

LYHA Corporate Plan 2016-2020

Updated July 2018



About LYHA

Leeds and Yorkshire Housing Association was formed in 1979 through the merger of four associations, which date back individually to as early as 1950.

The original four housing associations were:

- The Leeds Tenants Housing Society Limited was formed in 1950 and was registered as a Friendly Society, affiliated to the National Federation of Housing Societies. Its founder, Charles Charlesworth, wanted to tackle homelessness which had risen in the years following World War II. Mr Charlesworth had been impressed with the co-operative housing movement in Sweden and based Leeds Tenants Housing Society on this model.
 - Yorkshire Cottage Housing Association Limited was founded in 1952. It provided some general family housing, but focused primarily on accommodation for the elderly.
 - Aggrey Housing Limited was formed in 1955 and named after the Ghanaian educationalist Dr J.E.K. Aggrey (1875-1927). It was one of the country's first housing providers for Black and Minority Ethnic communities. Dr Aggrey aimed to support the integration of newcomers to Leeds.
 - Aire Valley Housing Limited was founded in 1962 as a development consortium which focused on the design, construction and management of properties for 'fairly' priced rents.
- Today we have our head office in Headingley, Leeds. We build and manage homes to rent and buy across Yorkshire. We currently provide homes to nearly than 1500 individuals and families.
 - We remain a forward thinking, dynamic and progressive organisation who continually punch above our weight and strive to be the best we can be. The core values of the original housing associations which formed Leeds and Yorkshire Housing Association remain embodied in our approach today.



Operating Environment

There is an acute housing crisis which is wide and varied. The National Housing Federation's *Home Truths* report reveals that in the Yorkshire and Humber Region:

- Overall house prices are lower than the national average at £181,740, but homes still cost more than seven times average incomes.
- Across the region, nearly 36,000 too few homes were built between 2012 and 2016 to keep pace with demand.

In February 2017, the Government published a white paper "Fixing our broken housing market" setting out their plans to reform the housing market and boost the supply of new homes in England. It includes measures to:

- plan for the right homes in the right places
- build homes faster
- diversify the housing market
- help people now

In 2016, housing associations in Yorkshire and the Humber built many homes for social rent, and 90% of these homes were funded entirely by housing associations, without government assistance.

There are opportunities for growth and the challenge for LYHA is to work innovatively to deliver services that customers value while delivering our Value for Money strategy.

This plan sets out how LYHA will work to address the housing crisis by providing a great customer experience, making a positive impact in our communities and leveraging our assets to invest in new housing supply.



BUSINESS PLAN

Our vision - *to provide quality affordable homes and services that make a positive impact on people and communities*

Our strategic goals & vision

Aim 1 – To provide a positive customer experience

1. We will be easy to contact
2. We listen to customers
3. We agree resolutions and courses of action
4. We deliver on our promises
5. We check how we've done and how we made customers feel

By 2020 we will have achieved:

- A Net Promoter Score of 50
- Overall Customer Satisfaction of 88%

Aim 2 – To make a positive impact locally

1. Support local communities to be involved and have a say in their area
2. Investment and initiatives that respond or provide solutions for local issues
3. Partnerships to complement our strengths to deliver our vision and strategic aims.
4. We will measure the impact we have on local areas and neighbourhoods
5. We will understand what makes communities and shape our priorities to respond to and encourage diverse communities
6. We will maximise opportunities for local people through our procurement and investment activities

By 2020 we will be:

- Delivering against an integrated and holistic community investment strategy that delivers for customers, communities and LYHA

Priority 1 – To be a strong, viable and efficient BUSINESS

1. Embed **Value for Money**: Operating at best quartile costs per unit and investing to deliver homes with an average NPV of £30k.
2. Leverage our housing assets to borrow responsibly for **Investment** in new homes.
3. Embrace a comprehensive approach to **Risk Management** at all levels of the business.
4. Board and Executive Team have the right skills and experience to deliver effective **Governance** and lead the organisation
5. Maintain **Compliance** with all regulatory and other requirements, retaining G1 grading

By 2020 we will have achieved:

- Average NPV over £30k
- 100% H&S compliance
- Secured loans for 18 mths development
- G1/V1 Regulatory ratings

Priority 2 – To be an employer of choice

1. We will have a **Culture** based on shared **Values** which are lived by all colleagues
2. We value **Diversity** and recognise the strength that diverse views bring to LYHA
3. We are a **Learning** organisation which invests in personal and professional development.
4. We **Reward** & recognise colleagues for their contribution.
5. We show **Leadership** in our communities, our professions and our sector.

By 2020 we will have achieved:

- liP Gold Standard
- Staff retention of 85%
- Colleague engagement of 85%

Priority 3 - Growing our business and providing more homes.

1. We will continue to build and acquire **Homes**.
2. **Homes for Rent** – we will maintain at least 90% of our homes for sub-market rent.
3. **Home Ownership**: we will provide shared ownership where this reflects local demand
4. **Merger & Acquisition** : we will consider merger opportunities where it complements and supports us to deliver our vision and increases our capacity and potential.

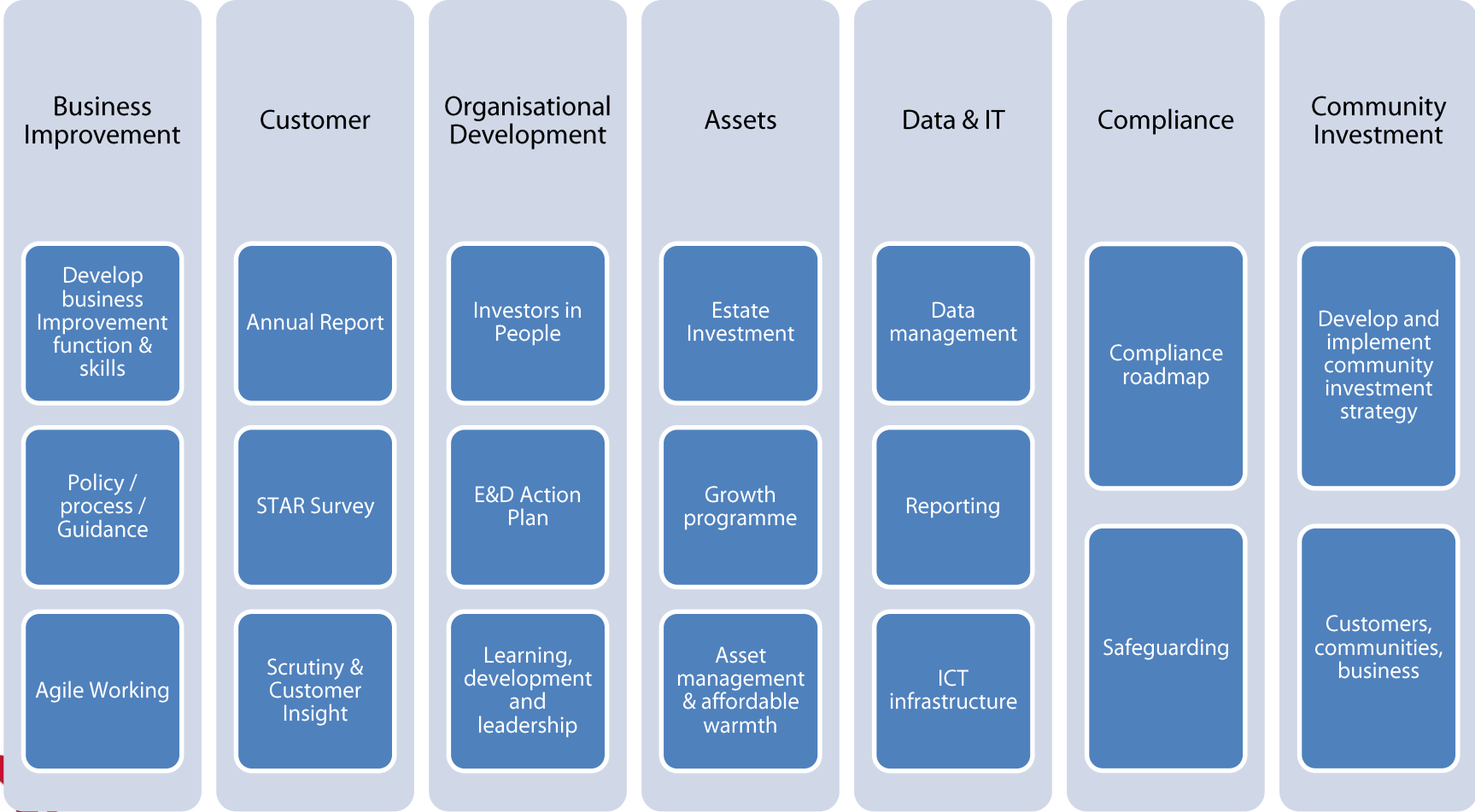
By 2020 we will have achieved:

- 1640 homes in management, 23% > 2015
- 40 homes built for shared ownership
- 250 homes in Barnsley

2020 Ambition

Positive Reputation

2018/19 Action Plan



Financial Plan

Period: 01 April 2018 - 31 March 2023	2019	2020	2021	2022	2023
	£000's	£000's	£000's	£000's	£000's
Total Turnover	7,877	7,389	7,894	10,072	8,815
Operating Expenditure	-6,649	-5,566	-5,724	-7,160	-6,192
Other income					
Operating Surplus/(deficit)	1,228	1,823	2,170	2,912	2,623
Gain/(loss) on disposal of fixed asset	161				
Interest Receivable	4	5	4	4	3
Interest and financing costs	-784	-902	-1,070	-1,239	-1,336
Decrease in valuation of housing properties					
Movement in fair value of investment properties					
Surplus before tax	608	925	1,104	1,676	1,290



Financial Plan – Ratios & Metrics

	2019	2020	2021	2022	2023
Metric 1 - Reinvestment %	13.51%	12.27%	6.87%	6.01%	5.70%
Metric 2A) - New supply delivered % (Social housing units)	2.72%	3.52%	2.50%	3.38%	1.78%
Metric 2B) - New supply delivered % (Non-social housing units)	0.00%	0.00%	0.00%	0.00%	0.00%
Metric 3 - Gearing %	37%	41%	43%	41%	42%
Metric 4 - EBITDA-MRI Interest Cover %	198%	145%	245%	232%	200%
Metric 5 - Headline social housing cost per unit	£3,621.04	£3,471.90	£2,747.04	£3,182.13	£3,210.18
a) Management cost per unit	£1,398.35	£1,355.64	£1,343.81	£1,332.71	£1,328.67
b) Service charge cost per unit	£216.84	£215.28	£215.90	£214.12	£215.73
c) Maintenance cost per unit	£840.48	£780.91	£766.26	£768.83	£792.90
d) Major Repairs cost per unit	£1,146.03	£1,100.94	£401.95	£847.58	£853.93
e) Other social housing cost per unit	£19.34	£19.13	£19.11	£18.88	£18.95
Metric 6A) Operating Margin % (social housing lettings only)	8.75%	23.95%	26.93%	28.17%	29.24%
Metric 6B) Operating Margin % (overall)	13.58%	24.92%	27.72%	29.09%	29.96%
Metric 7 Return on Capital Employed (ROCE)	2.42%	2.88%	3.23%	4.25%	3.71%

