

GUERNSEY HOUSING ASSOCIATION LBG

Business Plan

Jan 2009 to Dec 2014



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Guernsey Housing Association Business Plan for 2009 to 2014

Executive Summary

The Guernsey Housing Association Business Plan assesses the next 5 years development of the company from 2009 to December 2014. The Plan will be updated annually in readiness for each new financial year.

Guernsey Housing Association was established in 2002 and is an independent, not-for-profit company limited by guarantee. The Association is part-sponsored through grant funding by the States Housing Department and helps to provide affordable social housing to meet the needs of local Guernsey people.

Since 2002, Guernsey Housing Association (GHA) has built 289 new homes for local people to rent and first time buyer purchase through Partial Ownership. GHA has a key role to assist the States Housing Department to help in meeting its Corporate Housing Programme generating more new social housing for local people on low incomes and in housing need.

The Association having now built these 289 homes in the last 7 years has changed from solely being a developer of homes, to focus increasing attention on the management and maintenance of its properties and the customer service we provide to our residents.

Working with the States Housing Department, GHA has agreed a 5 year programme to produce over 300 additional new homes on several identified sites, many of which involve the redevelopment of States houses that are not economic to repair to modern standards. The States have identified a general need for GHA to develop 1 and 2 bedroom accommodation to house their tenants who are under-occupying 3 bedroom family States homes.

The States Housing Department (SHD) perform the function of a grant funder and a regulator, overseeing GHA's business performance, through a Framework Agreement.

GHA is developing new social housing through a mix of States Housing grant and private finance from Banks. In 2002 the majority of funding was grant however now with its asset base the Association is able to generate better value for money for the public purse, with around 35% of new scheme costs being paid for by land or grant from the States and the remainder being private finance. The Association has funding facilities in place with Royal Bank of Scotland international for £30 million on a 30 year long term investment loan financing the completed homes to-date and 41 homes under construction. An additional loan facility has been agreed in 2009 with HSBC for £18.5 million to fund 150 more new homes.

The next 5 years continue to be an exciting time for Guernsey Housing Association as we play our part in creating more new social housing for local people both for rent and partial ownership and key workers, whilst meeting our existing customer's needs. Our aim is to complement the States Housing Department social housing provision, working closely with them, whilst remaining an independent company.

This Business Plan sets out the Associations ability to complete and start construction of 295 additional new homes over the next 5 years on identified sites.

Steve Williams
Chief Executive

A Profile of Guernsey Housing Association

At 1 January 2010, GHA has a stock of 289 homes and a community centre, with an additional 56 homes under construction. The homes are all in Guernsey, in the areas of St Peter Port and St Sampson.

The majority of GHA's homes have been new build and have all been built in the last 6 years.

Turnover for GHA is now over £1.7 million per annum, (expected to be £2.4 million in 2010) and we employ 7 staff (6 full time & 1 part time) based at our offices at 6 The Bridge, St Sampson. Our offices provide ground floor shop front access for our customers.

During 2009 we completed 88 new homes for rent and partial ownership. We spend around £8 million a year on construction of new homes and seek to employ local contractors and consultants whenever possible.

GHA has a key role in assisting the States Housing Department in delivering on the targets in their Corporate Housing Programme.

The Association is controlled by a Board of experienced professionals who serve on a voluntary basis, to whom the staff report on the running of the company. There are currently 5 Board Members from backgrounds in law, accountancy, engineering, architecture and social services. The Association's seven staff comprise a Chief Executive, Housing Manager, Housing Officer, Administrative Assistant, Financial Controller (part time), Finance Officer and Property Manager.

AIMS AND OBJECTIVES

The 3 core business objectives for Guernsey Housing Association are:

- 1. To increase the supply of social housing in Guernsey**
- 2. To provide a high standard of housing service, responsive to customers needs**
- 3. To maintain a strong financial position**

1. To increase the supply of Social Housing in Guernsey

The Association will provide and manage properties on a not-for-profit basis in Guernsey for those in housing need and least able, through limited income, age or disability, to obtain suitable accommodation in the local market or through the States. The Association's lettings policy means that a wide range of households can apply for our accommodation.

The Association has been initially redeveloping existing States housing estates to provide new social housing for rent and partial ownership, playing its part in trying to address the housing needs of the island. Our aim is to increase the energy efficiency of our new homes in excess of the current Guernsey standards, thereby reducing residents running costs and benefiting the environment.

Our main emphasis is on providing social rented housing however we are also producing more partial ownership properties for first time buyers.

2. **To provide a high standard of housing service, responsive to customers needs**

GHA now has an established stock of property and therefore we have an increasing focus on the needs of our customers in managing and maintaining our homes, and the ancillary services.

We aim to achieve a high standard in the provision of services including Allocations, Rent Collection, Response Repairs, Planned Maintenance, and Tenant Participation.

3. **To maintain a strong financial position**

We continuously review our financial capacity, accounts and treasury management to ensure that we can support our new homes development programme and the maintenance and management of our existing homes.

GHA has to meet the Bank covenants and the requirements laid down by the States in the Framework Agreement.

HOUSING STOCK IN MANAGEMENT

Nominations and Allocations

The States of Guernsey Housing Department has nomination rights to 75% of the homes provided by the Association. The remaining 25% of homes are allocated to people on the Associations waiting list. The Association has slightly different eligibility criteria to the States, as GHA will house single people or couples under the age of 65 years, and on marginally higher income levels. Those people nominated by the States qualify for Rent Rebate, whereas GHA nominee's do not, but can access benefits through Social Security subject to their income level and circumstances.

GHA rent levels are at the top end of the rent range charged on the States properties (to reflect their newness) and are rising annually generally in line with inflation and a level to keep GHA viable.

GHA housing stock in management as at 1 January 2010:

Rented homes	1 bed	2 bed	3 bed	4 bed	total	In management
Burnt Lane (Lion Cottage)	1				1	2003
Delancey Court	22	12			34	2004
5 Hauteville			1		1	2004
Havilland Street	3				3	2004
Rue des Marais	21	47	12	2	82	2005
Roseville	17	8	1		26	July 2006
La Chaumiere	10				10	July 2006
Amballa	10				10	July 2008
Hougue a la Perre	36	10			46	August 2009
Sir John Leale Avenue	5	3			8	November 2009
Total	86	84	25	6	221	

Partial Ownership	1bed	2bed	3 bed	4 bed	total	In management
Roseville	3		3	4	10	July 2006
1-8 Victoria Avenue			8		8	April 2008
Hougue a la Perre ph1	3	3			6	June 2008
3-12 Jardin de Haut	6	4			10	October 2008
Hougue a la Perre ph 2	15	10			25	August 2009
Sir John Leale Avenue		9			9	October 2009
Total	27	26	11	4	68	

DEVELOPMENT PROGRAMME

Funding Model

The initial projects were funded with a capital grant from the States Housing Department (SHD), equivalent to 75% of the total scheme costs, with the remaining 25% being obtained as private finance from a Bank, namely RBSi. As GHA's asset base has increased and track record of completing homes to budget and on time has developed, this grant subsidy has reduced. For future projects it is anticipated that ordinarily SHD will provide land/grant subsidy equivalent to 25% to 35% of total scheme costs, assuming a highly energy efficient specification.

Development pipeline

Under construction as at 1 January 2010:

- Sir John Leale Avenue (Victoria Avenue), St Sampson – phase 1 was completed in October 2009 (17 homes), with phase 2 due to complete in February 2010 (19 homes), and phase 3 due to complete by Sept 2010 (22 homes).
- Mont Beauvoir, Mont Arrive – 15 bungalows started on-site in November 2009 due to complete October 2010.

Total homes on-site = 56

At the feasibility stage:

- Le Rue Clouet (Grand Bouet estate phase 1) – old properties now demolished, timetabled to start construction of 55 new apartments in April 2010 subject to necessary approvals.
- St Martins – new build Rural Area RH2 site could provide 15 to 20 bungalows/flats for rent, anticipated completion 2011/12
- St Peter Port site – potential site for up to 40 new homes. Timetable dependent on site becoming available.
- Baubigny Arsenal, can provide 6 houses and 4 flats.
- 13 to 16 Jardin de Haut – 4 partial ownership 1 bed houses, likely completion late 2010
- Other Rural Area sites on hold to see how the St Martin's site progresses.

The above projects generate over 120 new homes which are in the pipeline on known sites, the majority of which are owned by the States. On these sites numbers will vary slightly dependent on the outcome of the design and planning approval process.

Other sites being considered for the future:

- Land adjacent to States Housing in Castel – new build Rural Area RH2 site.
- L'Islet Arsenal land - new build Rural Area site.
- Leales Yard, St Sampson – possible acquisition of social housing.
- Grand Bouet phase 2 and 3, or replacement sites.
- Sandy Hook rural site

By the year 2014 GHA could reasonably expect to have 500 to 600 homes in management based on these existing known sites.

OBJECTIVES, STRATEGIES AND KEY TASKS

1. Objective:

To increase the supply of social housing in Guernsey

Strategies:

- Deliver a 5 year development programme with the States Housing Department
- Assess opportunities independent of States land and grant
- Seek development opportunities
- Prepare for the States key worker housing tender, to help deliver the new build key worker housing construction and management of the existing key worker housing

Key Tasks:

- Maintain good relations with the States of Guernsey, primarily with States Housing Department, meeting the requirements of the Framework Agreement – providing monthly accounts, Quarterly Reports, and annual Business Plan. Also continue the regular meetings between SHD Board and the GHA Board - **on-going**
- Assist SHD in meeting the aims of the States Corporate Housing Programme through feasibility work on new sites, and progressing the better opportunities. – **on-going**
- Produce a successful highly energy efficient scheme at Victoria Avenue and use the specification as a base for other new projects. Using Structurally Insulated Panels, with the benefit of high insulation levels, air tightness, speed of construction and quality of build utilising a proven factory made system. – **to complete in 2010**
- Work closely with SHD to make best use of existing Guernsey social housing stock, through GHA developing a complimentary mix of homes, and reviewing levels of nominations to address rising GHA waiting list. Explore eligibility criteria for both SHD & GHA waiting

lists and whether changes are needed, or the creation of one waiting list to simplify the process for the applicants, GHA and SHD. - **by November 2010**

- Promote use of Partial Ownership to meet need for first time buyer housing, and ability to free up rented accommodation by selling to existing SHD & GHA tenants, and people in the private rented sector. – **on-going**
- Ensure that Guernsey contractors and consultants see GHA as a good employer and partner to work with. Aim to use local companies as much as practicable, whilst always encouraging competitiveness. - **on-going**
- Seek development opportunities, including site finding and maintaining communication with the leading developers and landowners on the island. - **on-going**
- Prepare for the key worker tender to be issued by States Housing Dept. It is both an opportunity and a threat. - **await tender documents**

2. Objective

To provide a high standard of housing service, responsive to customers needs

Strategies:

Improve customer services and launch new initiatives that support residents and neighbourhoods

Assess existing tenant satisfaction and address areas with lowest satisfaction levels

Measure and set targets for GHA housing management and maintenance performance, and monitor with reported Key Performance Indicator's monthly

Ensure staff are suitably trained and customer service focussed

Develop a new Tenant Participation strategy

Maintain the stock to a high standard, with planned and cyclical maintenance programmes, as well as a quick reactive repairs service

Key Tasks:

To measure our performance we are assessing the critical elements of housing management and maintenance service as they affect our customers as identified by the National Audit Office report in 2008.

At the end of each month the following areas are recorded and discussed between the Housing Manager and Chief Executive. **Our targets for 2010 are in red.**

The following Key Performance Indicators are for the end of October 2009.

Waiting List

Applicants registered for rented housing at 31 October 2009

1 bed	112
2 bed	9
3 bed	9
	130

Applicants registered for partial ownership housing at 31 October 2009

1 bed	63
2 bed	41
3 bed	45
4 bed	4
5 bed	1
	154

	Oct 09	Year to date
Completed waiting list applications this month	18	120
Number responded to within 10 working days	2	77

(norm is average of 8 days turn around, but impacted by staff time spent on moving 70 households into Hougue a la Perre in 6 weeks from late August into October)

Number of applications rejected	0	12
Applications for rented housing	1	52
Applications for partial ownership housing	17	68

Rent Arrears

Percentage of total rent owed, less rebate expected but not yet paid (In arrears' means the rent is outstanding at the close of the week to which it pertains)

Rented	0.53%	(target to stay under 1.00%)
Partial Ownership	0.44%	(target to be under 0.33%)

Empty Properties (Voids) (target time to be under 28 days) (October 09 figures)

Voids let this month	2
Average time to re-let this month (17 SJLA handovers)	59.5 days (impact of 70 HALP and 17 SJLA handovers)
Voids let this year	16
Average re-let time this year	25 days
Number of lets to SHD Nom's this yr	11
Handovers this month	0
Handovers this year	88

Void rent loss this month	£3,532.98
Void rent loss this year	£10,467.50
Rent written off this month	£0.00
Rent written off this year	£327.70

Repairs

Number of repairs ordered for our contractor to action in October 09.

This month	34
Year to date	278

Each month we telephone 50% of our residents after the repair period has expired to ask about their satisfaction with the repair and with the contractor on their tidiness, timeliness and courtesy. This information is recorded. Over the year all residents are in effect contacted.

	This month	Year to date
Satisfied	15	169 (99.4% satisfaction)
Not satisfied	0	1

(target to achieve over 90% satisfaction with our repairs service)

Repair Response times for October 2009

	Number of orders	Responded in target time
Emergency (in 24 hours)	8	8
Urgent (within 7 days)	13	13
Routine (within 21 days)	13	13

There is some flexibility if the contractor attends and a specialist part has to be ordered.

We have joined a South West Benchmarking Club comprising 8 similar sized Housing Associations in south west England. We have compared our performance indicators against these peer Housing Associations and we compare very favourably. It does highlight some areas that we can learn from our peers, (although there are often differences in the services we are required to provide) which we are addressing as part of our continual improvement process. - **on going**

Review customer service areas such as method and recording of rent payments, use of GHA website, and finish the partially completed new Tenant Handbook - **by Dec 2010**

Build on existing tenant liaison, use our tenant's panel effectively, support and encourage our Neighbourhood Watch, & implement the new Tenant Participation strategy actions. Continue the annual tenants meetings. - **on going**

Implement our new cyclical maintenance programme to maintain GHA's stock to a high standard. Review & refine the programme (Sept 2010). - **on going**

Use the new Aareon IT system to better deliver our customer service, new modules on repairs and waiting list to go live - **Mar 2010**

Review staff training requirements and ensure staff are given support and training where necessary to deliver a responsive customer service. Annual Appraisal by July each year, plus monthly 1.1's (encourage external training courses where relevant) - **on going**

Assess rent differences between 1, 2, 3 and 4 bedroom properties – **before Sept 2010**

3. Objective

To maintain a strong financial position

Strategies:

To perform in accordance with the Business Plan and operate within budget

Implement GHA's treasury management strategy

Reduce rent arrears, void periods and letting times

Monitor income & expenditure on GHA's stock and development schemes on-site & in the pipeline

Use Aareon IT system to its full potential to handle growth of GHA to provide necessary finance information and data

Update the Risk Management strategy incorporating the issues arising from GHA's rapid growth and the economic impact of the current financial climate

Key Tasks

Analysis of monthly management accounts of actual against budget and action taken if necessary - **monthly**

Implement treasury management strategy - **on going**

Housing management staff to continue to commit necessary resource to proactively reduce rent arrears, voids, letting times. – **on going**

Monitor spend against budget - **on going monthly**

Monitor our Bank covenants - **monthly**

Ensure successful implementation and use by all staff of the new Aareon IT system across finance, housing management and maintenance – **by Dec 2010**

Review the Risk Management strategy to assess new risks and use as a working document taking action to minimise identified risks - **review by July 2010**

Other Key Tasks

Review implications of GHA growing dramatically over the next 5 years from a stock of 201 to over 500 homes. This will have implications on a range of operational areas including staff, IT, systems, policies & procedures - **by Dec 2010**

A further growth factor would be the implications of taking on the Key Worker housing stock on behalf of the States, plus a new build key worker programme. The key worker housing stock totals circa 350 properties. The Key Worker proposal needs detailed separate consideration by GHA once the States have issued their tender documents. – **await tender**

All Policies & Procedures to be reassessed - **by Dec 2010**

Review staff financial & IT training - **annually**

FINANCIAL PROJECTIONS

The budget for GHA for year 2010 was forwarded to the GHA Board and SHD by mid November 2009.

The funding model for the new social housing developments to be provided by GHA is based on a loan pay back by year 27 to 30. Within this model costs are incorporated for major repairs, routine maintenance, management costs, voids & bad debts, long term interest costs, inflation.

GHA financially models each development in order to achieve a pay back within 30 years, and incorporates all the existing stock and new known projects into an overall business projection.

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