



# **Business Plan**

2014-2019

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IN PEOPLE | Gold

If you need the information in this business plan in large print, Braille, on CD, or explained in your own language, please contact us on 01495 745929.

A Welsh version of this plan can be found at:  
[www.melinhomes.co.uk/businessplan2014-19/welsh](http://www.melinhomes.co.uk/businessplan2014-19/welsh)

Printed copies are available on request.

# 1

## Executive Summary

Melin Homes has a strong focus upon supporting its residents and the communities in which they live.

This is especially important in addressing the challenges of welfare reform, and much has been done to ensure our residents are well informed about how the changes affect them and their household; to offer money advice; to provide access to responsible borrowing and saving schemes; and to offer support in accessing employment, training and further education. This work will continue throughout the next business plan period.

Melin continues to use its resources and partnerships to provide more new homes, and over 100 new homes were brought into management last year, currently with 200 more on site.

The Minister for Housing and Regeneration is encouraging innovation to support his ambition to deliver more new affordable homes. Our Board takes this call very seriously and is committed to playing its part, evidenced by our proposals to create a subsidiary organisation which will support our development activities.

The energy agenda is an important strand of our community benefit activities with the arbed 2 ERDF programme delivering much needed energy efficiency measures across the whole of South Wales and long term sustainable employment for Welsh SMEs and local people. Together with other employment initiatives, over 1,200 people have participated in the 'Melin Works' programme to date.

To ensure that we deliver our objectives, a priority for the Board is to operate robust governance procedures, and in this connection its model rules were revised within the year, together with maintaining a strong financial position. Melin was pleased to be part of the Welsh Housing Bond and is grateful to its financial partners who are essential in ensuring the delivery of the association's strategies and operational plans.

This plan sets out how Melin Homes will continue to positively respond to the housing objectives of Welsh Government and the Local Authorities with whom we work, and how we will continue to deliver homes and services for existing and future residents, and the wider community at large.



Margaret Spencer, Chair



Mark Gardner, Chief Executive

# 2

## Vision and Values

### Vision



### Values

Our work will be underpinned by:



# 3

## Areas of operation

Melin owns and manages homes across 5 local authority areas, providing a wide range of housing solutions, and high quality services.

**Figure 1:** Map showing the 5 local authority areas Melin owns and manages homes in.



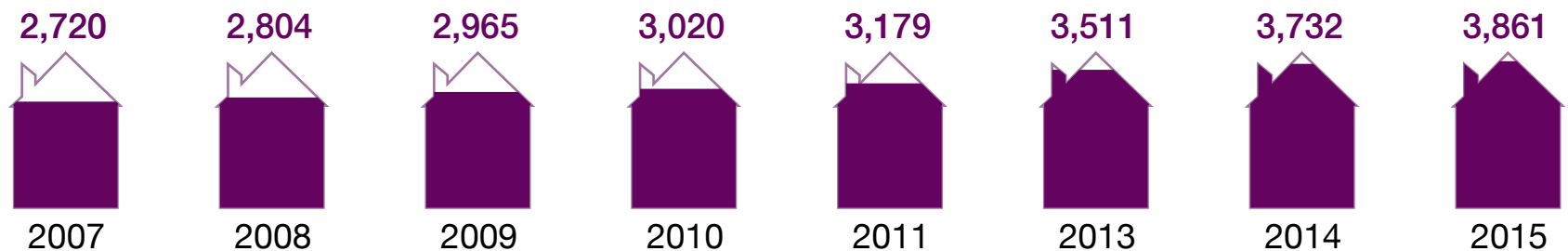
**Table 1:** Breakdown of homes by local authority area

Local Authority	Rented Homes	Low cost home ownership	Mortgage Rescue	Other **	Total
Blaenau Gwent	321	16	4	31	372
Monmouthshire	777	107	15	223	1,122
Newport	623	4	0	108	735
Powys	46	24	0	0	70
Torfaen	1,205	164	30	126	1,525
Other *	0	37	0	0	37
<b>Total</b>	<b>2,972</b>	<b>315</b>	<b>49</b>	<b>525</b>	<b>3,861</b>

\* shared ownership homes in Cardiff, Caerphilly and Vale of Glamorgan.

\*\* includes leasehold, homeless leasing, intermediate rents and commercial units.

**Figure 2:** Housing stock



Figures as of 31st March each year.

# 4

## The Board



### **Margaret Spencer – Chair**

Margaret joined the Board of Gwerin Housing in 2004 and was involved in the merger with Eastern Valley when the two housing associations became Melin Homes. She had a career in teaching home economics and then in social services where she developed an interest in housing and community issues. As well as the building of high quality homes Margaret is particularly interested in initiatives that enable people to develop their own potential and enhance their lives.

Margaret became Chair of Melin Homes' Board of Management in October 2012.



### **Lorraine Morgan RN, RM, RCNT, PGDipN (Land), M.Sc (Econ) Wales, FHEA**

Lorraine is a registered nurse and social gerontologist and now works as an independent Consultant on Ageing. She is a visiting professor of gerontological nursing and at present has the Lead for Health and Education on the Welsh Government's Ministerial Advisory Group on Ageing. She has worked in Housing, Higher Education and NHS.



### **Barry Holroyd – Vice Chair**

Retired Welsh Office Civil Servant.



### **Steve Cieslik BA(Hons), FCIH, FIRPM**

Self employed leasehold management specialist.



### **Tony Crowhurst BSc, CDip AF, MRICS**

Employed by the Disability Advice Project and other Welsh access groups, specialising in disabilities and access issues.



### **Chris Edmondson MSc Cert Ed**

Freelance management researcher/ adviser and editor.

# 4

## The Board



**Richard Essery MCIPD, ACIS**

HR and training professional.



**Toula Pearson**

Tenant Board member. Elected to the Board via tenants' ballot April 2008.



**Matt Miller MCIH, Dip Surv (P&D)**

Housing Management Professional.



**Clive Rees**

Co-opted Tenant Board Member.



**Simon Harrison ACIB, CeFA, CeMAP**

20 years as a corporate manager with Barclays leaving 9 years ago to advise on corporate pensions, latterly buying onto a corporate finance business Flexible

Commercial Funding Ltd.



**Dennis Robinson LL.B (Hons)**

Retired Solicitor.



**Doiran Jones OBE J.P.**

Vice Chair of Community Housing Cymru. Vice Chair of Care and Repair Cymru. Retired Local Government Officer (Building Engineer).



**John Flagg BA(Hons), HMIT**

Retired District Inspector of Taxes.



# 5

## The Leadership Group



### **Mark Gardner FCIH – Chief Executive**

Has worked in the housing sector for 31 years and has been a Housing Association Chief Executive since 1995. Formerly the Director of the Chartered Institute of Housing in Wales and the South West of England. Began his housing career in 1983 as a Trainee Housing Manager in local government.



### **Peter Crockett FMATT, FCCA – Deputy Chief Executive**

Held senior posts in the housing association sector since 1995 where he has gained considerable experience in all aspects of strategic finance, including loan funding as well as all other support services. Previously, Peter spent 6 years in a private accountancy and audit practice where he trained as a certified accountant.



### **Peter Davies MCIQB, BSc – Director of Development**

Peter has considerable experience of property development in the public, private and housing association sectors. He has worked in a senior capacity for a number of leading housing associations in Wales since 1989.



### **Dave Cook MBA, MSc, MCIH – Director of Customer Services**

Dave has been Director of Customer Services since 2009. He is responsible for Housing and Asset Management services; the Direct Works Services; and the Melin Energy team. He developed the Melin Energy team and remains responsible for governance and risk associated with the project.

Dave's early career was in private sector construction that led to senior positions in construction management. He spent 4 years working in Gwent County Council's Property Services Department before moving into the housing sector in 1996.



### **Adrian Huckin FCIH, B.A. (Hons) – Director of Communities, Enterprise and Care**

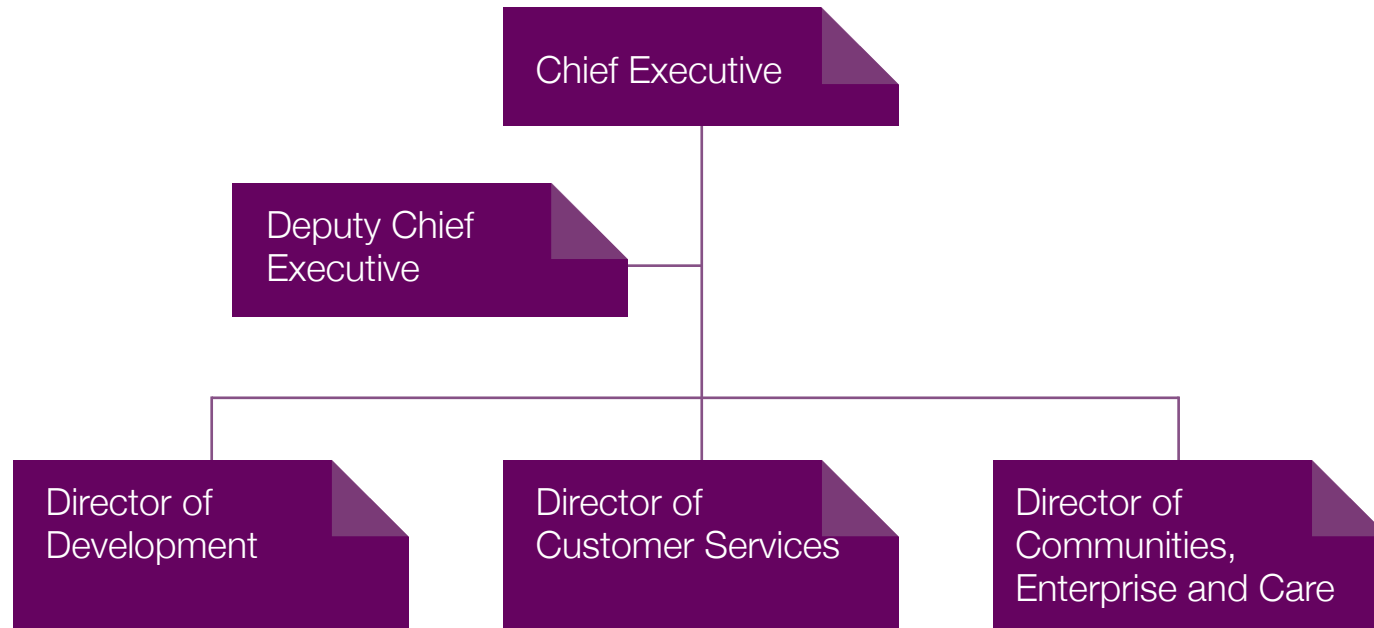
Adrian joined Melin Homes in September 2010 having previously worked in senior positions in both the public and housing association sectors for 15 years. His housing career spans a total of 31 years. Adrian is a member of the Chartered Institute of Housing and an external examiner for UWIC.



# 5

## The Leadership Group

### Leadership Group Structure



#### The remit of the Deputy Chief Executive's Department is:

- Financial Support
- Technology
- People and Learning
- Corporate Services
- Communications
- Quality Management
- Corporate Health and Safety

#### The remit of the Customer Services Department is:

- Front line housing management and maintenance services
- Planned maintenance and energy efficiency
- Melin Direct Works Force (DWF)
- Energy Efficiency
- Dispute Resolution
- Homeless leasing scheme

# 5

## The Leadership Group

### The remit of the Communities, Enterprise and Care Department is:

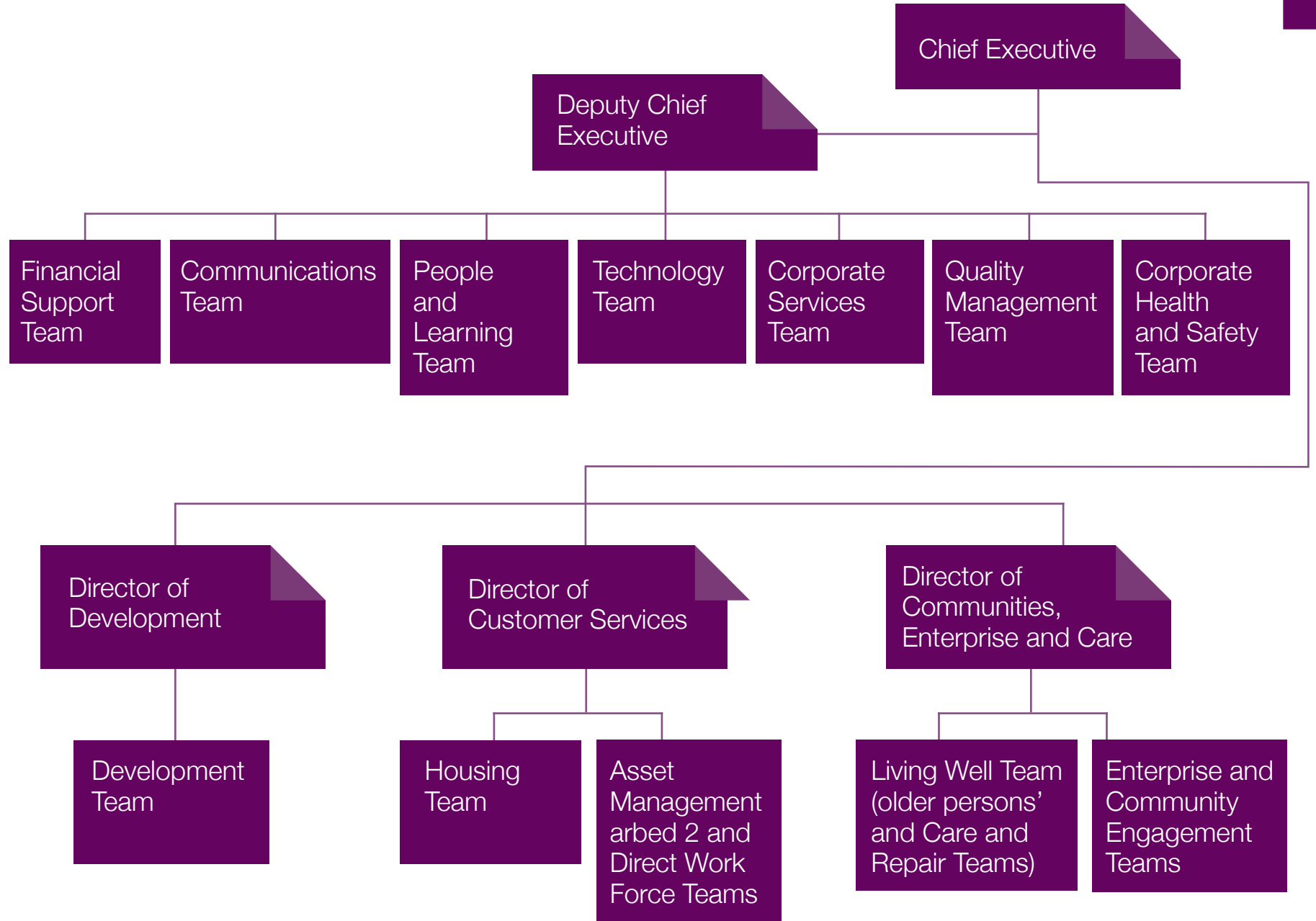
- Getting people into work or training
- New community business research and development
- Community development
- Financial inclusion
- Older Persons' Housing Services
- Care and Repair
- Social Enterprise
- Community and Resident Engagement

### The remit of the Development Department is:

- New build
- Land banking
- Regeneration
- Low cost home ownership
- Mortgage rescue
- Commercial Premises
- Intermediate Market Renting

# 6

## Staff Structure



# 7

## Delivering the Vision

This section of the plan outlines the key objectives to be delivered over the life of the plan, and the annual targets and tasks that need to be completed for this to be achieved.

### **Vision: to be an excellent landlord**

#### **Objectives to be achieved over the plan period:**

- Melin is an upper quartile or 'top 10' performer in all key performance areas.
- Melin is recognised as an excellent service provider as validated by its customers and external standards.
- Customer feedback and satisfaction drives service improvements.
- Housing and Asset Management services are improved and shaped to meet customer requirements.
- Melin's residents are supported and assisted whilst legislation to reform welfare benefits is implemented.

#### **Annual Action Plan**

- Provide ongoing support and resources to the Melin Residents' Panel, and implement the new Panel structure
- Keep operational performance outcomes within upper quartile.
- Continue to ensure that Melin and its residents are prepared for changes to housing and welfare benefits through the 'Melin Offer'.
- Implement the Board approved self assessment and HARA improvement plans.
- Continue to provide accommodation available to the homeless in partnership with Local Authorities.
- Conduct a thorough review of accommodation provided to older people.

# 7

## Delivering the Vision

### Vision: to be a major provider of new homes

#### Objectives to be achieved over the plan period:

- To maximise Social Housing Grant (SHG) investment.
- To ensure all SHG allocated is spent.
- Deliver an active and diverse SHG and non SHG programme to meet identified need
- Establish a strategic land bank and forward pipeline programme.
- Effective procurement methods for development activities to be in place and realising efficiencies/ best value.
- New homes built to lifetime homes standards with innovative specification improvements to promote sustainable development and reduce energy costs for residents.

#### Annual Action Plan

- Update the Melin development strategy evidencing a strong and diverse pipeline programme, based upon a mixture of SHG and non SHG programmes.

# 7

## Delivering the Vision

### Vision: to be a partner of choice

#### Objectives to be achieved over the plan period

- Melin is a well known and respected organisation with an established reputation.
- External relationships are strong and beneficial to Melin.
- Melin communicates to a wide audience regarding its activities and achievements.
- Risk is effectively managed across the organisation with plans in place for business continuity.
- The resources available to Melin are optimised and used to further its objectives and growth aspirations.
- Financial models are in place to demonstrate viability over a rolling 30 year period.
- Governance systems are strong and kept under review.

#### Annual Action Plan

- Contribute to the newly formed 'In One Place' collaboration with Health and Local Government colleagues.
- Work with GENuS and Local Authority partners to ensure an ongoing commitment to added value for communities and public services.
- Implement the new group structure of Melin and ensure it supports the diverse range of activities the organisation undertakes.
- Review financial strategies to ensure the ongoing availability of resources for existing and new projects.

# 7

## Delivering the Vision

### Vision: to create opportunities for residents and communities

#### Objectives to be achieved over the plan period

- Melin's activities and programmes are delivered within budgets allocated.
- Melin utilises technology to the full to improve community communication, its efficiency and business effectiveness.
- Partners want to work with Melin to deliver successful and sustainable projects that regenerate communities.
- Melin innovates to create new initiatives that improve the quality of life for residents and communities.

#### Annual Action Plan

- Develop the next phase of the Melin Energy programme.
- Extend the community benefits measurement tool to all procurement contracts and programmes.
- Develop proposals for the next phase of the 'Melin Works' programme.
- Review the structure and operation of the Care and Repair agencies.



# 7

## Delivering the Vision

### Vision: to be a vibrant place to work

#### Objectives to be achieved over the plan period

- Melin has demonstrated its compliance and pro-activity in respect of equalities, disabilities and the Welsh Language.
- Melin is recognised as a leading employer within and outside of the housing association movement.
- Melin offers a competitive salary and benefits package which is valued by staff.
- Staff are recognised for their contribution and achievements.

#### Annual Action Plan

- Ensure a rolling programme of training is in place for equalities and diversity.
- Achieve the Corporate Health Platinum standard.

# 8

## Action Plans

### Lead officers are referenced as follows:

- CE – Chief Executive
- DCE – Deputy Chief Executive
- DD – Director of Development
- DCS – Director of Customer Services
- DCEC – Director of Communities, Enterprise and Care

### Timescales and priorities are referenced as follows:

- Quarter 1 – a task to be completed by the end of June 2014
- Quarter 2 – a task to be completed by the end of September 2014
- Quarter 3 – a task to be completed by the end of December 2014
- Quarter 4 – a task to be completed by the end of March 2015

### Priority levels are defined as follows:

- Priority 1 – an essential task that must be completed
- Priority 2 – an important task that may be dependent on others outside of the organisation, or not business critical if some slippage occurs.

# 8

## Action Plans

### Vision: to be an excellent landlord

Action	Outcome / output	Resources	Lead Officer/ Department	Timescale & Priority Level
Provide on-going support and resources to the Melin Residents' Panel, and implement the new Panel structure.	Support assists the Panel to deliver its annual plan through new structure.	Resident Participation budget. c £30k	DCEC Community Engagement Team	Quarter 4 Priority 1
Keep operational performance outcomes within upper quartile.	Frontline landlord services to be customer focussed and to target by year end.	Staff structure designed to achieve high quality services and top level results.	DCS Customer Services	Quarter 4 Priority 1
Continue to ensure that Melin and its residents are prepared for changes to housing and welfare benefits through the 'Melin Offer'.	To reduce debt, increase resident income and provide employment opportunities.	Staff training; staff resource; and Benefit advice.	DCS/ DCEC	Quarter 4 Priority 1
Implement the Board approved self assessment and HARA improvement plans.	Improvement plans implemented and difference made measured.	Staff time. Costs provided for within budget.	DCE	Quarter 3 Priority 1

# 8

## Action Plans

### Vision: to be an excellent landlord (continued...)

Action	Outcome / output	Resources	Lead Officer/ Department	Timescale & Priority Level
Continue to provide accommodation available to the homeless in partnership with Local Authorities.	Accommodation available via Melin Leasing. Cost savings to LA monitored and reported.	Staff time and resource. Costs provided for and recovered within mini business budget.	DCS	Quarter 4 Priority 1
Conduct a thorough review of accommodation provided to older people.	Report and investment plan considered by Board.	£5,000 consultancy and staff time.	DCEC	Quarter 3 Priority 1

# 8

## Action Plans

Vision: to be a major provider of new homes

Action	Outcome / output	Resources	Lead Officer/ Department	Timescale & Priority Level
Update the Melin development strategy evidencing a strong and diverse pipeline programme, based upon a mixture of SHG and non SHG programmes.	Strategy agreed by Board.	c£2.3m SHG c£4m non SHG	DD Development	Quarter 1-4 Priority 1

# 8

## Action Plans

### Vision: to be a partner of choice

Action	Outcome / output	Resources	Lead Officer/ Department	Timescale & Priority Level
Contribute to the newly formed 'In One Place' collaboration with Health and Local Government colleagues.	New accommodation and partnership opportunities created and delivered.	Staff time.	CE	Quarter 4 Priority 1
Work with GENU S and Local Authority partners to ensure an ongoing commitment to added value for communities and public services.	Evidence value added benefits.	Staff time.	CE/ DCE/ DD/ DCS/ DCEC	Quarter 4 Priority 1
Implement the new group structure of Melin and ensure it supports the diverse range of activities the organisation undertakes.	Structure in place and delivering efficiencies and new resources.	Staff time and legal costs incorporated within budget.	CE/ DCE/ DD/ DCS/ DCEC	Quarter 4 Priority 1
Review financial strategies to ensure the ongoing availability of resources for existing and new projects.	Ongoing review of financial strategies monitored by Board and Audit and Risk Committee	Staff time	DCE	Quarter 3 Priority 1

# 8

## Action Plans

### Vision: to create opportunities for residents and communities

Action	Outcome / output	Resources	Lead Officer/ Department	Timescale & Priority Level
Develop the next phase of the Melin Energy programme.	Evidence of new initiatives and savings to Melin, residents, the wider community and the environment.	Arbed 2 funding of c£9m per year for 3 years.	DCS	Quarter 4 Priority 1
Extend the community benefits measurement tool to all procurement contracts and programmes.	Evidence of added value to residents and communities.	Staff time.	DCEC/ DCS	Quarter 4 Priority 1
Develop proposals for the next phase of the 'Melin Works' programme.	Increased number of work and training placements.	c£140K staff costs and external grant funding.	DCEC	Quarter 3 Priority 1
Review the structure and operation of the Care and Repair agencies.	Board proposal developed and approved.	Staff time.	DCEC	Quarter 2 Priority 1



# 8

## Action Plans

### Vision: to be a vibrant place to work

Action	Outcome / output	Resources	Lead Officer/ Department	Timescale & Priority Level
Ensure a rolling programme of training is in place for equalities and diversity.	To evidence structured training for all staff; Board members; and contractor organisations.	Part of staff training budget.	DCE People and Learning team	Quarter 4 Priority 1
Achieve the Corporate Health Platinum standard.	To evidence Melin's commitment to the health and well being of its workforce.	Within operational budgets.	DCE People and Learning Team	Quarter 3 Priority 1

## 9

Financial  
Information

## I&amp;E Accounts

	2014/15 Budget	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast
<b>Turnover</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Net rents & service charges	14,889	15,757	17,270	18,547	19,795
Project income	8,570	2,825	2,924	3,026	3,131
Income from other activities	214	235	243	252	261
	<u>23,673</u>	<u>18,817</u>	<u>20,437</u>	<u>21,825</u>	<u>23,187</u>
<b>Operating expenses</b>					
Repairs and maintenance	1,880	1,959	2,053	2,166	2,276
Service costs	622	651	707	753	797
Management costs	6,472	6,724	7,062	7,185	7,517
Project expenditure	8,649	2,790	2,888	2,989	3,093
	<u>17,623</u>	<u>12,124</u>	<u>12,710</u>	<u>13,093</u>	<u>13,683</u>
Operating surplus	6,050	6,693	7,727	8,732	9,504
Interest payable	4,273	3,731	3,825	4,808	5,119
Property sales	14	0	0	0	0
	<u>1,791</u>	<u>2,962</u>	<u>3,902</u>	<u>3,924</u>	<u>4,385</u>
Surplus for the year before depreciation	1,737	1,733	1,821	2,045	2,239
Depreciation charge	54	1,229	2,081	1,879	2,146
Surplus for the year after depreciation	(13)	(13)	(13)	(14)	(14)
Transfers (to)/from designated reserves	41	1,216	2,068	1,865	2,132
Surplus after transfers to reserves	1.42	1.79	2.02	1.82	1.86
Interest cover covenant					

## Balance Sheet

	2014/15 Budget	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast
<b>Tangible fixed assets</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Housing properties less depreciation	216,543	234,985	255,991	266,327	274,520
Less: Social housing & other grant	(128,949)	(140,254)	(146,732)	(149,369)	(151,416)
	87,594	94,731	109,259	116,958	123,104
Long term investments	3,581	3,581	3,581	3,581	3,581
Other fixed assets	2,933	2,696	2,440	2,376	2,300
	94,108	101,008	115,280	122,915	128,985
<b>Current assets</b>					
Debtors	3,670	3,812	3,397	3,193	3,733
Cash & investments	14,797	7,195	572	944	578
	18,467	11,007	3,969	4,137	4,311
Creditors: Amounts falling due within one year	9,294	9,574	9,910	10,258	10,618
Net current assets	9,173	1,433	(5,941)	(6,121)	(6,307)
	103,281	102,441	109,339	116,794	122,678
Creditors: Amounts falling due after one year	89,248	87,178	91,995	97,571	101,310
	14,033	15,263	17,344	19,223	21,368
Reserves					
Revenue reserve	13,719	14,935	17,003	18,868	21,000
Designated & restricted reserves	314	328	341	355	368
	14,033	15,263	17,344	19,223	21,368
Gearing ratio	56%	56%	56%	58%	59%

## Cash Flow Forecast

	2014/15 Budget	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast
Capital	£'000	£'000	£'000	£'000	£'000
Grants	4,507	10,183	5,388	2,637	2,047
Acquisition and construction of properties	(9,978)	(20,079)	(22,683)	(12,216)	(10,304)
Capital inflow/(outflow)	(5,471)	(9,896)	(17,295)	(9,579)	(8,257)
<b>Revenue</b>					
<b>Income</b>					
Cash received from customers	22,683	18,564	20,157	21,527	22,877
Interest collected	83	62	13	0	0
Sales of properties	0	0	0	0	0
	22,766	18,626	20,170	21,527	22,877
<b>Expenditure</b>					
Estate costs	11,439	5,783	5,990	6,250	6,508
Salary costs	5,385	5,612	5,903	6,193	6,491
Loan repayments	5,249	4,836	5,001	15,025	6,375
Other fixed assets	0	101	104	108	112
	22,073	16,332	16,998	27,576	19,486
Revenue inflow/(outflow)	693	2,294	3,172	(6,049)	3,391
Total inflow/(outflow)	(4,778)	(7,602)	(14,123)	(15,628)	(4,866)
Loan funding	8,457	0	7,500	16,000	4,500
CASH BALANCES b/fwd	11,118	14,797	7,195	572	944
CASH BALANCES c/fwd	14,797	7,195	572	944	578

## Cash Flow Forecast

1. Assured Rental Income set in accordance with Welsh Government (WG) Benchmark regime.
2. Secured Rental Income is assumed to increase in line with current policy until it reaches Assured Policy Rents.
3. Voids and bad debts have been assumed at current levels.
4. Salary costs have been increased in line with terms and conditions and staffing plan proposals.
5. Management costs have been fully reviewed with each item being fully costed and accounted for by each team.
6. Interest rates on existing LIBOR facilities have been assumed at 5%, with existing fixed facilities being accounted for at the agreed fixed rate and new facilities assumed at a flat rate of 5%.
7. It has been assumed that the Association sales under RTB, RTA and shared ownership are consistent with previous years.
8. Development growth is based upon indicative programme indications provided by Welsh Government and Local Government partners.

### For information

Covenant levels are as follows:-

Interest Cover - Must not be less than 1.1

Gearing - Must not be in excess of 60%