



Corporate Strategy 2018-2023

Updated for 2020

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A Welsh language version of this plan can be found at our website:
www.melinhomes.co.uk/publications
Printed copies are available on request.

Corporate Strategy
2018–2023 Update (2020)



March 2020 update

We have now completed the first two years of our 2018-2023 five-year Corporate Strategy. Our vision is based on a belief that we exist to create opportunities for people and communities to thrive and our strategy has, over the past 24 months, supported us in delivering those opportunities.

2019 has proved to be an exciting, challenging and successful year for us and this update highlights some of the ways we have made progress against our corporate targets. In order to ensure that we are still focusing on the right areas and that our targets are still driving delivery, during 2019 we undertook a review of the areas we focus on as a business and the associated targets and the revised targets are highlighted later in the strategy.

We remain committed to listening to and engaging with our residents and the communities within which they live and working only to their benefit. We recognise that sometimes we are not effective in our engagement and we have been working with residents to look at developing our approach. This work included a campaign to get feedback from a wider variety of residents. As a part of this we launched **100 Voices**: a bid to get at least 100 residents working with us through digital platforms and during 2019 we recruited 130 new residents to work with us.



We remain an independent, ethical and sustainable business that delivers growth within our operating area. We continue to be a social landlord at heart, delivering, managing and maintaining affordable housing and supporting people to sustain their tenancies. We have focussed on investing in our core business and increasing our size by building new affordable homes, with 355 new homes built during 2019/20.

In order to maximise the resources available to deliver more affordable homes and deliver core services we have a commercial subsidiary. **Candleston** has now sold over 90% at our first market sale homes at Coed Glas in Abergavenny. In delivering homes for sale we have a clear understanding of our risk appetite, our financial capacity and the need to protect our core business.

Candleston

March 2020 update

We have been working to strengthen our collaboration and partnership working and this approach has seen results which include us working with 36 schools spread over all five of our local authority areas and specialist housing provision at Tŷ'r Hen Ysgol.

We seek to be an agile organisation, with the ability to respond to changing economic and political situations and the needs of our residents. Austerity continues to be challenging for our residents and we have tried to have a positive impact on their lives by supporting them into employment; helping to cut energy bills and minimising service charges; developing relationships with local schools and developing learning and employment opportunities through our partnership company **YPrentis**. As part of work to support our residents we aim to keep year one tenancy failures below 5% and in 2019 achieved a rate of only 3.7%.



We have, and continue to, strengthen the way we are governed so that we can deliver our purpose and live our values and focus on operational excellence across the whole organisation. This included: increasing the diversity of our Board; undertaking an independent review of our governance arrangements; and supporting our Board with comprehensive inductions and training programmes.

We are committed to always being a good employer and continue to invest in our people and create a positive working environment and culture. To guide this work we take part in the **Best Companies** accreditation programme and were delighted when as a result of the feedback from our staff we were awarded three stars and number six on the Best Not-For-Profit Organisations 2020.



March 2020 update

We operate in an environment which has increasing levels of uncertainty associated with it. The Board has spent time consolidating work from previous years, understanding the key issues that impact on our long-term financial sustainability. As a result of this work, the Board now understands what would be needed to mitigate the negative impact of external risks, should they develop.

As an organisation we continue to look forward, to meeting the challenges we will face with enthusiasm, determination and imagination, and to reporting on our continuing journey to providing the highest quality homes and services to the people and communities we serve.

Who we are

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

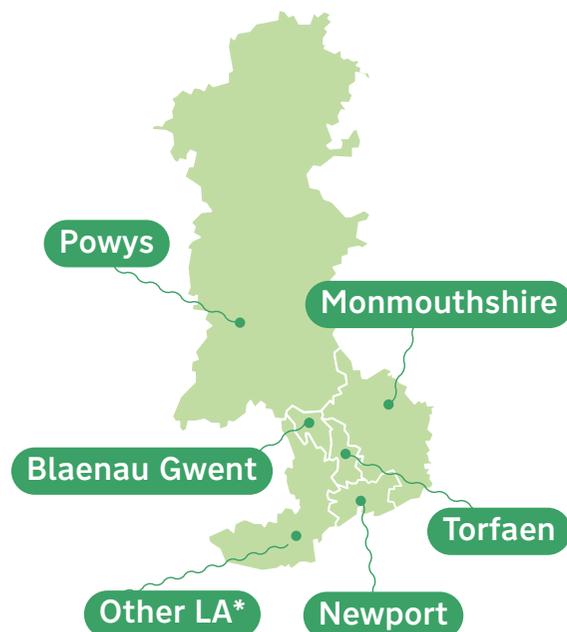


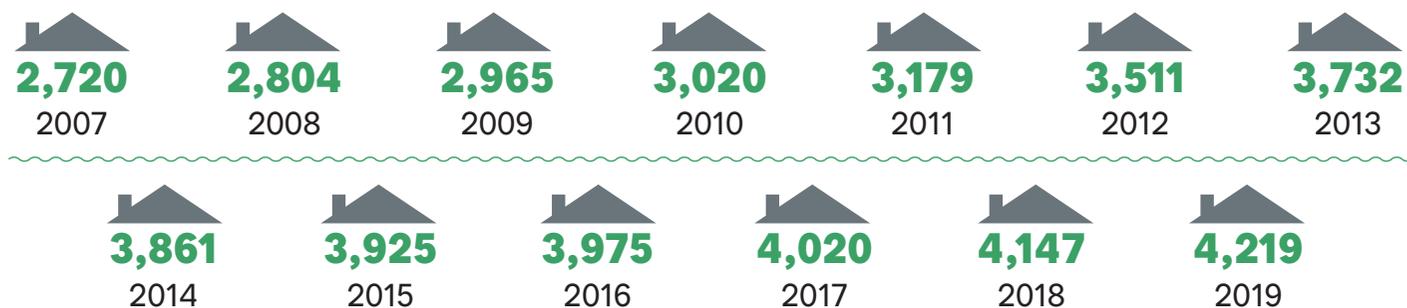
Table 1: Breakdown of homes by local authority area.

Local Authority	Rented Homes	Low cost home ownership	Mortgage Rescue	Other**	Total
Blaenau Gwent	352	35	2	29	418
Monmouthshire	834	133	12	149	1,128
Newport	596	9	0	60	666
Powys	86	33	0	6	125
Torfaen	1,420	286	30	131	1,867
Other LA*	-	15	-	-	15
Total	3,288	511	44	375	4,219

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

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

Figure 2: Housing stock (Figures as of 31st March each year.)



Vision and Values

Our vision describes what we want to be over the next five years. It focuses our attention on what is important over the medium term and informs the priorities that we take action on.

Vision

Delivered by an agile, caring and flexible workforce who has helped us to become one of the Sunday Times 100 Best Not-For-Profit Organisations To Work For, we will create thriving communities in south east Wales. We will build at least 1,000 new affordable homes in these communities and generate at least £5m from commercial sources and through savings achieved from a drive for resident focused operational excellence which we will reinvest in our core services.

Our values describe the approach that we will take when running our business and will guide the behaviour of our people as they seek to deliver our vision.

Values

Together we can:

- Do the right thing
- Find a way
- Make things happen
- Make a difference
- Enjoy the journey

What we want to achieve

To support the delivery of our vision we have developed four strategic pillars: great culture; operational excellence focused on residents; thriving communities and income generated from core enabling opportunities.

Under each of these pillars we have agreed areas of focus and we then set targets that we need to achieve to drive organisational delivery.

These areas of focus and targets will drive the content of our detailed business action plans and budgets. They will also form the backbone of our performance management framework and will help us track progress against the expected strategic outcomes.

Great culture

Areas of focus and target to be achieved:

- **Best Companies** – top 10 by 2023;
- **Growing talent** – create a new opportunity each year that demonstrates how we grow talent;
- **Gender equality in construction** – 25% of new recruits to team are women.

Generate income from core-enabling opportunities

Areas of focus and target to be achieved:

- **New homes for sale** – 50 market home sales per year;
- **Private renting** – Develop a private rented offer by September 2020;

What we want to achieve

Thriving communities

Areas of focus and target to be achieved:

- **New affordable homes** – 1,000 new homes by 2023;
- **Affordable running costs** – Increase the average EPC rating of our existing homes by one point per year until 2023, bring the average to an EPC of B. Our current average is 75.34 – by 2023 we will have an average of 80.
Only develop new homes which are low carbon, energy and water efficient by no later than 2021.
An annual rolling programme offering energy advice to 15% of our residents, targeting new residents and those living in the most energy inefficient;
- **Care through strategic partnerships** – Establish strategic care partnership by 2023;
- **Specialist housing provision** – 50 additional units of specialist housing provided (excluding housing for older people);
- **Schools programme** – Extend the relationship that we have developed with schools in all key locations by 2023;
- **Sustainable employment opportunities for residents** – 50 residents per year moved into sustainable employment;

Tenancy sustainment support – Year one tenancy failures reduced to 5% by 2023.

Operational excellence focused on residents

Areas of focus and target to be achieved:

- **Develop our knowledge and understanding about our assets** – Complete 100% of stock condition surveys over a five-year rolling programme;
- **Delivering a maintenance service that is valued by residents** – In partnership with residents, develop a new maintenance offer by September 2021;
- **Ambitious and resilient people** – Creation of a people strategy by end of 2019 and delivery of this strategy by 2023 of the Corporate Strategy;
- **Minimising service charges** – All non-essential service charges designed out on new schemes within three years.
Create a new service charge policy based on good data obtained from stock condition surveys from April 2022.
All existing service charges reduced by 25% by 2023;
- **Digitally included residents** – 75% of all contact from residents is undertaken online by 2023.

The Board

Julie Thomas CHAIR

RNMH, Dip. Nursing, MSc

Retired Divisional Director of Community Services with Aneurin Bevan University Health Board.

Anthony Hearn VICE CHAIR

MSc Management (Innovation in Social Enterprise);
BA (Hons) Sociology and Social Services

Director of Housing & Communities at Merthyr Valley Homes.

Wendy Bowler

MSc (Health); MSc Cert, Genealogical, Palaeographic and Heraldic Studies

Following a career in the civil service and then public health, Wendy is now a professional genealogist.

Lisa Howells

Sales & Marketing Director for Curo Group with more than 20 years' of property experience within the housing sector; member of the Housebuilding Federation and the National Housing Federation.

Clifford Lloyd Jones

ACIB, Cert PFS (MS)

A retired banker, Financial Advisor and Relationship Director for the Social Housing Sector, Education and Local Authorities for Barclays in Wales.

Sarah Bees

MSc

Sarah has a health and social care background, and is currently a Policy & Project Officer for the Gwent Regional Partnership Team.

John Jackson

With over 25 years marketing experience, John is a strategic marketing consultant. His private practice specialises in brand development, innovation strategy and marketing communications.

Gareth Thomas

Gareth began his career as a carpenter with Powys Council and worked his way up to an HNC in Construction. Recently moving to Alliance Homes in England as a Technical Manager he still wanted to be part of Welsh housing so joined our board.

Chris Edmondson

MSc Cert. Ed

Freelance management researcher, adviser and editor.

Martin Reed

Martin is a retired finance director of Brains Brewery. He had worked there for 17 years before retiring in June 2019. He is also a non-executive director of Welsh Whiskey.

Leadership Group

Paula Kennedy

Chief Executive



Paula has held leadership positions for over 20 years of her career. Formerly the Chief Executive of Brunelcare Housing Association. She is also an executive member of the Melin Board.

Peter Crockett

FMATT, FCCA

**Deputy Chief Executive
Growth & Business Development**



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. Peter is also an executive member of the Melin and Candleston Boards.

Dave Cook

MCIH, MBA, MSc

**Executive Director
People, Homes & Communities**



Dave has been Director of Customer Services since 2009. He is responsible for Housing and Asset Management services and the Direct Work Force. He is a Company Director of YPrentis.

Adrian Huckin

FCIH, BA (Hons)

**Executive Director
Innovation, Culture & Improvement**



Adrian joined Melin Homes in September 2010 having previously worked in senior positions in both the public and housing association sectors. He is a Company Director of YPrentis.

Financial forecasts

Income & Expenditure Account Forecast	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s
Income	23,071	24,782	26,400	28,159	29,870
Expenditure	18,849	19,496	20,168	20,689	21,307
Operating surplus	4,221	5,287	6,232	7,470	8,563
Interest payable & other activities	3,540	3,831	4,325	5,387	6,040
Surplus	682	1,456	1,907	2,083	2,523
Interest cover	1.35	1.51	1.59	1.55	1.58

Balance Sheet	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s
Fixed assets	310,109	331,279	356,583	382,589	389,178
Current assets	22,967	23,414	23,906	24,401	24,897
Total assets	333,075	354,694	380,489	406,990	414,074
Monies owed by Melin	313,099	333,262	357,151	381,569	386,130
Reserves	19,977	21,432	23,339	25,422	27,944
Gearing (Historic cost)	38.54%	40.26%	42.79%	44.47%	42.00%