



ELIM HOUSING

BUSINESS PLAN
2020 - 2025



CONTENTS

Executive summary	1
About Elim Housing	3
Our strategic objectives	4
Customers first	6
Quality homes	8
Sustainable growth	9
Future ready organisational design	11
Strong & sustainable business	12

Appendices

- i) Elim Group Budget
- ii) Group KPI's
- iii) Elim Stock Profile
- iv) Business Plan Action Plan



EXECUTIVE SUMMARY

Covering the period 2020 – 2025 our business plan reaffirms our Group vision for the five years ahead, and places customers at the heart of our services and decision-making as we continue to evolve and grow. Elim is a values-driven business, and the diversity of the homes we provide enables us to facilitate genuine change through the provision of integrated support services and housing of all tenures. Our delivery model, Your Best Move, reflects our aim for an Elim home to genuinely represent the best housing option for each of our customers, providing a home and a foundation for people to realise skills and access networks around them to manage their homes, achieve their aspirations and live successful, independent lives.

We will continue to improve the links between our development programme, our customers' aspirations, and changing environmental considerations, ensuring that we are developing affordable homes that our customers want to live in now, and in the future.

Our business will continue to grow over the next five years. Our development pipeline will deliver new homes for individuals and families and the expansion of our accommodation and community-based support services reflects our firm commitment to the provision of homelessness prevention services. In addition to our build programme, we will take on leased properties or management arrangements that enable us to provide additional homes or services.

Our commercial subsidiary, Lime Property Ventures, will continue to play an important role through the development of homes for sale, generating profit for reinvestment in the work of the Group and the achievement of its social aims.

What will we look like in 2025?

- Elim will be a model of excellence as a small Housing Association, reflected in customer satisfaction and opportunities for engagement, involvement and empowerment, guided by our new Customer Service & Involvement Strategy. Your Best Move will be widely recognised and all customers living in an Elim home will be able to access the opportunities for progression or independence it offers. Everyone who lives in an Elim home can expect to have an impact on the service they receive, which is informed by their individual experience.
- There will be a clear, published 'Elim Standard' that guarantees a good quality, compliant home for all our residents. The asset decisions we make will be informed by feedback from our customers, affordability and value for money considerations for our business and customers. This will inform our plans for rationalisation and will likely reduce the homes we manage outside our core Local Authority areas.

EXECUTIVE SUMMARY

- Elim's Partnership Map will be well established, clearly identifying opportunities to link into initiatives that improve our offer to residents, and increase our prominence in the communities where we have homes. This will drive forward Elim's contribution in our core operating areas and for neighbouring Local Authorities where we can champion innovation in the delivery of new or extended projects, engage with strategic partners and help to meet specialist need.
- We will increase the size of Elim Housing's rented and shared ownership property portfolio by 10% over the life of this plan. This will include the growth of our Gypsy and Traveller service, which will become a third larger, and of our homelessness prevention support services. Our commercial subsidiary, Lime Property Ventures, will annually deliver market sale homes at an optimum level that balances risk and reward for the Group.
- Our use of digital tools and technology will benefit Elim's customers, staff and business management, reflecting a forward thinking, imaginative and effective organisation culture that enables us to realise the full potential of our staff and customers. Supported by our values-based approach, our team will have the skills and experience they need to deliver this plan, and the strategies which support its delivery.



ABOUT ELIM HOUSING

Our business comprises Elim Housing, a well-recognised and respected provider of housing and support services in the West of England and Gloucestershire, and Lime Property Ventures, our commercial subsidiary which generates profit for reinvestment in the work of the Group and the achievement of our vision. The Group owns and manages over 800 properties, and delivers services to over 1000 individuals or families annually.

"Our vision is to meet housing need and deliver homes that change people's lives."

Across our whole area of operation, the number of people looking for a home is increasing. Demand for good quality, secure housing of all tenures remains extremely high, and there is a particular shortage of affordable homes for families or individuals in the areas where they hope to build their lives. For people with experience of homelessness, recovery, ill-health or social exclusion, the availability of suitable housing is often further restricted, increasing the challenges residents face to achieve or recover financial and social independence. We aim to address these issues, and to contribute homes and services to reduce this shortage in supply.

Our Values:

The Elim values determine how we will work together to achieve this vision. Launched in 2019, our values were created in partnership with our customers, staff, Board and other stakeholders, and they represent our commitment to behave, perform and achieve results that benefit everyone that we are involved with.



As we continue to embed these values through operational and strategic process and decision making, they will also guide the Board in their robust governance of the Elim Group. The process of transforming our business into an efficient, modern and forward looking organisation is ongoing, and our values will drive the aspirations we hold for the business, and the investment decisions we make.

In doing so, we will apply commercial thinking to the achievement of our social aims, ensuring that our organisation can provide assurance of high performance and value for money to our Regulator and commissioners.

OUR STRATEGIC OBJECTIVES



We have five strategic objectives which set out what we will do towards the achievement of our vision. The delivery of these objectives is supported by specific strategies and plans that ensure each part of our business is aligned, complementary and focussed on the same end goal. Our objectives for 2020 – 2025 are:

CUSTOMERS FIRST:

To ensure that we provide homes and services that place customers first, and offer opportunities to involve and empower our customers so that they can directly influence the services they receive. Our delivery will be based on the experiences shared by our residents and other customers in the social housing sector and will be measured through our customer feedback.

QUALITY HOMES:

To have an uncompromising health and safety position and an 'Elim Standard' that guarantees good quality, Decent Homes for every resident. We want every resident to feel safe, and happy to come home to their Elim property.

SUSTAINABLE GROWTH:

To achieve a sustainable programme of growth which provides up to 150 additional homes and enhances Elim's reputation through our contribution to local housing supply, and the delivery of well thought out developments targeted to meet specific needs.

FUTURE READY ORGANISATIONAL DESIGN:

To invest time and resource in building an organisation with the values, people, skills and systems we need to achieve our vision. We will meet the challenges of rapidly changing technology and digitisation, with the aim of improving operational efficiency and meeting customer expectations.

STRONG & SUSTAINABLE BUSINESS:

To continue building a strong, and viable foundation that facilitates our aspiration to grow. We will deliver measurable improvements in efficiency and optimise our capacity for future delivery through proactive and effective risk and financial management.

OUR STRATEGIC OBJECTIVES



What sets us apart?

We are a small Housing Association with a diverse range of services and a reputation for quality of delivery. Our unique delivery model, Your Best Move, informs the way we deliver all our housing and support services. Launched in 2018, Your Best Move focuses on using our relationship with residents, from the point of allocation onwards, to understand their housing and career aspirations, and to establish practical actions we will take to support individuals and families to overcome obstacles to financial and social independence so that they can meet these aspirations. Facilitated by our size, Your Best Move means that everyone who lives in an Elim home can expect a personalised interaction, which is informed by their individual experience and the insight data they have chosen to share with us. This helps to ensure that an Elim home becomes a means to an end, rather than an end in itself.

We hold our own in a challenging sector, and do not underestimate the impact we can make in the areas where we work. We continue to build and deliver new homes and services and are particularly successful in delivering solutions to trickier opportunities, which require flexibility over scale. We can respond quickly and proactively to opportunities presented by our commissioners and Local Authority partners and are willing to share risk in order to achieve results that have genuine social impact.

We want our current and prospective staff to feel as though the decision to work for Elim is also their best move. The shape of the business encourages people to share their strengths, experience and achieve their potential, and we are strengthening our culture to support this further over the life of this plan.

CUSTOMERS FIRST

The Elim Group has a wide range of customers, including families and single people living in our properties for rent, vulnerable people in receipt of our support services and those buying homes that we have developed. Using the benefit of our size, and Your Best Move, we know that we can make a real difference to people's lives. This plan has been prepared in the context of ongoing change in our sector. The heightened focus on how effectively social housing providers are meeting both their social purpose and the high standards of governance continues, with specific attention to the delivery of health and safety assurance and other compliance matters.

We are engaged with the National Housing Federation's work on Together with Tenants, and this will also influence the delivery of our Customer Service & Involvement Strategy, and the ongoing reciprocal relationships we build with our customers – the residents of our homes and services.

Customer Satisfaction

We understand that it is the fundamentals of our work that our customers care most about: good quality, well-maintained homes, services that provide value for money and ease of communication with their Housing Officer and our Maintenance Team. Over the last year, 79% of our residents told us that they are satisfied with the overall service we provide. We are committed to improving this satisfaction score across all parts of the business, and we will deliver quantitative value for money improvements in our operating cost per unit.

Good quality and proactive housing management

- We are committed to getting the basics right, and prioritising our delivery of a good quality, safe and customer-focussed landlord service, which is clearly recognisable to the people who live in our homes. This includes:
- Effective and transparent approach to tenancy management, and appropriate interventions on ASB, neighbourhood and community matters
- Proactive management of the impact of welfare reform, and clarity of approach to ensuring that our residents pay rent and sustain their tenancies.
- Making ourselves more accountable to residents, providing them with more information on our activities and the performance of the business, and their home.
- Provide a range of initiatives, under our Your Best Move model, to support to enable longer term financial independence, and improving access to employment and training. This will include partnerships with statutory and local services and organisations.



CUSTOMERS FIRST



Services that engage, involve and empower:

We are proud of our customers' stories and the role Elim has played in their lives, but we are continuously improving the way we engage and involve our customers in developing our business. Our new 2020 – 2023 Customer Service & Involvement Strategy, will set out the foundation for our future relationship with our customers:

- We will launch a new Customer Feedback Framework and offer residents the opportunity to take up positions where they have formal input into and responsibility for decision making. We will communicate clearly with our residents the impact that their input and feedback has had on the service they receive.
- We will make smarter use of digital technology, not as an end in itself, but as a means to achieving improved customer service and internal operating efficiencies. Our use of technology will improve the connection between staff and customers, increase the quality and focus of our communication, and facilitate proactive housing management.
- We will develop a new Customer Service Standard and roll out Customer Service training to all staff so that residents can expect excellent customer service as standard.

- We will launch a customer portal, allowing residents to make rent payments at any time of day or night, make repair requests and keep track of the progress of the repair. Equity of access to these systems will be built into our service delivery, and we will aim for at least 50% of our customers to self-register on the portal within 2 years of launch.

We recognise that our stakeholders, commissioners and funders are also customers, and seek to ensure their satisfaction with the services we deliver. Relationships with Local Authority partners, health commissioners and other support providers enable us to retain and expand the breadth of services we offer, and we will continue to seek feedback and continuously improve our offering for the benefit of our own customers and the communities where we work.

QUALITY HOMES

We have a commitment and duty of care to deliver good quality and safe homes to our customers. Our customers have expectations of quality and security, and we want to do everything in our power to meet these expectations, ensuring that they are happy to come home to their Elim property. The provision of secure, healthy, lettable and affordable homes enables us to meet our regulatory obligations, generates income and is the foundation for all the services we offer.

We anticipate the launch of the Future Homes Standard in the early years of this plan, along with a potential new building safety regime which will influence the way we deliver new homes and manage our existing properties. We are proactively responding to this, and the consideration of risk, and appropriate mitigation is high on our agenda. We have a uncompromising health and safety position and 100 % of our homes will meet the Decent Homes Standard and all statutory compliance requirements. Progress in this area is guided by our new Asset Management and Development & Growth Strategy.

The Elim Standard

During the first year of this business plan we will develop the 'Elim Standard'. This will comprise our own specification which will determine Elim's approach to property standards, and the delivery and ongoing management and maintenance of new and existing properties. It will be influenced by feedback from our customers and staff, and will establish clear expectations for the service our contractors and staff will deliver.

Under this objective, we will;

- Incorporate a robust approach to asset management with an efficient planned maintenance programme and responsive repairs that minimise void times.
- Develop new performance indicators for our maintenance service to make sure that repairs are completed to the standard expected and within timescales. We will communicate our performance to customers and seek feedback to improve satisfaction with this service.

- Deliver quantitative value for money improvements in our operating cost per unit, for the benefit of our customers and business. To achieve this, we will seek improvements in the design of our homes and in the procurement of energy and other communal services that enable homes to become more affordable and energy efficient for our residents. We will target savings in communal utilities costs over the duration of this plan.

Sustainability

We are committed to reviewing and improving our environmental impact over the life of this plan. This will include efforts to measure the performance of our new and existing assets, both during construction and throughout their design life, and to improve the energy performance of our existing building stock. We intend that this will result in smarter designs, reducing the carbon footprint for the benefit of the environment and our customers. This will include sustainable living features, such as water usage, heating and recycling provisions, to support our customers to live greener lives.

Asset Management & Rationalisation

Within the first year of the strategy we will review all of our stock condition data, which will be transferred to an updated and fully functional asset register to inform the preparation of a 30 year planned maintenance programme, and a robust, stress-tested 5 year portfolio management plan.

This will include the preparation of a formal rationalisation plan in the 2021 /2022 financial year. This will particularly focus on the property we own outside of our four core operating areas, and will identify partnership options for stock swap, disposal or acquisition where appropriate. Our rationalised property portfolio will meet a target NPV and provide customers with access to a consistent range of opportunities for progression and support.

SUSTAINABLE GROWTH

The provision of new homes and services is at the forefront of our vision to meet housing need; an Elim home provides value to individuals, families and society, and can benefit those who need a home the most. Growth through development also enables us to invest in our business and generate financial capacity that contributes to the improvement of our existing properties, and services. We will never prioritise future growth at the expense of the continuous improvement of our existing services.

Between 2020 and 2025 we will manage a sustainable programme of growth which will focus on the development of new homes, and the expansion of commissioned services across our core operating areas of Bristol, North Somerset, Gloucestershire and South Gloucestershire.

Supported by our 2020 – 2025 Development & Growth Strategy, we have identified opportunities to deliver 105 new homes through the Elim Housing Group over the life of this business plan. This includes:

87

New homes delivered by Elim Housing; these will comprise homes for affordable and social rent and shared ownership properties.

18

Homes for sale by Lime Property Ventures, which focusses on the transformation of small sites into high quality homes for the outright sale market.

New Technology

Wider environmental considerations will transform what we build, what we build with, and how we build it. In 2020 we will explore the options available to utilise more sustainable and low-carbon construction opportunities within our development pipeline. As part of our new environmental plans, we will seek to partner with innovative suppliers and contractors to take advantage of new methods of construction and drive the efficiency of our construction programmes. We are mindful of contemporary requirements, and will ensure our homes are future-ready, incorporating appropriate digital infrastructure and opportunities to utilise new technology for household heating, and transport.

Specialist Services

We recognise the strengths of our specialist services we offer, and we have a firm commitment to growing these aspects of our business. With a continuing focus on homelessness prevention, the growth of our Support Services will capitalise on Elim's existing property assets and future investment in property for our supported client groups. Our role as landlord provides us with an advantage which sets us apart from many other support providers in our sector and contributes to the viability of the services we offer.

The expansion of the specialist services we offer, such as the provision and management of Gypsy and Traveller accommodation or commissioned homelessness-prevention support services, may extend across a wider geographical area where we can demonstrate a clear financial and logistic rationale and real benefit to the customers of these services. We will aim to provide specialist housing management and support services to at least 50 additional households over the life of this plan. This will be achieved through new management or support service contracts, facilitated through joint working or formal collaboration with new and existing partners and commissioners.

SUSTAINABLE GROWTH

Growth through Partnership:

Effective partnership working is at the centre of our operating model and is critical to the delivery of our business plan.

Our approach to existing and new strategic partners will remain flexible and open to joint arrangements based on complementary values and Elim's ambitions to grow, proportionate to the level of risk involved. Any merger or acquisition considerations will prioritise the acquisition of new homes or services to enhance our customer offer, financial sustainability and future development capacity.

We see particular strengths in:

- Joint Ventures and other formal development partnerships that will allow us to pool our expertise, resources and funding to champion innovation, share risk and deliver more homes.
- Long-term lease or housing management opportunities with Local Authorities or other delivery partners, that utilise our strengths, and increase move-on opportunities for Elim residents.
- Opportunities to acquire the ownership or management of homelessness prevention services and custom-built property from providers moving out of the sector.
- Intra-group developments between Elim Housing and Lime Property Ventures to deliver mixed tenure schemes that add value to local communities.
- Delivery of finance, housing management or other corporate services to smaller housing associations or other organisations who could benefit from formal arrangements or acquisition by the Elim Group.

Our Partnership Plan 2020 – 2023

Over the first year of the business plan we will develop an 'Elim Partnership Map'. Our growth, in terms of size and impact, is contingent on effective partnerships, and our partnership map will clearly identify, develop and share where we can connect and build relationships with partners to maximise our contribution in the areas where we have the highest concentration of homes or specialist services. This will include longer term strategic partnership options, and potential community partnerships with organisations who can enhance our customer offer through the provision of access to additional skills training, employment opportunities or local engagement projects.



FUTURE READY ORGANISATIONAL DESIGN

We will only achieve our business plan if we have the right resources; this includes our staff team, the business infrastructure and a way of working that motivates, engages and supports successful delivery – for our customers and for the business. We know that we can become more efficient, and improved processes and information management will be at the centre of the changes we put in place at Elim. We will continue learning and respond positively to change. Over the life of this business plan, we will invest time and resources in building an organisation with the values, people, skills and systems we need to achieve our vision. With a growing focus on sustainability considerations we will seek to reduce the impact of our work practices and enhance our position as an environmentally conscious employer.

Elim is a performance driven organisation. The enthusiasm, skill and resilience of our staff underpins the achievement of our vision and we recognise that they are our greatest asset in facilitating positive change for the people who live in our homes. We will measure our success in this area through:

- Levels of satisfaction expressed by our employees, and from our residents' experience of our staff.
- Take-up of internal promotion and training and development opportunities.
- Delivery of key digital projects and increased staff and customer satisfaction with our services and IT systems.

Supported by our 2019 - 2023 Organisational Development Strategy, we will continue to focus on building our organisation culture, and work with staff to make progress across five strategic areas.

Culture

Elim has a values-driven culture which is led by our Board and leadership teams, and embedded in everything we do, driving the way we manage our services, partnerships and relationships with staff, customers and stakeholders. Our leadership team, staff and Board work together to find new ways of working, ensuring that we are all role models for our business.

Skills & Talent

Elim will have the organisational capability and attracts, recruits, develops and retains staff and Board members with the skills and talent to deliver the Business Plan. We are able to provide opportunities for our staff to discover their potential, and training and development is prioritised and valued.

Engagement

Staff will be engaged with Elim, feel empowered and motivated to carry out their roles and feel valued. They will be able to participate, share opinions and decision making is devolved where possible. Internal communication will be two way and staff are able to access information and resources they need.

Organisational Design

Elim's organisation structure, roles, infrastructure, systems and processes will be demonstrably improved. Our policies and procedures will be aligned with our vision and support us to promote our way of working and deliver the required outcomes. Our digital infrastructure will provide staff with the technical resources they require to carry out their roles and access the necessary information.

Leadership

Elim's Board, leadership team and management will have the skills and capability to deliver our plan, inspire our teams and effectively lead the organisation. They are clear of their roles, delegate effectively and take corporate responsibility for delivering performance, compliance and organisational success.

STRONG & SUSTAINABLE BUSINESS



Our aspiration to thrive and grow relies on a strong and sustainable foundation, and access to finance in order to deliver more homes. We want to ensure that Elim can afford to offer its customers value for money and a quality of service that is equal or better than any alternative provider where they live. During 2019, we challenged and tested the finance and risk management processes that we have in place to ensure that our decision making in this area is robust, information-based and effective. We have strengthened our position through:

- The embedding of a new risk management and compliance framework, and established measures to provide assurance of these frameworks through a new level of audit scrutiny.
- A revised Internal Financial Framework.
- Upfront investment in new processes and systems that to support smart decision-making, business, this includes investment in BRIXX financial modelling tool, housing management and asset management software.

We will continue to work on maximising efficiency and the reduction of operating costs through:

- Future-proofing of the Group's telecoms and IT hardware requirements.
- Systems-mapping processes, leading to formal investment plan in software and other tools to drive improvements in data accuracy and the surfacing of key performance data

- Formalise Group approach to project management, investment criteria and decision making across every level of business.

We will continue to prioritise a performance focussed approach which is reflected at operational, leadership and Board level. We measure and benchmark our performance through our Key Performance Indicators, the achievement of progress against our strategic aims and measures of satisfaction from our customers and stakeholders.

Opening Financial Position

- Funding in place for £23m, with loan arrangements with Triodos Bank and Lloyds, of which £18.2m is currently utilised.
- LPV continues to manage its own £1m loan facility, with an additional on-lending facility of £2m from EHA.
- It is critical that we maintain sufficient financial strength to achieve our plans for growth, whilst absorbing the effects of Universal Credit and potential increases in costs.

Strong & Sustainable Business

Our Financial Plan

- An ongoing commitment to a minimum liquidity requirement and interest cover covenant within forecasting for new developments.
- Potential to achieve up to £4.5m additional borrowing on unsecured properties in our portfolio over the business plan. However, the ability to utilise this fully within development would be limited by interest cover ratios, and as such would be spread across our business plan upon increasing generated surpluses.
- There is appetite to access new funding both through conventional borrowing and off balance sheet alternative finance. LPV will also be well-placed to pursue development finance options.
- Continued reporting on our full financial position alongside robust forecasting quarterly to the Board, with a detailed review of key risks to achieving our business plan to ensure these can be mitigated as early as possible
- The completion of the portfolio rationalisation plan in 2021 could significantly impact our revenue, capital and spending assumptions. The financial plan will be updated to reflect the implications of any rationalisation decisions during the second year of the business plan.

Value For Money

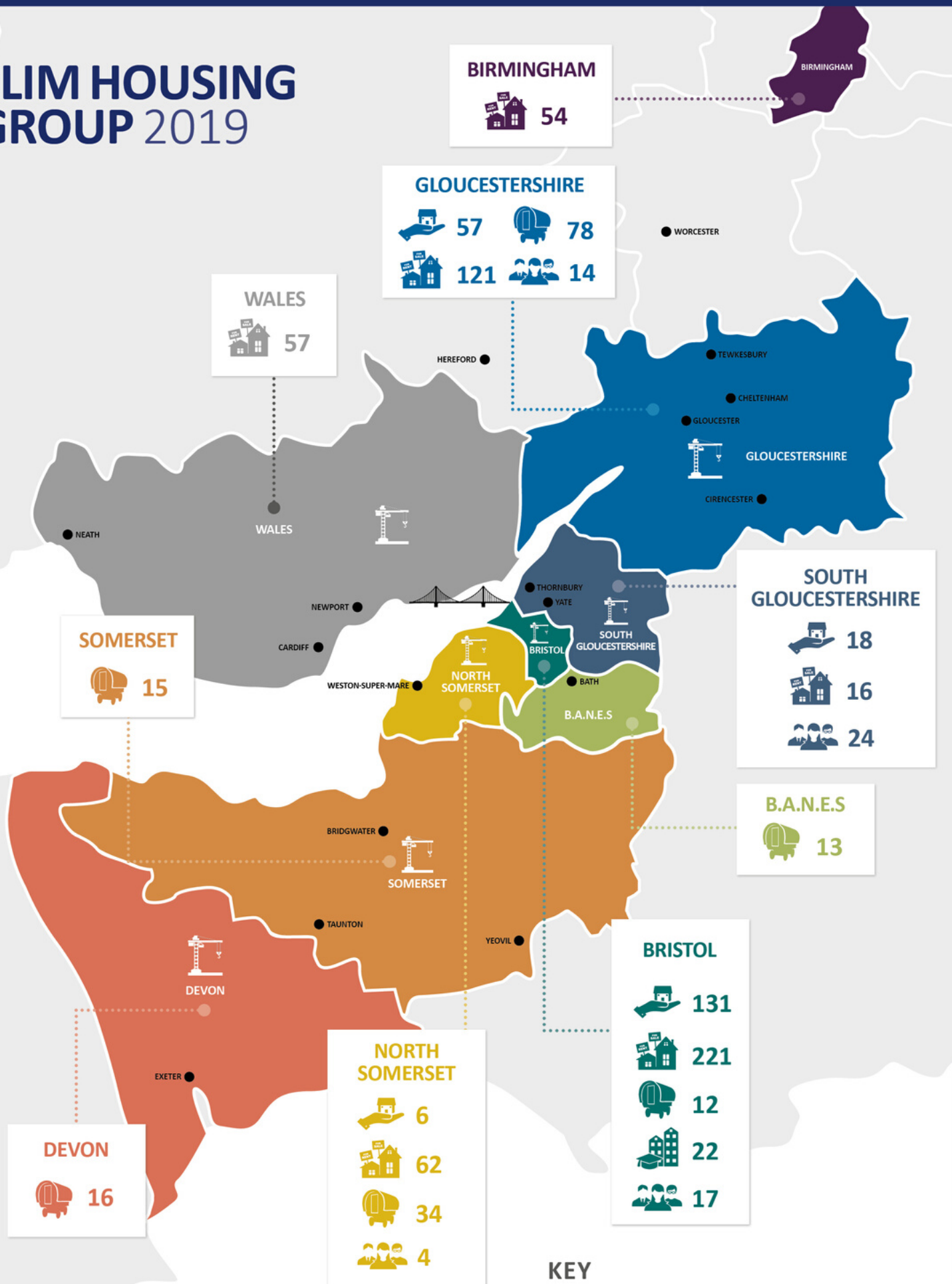
During 2019/20 we introduced new social value measures into our VfM reporting to demonstrate the broader financial impact of our services and support future commissioning processes. In line with the RoSH Value for Money (VfM) regulatory standard we will continue to report against these measures, and to broaden the scope further as our business continues to grow. We benchmark ourselves in our region, and against other small housing providers, and have targets to improve annually.

Risk Management

Following a full review of our management of strategic and operational risk in 2019, Elim has an updated risk framework in place which is closely managed by the Group Board, Finance, Risk and Audit committee and the leadership teams. Associated with the new risk framework, we continue to measure our performance using a new suite of KPIs which are used to measure and monitor this business plan. Within this process we have represented the different risk profiles of Elim and LPV, demonstrating that appropriate measures are in place between the parent and subsidiary.

	Yr to 31 March 2021 £,000	Yr to 31 March 2022 £,000	Yr to 31 March 2023 £,000	Yr to 31 March 2024 £,000	Yr to 31 March 2025 £,000
Turnover	6,309.7	6,883.4	7,231.1	7,520.3	7,820.4
Operating Surplus	1,092.7	1,373.90	1,519.1	1,608.6	1,7771.1
Operating Margin (%)	17	20	21	19	23
EBITDA MRI (£)	1,252.1	1,478.3	1,701	1,771.7	2,008.9
Gearing (%)	40.2	43.0	43.1	43.9	42.9
Interest Cover (%)	175.3	181.9	195.7	187.6	212.6
Units Owned	+6	+26	+15	+20	+10

ELIM HOUSING GROUP 2019



KEY





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