



Business Plan

2016 - 19 (Yr3)

**Targets, priorities and
financial plan 2018/19**

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Foreword

In 2017 we celebrated Unity's 30th year and reflected on some of its significant achievements.

Unity was set up to address the urgent housing needs of black and minority ethnic communities (BME) in Leeds and now provides in excess of 1,250 homes. It also continues to support local business and enterprise and provides employment support and training through its subsidiary Unity Enterprise. After 30 years the need for BME focused organisations, such as Unity, remains as strong as ever. The results of the 'race disparity audit', published by the government in 2017, confirm the continued existence of racial injustice in Britain and that BME communities experience neighbourhood deprivation, higher unemployment rates and inequality in home ownership.

BME associations such as Unity not only manage in the region of 65,000 homes (with plans for thousands more over the next 5 years), but also focus strongly on promoting community cohesion and integration which in turn leads to the rejuvenation of fragile local economies.

The challenging environment for tenants is also set to continue. In late 2018 we are expecting the roll out of Universal Credit in Leeds and we will be gearing up to support our tenants through this period of significant change. Large increases in arrears have been reported by some associations following the earlier transition to Universal Credit, primarily resulting from the initial delays in getting the first payment processed. The government has since announced measures to ease this pressure and Unity will be proactively supporting its tenants and has planned to recruit additional resource.

This is the third year of our 2016-19 plan and our key focus is on delivering an additional 162 new homes by 2022. This has been Unity's most ambitious development plan to date with a total of 220 new homes being delivered in partnership with the Homes England. We expect to have sufficient capacity to allow for further growth post 2022.

Finding suitable and viable sites remains challenging as does the risk of inflating building

costs. We are also starting the year with a new maintenance contractor after a major re-procurement exercise.

Our subsidiary Unity Enterprise has built on last year's success and maintained a small surplus whilst further improving the buildings and our offering to business tenants. This has allowed some additional support to be offered for local business in the form of free specialist advice, such as marketing and in some cases reduced rents for social enterprise organisations. We are also encouraged that voids have been filled relatively quickly. The employment support team has again increased its impact in creating and training more people than last year.

In 2017 Unity had its first In-Depth Assessment (IDA) by the Homes and Communities Agency – HCA (now Homes England). Unity achieved full compliance on both measures with a G2V2 rating (G=Governance, V=Viability). A full review of governance has since been carried out with the aim of attaining a G1 rating as soon as possible. The Viability (V2) rating reflects the risks associated with Unity's development programme and is something which Unity understands and is comfortable with. Unity reviewed its Value for Money strategy in June 2017 and this remains a key area of focus for the organisation with a direct impact on our potential to achieve further growth in our housing stock.

After 4 years of cuts to our rental income the government have, in the last six months, announced increases of CPI +1% for the five years commencing April 2020. This will allow us to plan with a little more certainty and reduces one of the largest risks for the organisation. That said we still remain in a challenging environment where our tenants face increasing hardship. To that end it is vital that Unity continues to drive growth and improvement in our communities.



Ali Akbor
Chief Executive



Shruti Bhargava
Chair of UHA Board

Operating Environment

This section summarises some of the key developments in the housing sector in which we operate.

Sector update

The political landscape beyond Brexit is still focused on housing supply with the Government taking the view that some of the obstacles have been cleared for delivery of new housing. There is now an imperative on the sector to respond positively and to deliver increased housing supply. The HCA have responded with more flexibility and a greater focus on outcomes. The NHF is currently conducting a survey to see if there is any change in development plans. Whilst there are challenges in accelerating supply very quickly, members have indicated that, they were reviewing development plans and increased ambitions to deliver.

The NHF is discussing a campaign to encourage direct payment to landlords under Universal Credit. In most areas, the timescale exceeded 6 weeks for payment with Universal Credit having detrimental effect on tenants' mental health and housing association business plans.



The NHF Board has prioritised work on homelessness with a focus on what more the sector can do. The sector is most effective in preventing homelessness.

Race Disparity Audit

A new "race disparity audit" ordered by Theresa May was published in October 2017. The data gives unprecedented insight into how people from different backgrounds are treated in society, including their access to healthcare, education, employment and in the criminal justice system.

The audit shows large disparities across people of different races and backgrounds and is revealed on a new website called Ethnicity Facts and Figures.

One of the starkest differences emerges in the unemployment rate, which is 5% for white British groups and 8% for black, Asian and minority ethnic people of working age. Employment rates are 76% for white people and 64% for ethnic minority groups.

The audit also found inequality in home ownership, showing two in three white British householders own their home compared with two in five householders from any other ethnic group.

Different trends were shown in education, where the audit found white pupils from state schools had the lowest university entry rate in 2016. The highest achievers were pupils of Chinese origin, among whom almost a quarter attained three A grades or higher at A-level and almost three out of five went to university.

The audit was requested by Theresa May after she made a speech outside Downing Street upon becoming prime minister in which she pledged to tackle injustices in society.



Local Housing Allowance Cap

The Government had planned to introduce the Local Housing Allowance (LHA) to social housing tenants who were in receipt of Universal Credit or as they signed a new or renewed tenancy from 1 April 2016. For single tenants under 35 years old, the benefit would have been capped to a shared accommodation rate (SAR) unless an exemption applies.

However, the Prime Minister announced on Wednesday 25 October 2017, that the Government will not be applying the Local Housing Allowance rates to Supported Housing nor to the wider social sector.

This means that Local Housing Allowance rates will not be applied from 2019 to Housing Benefit or Universal Credit for anyone in the social rented sector. This includes single people aged under 35 who would have been affected by the application of the Shared Accommodation Rate (SAR).

The future of Housing Association rents

Whilst rent freedom is a long term sector objective, the four years of 1% rent reduction will be coming to an end in 2019/20.

The DCLG have now announced the long-awaited settlement on rents for 2020-2015. Rents can be increased by CPI+1% over this period. It means that after 4 years of 1% rent cuts we can now prepare business plans with more certainty.

The Office for National Statistics (ONS) reclassification of housing associations

The ONS has provisionally reversed its 2015 decision to classify housing associations as part of the public sector. This was important to the Government as it removes housing associations

£63.5bn of debt from the public debt. This follows various deregulation measures that have taken place since the ONS made this decision in 2015.

Budget November

The 2017 Budget was heavily trailed as the Chancellor's opportunity to set out how the Government will boost supply to 300,000 new homes per year against the backdrop of continuing uncertainty over the terms of Britain's departure from the European Union.

The Budget included a package of housing investment measures, some new and some confirming previous announcements. The headline figure of £44bn 'support' for housing is a mixture of direct investment, the creation of funds, loans and guarantees. Of this £44bn, £15.3bn was new financial 'support' over the next five years.

The Budget confirmed the previously announced additional £2bn of funding for affordable housing, including for the delivery of social rented homes. The total budget for the Affordable Homes Programme now stands at £9.1bn to 2020/21.

The Budget introduces some key changes to tenant entitlement to Universal Credit and the advance payments system, and a slow-down in the roll-out of Universal Credit Full Service.

From February 2018 the Government will remove the seven-day waiting period so that entitlement to Universal Credit starts on the first day of application. From April 2018 those already on Housing Benefit will continue to receive their award for the first two weeks of their Universal Credit claim.

Voluntary Right to Buy (VRTB)

The Government announced a range of measures to help people on to the housing ladder. Most significant for housing associations was confirmation of a £200m regional pilot of the Voluntary Right to Buy (VRTB) for housing association tenants in the Midlands. DCLG has confirmed that the pilot will run for two years starting in summer 2018.



Our Mission & Values

Our Mission

Provide housing choice, improve life opportunities and address inequalities

Our Values

Integrity - Being honest, transparent and sincere with strong principles

Respect - In the way we treat people, service users and each other

Flexibility - In how we work for the benefit of our tenants, other people, the organisation and each other

Commitment - To provide services to meet the needs of our tenants, local people and local neighbourhoods

Business focussed - Continually review and adopt best practice and ensure we operate efficiently and effectively in order to make best use of resources

Equality and fairness - In the way we work and deliver services





Our Objectives

Provide and continue to develop good quality mixed tenure housing which reflects needs and aspirations.

We will ensure the highest standards of repair and maintenance of our existing stock. Our priority will be to develop new high quality stock in geographic areas of Leeds where members of the BME community would want to live. We will also consider opportunities to support BME communities across the wider Leeds City Region. Our new development programme will consist of the type and tenure of unit for which we know there is a current and emerging need.

Provide high quality affordable housing services.

We aim to achieve the highest level of tenant satisfaction through the delivery of a range of flexible high quality services which respond to the needs of our current tenants. We will take account of emerging needs of new tenants and redesign our services accordingly. We will be sensitive to the needs of existing and new tenants in regard to the current economic climate and the Government's legislative programme.

Involve and work with our tenants and the communities we serve to inform and improve services.

We will engage with our tenants and BME communities to develop a good evidence base to help us design our services and influence the policy and delivery of services by others. On this basis we will seek to represent BME communities, and others, in the multi-cultural neighbourhoods within which we work.

Work with partners to encourage and support the regeneration of our target neighbourhoods.

We will work in partnership to deliver physical, social and economic regeneration programmes to help create and sustain neighbourhoods where BME communities want to live. We will focus our efforts in those neighbourhoods where our tenants live and where there are high percentages of BME communities. We will aim to deliver and facilitate the delivery of services based on our understanding of current and future needs. We will continue to ensure our tenants have the best advice and access to training and employment opportunities and we will aim to promote and sustain financial inclusion.

Provide and facilitate business support services and encourage local enterprise.

Through our Unity Enterprise company we will offer affordable managed workspace to support the needs of a wide range of small businesses and other organisations. We will provide and facilitate direct support to encourage local enterprise and we will offer and facilitate business advice to our existing tenants. Through these services we will aim to support the economic regeneration of our target neighbourhoods.

Be a progressive and expanding business with a sound resource base

We will be a strong and forward-looking organisation. We will have a robust financial plan to support the delivery of high quality services and new development. Our governance and performance management arrangements will be of the highest standard and we will be a place where people want to work.

Targets

The targets set below are built into our financial plans and need to be met to ensure business viability and high levels of tenant satisfaction. The financial targets will be regularly monitored by the

Board and form part of the quarterly management accounts reported to the Board. More detailed targets are considered by the Operations Committee linked to more consumer orientated service standards and by the Unity Enterprise Board. In addition, targets which are likely to be of more relevance and of interest to our tenants are reported to the Tenant Scrutiny Panel and in our tenant newsletter.

	2016-17 Target	2016-17 Actual	2017-18 Target	2017-18 Forecast	2018-19 Target
Surplus					
Unity Housing	£724k	£1,663k	£506k	£1,881k	£815k
Unity Enterprise	£14k	£98k	£19k	£53k	£48k
Gas servicing	100%	100%	100%	100%	100%
Electrical testing	n/a	n/a	n/a	n/a	100%
Rent arrears	4.75%	4.91%	4.25%	4.83%	3.91%
Income collection	100%	100.5%	100%	99.8%	100%
Unity Housing - void loss	1%	0.68%	1%	0.79%	<1%
Unity Enterprise - void loss	14.14%	6.25%	9.62%	6.14%	9.9%
Re-let times - incl. new develop	20 days	14.1 days	20 days	24.7 days	20 days
Re-let times - excl. new develop	30 days	34.1 days	30 days	27.8 days	28 days
Turnover of stock	10%	4.2%	10%	5.21%	10%
Repairs performance					
Emergency	99%	99.3%	99%	93.9%	99%
Urgent	99%	98.1%	99%	92.1%	99%
Routine	99%	99.1%	99%	94%	99%
Appointments kept	99%	98.8%	99%	97.4%	99%
Overall satisfaction	95%	99%	95%	98.7%	95%
Employment Services					
Into employment	80	95	105	110	115
Training	120	149	160	177	175
Volunteering	25	26	30	30	30
New developments					
Start on site	39	12	85	12	53
Completed units	46	46	12	46	23

Our Priorities

We review our objectives and related priorities on a regular basis. By their nature, some of our priorities carry forward from one year to another whilst others represent new ambitions and our approach to changing needs, demands and the environment within which we operate.

Our priorities are set out as statements of intent within this plan. Measurable and timebound actions necessary to achieve our priorities are set out in a more detailed Operational Plan which is monitored by the Senior Management Team. Specific reports are then considered by the Board(s) and our Committees at key milestone dates. We provide a 'Dashboard' of overall performance to each Board meeting.

Objective 1

Provide and continue to develop good quality mixed tenure housing which reflects needs and aspirations

- 1.1 Deliver our current development programme on budget and on time.
- 1.2 Review our capacity for additional new development beyond 2021
- 1.3 Investigate the potential of delivering new homes outside our traditional areas.
- 1.4 Update the Development Strategy to include criteria for developing in new areas.
- 1.5 Develop a new asset management strategy which offers improved value for money and ensures high levels of tenant satisfaction.

Objective 2

Provide high quality affordable housing services

- 2.1 Continue our drive to reduce rent arrears and develop best practice

- 2.2 Plan and manage the impact of Welfare Reform on our tenants and on our business

- 2.3 Continue to improve our approach to managing turnover and reducing void levels and rent loss

- 2.4 Introduce a new repairs and maintenance contract and improve services and value for money

Objective 3

Involve and work with our tenants and the communities we serve to inform and improve services

- 3.1 Continue the input of our Tenant Involvement Panels, inclusive of Tenant Scrutiny Panel
- 3.2 Review and improve our services based on regular tenant feedback, satisfaction surveys and the results of our tenant census

Objective 4

Work with partners to encourage and support the regeneration of our target neighbourhoods

- 4.1 Review our current employment service offer, success to date and future work programme
- 4.2 Encourage and participate in neighbourhood regeneration initiatives relevant to our existing tenants, new development sites and our high priority areas (Chapelton/ Harehills & Beeston/Holbeck).
- 4.3 Review our longer term approach to community/neighbourhood regeneration

Objective 5

Provide and facilitate business support services and encourage local enterprise

- 5.1 Agree a new business plan and work programme for our Unity Enterprise services and business

Objective 6

Be a progressive and expanding business with a sound resource base

6.1 Complete an external review of governance and implement any actions and ensure compliance with the Regulatory Framework

6.2 Monitor, review and strive to continually improve our Value for Money Strategy

6.3 Investigate and develop opportunities for growth and improved financial capacity

6.4 Continue to improve our management and staff development programmes and our drive for customer service excellence

6.5 Update and regularly review our Risk Management Strategy

6.6 Ensure systems and operating procedures are up to date and fit for purpose

6.7 Update and regularly monitor the organisations 'self-assessment' and Operational Plan

6.8 Review our communication strategy and influencing role



Financial Plan

Unity has put together a strong and viable plan for the next 30 years which includes the completion of our current major development programme and which demonstrates further development capacity in future years.

This section sets out the five year financial forecasts for both Unity Housing and Unity Enterprise. There is also a summary of the 30-year plan for Unity Housing. Unity Housing Development Services is allocated a zero budget because its small surplus is not material to the overall group.

Development Summary

Our current development programme is illustrated in Chart 1 on page 19. It is supported by two HCA grant funding agreements for 120 and 100 homes (total 220 homes).

A further 22 homes were acquired in March 2018 under a stock transfer agreement from another housing association and are not shown in the chart.

The plan assumes that all of the developments are built for rent.

30 Year Plan

The 30-year plan for Unity Housing is illustrated by the two charts in Appendix 2 on page 20.

The plan meets or exceeds all of our banking covenants. Gearing peaks at 60% in 2023 (vs a covenant of 80%) and the interest cover measure always exceeds 245% versus the covenant level of 115%.

Stress Testing - 30 Year Plan

Stress tests are designed to test the ability of our plan to cope with adverse financial events or shocks. These possible events have been built in to the forecasting model and each one can be switched either on or off. This allows us to see the

impact of a single adverse event or any combination of events, including the impact of any mitigating actions we might take.

We have identified seven key stress factors below and measured both the individual impact and the combined impact.

Key stress factors were identified as follows:

No.	Description	Impact measured
1	Increased bad debts arising from the transition to Universal Credit.	Increase by: 2% in 19/20 1% 20/21 onwards
2	A period of zero rent increase post 2025 caused by an economic downturn.	4 years at 0%
3	Void rates double (whole plan from yr2)	To 2%
4	Increased development costs	5% increase in costs
5	Increased maintenance costs	Additional 1% inflate from 2026
6	A steeper rise in interest rates	Increase by 2% from 2021
7	Mitigations	Cost savings and suspension of some services.

Although requiring significant amounts of additional working capital, none of these scenarios (or combinations of) result in the plan breaching any of its banking covenants. However, the combination of all scenarios 1 to 6 results in a plan which is unviable.

Applying the mitigations does bring the plan back to a more viable position, albeit with minimal capacity to absorb any further adverse events. Mitigating actions would include cost savings which might impact on social outcomes currently achieved by the Association.

Key Assumptions

Our key assumptions for Unity Housing and Unity Enterprise are set out in the tables below.

Unity Housing

What	When	Assumption
Rent inflation	April 2018 & 2019	Cut of 1%
	April 2018	Converge fully within Target rents +5% tolerance
	April 20 to April 25	CPI +1%
	April 26 onwards	CPI only
RPI	2020	3.10%
	2021 onwards	3.00%
CPI	2020	2.15%
	2021	2.05%
	2022 onwards	2.00%
Base rate		Rising to 3.75% by 2023
Wage inflation		RPI minus 0.50%
Shared Ownership	All	There are no shared ownership properties in the plan. It is currently unlikely that sites identified would deliver sustainable shared ownership homes. There would be financial upside in the plan (less debt required) if this situation were to change.
Bad debts	All	1%
Repairs & maintenance		Spend has been set in line with our best expectations and with reference to our 2016 stock condition survey and Asset Management Strategy.

Unity Enterprise

What	When	Assumption
Voids	All	10%
Bad debts	All	1%
RPI/CPI	All	Same as Unity Housing above
Intercompany loan	All	Interest set at 4% over base rate Scheduled repayment of £32k The opening balance will be £347k
Maintenance	All	Has been included in line with our current maintenance plan

Board Structure & Board Member Profiles

The Board

Shruti Bhargava (Chair)

Richard Walker

(Chair of Operations Committee)

David Heels

(Chair of Audit & Risk Management Committee)

Tim Yeardley

Waheed Butt

Emma Green

John Jeffries

Shazia Khan

Naseer Ahmed

Nothabo Changwe-Dube (observer)

Audit & Risk Management Committee

David Heels

Shazia Khan

Tim Yeardley

Naseer Ahmed

Abdul Ravat

Operations Committee

Richard Walker

Shazia Khan

Waheed Butt

John Jeffries

Enterprise Board

Emma Green (Chair)

Cyril Powell

Abdul Ravat

Will Jennings

Andrea Tara Chand

Ravinder Panesar

Remuneration Panel

Shruti Bhargava

David Heels

Shazia Khan

John Jeffries

Shruti Bhargava (Chair)

Shruti Bhargava is an independent consultant specialising in strategy, leadership and change, and has been Chair of Unity Homes & Enterprise since January 2015.

She began her career as an Operational Researcher in the steel industry, and has had a diverse career which has spanned sectors and roles since then.

Her journey has included being a management consultant in Cap Gemini, a VFM specialist at the Audit Commission, leading on Best Value transformation reviews at Sheffield City Council, and working as a facilitator with community groups.

Within housing, she has worked with tenants groups, led on Sheffield Homes' first two successful inspections, was a Board Director at Sheffield Homes, and a trustee of a BME domestic abuse charity. She has strengths in visioning, making sense of complex problems, and has particular interests in public policy creation and delivery. Shruti is especially passionate about addressing issues of equality, diversity, and cohesion in our society.

Richard Walker

(Chair of Operations Committee)

Richard has been within social housing since 1998, predominantly dealing with tenancy and neighbourhood management and customer services with strategic responsibility since 2004.

He has been responsible for service delivery over a range of challenging areas including community engagement and housing strategy, as well as overseeing a £300m Decent Homes Programme. He is now the Managing Director of his own consultancy firm, specialising in housing, customer services, operations and business transformation, working both inside and outside of the housing sector.

David Heels

(Chair of Audit & Risk Management Committee)

David's background is predominantly in finance. He has worked for the Housing Corporation as Head of Financial Appraisal, as a Housing Consultant for PriceWaterhouseCoopers, for a subsidiary of another registered provider and as Director of Corporate Services/Head of Business Centre for the ALMOs in Leeds. He currently holds the position of Head of Finance at Horton Housing Association.

David has experience of heading up large projects and advising on and upholding policy at a senior level. He has extensive reporting and influencing experience at both Board and Committee.

Tim Yeardley

Tim is a lecturer and course leader at Leeds Beckett University. He lectures on business and events at the UK Centre of Events Management.

He has previously worked in banking, insurance, stockbroking, training, transport and charitable sectors. He has experience of training and skills consultancy, strategic planning, financial management, communications and risk evaluation. He gained an MBA in 2007 and joined the Board in 2008.

Shazia Khan

Shazia joined the board in 2009. Her professional background and expertise relates to the fields of Equality & Diversity, Human Resources and Policy Development.

During her career Shazia has worked for a number of local authorities and also the Commission for Racial Equality. Outside of work, she has held many voluntary roles over the years, including for example school governor and charity trustee. Shazia's academic qualifications include a law degree and CIPD qualification.

Waheed Butt

Waheed has many years experience of front line services in the public sector, both as a team member and more recently at a more senior level.

Within a social housing environment, he has significant experience of all aspects of tenancy management, developed and led on policies and procedures. He has primarily worked in housing for Leeds City Council and an ALMO for 7 years.

Cyril Powell

Cyril has over 30 years' experience within the social housing sector. From front line management to senior level with his main areas of responsibility being in regeneration and development.

He has been involved at board member level with a number of organisations including Willow Park Housing Trust, Keniston Housing Trust and Bluecoat Arts Centre. He was involved in setting up Unity and has recently returned to the board of Unity Enterprise following a gap of some years.

Abdul Ravat

Abdul has spent many years within regeneration and development environments at a senior level. He has previously worked for the Housing Corporation dealing with regulations and investment and more recently at the HCA at a more local level, driving investment, regeneration and economic growth.

Nothabo Changwe-Dube

Nothabo joins the Board as an observer. She is a qualified Management Accountant with a strong background of finance within both the public and private sectors.

She specialises in financial and research projects currently within Leeds, and has previous social housing experience within Foundation Housing.

Naseer Ahmed

Naseer Ahmed has over 35 years' experience within the social housing sector at both non-executive and senior management levels, including for the CIH National Council, and the Together Housing Group.

Naseer also possesses a sound knowledge of governance, investment and development and community involvement issues.

Emma Green

Emma has a background as a Finance Director, and extensive working with SME and Social Enterprises.

Emma has an MSc in Social Enterprise, and particular expertise and interest in Charity Finance. She is also Chair of the Unity Enterprise Board.

John Jeffries

As co-owner of a social housing consultancy, John's primary skills are based in strategic planning and regeneration. Working across the country, often within areas of challenge, he has held several senior posts dealing with stock transfers and policy development.

John has a proven flexible approach, working alongside Management teams in both the private and public sectors. Currently however, he deals mainly with business and finance planning.

Will Jennings

Will has over 25 years' experience within the social housing sector, the majority of this time at a senior level. Moving within development and regeneration areas, his comprehensive knowledge has helped develop regional and local strategies and initiatives.

More recently, Will has been employed by

Incommunities in Bradford, dealing specifically with the challenges of employment and funding. His broad knowledge and expertise have proved vital to the aims and objectives of Unity Enterprise.

Ravinder Panesar

Rav has spent the last 8 years as a Business Advisor within the West Yorkshire area. He assists and supports new enterprises and small businesses ensuring sound beginnings and growth into successful ventures.

Previous experience, although still linked to business and enterprise, includes trade and investment both in the UK and abroad. Rav was the winner of Outstanding Individual 2005 for UK Trade & Investment, and was Business Advisor of the year in 2009.

Andrea Tara Chand

Andrea is a resident of Chapeltown who joined the Unity Board in the Autumn of 2009. Andrea has a long history of involvement in the community sector and is the current chair of Chapeltown Development Trust. Andrea had a particular interest in promoting women and BME equality.

In a professional capacity, Andrea has worked in the public sector for over 20 years, most recently on issues of regeneration and government poverty strategies. Currently teaching at the University of Leeds on Criminal Justice Strategies.

Academically, Andrea has a Masters degree in Policy studies and is completing doctoral research.

Unity Senior Management Team profile and staffing structure

Chief Executive

Operations Director & Deputy Chief Executive

Enterprise Team
Housing Services
Maintenance
IT, Performance & Compliance

Regeneration & Development Director

Regeneration
Employment Services Team

Corporate Services Director

Finance
PA & Office Services
Corporate Services Team

Chief Executive

Ali Akbor, MSc CPFA

Ali was appointed in January 1999. Before joining Unity he was at the City of Salford as Head of Finance for the Community and Social Services Directorate.

He has extensive organisation and financial experience, and has worked with Housing Associations for many years, having been a Board Member for two other Housing Associations. He is also a member of the Chartered Institute of Public Finance and Accountancy (CIPFA).

Operations Director & Deputy Chief Exec Parveen Sidhu BSc (Hons)

Parveen joined Unity in February 2005 and successfully project managed Unity's Audit Commission Inspection on the Housing Management and Maintenance Services.

Parveen has a proven track record in social housing, with her previous roles including working as an Area Manager between 2001 and 2003 for a Local Authority and subsequently as Head of Operations. In 2004 she led on rewards and loyalty, website development and marketing as Head of Intouch Services, for a large LSVT.

Regeneration & Development Director

Wayne Noteman

Wayne was appointed Regeneration & Development Director in April 2010. Before joining Unity he has held a number of posts including Senior Projects Manager (Firebird JVC), Housing Projects Manager (Bradford Trident NDC) and was New Initiatives Manager for Leeds City Council.

After over 20 years in housing regeneration he has extensive knowledge of the sector and serves on the Boards of Horton Housing, Chartford Homes and was previously a Board Member on Bradford Youth Board and Bradford Community Housing Trust. Wayne is also a School Governor at Hillcrest Primary School.

Corporate Services Director

Tony Osborne

Tony joined Unity in November 2016 and has a diverse background in both the corporate and third sectors. He spent 15 years working in the life science sector, most recently as Finance Director of CeNeS Pharmaceuticals plc, before joining the charity and housing association Papworth Trust as Director of Finance and Central Services.

Appendix 1: Financial Tables

Table 1: Unity Housing Five Year Forecast

Income and Expenditure Account	2019 £000s	2020 £000s	2021 £000s	2022 £000s	2023 £000s
Turnover					
Gross Rental Income	5,797	6,026	6,637	7,058	7,270
Less Voids	(58)	(60)	(66)	(70)	(72)
Net Rental Income	5,739	5,966	6,571	6,988	7,198
Other Income	12	12	13	13	14
Total Turnover From Social Housing Lettings	5,751	5,978	6,583	7,001	7,211
Grant Amortisation	844	872	918	943	943
Total Turnover	6,595	6,850	7,501	7,945	8,155
Operating Expenditure					
Management Costs	(1,267)	(1,302)	(1,339)	(1,374)	(1,408)
Service Costs	(249)	(270)	(294)	(303)	(312)
Routine Maintenance	(654)	(669)	(694)	(702)	(738)
Planned Maintenance	(264)	(253)	(259)	(276)	(289)
Major Repairs	(103)	(103)	(103)	(103)	(103)
Bad Debts	(59)	(61)	(67)	(71)	(73)
Depreciation of Housing Properties	(1,626)	(1,798)	(2,068)	(2,198)	(2,223)
Other Items	(944)	(948)	(926)	(945)	(969)
Operating Costs Social Housing	(5,167)	(5,402)	(5,748)	(5,971)	(6,111)
Operating Surplus	1,428	1,448	1,753	1,974	2,043
Interest Receivable	18	19	18	18	21
Interest and Financing Costs	(631)	(754)	(877)	(1,048)	(1,321)
Surplus for the year	815	713	894	944	743
Balance Sheet	2019	2020	2021	2022	2023
	£000s	£000s	£000s	£000s	£000s
Fixed Assets Total	72,831	79,140	83,427	81,752	80,064
Current Assets Total	1,304	1,581	547	672	5,732
Creditors - amounts due within 1 year	(590)	(797)	(853)	(853)	(853)
Assets less current liabilities	73,544	79,924	83,121	81,571	84,943
Creditors - amounts due after 1 year					
Grant	(32,181)	(33,188)	(32,909)	(31,881)	(30,848)
Loan	(24,184)	(28,844)	(31,426)	(29,960)	(33,623)
Net Assets	17,179	17,892	18,786	19,729	20,473
Reserves					
Income and Expenditure Reserve	16,401	17,114	18,007	18,951	19,694
Restricted(and/or Endowment) Reserve	778	778	778	778	778
Total reserves	17,179	17,892	18,786	19,729	20,473
Cash Flow	2019	2020	2021	2022	2023
	£000s	£000s	£000s	£000s	£000s
Cash flow from Operating Activities	1,789	2,538	2,868	3,151	3,241
Cash flow from Investing Activities	(9,431)	(6,175)	(5,628)	(526)	(537)
Cash flow from Financing Activities	3,450	3,919	1,716	(2,505)	2,349
Net Change in Cash	(1,192)	282	(1,044)	120	5,053
Cash at the end of the year	908	1,191	147	267	5,319

Table 2: Unity Enterprise Five Year Forecast

Income and Expenditure Account	2019 £000s	2020 £000s	2021 £000s	2022 £000s	2023 £000s
Turnover	564	592	608	625	643
Operating Expenditure	(500)	(537)	(570)	(534)	(536)
Interest and Financing Costs	(17)	(17)	(17)	(18)	(17)
Surplus for the year	47	38	21	73	90

Balance Sheet	2019 £000s	2020 £000s	2021 £000s	2022 £000s	2023 £000s
Fixed Assets	2,136	2,076	2,014	1,934	1,863
Cash and Cash Equivalents	3	35	49	128	217
Other Current Assets/(liabilities)	(161)	(161)	(160)	(152)	(148)
Creditors due after 1 year	(1,518)	(1,451)	(1,384)	(1,316)	(1,249)
Net assets	460	498	519	593	683

Appendix 2: Charts and Graphs

Chart 1: Development Summary

The yellow bars show the completions budgeted for 2018/19 and the purple bars show the forecast for the remaining schemes. The green bars are the schemes already completed in prior years.

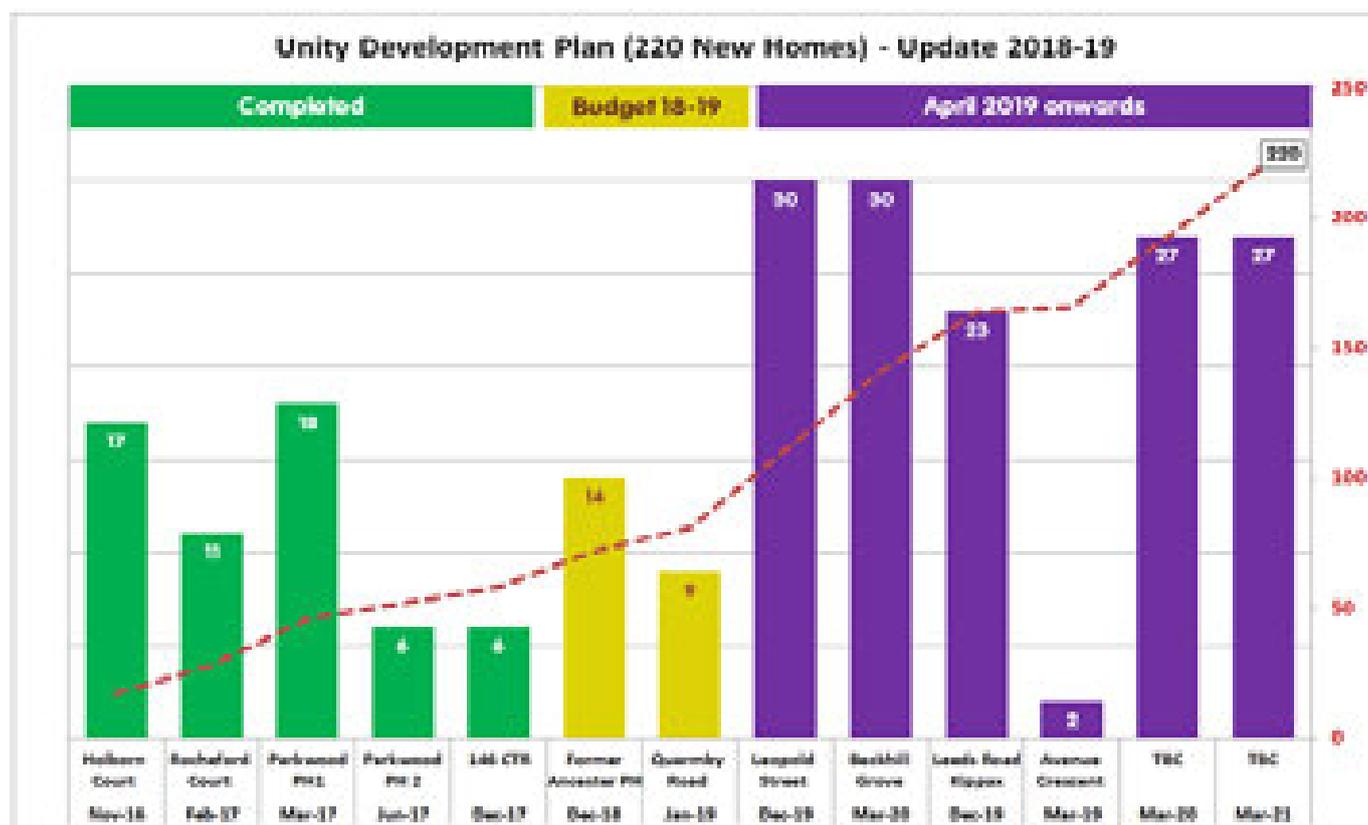


Chart 2: 30 Year Plan - Turnover and Surplus

Turnover (green bars) and surplus (purple line) are shown in the first chart. The plan delivers steady growth in both turnover and surplus which should allow for further developments.

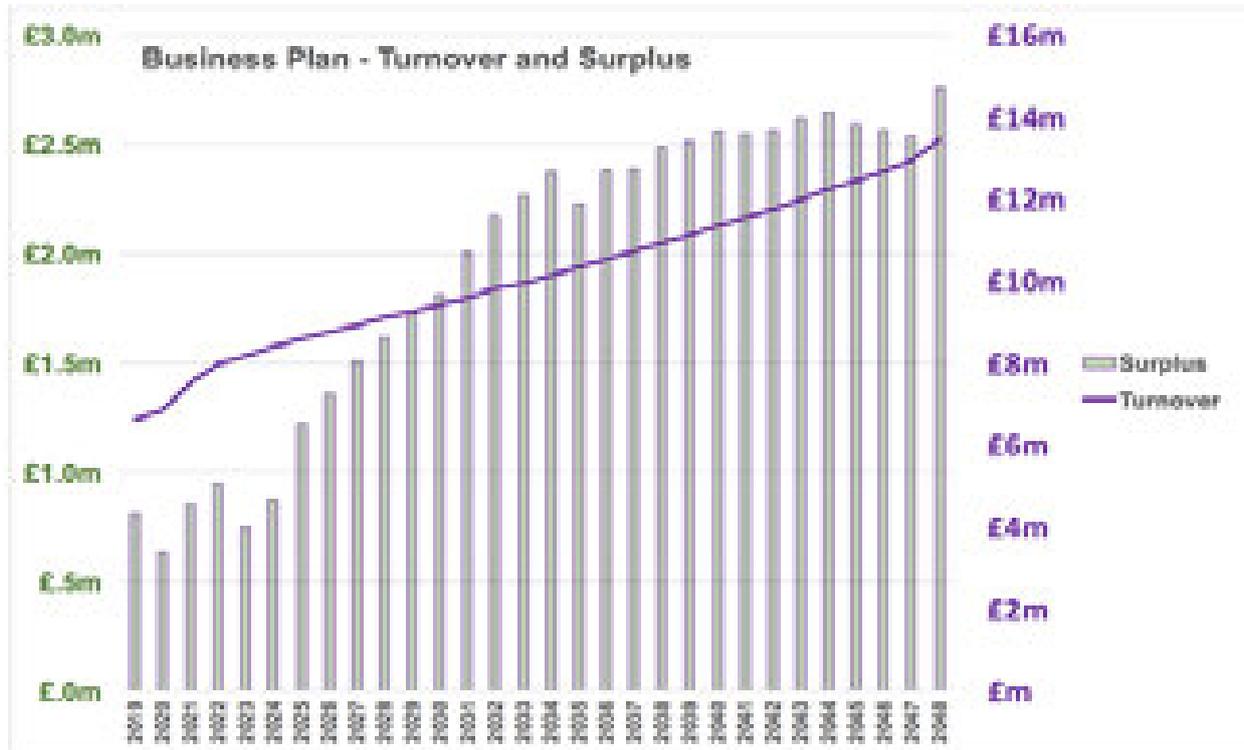
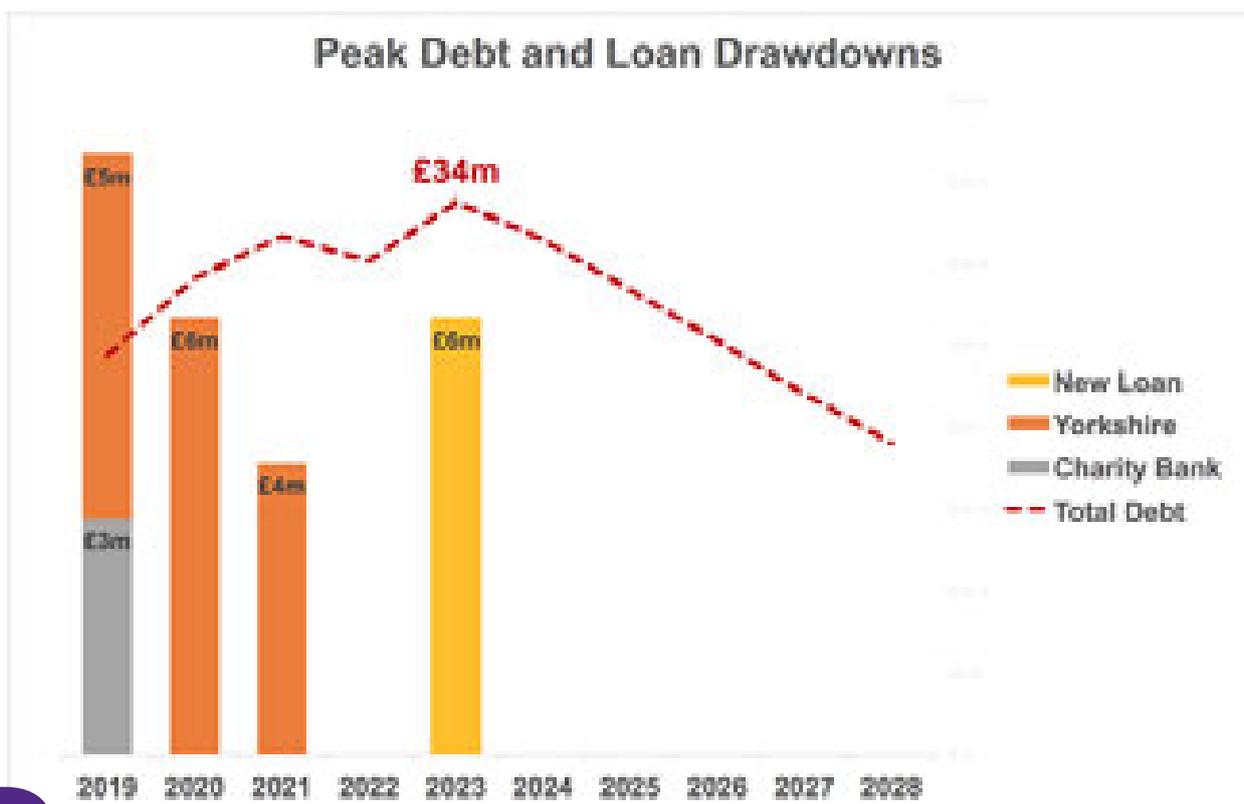


Chart 3: 30 Year Plan - Peak Debt and Loan Drawdowns

This chart shows the amounts and timing of loans drawn and the levels of total debt, which peak at £34million in 2023. New loan of £6million will be required in 2023. All debt is repaid within the 30 years.



Appendix 3: Risk Map

Risk Scoring

The method for quantifying the risk both in terms of impact and probability are shown in the tables below. Impact multiplied by probability gives a risk score. The scoring system used in the risk register is based on 5 as being the highest and 1 as the lowest. Probability multiplied by impact gives the risk score.

Impact

Monetary impact

£0 - £5000

£5000 - £20,000

£20,000 - £100,000

£100,000 - £500,000

More than £500,000

Reputational impact

One or two customer complaints

Many complaints

Local news headline, regulatory interest

National news, not main item, regulatory supervision

National news headline

Probability

- 1 Negligible likelihood of occurrence
- 2 Remote possibility
- 3 Possible but not likely
- 4 Moderately likely
- 5 Very likely

Consequence of residual risk scores

- 1-5** The Association is comfortable with this risk.
- 6-9** The area with this risk score will be reviewed by the Senior Management Team on a regular basis and at least quarterly.
- 10+** The area with this risk will be reviewed urgently and reported to the Board.

Risk Map

Risk total impact/
probability

Description of risk	Risk total impact/ probability	Key controls/actions
Governance failure(s) result in a breach of legal or regulatory requirements.	9	<ul style="list-style-type: none"> • Full external review of governance has been conducted in 2017/18 following the IDA G2 assessment • Annual board appraisals • Assessment of board skills and succession planning
Poor performance and internal controls expose the Association to the risk of fraud and other criminal activity. This can result in financial cost and damage our reputation.	12	<ul style="list-style-type: none"> • Periodic rotation of duties and spot checks • Fraud Register • Whistle Blowing policy • Internal and external audit
Increased pension shortfall costs for the SHPS scheme	12	<ul style="list-style-type: none"> • Regular review of budget and costs • Monitor pension fund developments and risks.
Unplanned M&A activity impacts on our financial performance.	10	<ul style="list-style-type: none"> • Undertake robust due diligence, legal and financial • Ensure appropriate governance structures and executive resources are in situ.
Inadequate plans in an emergency resulting in the disruption of service. This can result in the loss of life, serious injury or loss of data and corporate liability, manslaughter in the most serious cases	10	<ul style="list-style-type: none"> • Full daily backups of data on server • Insurance cover • Virtual servers in place. • Disaster recovery plan in place also specific IT risk map detailing risk
Theft or loss of customer data resulting in a Data Protection breach and potentially significant fines.	12	<ul style="list-style-type: none"> • Hardware/OS updated in 2017 • Planned upgrade of IBS in readiness for GDPR • Staff training • Periodic penetration tests
Safeguarding policies, procedures and knowledge are not sufficiently embedded across the organisation resulting in potential incidents not noticed or reported.	12	<ul style="list-style-type: none"> • Policies are in line with Leeds City Council • Training for all staff is carried out • Reporting systems in place
Poor management of the development programme. This could lead to a breach of the HCA contracts and have a serious financial impact as well as resulting in damage to our reputation and relationship with stakeholders.	12	<ul style="list-style-type: none"> • Internal audit • Leadership programme for all managers • Staff training • Regular on site progress updates and monitoring.

Risk - post mitigation

	Responsibilities	Monitoring
6	CEO, Board	Regular reporting to Board
6	CEO, Finance Manager	Periodic reports to Board Regular reports to ARMC
9	CEO, Finance Manager	Reporting to Board
9	CEO, Board	Reporting to SMT & Board Merger task group
4	Operations Director, SMT	Monitoring by SMT Periodic reports to OC External consultancy BISCON
9	Operations Director, SMT	Reports to SMT External consultancy
8	Operations Director	Report as necessary
6	Regeneration Director, SMT	Monthly reporting SMT ARMC and quarterly Board reporting HCA meetings via consortia Robust scheme appraisals

Risk total impact/
probability

Description of risk

Key controls/actions

<p>The transition to Universal Credit results in significant delays to payments resulting in higher arrears and an impact on cash flow</p>	<p>12</p>	<ul style="list-style-type: none"> • Review of process and resources to manage transition process • Modelling and testing of transition scenarios to quantify risk.
<p>Poor procurement and contract management E.g., development/maintenance results in poor customer services and inefficient</p>	<p>12</p>	<ul style="list-style-type: none"> • Deliver maintenance improvement plan. • Maintain emphasis on VFM • Periodic review of major contracts • Deliver service improvement plan
<p>Poor management and control of the Association's health and safety can result in adverse publicity, service failure, injury or loss of life and corporate manslaughter. It can also lead to higher financial costs and reputational damage</p>	<p>12</p>	<ul style="list-style-type: none"> • External annual review our health and safety. • Staff training • Improved internal controls • Fire risk assessment of flats and review of any action plan. • External review of gas safety via Corgi • Regular review of KPIs by SMT and Board
<p>Failure to maintain 100% compliance for gas servicing certification can result in adverse publicity, service failure, injury or loss of life and corporate manslaughter. It can also lead to downgrading of financial viability and reputational damage.</p>	<p>15</p>	<ul style="list-style-type: none"> • Internal monitoring controls in place and monitored on a regular basis by primary officer. • Other staff trained to act as back if necessary. • All staff trained in control process. • Monitoring of contractor involved in control process. • Budget for service reviewed to ensure adequate finance. • Regular external review of process.
<p>Failure to maintain safe electrical installations in our properties leading to injury or loss of life. Checks are recommended every 5 years (previously 10 years).</p>	<p>12</p>	<ul style="list-style-type: none"> • Installations tested on re-let. • All installations tested per advice from previous inspection. • Programme of work to move to 5-year reviews. • Internal monitoring controls - checked on a regular basis. • Regular external review of process.
<p>Failure to keep up to date with increasingly complex fire safety regulations or to properly maintain fire alarms in communal areas</p>	<p>16</p>	<ul style="list-style-type: none"> • Weekly testing of alarms by contractor • Sufficient risk assessments in place • Notice boards updated • Expert advice on requirements taken

Risk - post mitigation

	Responsible	Monitoring
6	Operations Director, SMT	Ops Committee SMT monitoring Managers meeting review
6	Operations Director, SMT	SMT monitoring Periodic reports to the Board. OJEU processes followed and reported to SMT
3	Operations Director, SMT	Quarterly performance reporting to Operations Committee
8	Operations Director	Monthly SMT monitoring Quarterly performance reporting to OC. Quarterly performance reporting Minutes of the meetings
8	Operations Director	Monthly SMT monitoring Quarterly performance reports to SMT and OC. Minutes of the meetings
4	Maintenance Manager	Team meeting Contractors meetings

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Integrity

being honest, transparent and sincere with strong principles

Respect

in the way we treat people, service users and each other

Flexible

in how we work for the benefit of our tenants, other people, the organisation and each other

Commitment

to provide services to meet the needs of our tenants, local people and local neighbourhoods

Business focussed

continually review and adopt best practice and ensure we operate efficiently and effectively in order to make best use of resources.

Equality and fairness

in the way we work and deliver services

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