b>

## **Section 6 – our business objectives, April 2019 to March 2020**

- 1. By October 2019, evaluate the impact ‘full-service’ Universal Credit. Use this data assess any resource implications for the 2020 Business plan.**
- 2. By October 2019, develop an affordable strategy and delivery programme to enable community Wi-Fi to be rolled out across all our housing stock.**
- 3. By January 2020 have at least half of our tenants be registered for our self-service app or web portal.**
- 4. By October 2019, have submitted to the Scottish Housing Regulator our first annual assurance statement.**
- 5. By August 2019 review our future use plans for all our ‘hostel’ type accommodation.**
- 6. Revise and review our key performance indicator targets, (KPI’s) by May 2019.**
- 7. By September 2019 have agreed our proposals for factoring circa 180 properties at London Road.**
- 8. By September 2019, undertake an audit of all of our ‘out of office’ tasks, to maximise our investment in mobile working.**
- 9. In consultation with our resident groups, have a new Community Regeneration strategy in place December 2019.**