

BIRMINGHAM CIVIC HOUSING ASSOCIATION LIMITED

Business Plan 2011

This document details the history of the Association and its successes and it is upon these foundations, both the current activities plus proposals for future development of service delivery, are based.

Without these sound foundations, the achievements of the Association over the past forty two years would have not been possible.

For ease of reference the document is divided into sections as follows:-

Summary

The Association's History

Current & Proposed Activities

Management Profile

Organisational Structure

Performance & Financial Profile

SWOT Analysis – Challenges & Risks

Registered with the former Housing Corporation : No. L1389
Registered with The Registrar of Friendly Societies : No. 18430R

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Birmingham
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Summary

The purpose of the plan is to set down the Association's objectives for 2011 and the succeeding 3 years.

The Association's primary purpose is to Allocate, Manage and Maintain properties in a social housing environment, by providing accommodation at affordable rents to people in genuine housing need. All the properties will be both managed to a good standard and maintained in a good state of repair.

The Association will endeavour to involve tenants in the management of their homes and seek to test the level of their satisfaction through a variety of methods.

The Association will seek to continually improve the quality of service delivery by regularly reviewing procedures and policies to meet both the statutory framework of the new regulatory body and, more importantly, the needs of customers.

The ability to improve service delivery is naturally dependent on the financial viability of the organisation. Continued emphasis will be placed on maintaining the rent stream, by strenuously attempting to collect all monies due and actively pursuing those tenants who are defaulting on rent payment. The Association will dispose of non viable property, approve sales under "Right to Buy" and, when sufficient finance is available, acquire good quality family houses that will require minimal maintenance.

Overall the Association will seek to annually achieve a surplus on its activities and reduce the liability to pay tax by maintaining charitable status as defined by HMRC.

History

The Association was established in 1967 by Birmingham City Council at the time when alternatives to the traditional management of homes were being proposed. It was being suggested that private enterprise and building societies should become involved in the management of rented accommodation. It was also felt that these organisations would have access to the substantial funds that were required for new property development and the modernisation of the existing stock.

The Association was first registered with the Registrar of Friendly Societies in 1967 and subsequently with the then Housing Corporation in 1975. In approving registration they determined that once 100 properties were in management all administrative links with the City Council had to be severed.

In 1976 the Association joined the Birmingham Housing Association Liaison Committee and subsequently became a founder member of the Birmingham Social Housing Partnership.

Over the last 42 years a number of milestones have been reached. By 1979 the Association had acquired 164 properties, primarily within the inner city, areas that had been designated for Urban Renewal projects. Upon acquisition these dwellings were renovated or converted prior to allocation to people with a housing need.

During 1979 the Association, in conjunction with various refugee support agencies, helped with the housing of Vietnamese families who had come to this country as refugees. These families (known as “boat people”) had escaped Vietnam during the war.

The Association continued to acquire properties, but by 1996/7 it became apparent that, with the reduction in the government grant availability, it was no longer a viable proposition to acquire properties for renovation. At that time the Board decided that it would not pursue any further funding from the former Housing Corporation. The Board determined that the Association would acquire additional properties when sufficient funds were available from reserves or by raising mortgages on the open market.

In the implementation of this policy the Association has acquired some quality family homes in the outer suburbs to the south of the City. At the same time difficult to let or high maintenance cost properties have been sold. The housing stock in 2010 totalled 217.

The Government determined in 2001 that it would seek to rationalise the level of rent being charged by Social Landlords and Local Councils through a Rent Convergence Policy. It similarly determined a formula by which rents can be increased with the aim of equalising rents across the combined social housing sector by this year. The Board of Management endorsed a Rent Plan to comply with the Government policy and this is reviewed annually.

The Association has been a member of the National Housing Federation for many years and actively contributes to the consultative process the Federation uses to influence Government policy. In 2002 the City Council awarded "Approved" partner status to the Association which in essence means the Association supporting it in the development and delivery of the housing service.

In 2005 the Association successfully obtained a substantial grant to fund the enhancement of loft insulation in all of its properties, the benefit to tenants was improved comfort and reduction in heating costs. We continue to look for ways of improving our dwellings in order to actively combat the effects of global warming.

The Association was awarded "Charter Mark" accreditation in 2005 as recognition of its policy of placing tenants and customers at the centre of operations. Accreditation serves as a base-line for continual improvement and is reviewed annually by an independent assessor who has Government approval. The scheme was changed and renamed Customer Service Excellence and we retained our accreditation during 2010.

The Association has recognised the need to keep tenants both informed and seek their opinion on service performance. Over the last ten years a Newsletter which incorporated a Tenant Satisfaction Survey has been produced. In 2004 an independent satisfaction survey was undertaken by Feedback, the research arm of the National Housing Federation. The survey report identified a high level of tenant satisfaction and compared the Association most favourably with equal sized associations. A similar survey, on this occasion conducted by BMG Research, was completed in 2007. An 'in house' survey was undertaken in 2009. The BMG survey undertaken in 2010 indicated an increased level of satisfaction with the services that we provide when the satisfaction level overall was 95%.

The Association, in October 2006, joined the new City Social Housing Partnership which has the aim of achieving a co-ordinated approach to housing by all service providers and we continue to actively participate in its work.

Current and Proposed Activities

The primary focus of the Association will be to deliver a quality housing service in terms of the management and maintenance of its housing stock and the allocation of property to those with a housing need.

The general philosophy of social housing provision nationally is the involvement of tenants in the management of their homes and taking account of their views on how the service should be developed. The Association endorses this principle and will continue to seek to positively involve its tenants through the Tenants Focus Group, satisfaction surveys and liaison meetings.

We will continue to build on the positive customer satisfaction levels. The Association will maintain a clear set of Performance Standards that tenants can measure our services against. The Association will seek to maintain the following standards of performance in service delivery:-

- ❖ We will assess housing applications for accommodation within 7 days and let you know if we, or others, are likely to be able to help you.
- ❖ We will assess transfer applications within 7 days and let you know if we, or others, are likely to be able to help you.
- ❖ We will carry out repairs at the home in 1 day in cases of emergency, in 7 days in cases of urgency and 28 days for a routine item.
- ❖ We will service gas appliances at the home annually.
- ❖ We will externally paint the home every 4 years.
- ❖ We will call at the home annually to carry out an inspection and liaison visit, and assess the need for the updating and improvement of facilities.
- ❖ We will offer all available advice and guidance where someone is having problems in paying the rent.
- ❖ We will offer all available advice and advice if people are a victim of crime, violence, harassment or nuisance.
- ❖ If the tenant, or a member of the household or a visitor, commit an act of crime, violence, harassment or nuisance, we will not ignore it and actions taken may lose the tenancy of the property.

- ❖ We will provide an outside office hours telephone service with a Duty Officer on standby.
- ❖ We will answer correspondence, emails and text messages within 7 days of receipt.
- ❖ We will respond to telephone calls within “5” rings.
- ❖ We will provide, when appropriate, interpreting facilities when English is not the first language.
- ❖ We will regularly publish our performance against laid down targets.

Since the Association serves a diverse community it endeavours to ensure that policies and procedures are modified to reflect the needs of that community.

In respect of community development, the Association will continue to be represented on any groups that can influence changes which will enhance the quality of life of our tenants. Involvement in such initiatives as Safer Estates, Local Regeneration and Pathfinder Working Parties will continue, as will active participation in Best Practice Protocols in respect of Domestic Violence and Aids & Adaptations. Whilst participating in these initiatives the Association is always mindful that they must offer potential benefit to our tenants and are not being undertaken to the detriment of day to day service delivery.

Similarly it will support local charities such as Aston Reinvestment Trust in their efforts to enhance the community and also by donating office equipment to support agencies undertaking relief work. We have recently invested in a scheme run by CRISIS to provide 3 units of accommodation in Birmingham plus training/advice to the occupants.

The Association will continue to employ and seek to add to its Approved List a number of locally based Building Contractors who employ local labour.

The Association has continued with the programmed improvement of its houses in order to achieve the Government’s “Decent Homes Standard” by 2010 and this was achieved. The 4 year cyclical painting of dwellings will carry on, as will a programme of replacement windows and improvements to heating systems. Similarly scheduled improvement of a proportion of properties by upgrading bathrooms, kitchens, bathroom/shower facilities and heating systems will continue.

Financial prudence will continue so that running costs are kept reasonably low, that the required rate of return is achieved, in compliance with accountancy best practice, company law and the requirements of the Regulatory Body.

The Association will seek to retain both a Board and staff with wide experience of service delivery either in the public service or private practice. Every possible endeavour will be made to recruit additional Board Members with the necessary experience which meets the governance requirements. During 2010, three new Board Members joined the Association.

The annual Newsletter and other publicity material produced will be written in a simple and friendly style, free of jargon. Every effort will be made to incorporate tenant comments and suggestions.

With the ever increasing use of the World Wide Web, the Association will ensure that the site www.bccivic.co.uk is relevant and is continually updated so as to enable the user to communicate effectively with the Association. Use of the site has resulted in approaches about services being received from as far away as Japan, so the hope is that this success will be built upon in the future.

Once we have achieved the original objectives of the Government's Rent Convergence initiative during this year there will be further directives given to us on the way rents and benefits will be calculated in future. We will be looking to ensure that our rents are reasonable and that we are able to achieve a small surplus after covering our costs.

Policies and procedures will continue to be reviewed to ensure their relevance and compliance with the principles of diversity and equality. Despite our stock levels remaining below the 1000 property ceiling for regular scrutiny and inspection by the Regulator, the Association will follow the principles of "Best Value" and "Continuous Improvement". To this end the Association will ensure probity through an independent Internal Audit. Regular reports on activities under review will be submitted to the Internal Audit sub-committee of the Board of Management.

The Association will seek to maintain housing stock levels by the continuation of the policy of looking to purchase quality family houses in the outer suburbs, but at the same time selling difficult to let or uneconomic properties plus those sold under the provisions of Right to Buy.

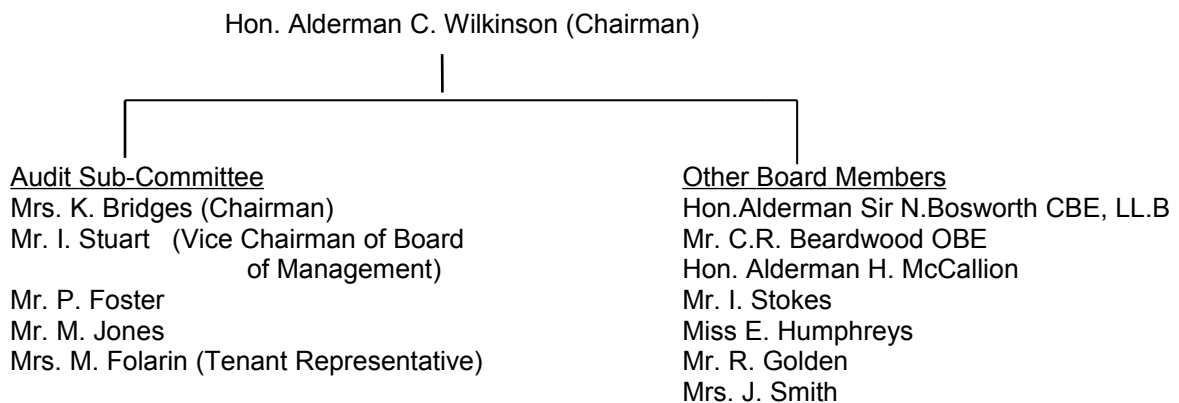
The Association will seek to play an active role in the wider community by developing links which allows influence on the decision making process, the aim being to improve the quality of life of our tenants. Such activity with the wider community cannot, however, be to the detriment of the day to day delivery of service.

Management Profile

The Association is managed by a Board consisting of thirteen Members. Board Members must have appropriate skills as detailed under the Tenant Services Authority's governance profile. They serve for a period of three years with one third retiring each year. Tenants are actively encouraged to join the Board and in addition people with specialist skills can be co-opted. All Board Members must be a Shareholding Member of the Association.

All Board Members are encouraged to attend the various training programmes organised by the Regulatory Body, National Housing Federation and the Institute of Housing.

Board of Management



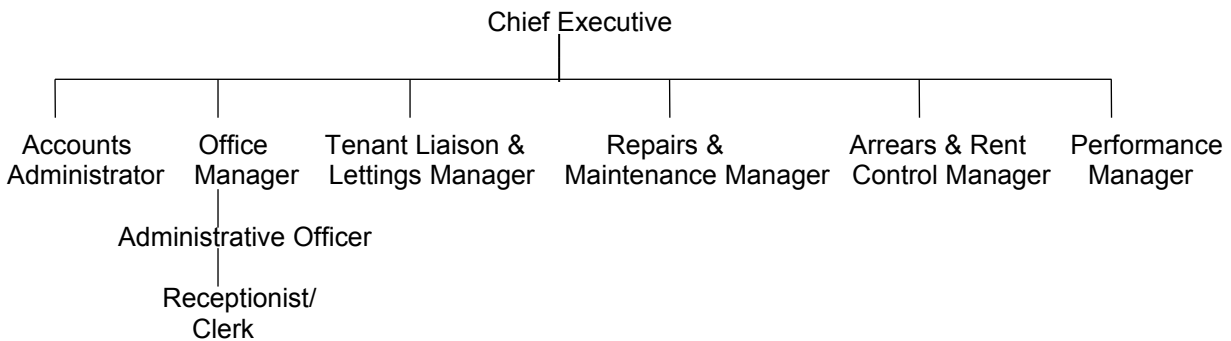
The Board and Audit Sub-Committee are served by the Chief Executive. The Association's Office Manager acts as Administrator to both the Board and the Sub-Committee.

The Board of Management and Audit Sub-Committee meet on 4 or 5 occasions each year, but emergency meetings can be held providing proper notice is given. An Annual General Meeting is held in the early spring to consider the Final Accounts and the overall performance during the year ending on the preceding 31st December. The appointment of the Auditors and Chairman for the succeeding year, together with the rotational appointment of Board Members for 3 years, are also made at this meeting.

The Audit Sub-Committee consists of five Members who are appointed from the Members of the Board of Management. This Committee's responsibility is to review the Association's performance against the agreed policies and laid-down procedures contained in the Board of Management's annual approved Audit Plan. These policies and procedures are reviewed by an Internal Audit Consultant who reports to the Sub-Committee.

The performance of the Chief Executive is reviewed annually by the Chairman, Vice Chairman and the Chairman of the Audit Sub-Committee.

Organisational Structure



Day to day delivery of the Association's housing service is carried out by a team of nine staff under the direction of the Chief Executive. The offices are open to the public 3 days each week Tuesday - Wednesday - Thursday between 9.30am to 3.00 pm. Outside normal office hours a designated Duty Officer has remote access to the Association's computer system and answerphone so can collect and respond to emergencies. Every tenant has direct access to repairs contractors who respond immediately to urgent repair issues or heating system breakdowns. This emergency service is available 7 days per week, 24 hours per day throughout the whole year.

The Association's out of hours service/Duty Manager has a direct link to the City Council's disaster/major incident network.

Although the Association owns less than 1000 dwellings and is not expected to embrace all aspects of best practice, it endeavours to deliver services mindful of the principles in being at any given time. The Board of Management regularly monitor the performance of the Association against its targets and objectives. Some of these performance targets have been determined by the Board, whilst others have been determined by the former Housing Corporation.

The Association recognises the need to deliver quality services and this has been recognised by the award in 2005 of Charter Mark accreditation, and more recently its replacement the Customer Service Excellence accreditation, with retention being subject to an annual independent appraisal.

In seeking to comply with the Regulator's philosophy of tenant involvement in the management of their homes, the Association positively encourages tenants to either become members of the Tenants' Focus Group or join the Board as Tenant Representatives.

The Association has a culture of staff involvement in the development of policies and procedures with the overall aim of delivering quality services. A maximum of four staff workshops are held annually when a review of

achievements is undertaken and a SWOT analysis is carried out which becomes an integral part of the Business Plan.

Performance & Financial Profile

As a result of prudent management, the Association has a sound financial base with reserves of £1.859m and open market value property assets of £20.273m, as shown in the Annual Audited Accounts for the year ended 31st December 2009. The 217 property portfolio consists of 152 debt free properties, whilst secured mortgage loans are held on the remainder.

The Board has determined a borrowing policy of 60% on fixed terms and 40% on flexible terms subject to market forces.

Liquidity and short term viability is well within tolerance levels expected if the Association were to seek to borrow from the Private sector.

The Board's policy is to ensure a surplus is achieved annually so to this end it receives reports on cash flow projections on both the Capital Programme and Revenue Account at each Board Meeting.

The Board has determined a series of performance targets in keeping with those recognised by the Tenant Services Authority. They relate to rent collection, rent loss, void turnaround time and repair timescales.

The Association attempts to maximise rents and in 2010 the average rent of the Association's property is £78.73 per week, generating an anticipated annual rent income of £888,390 (yr 2010). The Board has determined that all outstanding rent arrears will be actively pursued in accordance with the arrears recovery procedure which includes the 'rent arrears protocol' effective from October 2006. Every effort will be made to avoid legal action through benefit and debt advice.

The Association targets to achieve a 96% collection of rent against debit with arrears to be no greater than 5.3% of debit. Void property must be let within three weeks and rent loss on voids must not exceed 2%.

The Association has established strict timescales for repairs, categorising them in terms of seriousness; similarly targets have been laid down for handling correspondence, telephone calls and formal complaints. The establishment of the role of Duty Officer outside office hours has enhanced performance.

Administrative costs are maintained at a minimum so that investment in the maintenance and improvement of the housing stock can be achieved, whilst ensuring that a surplus is declared.

SWOT Analysis

21 June 2011

Strengths

An experienced, committed and competitive work force

A committed and supportive Board of Management

Understanding of our customers and their needs

Low running costs

Largely debt free property portfolio

High levels of tenant satisfaction (Independently tested)

Properties maintained to a high standard

Good relationship with suppliers

Weaknesses

Limitation on achievable economies of scale due to small property portfolio

Age profile of current board members and employees

Level of tenant participation less than desirable

Ability to raise rents restricted by government policy

Part-time working

Age profile of property portfolio

Opportunities

To continue to improve services for our customers using the independent “Status” report outcomes and annual tenant visit reports

To sell our expertise to other organisations

To establish partnership arrangements with other service providers

To obtain ‘charitable status’ for tax purposes

Debt reduction

Threats

Failure of Corporate Governance flowing from changes to the Board and loss of experienced members

Not being “output” focussed

Changes in Government policy

Withdrawal of direct payments of Housing Benefit

Higher void cost due to the age of the stock

Disrepair actions

Interest rates rising above expectations

The cost of consultancy to increase

General effects of the economic recession

