



Reside Housing Association Limited

5 Year Business Plan

Reside Housing Association Limited
FCA Registered No: 29475R
HCA Registration: 4745
Principle author: Steve Harris, Business Development and Operations Director

Content

Description	Page
Vision, Mission and Core Value	3
Sector Background	
1 – Supported Living	3
2 – About Reside	4
3 – Governance	4
4 – What we do	5
5 – Organisation Chart	5
6 – Reside’s Competition	5
7 – Future demand for supported housing Quantitative Demand Analysis Learning Disabilities	5
8 – Qualitive Demand Analysis	5
9 – Longer Term View	5
10 – Area by Area Report	6
11 – What the demand analysis means for Reside’s growth plans	8
12 – Future Funding	8
13 – Partnership Models	9
14 – Future Business Models	9
15 – Growth Targets	9
16 – Staffing	10
17 – Mergers, Alliances and Incorporations	11
18 – Conclusion	11

Vision:

To be a leading provider of appropriate accommodation for adults with a disability, where the tenant is at the heart of our business.

Mission:

To enable our tenants to live with dignity and independence, in their own homes.

Core values:

Respect our tenants' rights to have choice

Enable our tenants as individuals to lead enriched and fulfilled lives

Support our tenants in their housing needs

Include the needs of our tenants and our staff in everything we do

Deliver a safe and secure environment in which our tenants flourish

Embrace equality and diversity

In the daily delivery of our business activities and achievement of our growth expectations we will deliver a service that has our tenants at the forefront of our actions. Our aim is always to provide them and our other stakeholders with a service that achieves value for money in the broadest sense.

Sector background:**1. Supported Living**

Many local authorities have moved away from the provision of residential care services for people with support needs to 'supported living' options (see separate factsheet on residential care for more).

In simple terms, supported living is an approach that is based on the belief that people have a right to decide where, how and whom they live with, and who should provide them with the support they need to do this. The fundamental principle is that people live in their own home, (shared, with a partner, or on their own) and they get the sort of care and/or support that works for them. This can look different for different people. For example, it might be:

- Living in a place that is rented through an assured or an assured shorthold tenancy; this might be a joint or an individual tenancy, in shared or self-contained accommodation.
- Living in an owned property, either outright or as shared ownership.
- They might have all their support paid for. It might be for a few hours a week or it might be 24/7
- They might have a mixture of paid-for support and informal or "natural" support from family, friends and/or community support.
- They might not have any paid-for support, but some "natural" support.
- They might have set up their home from scratch, by planning for and getting their housing and support as they have designed it.
- They might have moved into an existing service – some accommodation with support that had a vacancy.

If they live in their own home, people have the right to stay in the property for the period and to the terms stated in their tenancy, and to control entry in and out of the property (subject to the conditions in the contract)

Traditionally, residential care provides a full package of housing, care and support. A common element of supported living is the separation of housing and support. This means that as a tenant or homeowner, the person has a right to choose who provides their support and can change support arrangements without moving home or move home without changing support arrangements.

With supported living options, subject to their fairer charging procedures and the provisions of the Care Act, social services and health funding can pay for care and support that is needed. Where people can't afford to pay daily living costs themselves the welfare benefits system can help pay for these, such as food, utilities white goods and furniture

2. About Reside

Reside was formed in 2002 and is a not-for-profit registered society under the Community Benefit Societies Act 2014 with FCA registered number 29475R. Reside is a Registered Provider of Social Housing regulated by the Homes and Communities Agency under registered number 4745. Reside operates on a charitable basis where all surpluses are reinvested into its social housing activities and no distributions can be made to shareholders or members.

The Association's has adopted the National Housing Federation Model Rules 2015 and Code of Governance (2015) as their constitutional rules and chosen code of governance.

3. Governance

Control of the Association is through a Board of Management, all of whom are non-executive directors. Board Membership is subject to application but open to anyone in accordance with policies and objectives of the Association. Tenants can apply to become Board Members. Since January 2017 Board Members are remunerated. The Board meet 4 times per year with sub-committees meeting at other times in between. Our present committee structure includes an Audit and Risk Committee and a Remuneration and Nominations Committee.

Day to day control of the Association is the responsibility of the Chief Executive who is supported by a team of directors and management colleagues. Please see our accompanying organisational structure chart. Board Members provide oversight and strategic direction to ensure the Association meets its regulatory obligations working closely with the executive Team.

4. What we do

The Association manages in excess of 1000 tenancies representing over 300 properties spread over a wide geographic area of the UK including Northern Ireland and Scotland. We work across the country, providing housing only for people with learning disabilities, physical and sensory impairment, and mental health issues and acquired brain injury.

In all its undertakings Reside aims to work in partnership with local authority social care commissioning departments (and any successor bodies) and accredited and reputable care provider organisations and charities. Reside assists all these agencies in their objective of finding optimum placements for their clients.

Reside has a history of developing new partnerships with similar agencies and continually seeks to improve existing relationships with partner organisations. Reside believes this tried and tested collaborative approach is the optimum way to achieve the Association's goals as a leading Supported Housing provider.

It is through this strategy that, despite a difficult economic climate, over the past several years of reducing local authority budgets, the Association has managed to expand its property portfolio and consequently the number of tenants housed in their own home.

Reside works directly with partners to achieve its vision. Partners include disabled people, their families, local authority and health authority commissioners, and support providers. Any or all of these partners are welcome to contact us when they are looking for housing. We occasionally formally tender for opportunities as they arise, but the large majority of our development is through more informal word of mouth and the development of existing partnerships.

We work closely together specifying, identifying and securing appropriate property, agreeing how we continue to work with the tenant and the support provider to make sure our tenants are supported in ways that meet their individual needs.

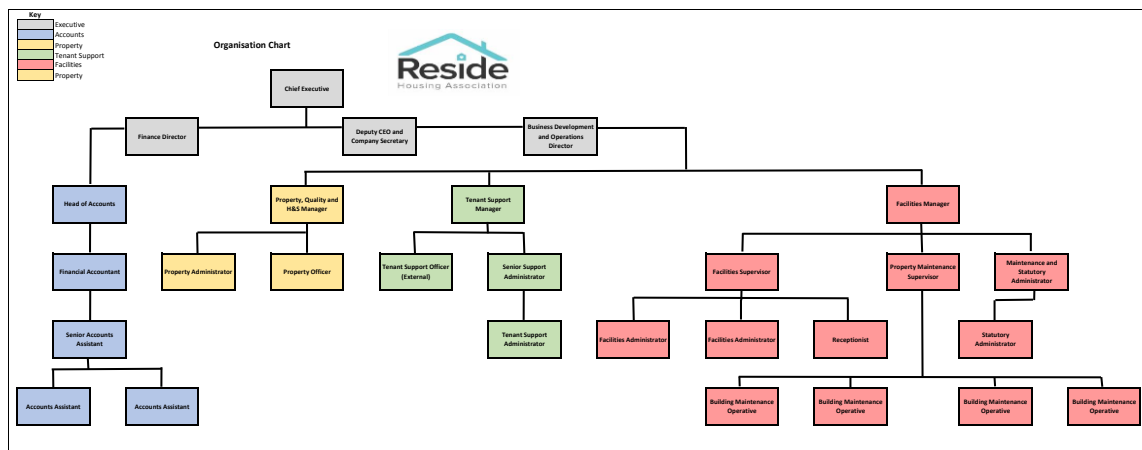
Property is primarily secured, at present, by leasing accommodation from the private sector, offering tenancies in turn, or by purchasing a suitable property ourselves. Currently purchases are funded through our own resources but we are negotiating alternative funding, including third party social investment funds, which would increase the amount we have available for buying properties.

We can also develop new build and refurbishment projects, and have used capital grant to help achieve this.

We can support families who want to invest in accommodation for their disabled relatives themselves, by managing the property on their behalf or by looking at shared ownership options

We provide self-contained and shared accommodation, dispersed and on single sites. Operational delivery is managed by six departments: Accounts, Facilities, Property Services, Tenant Support, Business Development, and Corporate Services.

5. Organisation Chart



6. Reside's competition

Although there are many housing providers providing supported housing services they tend to be either larger general needs providers with a supported housing arm or smaller local or regional organisations.

There are 5 organisations that can be compared directly to ourselves in terms of size, national operation, business model and specialism. Reside are seen as a good provider in comparison with these organisations and that customers are not of the view that there are too many

providers in the market. Each of these organisations appear to be cautious about their development plans, mainly due to perceived uncertainty over the future funding of supported housing (see future funding section)

7. Future demand for supported housing Quantitative Demand Analysis Learning Disabilities

There is no national data on the future demand for supported housing for people with learning disabilities in Britain. However, “Estimating Future Demand for Social Care among Adults with Learning Disabilities in England: An Update” (Department of Health 2011), identified the anticipated growth rate of adults eligible for statutory services under the Care Act. The average growth rate for the period covered by this plan is 2.78% a year, from 162,955 people to 172,694.

The Transforming Care programme is led by NHS England and is aiming to better meet the needs of over 3,000 people currently living in Assessment and Treatment Units and hospital settings. Not all of these people will require new supported living solutions, but a significant proportion will. There has been an increased emphasis on delivering the programme outcomes in recent months, with a number of authorities contacting us to begin discussions on housing delivery, and a number of areas increasing their public activity.

8. Qualitative Demand Analysis

Current Projects:

We are currently working on a number of potential projects. Over the next year, if they all complete, we could deliver around 100 new tenancies as a steady stream, particularly in Nottinghamshire, Yorkshire, London, Durham, the Home Counties and the South West. We are working with both existing and new partners.

9. Longer term view

In addition to these current projects, we are in discussions with commissioning and provider partners about potential future opportunities

We have been consulting some of our commissioning and support provider partners on their plans:

Commissioners:

- None of the areas intended to increase the number of residential care they commissioned.
- All are committed to increasing the amount of supported living they provide, by developing new services and de-registering existing residential care services.
- There is a clear move towards developing cluster models and decreasing smaller shared services.
- Cost and value for money considerations were paramount
- Two of the areas (Leeds, Nottinghamshire) were currently using, or intended to use, formal housing procurement processes.
- Two of the areas (Norfolk, Nottinghamshire) had very clear plans in relation to the number of people needing a new service and when it would be required.

10. Area by Area Report:

Nottinghamshire County Council (NCC)

NCC have more residential care than they want, but are frustrated that development plans with most of their housing partners are on hold pending the outcome of the Supported Housing Review. (NB since this interview the outcome was published, with NCC immediately putting out a request to housing providers to check whether the proposals would allow them to resume development. This would indicate that the authority is keen to commission new services). They are looking at options for underwriting risk in relation to the new proposals further than they do at the moment. Decisions on this will be made in the autumn. The first commissioning priority is to support people to stay at home. Supported living in its widest sense is the next best option, and this is embedded in the culture of social workers.

NCC have a Dynamic Purchasing system as the procurement vehicle for commissioning. Housing is very much part of this, and they see themselves as commissioning both housing and support as separate but equal processes. The system provides a broad framework, and aims for as straightforward a route as possible.

All the people assessed have a personal budget, Direct Payments and Individual Service Funds can be spent with a provider off the framework.

NCC housing commissioning has two strands: standard service, personalized and bespoke, and supported living plus, which tends to work to robust specifications to allow for future need, and is therefore less personalized.

They are trying to keep control over scale, and are less likely to commission stand-alone services. Cluster flats of 12-15 units for standard, 6-8 for plus are benchmark guides to the size of cluster flat services. There is the need for these developments to cover 95 tenants. Traditional shared supported living is not a priority, apart from services for young people/transition and people with profound physical needs.

There is a need to work with 40 people a year who are in residential care services that need to be de-registered over the next 2.5 years. In addition, a minimum of 50- 60 new people a year are expected to need new housing solutions.

Leeds City Council (LCC)

LCC are not committed to developing increased numbers of residential care units, and see supported living continuing to be the preferred option. Existing services work well, so there are no plans to remodel or decommission.

It is anticipated that most new development will be under the Transforming Care programme, with plans to secure £5m capital funding for use in 2019 being developed. No numbers are confirmed as yet, but the service will be high specification for people with complex needs.

There is some concern about the amount of speculative developments coming into the City that the Authority can't control. This means that the general market has been flooded and the need to commission lower level services is not pressing. They would like to address this in the future, and to help the process will develop a working age adults commissioning framework, including for housing. The Framework will be drawn up in consultation with existing providers in Leeds.

Norfolk County Council (NCC)

NCC are in between commissioners and strategies at the moment. The next strategy is due in 2017.

It is likely that that will recommend more supported living cluster models. These are will possibly be 15 single occupancy units for 10 people (although that number is driven by guidance from housing providers that 10 units offers better economies of scale rather than being a figure NCC identify).

There will probably be a need for smaller clusters for people with complex needs.

The reliance on residential care will decrease as NCC have higher numbers than other LA's (150).

There are 60 people on the housing needs list. 46 of those are part of the Transforming Care programme. NCC are questioning the viability of 2 bed shared accommodation, although this may be offset by developing annexes for new people on existing properties or offering places in the newly commissioned cluster accommodation.

There is an intention to commission around 6 cluster flat developments of around 12 tenancies each over the next 24 months

NCC will retain a lot of shared accommodation, although there are no plans for any new shared units, other than where parts of the building can be shared in the cluster model.

They have no formal housing commissioning frameworks, and there is no intention at present to develop one. They are open to discussions around risk sharing on voids and revenue. They have some capital that may be used on an investment to save model.

Bradford MDC

Bradford are moving away from residential care, with the focus for future commissioning of services being supported living. These include plans to develop 14 apartments in January 2018. It is unlikely that other developments will be based on a shared housing model

There isn't very much clear future demand data but there are at least 30 people in need of housing solutions now.

There is no formal housing procurement framework, and it is unlikely that one will be developed in the future.

Durham

Durham are committed to increasing supported living opportunities for people in the area. There isn't any detailed analysis of demand, but soft testing indicates that more of the cluster flat type developments we currently manage and are developing.

They intend to carry out a review of residential care services this year, which may clarify their thinking on future developments.

Reside have been commissioned as the housing provider on a proposed 16 flat cluster development in Spennymoor to be developed in 2017

Greenwich

Greenwich are currently developing a housing strategy, and Reside have been consulted on how we think the authority should work with housing partners on its implementation. It's too early to say what the strategy will propose, but Reside will be contacted again when detail is known.

Richmond

Richmond are currently developing a housing strategy, and Reside have been consulted on how we think the authority should work with housing partners on its implementation. It's too early to say what the strategy will propose, but Reside will be contacted again when detail is known.

Calderdale

Calderdale have demand for a range of housing options, and are looking to expand the number of housing partners they currently work with. We are in initial discussions about this, and expect to receive some indication of their requirements over the next 9 months

Milton Keynes

Milton Keynes have demand for a range of housing options, and are looking to expand the number of housing partners they currently work with. We are in initial discussions about this, and expect to receive some indication of their requirements in the near future.

Other partners

We have been contacted by three support providers who are looking to develop their own services and would like Reside to be their housing partner. The proposals are still at an early stage, so it is not possible to be exact about how many tenancies would be required. However, there is potential for some significant development, potentially in the region of 50 tenancies.

Discussions with My Safe Home, the mortgage broker for Support for Mortgage Interest and shared ownership options indicate that there is a need to find a housing provider partner to cover the north of England. As no housing provider currently exists the model is not actively marketed in the area and it is difficult to quantify actual demand, but My Safe Home receive around 40 enquiries from the north every year. Active marketing would obviously increase this number. There are currently 4 people who are particularly keen to take advantage of the model, even though they know no housing provider is currently available. We need to ascertain how to access Homes and Communities Agency capital funding and how to manage the process internally before we can commit to becoming the North regions provider Association.

We are currently in discussions with three social investment funds with a view to working with a number of local authorities and providers who are actively looking for housing solutions. This potential market is significant so will be developed prudently.

It is important to note that all of these opportunities are intentions only, and we know that not all of them will follow through to completion as they are subject to a number of factors (e.g. funding restrictions, personnel changes) that mean delivery could be delayed or cancelled.

11. What the demand analysis means for Reside's growth plans.

We can see that our various partners are looking to develop supported living services and to do so with Reside. Models include shared housing, single site cluster arrangements and individual accommodation.

Planning for growth

There are several issues we will need to review to ensure we have the necessary systems and resources to manage the growth target.

Property sourcing

Reside have predominantly used private sector leasing to secure property. There are reasons why this might not be a sustainable way of meeting future demand: securing properties is becoming increasingly difficult due to changes to credit referencing policies, we are increasingly receiving referrals for people with more complex needs that are difficult to meet in leased properties. It can also be hard to adequately separate housing and support in properties leased from care providers and repair, maintenance services provided by head landlords can be inadequate or not up to our standards.

There is an increasing demand for core and cluster flats from Local Authorities, which will be very hard to deliver by leasing, our traditional solution.

For these reasons, we need to look at our other options for buying, building or developing properties, which could include:

- By using our own resources, outright or
- Shared ownership with Support for Mortgage Interest for – The most straightforward and less risky way to buy is using our own resources, compared to using other capital sources.
- Against – We are limited to the amount we can spend, and are currently working towards identifying our budget. Use Social Investment Funds
- For – No deposit required and allows us to conserve our own resources
- Against – Need to enter long term leases. Difficulty negotiating a clause that allows for a break in the lease should revenue funding for rents cease or reduce because of changes to the funding system after 2019. (See Future Funding section). However, we are close to agreeing wording on risk management on this principle with three funders.

12. Future funding-

Housing Benefit funding till 2019

Recent experience shows that Housing Benefit approval processes are becoming more rigorous. We are increasingly being asked for evidence on the cost base, how we provide care support and supervision, alongside evidence of how the service is resourced.

The Future Funding of Supported Housing after 2019

The Government have proposed that a new funding model is incorporated in 2019. Under the new model, core rent and service charges would be funded through Housing Benefit or Universal Credit up to the level of the applicable Local Housing Allowance (LHA) rate. For costs above the LHA rate, the Government will devolve ring-fenced top- up funding for disbursement by local authorities. This means that funding will move from an entirely entitlement based Housing Benefit system to a model that could potentially be only part entitlement based.

- It will also be administered by Local Authority Commissioners, which means we must ensure our provision is likely to adapt to any new commissioning process. This will mean that we will need to ensure we have commissioner and housing benefit approval in principle before proceeding with new tenancies. To help in this, we will continue our involvement in the development of the proposals, by participating in the various forums and working groups. As well as the consultation process.

13. Partnership Models

We currently operate two main housing partnership models. These are:

- Pass through arrangements, where care providers effectively manage the property on Resides behalf, including taking responsibility for tenant selection, and repairs and maintenance. Staff report that these arrangements can be problematic as they are not always made aware of repair issues and tenant movements. These properties may be developed, bought or private sector leased by the care provider. These arrangements are sometimes speculative i.e. they haven't been directly commissioned by a local or health authority, but have been offered to commissioners when the property has been developed.
- Arrangements where Reside have full management and repairing responsibility in the property that we have directly sourced through purchase or lease. Having this control helps address some of the management issues arising in the pass-through model, and

is preferred by staff. However, there are a range of different agreements in relation to service levels and voids and nominations which can cause confusion from a property management and tenant support perspective. These arrangements are often actively commissioned by local or health authorities, who have requested a specific solution for a named individual or group. They also have clearer separation of housing and support functions.

14. Future Business Model

Looking at the issues described above, and recognising the likely demand profiles, over the life of this plan, we need to maintain our existing services, but also look towards:

- Increasing the proportion of properties that we buy, as opposed to lease, to ensure we have properties better suited to an identified need for properties for people with complex needs, challenging behaviour and adaptations. We will use our own funds as well as Social Investment capital where appropriate. In year 17/18 we can commit £0.5 million of our own resources to purchases.
- Increasing the proportion of directly managed properties as opposed to pass through arrangements to ensure we better meet Housing Benefit and property management requirements
- Increasing the proportion of properties commissioned to a specific by Local Authorities, as opposed to speculative care provider led arrangements, to ensure we are best placed to adapt to the future funding model.

15. Growth Target

Our Turnover for 2016/17 was approximately £12.5 m. Subject to successful implementation of potential projects (we know that with the current future funding uncertainty some of our partners may withdraw their support and experience has shown us that there are a number of factors beyond our control that could mean non-completion) for the period of this plan we expect that to be:

- 17/18 - £13.71m 100 new units were mentioned within the current projects.
- 18/19 – £14.64m
- 19/20 – £15.63m
- 20/21 – £16.14m
- 21/22 – £17.79m

FIVE YEAR SUMMARY OF FINANCIAL FORECASTS

For the year ended 31 March

2018**2019****2020****2021****2022****Statement of Comprehensive Income**

Turnover	13,711,840	14,640,082	15,632,418	17,139,361	18,794,991
Operating surplus	1,069,107	1,102,719	1,203,778	1,401,310	1,621,370
Net surplus	918,937	937,040	981,584	1,195,228	1,339,185

Statement of Financial Position

Fixed assets	12,712,443	13,496,764	14,224,570	14,968,488	15,636,302
Current assets	2,755,529	3,220,740	3,770,095	4,531,023	5,498,222
Total assets less current liabilities	16,679,589	17,963,629	19,270,713	20,768,441	22,385,626
Creditors falling due after more than one year	3,461,172	3,808,172	4,133,672	4,436,172	4,714,172
Reserves	13,218,417	14,155,457	15,137,041	16,332,269	17,671,454

Accommodation in Management

Total accommodation units owned and managed	1281	1374	1475	1620	1781
---	------	------	------	------	------

16. Staffing

Assuming a steady growth rate to target over the next year and to ensure the safe delivery of the growth target the following additional roles need to be recruited to (These increases are also part based on staffing comparisons with similar housing providers):

Facilities -

Within 3 months

- Maintenance Operative based in the South
- Maintenance and Support Officer
- Two Facilities Administrators
- Statutory Maintenance Officer

Within 6 months

- Statutory Administrator

Within 9 months

- Part time Statutory Administrator
- Maintenance Operative
- Facilities Administrator

Property Services -

Within 3 Months

- Renewals Clerk

Within 6 months

- Property Officer

Within 9 months

- Property Officer.

Tenant Support-

Within 3 months:

- Revenue Officer

Within 6 months:

- Tenant Support Administrator

Within 9 months:

- Tenant Support Officer

Accounts-

- A newly appointed Finance Director will soon be in place whereupon a methodical review of staffing arrangements will take place

Recruitment to these levels will need to be kept under review and based on actual growth rates and timescales. We may need to recruit at different points or to different levels based on actual delivery of new tenancies.

17. Mergers, Alliances and Incorporations

We will seek to engage with identified prospective partners to explore ways of working together to rationalise costs and operational management as well as increasing stock.

Possible models include:

- Identifying other Housing Associations that we could pool or share operational services and functions
- Stock swaps
- Stock transfer (particularly from primarily general needs associations looking to disengage from their marginal supported housing operations)
- Formal mergers, where Reside remain as the leading partner.

18. Conclusion

It is a time of significant change for Reside, both internally and externally. Increased regulatory responsibility and a challenging financial climate mean that we must adapt our working processes accordingly.

However, by maintaining and building on our past working partnerships and introducing new approaches there is an opportunity to grow the business, with due recognition given to prudent risk management, in a positive way that will benefit current and future tenants and staff, and staying true to our original vision.