


Business Plan

2023/24



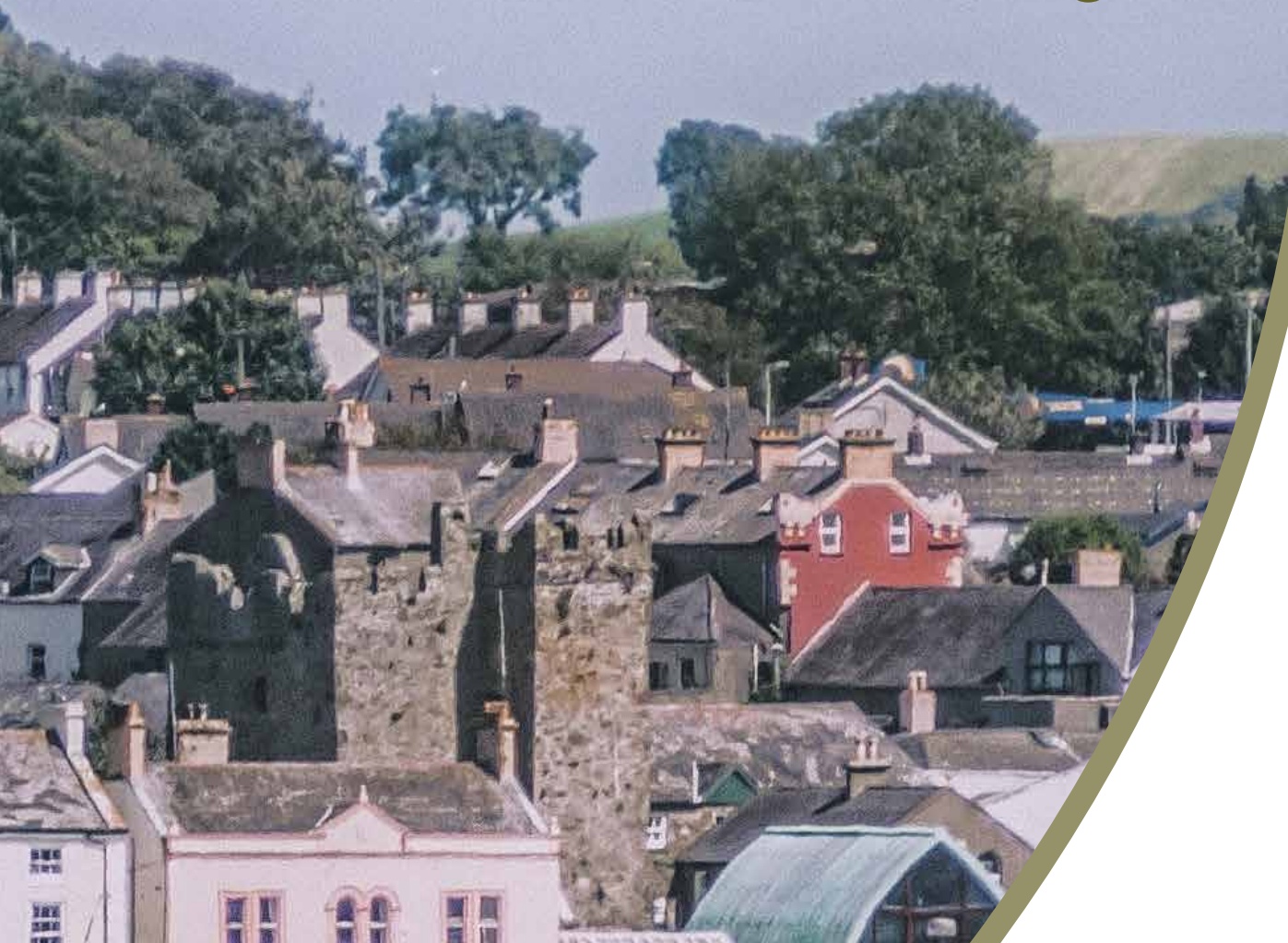




“ A supply of readily available and affordable accommodation for rural people in rural areas with a view to helping maintain and regenerate rural communities. ”

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Introduction and Mission Statement

Rural Housing Association works throughout Northern Ireland and has a particular interest in working in what are considered to be disadvantaged rural areas. The Association does not see its role as merely providing rural housing but rather helping to build strong and sustainable rural communities. It is a core belief of the Association that the housing requirements of small rural communities are best identified, understood and solved through close co-operation with local community development groups. To this end the Association works closely with local communities and the Northern Ireland Housing Executive in assessing needs and delivering appropriate housing solutions in what is, predominantly, a niche rural market.

The Association's housing stock of 548 dwellings as at 1 April 2023 are widely dispersed across Northern Ireland.

Rural Housing Association is governed by a voluntary Board of Management whose members come from a range of professional, commercial and social backgrounds such as finance, education, not for profit sector, regeneration and the public sector. Together they forge the strategy of the Association and provide an oversight on the operations of the company. They are supported by four subcommittees: Technical Committee, Audit, Risk & Governance Committee, Housing Services Committee and Finance & General Purposes Committee.

Much has changed for the Association, its staff and tenants over the last year and our Corporate Strategy, which was agreed in 2021, provides a clear picture for the organisation going forward.

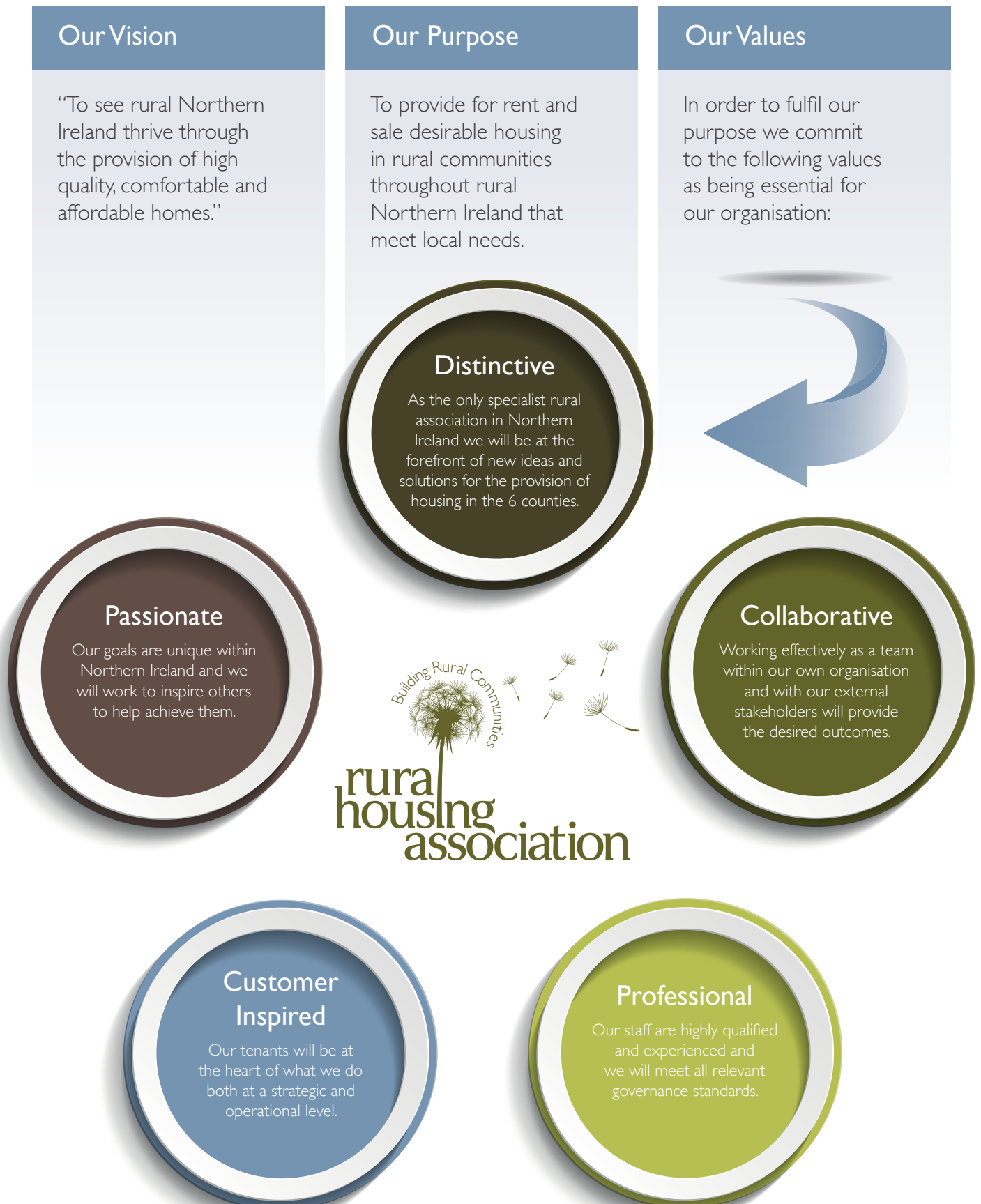
As part of our strategic review in 2021 a full organisational review was carried out during 2022. That has brought about two new Committees under the Board, the Finance and General Purposes Committee and the Housing Services Committee. Both of these Committees will compliment the main Board and provide further assurance in all aspects of the operations of the Association.

Further to these new changes the organisation staffing structure was fully reviewed. This review was to ensure the Association's operational setup was fit for purpose for the coming years with an expected development programme of over 300 new homes.

Four new departmental Directors have been put in place with Housing and the Technical departments seeing new posts created for middle managers, and the Business Development Department getting a new full time administrative post.

These changes were all complete before March 2023 and provide the Association with the manpower and experience to develop, manage and maintain a high volume of new homes for the medium term.

Those 5 strategic values are used to guide this business plan for 2023-24



Strategic Objectives

These themes will be set out in each of the business plans for the next three years and cascade down into measurable, progressive KPI's for each manager and staff member.

The progress of these against targets are measured and monitored through weekly internal meetings, Senior Management Team meetings and monthly Board of Management meetings, thus providing effective governance and full accountability.

The Association publishes an annual report which provides information on all our financial and business performance for the previous year, alongside a value for money statement which ensures we are using our money effectively and efficiently.

Below are outlined our strategic objectives:



The Operating Environment and Challenges

- The residual impact of Covid-19 pandemic not only presents immediate demands and threats but longer-term goals, plans, and operations need to be assessed in its context to ensure we are considering all the aspects that could affect, not only our business and lives, but also that of our tenants.
- Our hybrid model of working is now embedded in the organisation. We will need to carefully measure our performance to ensure customer service and internal processes continue to be of the highest standard.
- The cost of living and high inflation continues to be a prevalent player in the lives of our tenants and in the management of their tenancies. The next year will provide further challenges for them and us as the economy strives to reboot.
- Our staff numbers now stand at 23. A full reorganisation of the Association has been completed and will be embedded and monitored over the next year. We will measure carefully the effects to our tenants and stakeholders.
- The lack of availability of sites in areas of housing need, the changes in planning procedures make our targets more difficult to achieve.
- Covid, Brexit and the war in Ukraine provide challenges to our business, suppliers and funders. Along with the pressures of the Covid-19 pandemic, supply chains, health and safety, employment pressures, high inflation and business practices have converged into a business landscape which is not recognisable and which will continue to put significant pressure on cashflows and budgets over the forthcoming years.
- Without local government and local ministers to provide priorities, it will most likely mean a drop in the capital budget for housing associations. We will continue to monitor this to ensure our priority schemes are advanced.
- Climate change obligations over the next 10 to 20 years will be reflected in our carbon reduction strategy and embedded in our Tenant Participation Strategy and next Corporate Strategy document.

Financial

Rural Housing Association financial projections are central to the delivery of our Corporate Plan and this business plan.

Without a sound, viable financial footing the Association's plans and ambitions would be worthless.

The tables on page 9 show the Association's estimates for Income/Expenditure and Balance Sheet for the next three years that will allow this Corporate Strategy's objectives to be met through our annual business plans.



Forecast Income & Expenditure Account



3 YEAR BUDGET SUMMARY OF STATEMENT OF COMPREHENSIVE INCOME			
	Budget 2023/24	Budget 2024/25	Budget 2025/26
INCOME			
Rent Receivable	3,341,195	3,599,713	3,892,871
Rates Receivable	481,897	591,416	671,616
Other Income	4,500	4,500	4,500
Amortisation of grants	539,865	550,662	561,675
Community Grant Income	94,297	108,914	112,357
TOTAL INCOME	4,461,754	4,855,205	5,243,019
EXPENDITURE			
Property Costs	771,757	767,901	806,191
Property Insurance	70,418	78,110	84,633
Rates (net of discount)	433,707	532,274	604,454
Administration Costs	1,320,451	1,401,807	1,462,904
Bad Debt	55,700	60,732	65,998
Development Expenses	13,000	15,000	17,400
Depreciation - property	898,497	916,626	934,959
TOTAL EXPENDITURE	3,563,530	3,772,450	3,976,539
Transfer to Disposal Proceeds Fund	-	-	-
TRADING SURPLUS/(DEFICIT)	898,225	1,082,755	1,266,480
Property	1,154,740	1,364,997	1,562,931
Rates	-	-	-
Administration	(256,515)	(282,242)	(296,451)
	898,225	1,082,755	1,266,480
FIXED ASSETS AND INTEREST			
Administration Costs Capitalised	256,515	282,242	296,451
Profit/(Loss) on sale of Fixed Assets	-	-	-
Interest Receivable	6,000	6,000	6,000
Interest Payable and Loan Payable and other costs	(843,177)	(997,212)	(1,117,781)
SURPLUS/(DEFICIT)	317,563	373,785	451,150
Additional Units in the year	67	86	50
TANGIBLE FIXED ASSETS			
Housing Properties at Cost	81,015,708	91,565,513	97,766,055
LESS			
Depreciation	(12,199,080)	(13,115,706)	(14,050,665)
NET BOOK VALUE OF HOUSING PROPERTIES	68,816,628	78,449,807	83,715,390

Business Priorities for 2023/24

Priority	Work Stream	Outcome	Measurement of Success	Target
Deliver Excellent Customer Services to our tenants	Continue to adapt and embed systems and processes to enable safe and productive homeworking for staff in the long-term.	Provide efficient and effective frontline services to tenants	Health and safety of staff while still providing high customer satisfaction levels to be reported annually	Yr1
	Embed the office plan for hybrid working safely and productively during the pandemic and beyond including an online tenant portal	Provide efficient and effective frontline services to tenants	Health and safety of staff while still providing high customer satisfaction levels	Qtr1 Yr1
	Annual publication of tenant newsletter	Communicate effectively with tenants	Increase in Customer Satisfaction Levels	Qtr3 Yr1
	Deliver effective communication to our external stakeholders.	Communicate effectively internally and externally using Communication Action Plan	Increase in Customer Satisfaction Levels	Qtr1 Yr1
	Measure our tenants attitudes to us as a landlord	Ensure continued quality, effectiveness and value for money and high service levels	Increase in Customer Satisfaction Levels	Qtr1 Yr1
	Continue to provide assistance and support tenant panels both in person and through hybrid meetings	Continue to support and Develop opportunities to enable Tenant Panels to fully participate in the governance and decision making processes of service delivery Commit to encourage tenant participation and ensure tenant involvement Provide IT equipment and training for tenants	Number of groups formed and numbers of Quarterly meetings. Number of tenant reps trained in IT	Qtr4 Yr1
	Provide a full formal consultation to tenants on the 2024/25 rent increase.	Develop opportunities to allow tenants to participate in decision making process of the Association at the highest level	Increase in tenant satisfaction levels	Qtr4 Yr1
	Continue to implement Section 75 duties and Disability action plans and ensure all staff receive regular equality training	Ensure RHA is compliant with all equality legislation and staff are aware of all requirement under the legislation	Number of training sessions	Qtr4 Yr1
	Explore fully with HA5 new tender opportunity for new MTC contractor	Ensure continued quality, effectiveness and value for money and high service levels	Tenant Satisfaction Levels	Qtr4 Yr1
	Deal effectively with internal and external audits	Ownership and effective responses with clear improvement plans and regular Board and Committee updates	Level of Assurance	Yr 1,2,3

Priority	Work Stream	Outcome	Measurement of Success	Target
Be an Excellent Employer	Develop highly trained staff as laid out in our Human Resources Strategy	Happy, effective staff with low turnover	Staff turnover	Qtr4 Yr1
	Continue to renew the Board of Management through a renewal programme in accordance with the 9-year rule	Ensure compliance and regeneration of Board	Board numbers and turnover	Qtr1 Yr1
	Provide in-house and external training for Board Members led by an annual skills analysis	Ensure effective and informed Board	Board satisfaction levels through appraisal	Qtr3 Yr1
	Continue to Implement the Board Member Appraisal policy and carry out an annual appraisal of Board Members to identify governance and performance issues	Ensure effective and informed Board	Board satisfaction levels through appraisal	Qtr1 Yr1
	Carry out a review of staffing and structure through an external consultant	Happy, effective staff with low turnover	Staff turnover and sickness levels. Levels of response to Recruitment	Qtr4 Yr1

Priority	Work Stream	Outcome	Measurement of Success	Target
Build and provide high quality homes to meet local needs	Continue new build programme.	34 new Units started - all new development 59 completions	Number of homes	Qtr4Yr1
	Develop opportunities for provision of mixed tenure housing.	Provide alternatives for potential intermediate housing	Number of homes	Yr1 Yr2 Yr3
	Provide attractive, local, new build through use of our Rural Design Guide	Provide framework and guidance for future developments and deliver well designed schemes with like-minded partners	Number of Design Awards	Yr1 Yr2 Yr3
	Be at the forefront of housing provision in rural areas with limited planning opportunities	Investigate and bring forward to SHDP at least 1 scheme per year in areas of limited planning through PPS21	Number of homes	Qtr4Yr1
	Through local links identify and highlight rural areas where rural needs testing is required	Investigate and bring forward at least one scheme for latent demand testing in conjunction with the NIHE Rural Section	Number of homes	Qtr3 Yr1
	Through ongoing stock condition surveys continue to develop detailed profiling of our properties and their components	Protection of assets	Expenditure at year end	Qtr4Yr1
	Invest planned and response maintenance including component replacement, external painting and annual servicing	Protection of assets	Expenditure at year end	Qtr4Yr1
	Market Test for a new £20 million loan portfolio	Ensure future of development programme	Cost for private finance / Number of homes developed	Qtr4Yr1

Priority	Work Stream	Outcome	Measurement of Success	Target
Be a Key Influencer in rural housing policy	Produce yearly operational Business Plan	Identify and measure work targets	Publication	Yr 1, 2, 3 Qtr4
	Encourage Board and Senior staff to make new links with relevant external stakeholders	Increase partnerships with rural community groups to support expansion of community initiatives	New partnerships	Yr1 Qtr4
	Encourage representation on NIFHA board	Increase policy involvement and ensure rural priorities are at the forefront of housing policy	New partnerships	Yr1 Qtr4
	Produce Corporate plan every 3 years	Provide direction and effective strategic leadership in rural policy	Publication	Yr 2 Qtr4
	Use social media to ensure the profile of the Association is at the forefront of rural policy	Provide a high profile for the organisation	KPI's on social media	
	Create a decarbonisation strategy and plan for the Association to implement a 50% reduction in scope 1 and scope 2 emissions by 2030 and commit to reducing scope 3 emission, on a baseline of 2015	Provide leadership to our stakeholders in carbon reduction in the rural sector by understanding, measuring, planning and committing publicly to decarbonisation targets	Using a baseline of 2015 /, measuring our organisational footprint and measuring our reductions	Qtr1 Yr1

Priority	Work Stream	Outcome	Measurement of Success	Target
Support and sustain our rural communities	Identify additional Housing for All Neighbourhoods in rural locations	Sustain rural communities through community development	Number of new schemes. Community Satisfaction through project surveys	
	Extend delivery of community projects focussed on addressing social isolation in rural areas	Sustain rural communities through community development	Community Satisfaction through project surveys	
	Explore areas to provide non-housing products to our tenants and local communities	Sustain rural communities through community development	Community Satisfaction through project surveys	
	Work in partnership with the NIHE and local groups to conduct latent demand tests in rural locations	Identify new areas for social housing and sustain local communities	Number of latent demand tests at year end	
	Implement a hardship fund for our tenants to help sustain tenant welfare and tenancies	Identify those tenants in severe need and provide assistance as required	Number of tenants helped through hardship fund at year end	Qtr1 Yr1

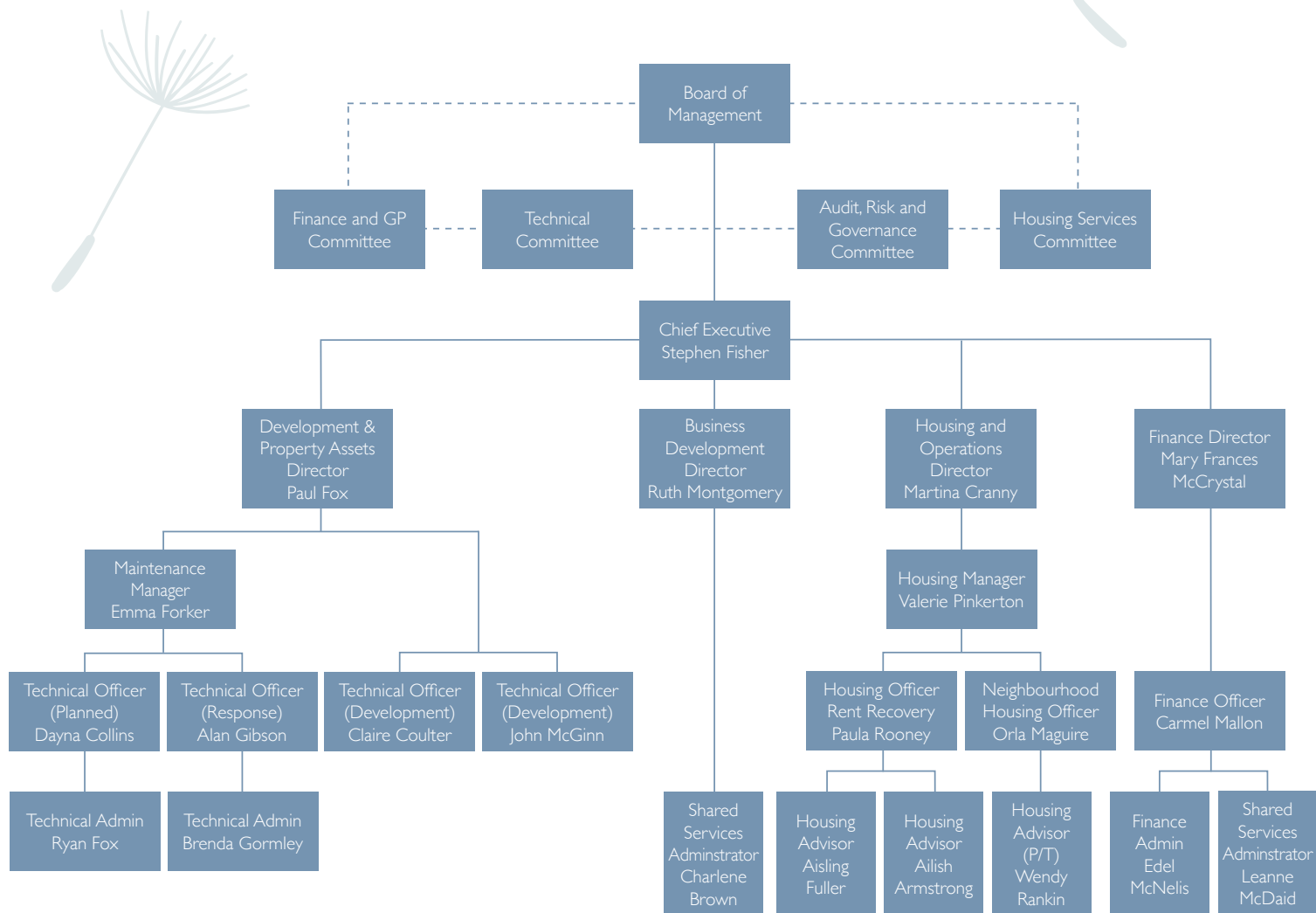
SMART Targets



Measurement		Target Date	Target
Surplus for Year The difference between income and expenditure for the year		Mar-24	£317,563
Prompt Payment Days (normal)		Mar-24	30 days or within contract term if shorter
Prompt Payment Days (new build)		Mar-24	14 days
Gearing Ratio		Monthly	<50%
Interest Cover		Monthly	>1.35
Interest Cover		Monthly	<1.1
Current Ratio		Monthly	1.00 or higher
Non-Technical Arrears Arrears owing directly from tenants as a % of rental income expected directly from tenants		Mar-24	5%
Technical Arrears		Mar-24	5%
Arrears Write Offs Amount of arrears that are not collectable as a % of total rental income		Mar-24	2%
Tenants 13 weeks in arrears		Mar-24	3%
Past Tenant Arrears Arrears owing from ex-tenants as a % of total rental income		Mar-24	2%
Maintenance Costs How much it costs the Association to maintain its properties from day to day		Monthly	Monthly Budget -5%+5%
Repair Relet Costs How much it costs the Association to bring vacated properties back into lettable condition		Monthly	Monthly Budget -5%+5%
Repair Relet Time How quickly the Association can get repairs done on a vacant property		Mar-24	21 Days
Allocation of Relets How quickly the Association can fill a vacant property		Mar-24	35 Days

Measurement		Target Date	Target
Voids The cost of vacancies as a % of total rental income		Mar-24	2.0%
Complaints Deal effectively with 90% complaints within time limits		Mar-24	90%
Anti-Social Behaviour Deal effectively with 90% complaints within time limits		Mar-24	90%
TBUC Scheme Identify and initiate within development plan (scheme numbers)		Mar-24	1 new scheme
Grant Aid Identify and claim new grant aid for tenants and local communities (measured in numbers of tenants or residents engaged with fund)		Mar-24	50 additional tenants or local residents are engaged through new grant funding in community activities
Latent Demand How many latent demand tests are carried out with RHA as the lead housing association		Mar-24	5 additional latent demand tests completed in rural areas
Web Site How much traffic directed to RHA website		Monthly	1000 per month
Social Media Active Followers Facebook and Twitter measured in number of people New Followers/Total Followers * 100		Monthly	Extra 100 per month
Social Media Applause Rate – Interaction with social media posts Likes/Followers * 100		Monthly	At least 1100
Tenant Portal Number of tenants registered		Monthly	At least 10 additions
Tenant Portal Self Service Score		Monthly	50% rate of success (logins v action)
Tenant Portal Satisfaction Rate		Annually	90% positive
Tenant Portal Cost Reduction		Annually	Savings of 10% using PWC standard costings

Appendix I - Rural Housing Staff



Board

John Waddell (Chair)
 Carol Follis (Vice Chair)
 Rory O'Brien (Secretary)
 Alistair McKane (Treasurer)
 Tommy Gallagher
 Margaret Rafferty
 Michaela McCusker
 Tom Potter
 John Moss

Technical Committee

Alistair McKane (Chair)
 John Waddell
 Rory O'Brien
 John Moss

Audit, Risk and Governance Committee

Carol Follis (Chair)
 Tommy Gallagher
 John Waddell

Finance & General Purposes Committee

Michaela McCusker (Chair)
 John Waddell
 Alistair McKane

Housing Services Committee

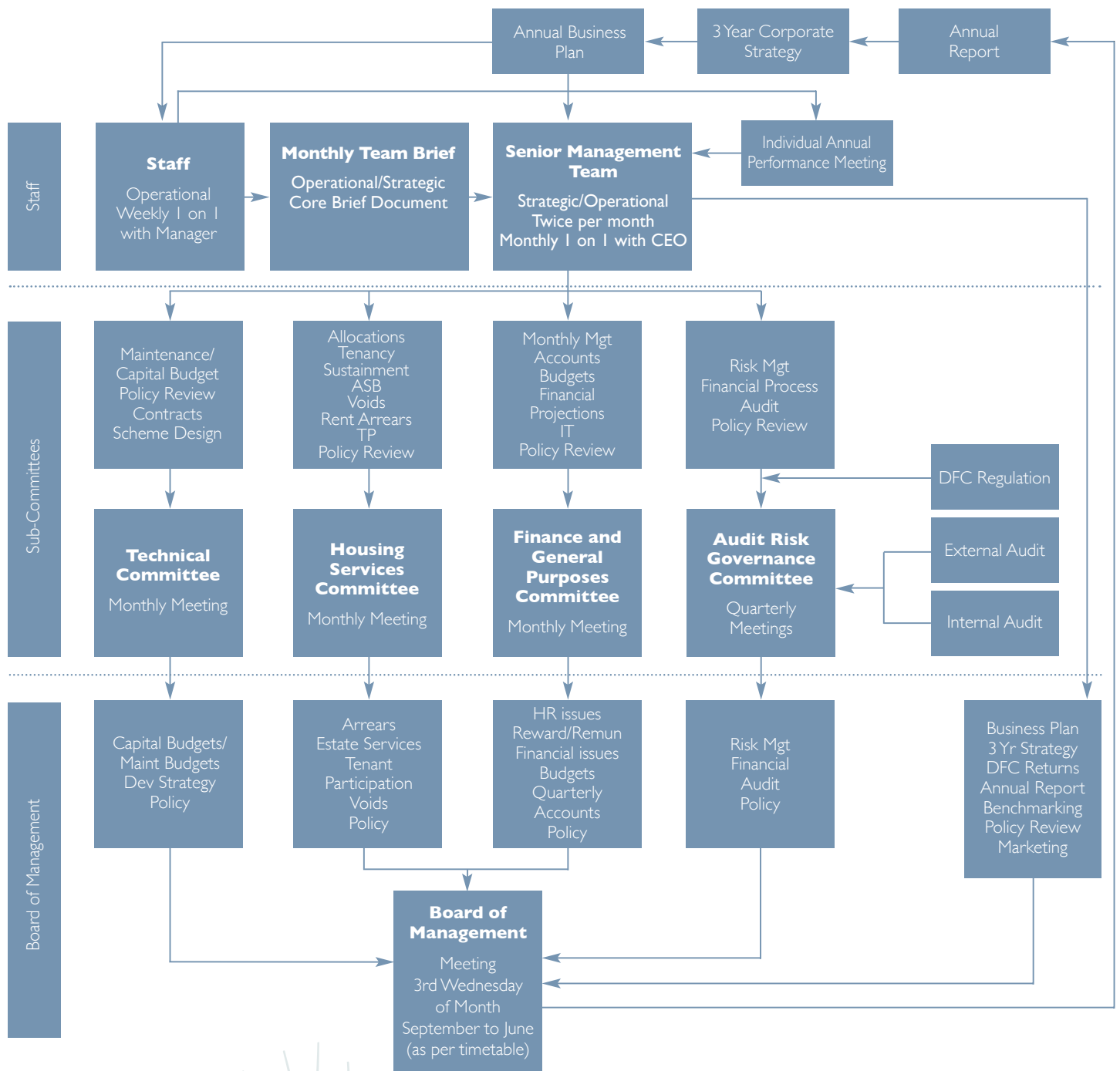
Tom Potter (Chair)
 Michaela McCusker
 Margaret Rafferty

Senior Management

Stephen Fisher (Chief Executive)
 Mary Frances McCrystal (Finance Director)
 Martina Cranny (Housing and Operations Director)
 Paul Fox (Development & Property Assets Director)
 Ruth Montgomery (Business Development Director)

Appendix I - Operational Infrastructure

Rural Housing Association Governance Process and Workflow 2023-2024





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