



BUSINESS PLAN 2016 to 2021

Last reviewed May 2016

emh group – Business Plan 2016 to 2021

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1. EMH GROUP AIMS AND OBJECTIVES

1.1 Our Aim:

We provide housing and care to improve opportunities for people.

1.2 Our Objectives

- a) To help meet housing need through the provision of new affordable homes in mixed tenure and balanced communities.
- b) To provide excellent, locally accountable customer services with customers at the heart of everything that we do.
- c) To invest in and regenerate the communities and neighbourhoods we serve and, in partnership with other stakeholders, develop safe and decent neighbourhoods.
- d) To tackle social exclusion by taking a wider view towards the provision of care and support, employment, training and other services as appropriate.
- e) To provide effective and efficient business support services that provide value for money and promote continuous improvement.
- f) To ensure our actions contribute to national and global strategies for environmental protection and sustainable development.
- g) To ensure we remain financially secure and stable with sufficient headroom in all of our financial covenants.

2. EMH GROUP VISION & VALUES

2.1 Our Vision:

Our vision is to be widely recognised as the best social housing and care business in the country, leading the market as service provider and employer.

2.2 Our Values:

Integrity We are an independent, profit-for-purpose¹ organisation working to the highest ethical standards.

Diversity We will promote equality and fair treatment for all and treat people with decency and respect

Openness We will be open about our work and share information with all our stakeholders.

Accountability We will be accountable to the communities we work with and empower customers to meaningfully influence our priorities.

Clarity We will be consistently clear about our vision, values and strategy.

Excellence We will aspire to be the best among our peers, particularly in the quality of customer services and standards of performance.

¹ emh group's rules prohibit it from trading for profit. The association cannot pay or transfer by way of profit to its shareholders.

3. ORGANISATIONAL BACKGROUND & CONTEXT

- 3.1 emh group is a social housing and care provider operating across the East Midlands. Since it was established in 1946, emh group has gone through periods of significant change, reinventing itself in response to the emerging needs of its customers and the markets in which it operates, whilst holding firm to the social values on which it was founded. The Group describes itself as “profit for purpose”. This term, rather than the more traditional “not-for-profit” descriptor, signifies emh group’s commitment to demonstrating an increasingly commercial mindset to its activities, with a focus on efficiency, value for money and sweating its assets in order to deliver its social purpose.
- 3.2 The last 12 years have been a period of strengthened performance and rapid growth for the organisation, seeing it expand through partnerships and a healthy development programme from 8,000 homes, £19 million turnover and 245 staff in 2003 to its current position of 18,000 homes, £91 million turnover and over a 1,200 employees.
- 3.3 emh group has a proven track record in transformational change management. Since 2003, the Group has acquired and turned around the performance of three troubled housing providers: two were under the supervision of the Regulator for weaknesses in governance and service provision, and the third had a zero star rating from the then housing inspectorate, the Audit Commission. During this period, a focus on employee development and continuous improvement contributed to the Group achieving a two star rating from the Audit Commission, along with the Customer Service Excellence, Investors in People and Investors in Excellence accreditations. In 2013 the Group was awarded the highest rating by the Social Housing Regulator for Governance and Viability, which it has since maintained.
- 3.4 A reputation for quality services, robust financial performance and strong leadership meant that on 1st April 2013 the organisation was able to attract two further partners to join its Group: enable became the Group’s Care and Support provider, and Sharpes Gardening Services became a new division providing social enterprise landscape maintenance activities within the Group.
- 3.5 The past three years have also been a period of consolidation, streamlining legal structures, reducing Board membership by two thirds, and moving to a smaller team of Executive Directors. The Group now comprises emh group, a non-asset owning parent, with two largely ring fenced functional divisions: EMH Housing and Regeneration Limited, trading under the name emh homes, which is a Registered Provider regulated by the Homes and Communities Agency; and enable, which is the Care and Support arm of the Group, and whose regulated activities fall within the remit of the Care Quality Commission.
- 3.6 On the strength of a AA- rating from credit agency Standard and Poor’s, in January 2014 emh group secured £200 million (including £50 million retained, which was subsequently raised in December 2015) in the capital markets through a public bond issue. The group raised the funds to boost its plans to develop much-needed affordable homes across the east midlands, as well as to refinance existing facilities. The group plans to build 350 new homes a year. Working in partnership with local authorities and regional developers, the funds will also help strengthen local economies and stimulate growth. According to research by the National Housing Federation, every new home in the region adds £69,045 to the regional economy and creates 1.6 jobs directly and in the wider regional economy.²
- 3.7 A timeline mapping the Group’s transformation over the past 12 years is set out in appendix 1 of this report. The Group structure from September 2013 is set out in Appendix 2.

² Economic impact database. Centre for Economics and Business Research for National Housing Federation

- 3.8 emh homes is a registered provider under the Co-operative and Community Benefit Societies Act 2014 (charitable), providing landlord services to 18,000 homes across the East Midlands region. It was formed in September 2013, through the amalgamation of four asset holding Registered Providers within the Group (East Midlands Housing Association, Foundation Housing Association, Three Oaks Homes and Three Valleys Housing). emh homes currently has two Direct Labour Organisations providing in-house property maintenance services, one based in the North and one in the South of its area of operation.
- 3.9 enable comprises two legal entities: Enable Housing Association, which is a non registered provider under the Co-Operative and Community Benefit Societies Act 2014 and its subsidiary, Enable Care and Home Support, which is a company limited by guarantee and registered with the Charities Commission. There are plans to streamline this structure in the next 12 months. enable has historically worked primarily with people with Learning Difficulties in Derbyshire and Nottinghamshire. Joining emh group provided enable with the opportunity to widen its geographical areas of operation whilst diversifying its target client groups, through the management of the Group's current and future floating and accommodation-based support services. For the Group as a whole, enable offers the opportunity to focus on care as well as support and to provide dedicated and regulated services in health and social care.
- 3.10 The group is governed by non-executive directors from a range of commercial and social backgrounds including finance, education, not-for-profit sector, regeneration, human resource management and the health service. The Group Board is supported by three committees, Treasury, Audit and Remunerations. A Safeguarding Committee is to be established in 2016/17.
- 3.11 The two major operating businesses in the Group have their own Boards, at least a third of which, including the Chair, are Group appointees. The remaining independent members are drawn from a range of commercial and not-for-profit backgrounds.
- 3.12 The Group also includes three specialist legal entities:
- EMH Treasury PLC, a special purpose vehicle established primarily to raise funds through the Debt Capital Markets;
 - Midlands Rural Housing provides management and development services to four rural housing associations, managing around 1,500 homes around the East and West Midlands. It also provides specialist rural consultancy services and campaigns for more investment in rural affordable housing, and is a non registered provider under the Co-operative and Community Benefit Societies Act 2014;
 - Sharpes is an in-house landscape maintenance company which acts as a social enterprise within the Group.
- 3.13 The Group is run on a day-to-day basis by an Executive Management Team, comprising the Group Chief Executive, and five Executive Directors: Finance, Development, Housing, Care & Support, and Corporate Services.
- 3.14 emh homes leads the Quantum development partnership, which is recognised by the Homes and Communities Agency (HCA) as a development partner. The partnership consists of a number of long established associations with a successful track record of developing affordable homes in the region, and a strong reputation for delivering with the HCA and other partners.

4. OPERATING ENVIRONMENT

4.1 Overview

- 4.1.1 Over the recent past, we have seen the external environment change significantly, with the impact of prolonged economic hardship, Welfare Reform and the Localism Act affecting every aspect our business. At the same time, the regulatory regime has changed with a new focus within social housing on economic rather than consumer regulation. Consumer standards are largely addressed through tenant scrutiny of services within the Group's consumer regulation mechanisms. The Care Quality Commission's inspection regime helps ensure that enable's care and support services are safe and of a high quality.
- 4.1.2 The HCA's Global Accounts for the social housing sector for the year ending March 2015 show that turnover increased by 4.1% to over £16 billion and the operating margin increased from 25.9% in 2013 to 26.5% in 2014, an increase of 22% compared with 2013. The entire surplus generated is retained by providers and are invested in their businesses enabling the sector, with the support of private finance, to deliver around 46,500 new homes and to invest almost £2 billion into the existing housing stock during 2014/5. The value of housing properties increased by £7.1 billion, to £138 billion. Debt increased by £4.1 billion. A surplus of £3.0 billion was recorded in the year.
- 4.1.3 However, whilst financial performance for the sector in 2014/5 was strong there have been a range of changes to the operating environment since providers completed these 2015 accounts, prompting efficiency gains across the sector in response to downward pressure on income streams. Announcements made by the government, in the emergency summer Budget 2015 and the 2015 autumn Spending Review had a clear negative financial impact on emh group and the sector as a whole. Rents for social housing are be reduced by 1% from 1st April 2016 and for each of the following three years, after which the future for the sector's rent review policy remains uncertain. The projected impact of this is that emh group will lose 10% (equivalent to £11m) of its rental income compared with its financial plan projections based on the previous guaranteed position of rents inflating by CPI plus 1% for 10 years. Additionally, the welfare policies of this government will also have a clear impact on the Group and its income. The introduction of Universal Credit; reduction in cap on benefits to £20,000 per year; freezing of benefits for four years; removal of automatic rights to housing benefit for those under 25; and, the potential application of local housing allowances to general needs and supported housing will all place downward pressure on our rental income. Enable is not immune to many of these changes, and is facing pressure from commissioners to reduce costs, as Local Authorities respond to their own funding cuts.
- 4.1.4 These changing environmental factors necessitated a full review of the assumptions underlying emh group's business plan. This revised plan was approved by the Board and submitted to the Regulator as required in October 2015. Based on this plan, emh group has since retained its highest V1 viability rating from the HCA, and its AA- rating was reaffirmed in February 2016 by the credit agency Standard and Poor's.
- 4.1.5 The overall picture remains one of a diverse and fragmented social housing sector with significant asset base, high surpluses, high reserves and capacity to develop.
- 4.1.6 Within the East Midlands region, there is growing demand for housing, contributing to a national housing crisis. The National Housing Federation's publication, "Home Truths"³ evidences the following:

³ National Housing Federation: "Home Truths 2015/16 The Housing Market in the East Midlands"

- The average house price in the East Midlands in 2014 was £176,620 – the income required for an 80% mortgage on such a property in 2014 would be £40,370 based on 80% at 3.5x), compared with mean average earnings of £24,097 in the region.
 - Private sector rents in the East Midlands are expected to rise by 45% by 2020⁴.
- 4.1.7 emh group seeks to strongly influence regional and local housing, planning, economic and social policy. To this end, its members play a leading part in a range of organisations, including the National Housing Federation, Chartered Institute of Housing, PlaceShapers and Health and other commissioning bodies. emh group is actively engaging with Local Authority partners, CCG Health and Wellbeing Boards, the Confederation of British Industry (CBI), East Midlands Chamber of Commerce, House Builders' Federation (HBF) and with all the Local Economic Partnership (LEPs) in the East Midlands to continue to make the case for the impact of housing and construction investment on economic growth. Through this activity, the group also seeks to monitor and influence potential changes on the horizon that might impact upon housing opportunities within the East Midlands, such as a further devolution of funding and decision making powers to a local level.
- 4.1.8 There are approximately 40,000 organisations in the UK delivering care services, the majority of these (approximately 80%) are private organisations – although the number of these may reduce as the sector responds to personalised budgets, pressure from Commissioners to contain costs, coupled with the introduction of the National Living Wage. The market is still very fragmented (the top 5 players account for less than 10% of specialist care provision), and the sector is predicted to consolidate in the future.⁵
- 4.1.9 Demographic projections indicate that the increasing average age of the population is one of the greatest challenges to National Health Service resources. Appropriate housing and high quality domiciliary care is beginning to be recognised as a value for money option by commissioners, presenting opportunities to care for older people with complex needs outside of hospitals.

4.2 PEST Analysis

- 4.2.1 As part of the exercise to analyse our operating environment, we involved and consulted our board members, leaders group and customers. This has helped us to identify the key political, economic, sociological and technological factors affecting emh group.
- 4.2.2 The results of the full PEST analysis are shown below.

Political	Economic
<ul style="list-style-type: none"> Housing & Planning Act 2016 Deregulation Further Welfare Reform Pensions Reform Localism and devolution Green agenda Shift to Home Ownership as priority tenure 	<ul style="list-style-type: none"> Structural Deficit Economic Uncertainty, including inflation/deflation, rising cost and lack of availability of funds Restructure of Public Services Unaffordable house prices Pensions deficit Economics of older persons

⁴ Source: Projections for National Housing Federation, Oxford Economics, 2013

⁵ Figures quoted in paragraph 4.16 and 4.17 are taken from a report by Baker Tilly. "Market Sector Overview: The UK Care and Support Sector" January 2013. This report was commissioned by emh group prior to enable joining the Group.

<ul style="list-style-type: none"> • Greece & EU uncertainty • UK European referendum • Continued austerity • CQC and the high profile of issues they raise • NHS funding • Expectation social landlords will do tasks previously done by government/local authority • Local authority development plans – types of housing • Cost of commissioning – provision of care • Increased pressure to demonstrate value for money • Further consolidation of the social housing sector • Voluntary Right to Buy 	<ul style="list-style-type: none"> accommodation • Reduced budgets for commissioning bodies • Real Living wage versus winning bids • EU uncertainty – UK Growth prospects • Uncertain housing market • Tension – growth vs costs – can we build more than 350 properties per year • Personalization of care budgets • Financial markets – currently comfortable with fixed rates • Competitive jobs market • Rising cost of building due to reduced number of builders & material supply shortages
<p>Sociological</p>	<p>Technological</p>
<ul style="list-style-type: none"> • ‘Increased homelessness and poverty • Rising youth unemployment • Rising customer expectations • Decline in skilled employment in UK economy • Work-life balance • Flexible working • Social and financial exclusion • Care and support needs • Response to climate change • Social concern over immigration & potential impact on community cohesion • Care Act 2014 • Closer working with health • Changing expectations of older people and lower demand sheltered housing • Pressures of increasing support needs in general needs stock without funding • Digital inclusion • Ageing population • Development targeting – health issues/dementia needs • Closer working with Health Authorities • Local Housing Allowance caps for under 35s 	<ul style="list-style-type: none"> • eco-Homes/carbon reduction/renewal energy • Remote/mobile working and access to residents’ profiles • Assistive technology • E-commerce and partnerships • Electronic Document Management • Data Security & data protection • Business continuity and disaster recovery • Integrated systems/virtual offices • Pre-manufactured construction method • Data integrity • Open source software • Cloud technology • Impact of social media – positive and negative • Use of big data • Social exclusion of our customers as not able to access technology • Digital access to services – need to offer a choice – customer led • Costs/benefits of IT – affordability & potential efficiencies

4.3 SWOT Analysis

- 4.3.1 The SWOT diagram below shows the strengths, weaknesses, opportunities and threats facing the organisation.
- 4.3.2 Our strengths are considerable and emh group is well placed to respond proactively to the changing environment in which we are working, and to make the most of the new business and business improvement opportunities that arise.
- 4.3.3 Our response to the weaknesses, opportunities and threats facing emh group are set out later in this document within our Strategic Plan. The threats largely revolve around:
- the economic uncertainty,
 - reduction in capital subsidy for affordable rented homes,
 - the ongoing impact of Welfare Reform; and
 - reduction in funding for care and supported living.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Clear leadership and strategic direction from Board • Clear and streamlined Group structure • Proven track record for growth through successful partnerships • Common shared values • Strong financial performance • Positive relationship with Regulators • Good reputation • Strong stakeholder relations • Strong consumer regulation structures • Concentrated high quality stock • Diversity of product e.g. low cost home ownership, DLO • Social enterprise expertise • High performing Customer Service Centre • Strong neighbourhood services • Rural specialism • Care organisation with strong track record • Change management skills • Strong executive leadership and staff commitment • emh academy & apprenticeship schemes • Development track record & expertise 	<ul style="list-style-type: none"> • Greater diversity on Boards would be desirable • Greater cultural integration required between the care and support arm and the rest of the group • Sheltered housing long-term fitness for purpose • Need to explore subsidy through other means/new ideas • ICT development • Customer profiling • High cost terms and conditions • Supported housing stock requires remodelling
Opportunities	Threats
<ul style="list-style-type: none"> • Consolidation of Social Housing sector • Devolution & focus on localism • New health and social care infrastructure • Personalised care & support budgets • Care market demographics • Fragmentation in care and support & housing markets • Efficiencies from amalgamation • Stock rationalisation • Social enterprise activities • Commercial activities • Development services • Capital funding via bond market • Organisational development programme • Market Rent & outright sale • Supply chain partnerships • Knowledge exchange partnerships • Growth of emh academy 	<ul style="list-style-type: none"> • Impact of further Welfare Reform on customers • Rent Reductions • Austerity • Complex emerging devolution partnerships across the East Midlands Region • Shift in development subsidy from affordable rent to home ownership • Reduction/loss of funding for care and support • Uncertainty over Local Housing Allowance caps for supported housing • Pension deficits • Staff turnover • Nursing shortages in competitive jobs market • Scarce building skills & materials • Ageing workforce • Impact of voluntary Right to Buy on Rural Housing

5. STRATEGIC PLAN

5.1 The key areas of priority for the Group are: governance; consumer regulation; human resources and organisational development; growth and business development; housing services; care and support; asset management; value for money; business excellence; accountability and corporate social responsibility, financial management and managing risk.

5.2 Governance

5.2.1 emh group has streamlined, flexible, effective skills-based Boards, which share a common social vision for emh group, whilst focusing on greater commercialism. The Group has adopted the National Housing Federation's Code of Governance, and compliance with this code is reviewed annually by the parent Board.

5.2.2 The Group Board takes a lead on setting the values and strategic direction, providing a delegated authority framework for operating Boards to deliver the highest standards of customer services and improve performance on a continuous basis. Subsidiary Boards are responsible for overseeing the operational delivery of the Group Business Plan.

5.2.3 Remuneration is paid for members of the Group Board and first tier operating company Boards as a means of attracting and retaining people with the right skills. Payment is part of a wider governance package, designed to continuously improve the quality of governance and performance in the organisation.

5.2.4 Individual board members are appraised and the effectiveness of the board as a whole evaluated on an on-going basis. Appropriate learning and development opportunities are provided for board members to update their skills. A dedicated members' website is available to make access to information easier.

5.2.5 Key Strategic Goals – Governance:

- Deliver a Board Development programme that focuses on skills, leadership, shared values and cultural integration across emh group;
- Move towards smaller subsidiary board membership supported by a specialist committee structure providing independent challenge;
- Implement a robust succession plan to refresh skills, broaden the diversity of outlook and experience within our Boards and ensure on-going constructive challenge;
- Review protocols and service level agreements in the Group to achieve clarity of expectations between different parts of the Group;
- Monitor the application of Probity policy to all parts of the Group;
- Maintain the Group's top rating for Governance from the Homes and Communities Agency.

5.3 Consumer Regulation and Involvement

5.3.1 emh group's consumer regulation arrangements have been developed in partnership with active residents. Its formal structures provide opportunity for residents to influence service delivery and the strategic direction of the group, and to hold decision makers to account. A

“co-creation” approach has been piloted in partnership with the Chartered Institute of Housing as a means of involving residents who do not choose to participate in regular structured meetings in the design of future services.

- 5.3.2 Tenant scrutiny arrangements are in place that are independent from Board, staff and other strategic resident groups. Recruited on the basis of skills, the Scrutiny Panel has been trained to examine landlord performance and make recommendations directly to Board. This Scrutiny Panel is serviced by emh group’s Quality and Standards team, and is supported by trained tenant inspectors.
- 5.3.3 The Group’s Consumer Regulation structures build upon a commitment to promote involvement at a local level, working with residents to develop meaningful local offers that meet residents’ needs, enhance service delivery and offer choice.
- 5.3.4 enable has a strong tradition of service user and carer involvement and is working to build on these structures to maximise their capacity to shape service delivery and choice.

5.3.5 Key Strategic Goals – Consumer Regulation:

- Ensure that open and effective channels of communication underpin all consumer regulation activities within the Group, including those between Boards, staff, wider stakeholders, and those tenants and service users who have chosen not to get involved;
- Provide on-going support for the emh homes’ tenant scrutiny panel and ensure that they are adequately trained and resourced;
- Strengthen and embed service user and carer participation within enable and ensure that forums are adequately trained and resourced;
- Achieve a recognised quality accreditation for Tenant Scrutiny;
- Establish and deliver a learning and development programme for active residents and service users which helps build the capacity of residents to participate and influence decisions;
- Develop resident and community investment initiatives to maximise social and financial inclusion of customers;
- Apply learning derived from participation in the Chartered Institute of Housing “Working Together” co-creation pilot in order to widen the pool of tenants and service users able to meaningfully influence our decisions;
- Refine methods of monitoring and reporting on the impact of consumer regulation and resident engagement activities, ensuring timely reporting on how their involvement has made a difference.

5.4 Human Resources and Organisational Development

- 5.4.1 emh group employs 1,200 people and recognises that a well motivated and trained workforce is crucial to success. 2016 marks the 70th Platinum Anniversary of emh group. Our Organisational Development Programme, Project Platinum, is kept under continuous review, and sets out our key organisational development objectives and measures of success for the next two years (appendix 3). This includes having a clear vision of the kind of culture we want to foster across the group, underpinned by a strong commitment to our values.

- 5.4.2 In 2015 emh group retained for a second consecutive year its place on the City and Guilds list of Top 100 Apprentice Employers in the country. Building on this success, we are working towards gaining entry to the published list of Times Top 100 Employers and were categorised by Best Companies Limited as “one to watch” in 2015.
- 5.4.3 The Group’s “*Skills for the Future*” project” is based on a belief that a strategic approach to talent management is vital if organisations are going to improve their business value, achieve their operational goals, and enable customers and service users to be actively engaged in developing thriving and sustainable communities. The emh academy provides apprenticeship and traineeship programmes across the group. Leadership development programmes, including coaching opportunities, are provided for the executive and senior managers. enable is approved to examine and award City of Guild qualifications. The Group has an active programme of providing student placements for those studying at University to become social workers or for degrees in general nursing, health and social care. Such placements generate an income, and help foster strong partnerships and shared learning opportunities with six local Universities.
- 5.4.4 The Group is committed to complying with applicable legal requirements in regard to Occupational Health and Safety within a framework for setting and reviewing H&S objectives. We firmly believe in ensuring the health, safety and welfare of our employees and any other persons who can be affected by our working practices. As such emh group is committed to installing and implementing the standard framework set out in OHSAS 18001 in an effort to strive for continual improvement within our health and safety management systems. This project will be regularly reviewed to ensure compliance is achieved within satisfactory timescales which will be driven by the Executive Management Team and cascade within all appropriate areas of the business.

5.4.5 Key Strategic Goals – HR and Organisational Development

- Deliver Project Platinum, a comprehensive organisational development programme, to achieve the following outcomes:
 - Become a Sunday Times Top 100 Employer which will include delivering an employee survey and action plans to address areas for improvement;
 - Achieve the Investors in People Gold accreditation across the group;
 - Plan to achieve OHSAS 18001 accreditation for health and safety;
- Implement plans to ensure cultural cohesion and branding across the group that is consistent with Project Platinum;
- To invest in our people, to realise their potential and maximise the contribution they make;
- Embed values and behaviours from the leadership development in the business, including increased commercialism in decision making;
- Develop and implement a comprehensive learning and development Strategy and Plan that drives top performance, excellent customer care and service;
- Evaluate the findings of the employee survey and develop corporate and individual team action plans in response to feedback;

- Review systems of rewards and recognition including benefits, terms and conditions of staff, to promote high levels and staff motivation and ensure that terms and conditions remain competitive and sustainable;
- Consider the impact of the introduction of the new National Living Wage in the light of emh group's commitment to the Living Wage Foundation's rates of pay;
- Ensure effective change management and communication mechanisms are embedded across the Group;
- Achieve better work-life balance by continuing to promote flexible working practices to meet the needs of a diverse workforce;
- Expand the Partnership for Practice Education between universities and enable to help meet the rising demand for nursing and social work student placements across the Region;
- Continue to develop and expand emh academy, developing links with a range of potential local employers to expand employment opportunities for apprentices, whilst taking a "grow your own" approach to recruitment in order to strengthen the Group's workforce planning;
- Develop the Leaders' Forum as an effective means of engaging leaders to contribute to the development of the Group, and continue to invest in leadership development for current and potential leaders;
- Develop an approach to talent management and succession planning that maximises the ability of employees to meet their full potential;
- Review recruitment and selection practices across the group, including strategies for attracting and retaining staff in highly competitive job markets;
- Complete the review of pensions that commenced in 2016;

5.5 Growth and Business Development

- 5.5.1 emh group is the Registered Provider with the largest number of homes in the East Midlands region, and plans to further diversify its activities whilst retaining and strengthening its market share within its traditional areas of operation. emh group will look to expand to other locations where there is a demonstrable need for social housing, and where housing market conditions can support an active development programme.
- 5.5.2 emh group will explore opportunities for growth through strategic partnerships and acquisitions, whilst continuing with a development programme of mixed tenure and rental products. emh group's Board has adopted the National Housing Federation's Merger Code, published in 2015, and has developed approved partnership criteria going forward.
- 5.5.3 Building on its reputation for delivery, emh group has a strong forward development pipeline for the next three years. The Group was the winner of the UK Housing Awards Outstanding Development Programme award for 2016. emh group's development team includes its own Sales Team Agency and Re-Sales Service, operating under the commercial brand of Hello Homes. Marketing and sales services have been provided to other regional Housing Associations.
- 5.5.4 emh group completed the development of the first of its recent programme of new extra care schemes, which won the Chartered Institute of Housing's Best Development in the Midlands award 2016. It commenced development of its second new extra care scheme in

2015. Its development strategy includes a commitment to explore funding opportunities for a further two schemes by 2020.

- 5.5.5 Through the Group's subsidiary emh homes, it continues to lead the Quantum development consortium of five registered providers securing significant grant investment into the provision of new homes from the Homes and Communities Agency. It maintains a strong reputation for delivering on yearly programme targets and is a major investment partner across the region.
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- 5.5.6 Through our unique operating business, Midlands Rural Housing, we continue to provide a wide range of skills and expertise in the assessment of rural housing needs across the East and West Midlands, the development and management of homes, strategy formulation and lobbying for rural housing provision.
- 5.5.7 emh group provides a development delivery service to independent small rural associations. Similar agency contracts will be sought when they arise with other small registered providers and Local Authorities, helping improve the cost efficiency of the in-house development team.
- 5.5.8 emh group will look for opportunities to promote links between housing, health and social care in order to widen our offer to potential partners and service users.

5.5.9 Key Strategic Goals – Growth and Business Development:

- Core Affordable Housing will comprise Social Rent, Affordable rents (80% of market rent levels), and Shared ownership / equity sales. These will be delivered primarily through emh homes at an average target of 350 homes each year;
- Explore options to enable diversification into non core development products, including Market Rent and outright sale, through consideration of a limited joint venture arrangement with a key development partner, the objective being to generate cross subsidy to support our continued development of affordable homes;
- Ensure proper arrangements are in place to monitor performance of Quantum members and manage the HCA allocated programme;
- Refine customer satisfaction surveys in order to improve the quality of customer feedback in relation to new homes;
- Develop a pipeline of potential schemes to form the basis of future bids under the Shared Ownership Affordable Homes Programme 2016-21. Bids will be prepared and submitted for both the initial bid round in September 2016 and also for the "Continuous Market Engagement (CME)" bidding route, consistent with our available capacity;
- Ensure active asset management and conversions are utilised to maintain capacity;
- In consultation with key internal stakeholders, develop plans for the regeneration of key schemes in the Group reshaping them to meet current needs and quality standards;
- Develop effective links with Local Enterprise Partnerships (LEPs), Clinical Commissioning Groups (CCGs) and other 'local' bodies and ensure that the Group is well placed to respond to the opportunities and new challenges that Devolution brings to the Region;

- Seek to use available Recycled Capital Grant Fund and internal resources to secure match funding from partners to make HCA bids competitive, seeking to balance the pipeline at 50% nil grant and 50% grant supported developed units;
- Seek opportunities to establish an ongoing managed pipeline to deliver extra care schemes to meet the needs of older people (subject to the outcome of the government's review of local housing allowances) but with no more than one completed scheme per year.
- Maximise the environmental standards of the developed homes to support energy efficiency and affordable warmth for our customers. and seek to secure additional funding where it is available;
- Explore whether potential efficiencies can be gained through the use of innovative construction methods such as modular housing;
- Continue with the existing £5m land banking facility to strengthen the formal pipeline and to help achieve its development targets;
- Continue to actively lobby at the neighbourhood, local, and national level on housing need including rural housing issues;
- Through the activities of Midlands Rural housing, develop opportunities for diversification of products and areas of operation in the provision of rural housing consultancy and support services to help meet rural housing need;
- Seek to sell development, marketing and sales services and provide support to key partners.

5.6 Housing Services

- 5.6.1 emh homes is the main body for the delivery of housing services within the Group. The organisation has embarked on a period of transformational change, responding both to financial pressures in the external environment, such as rent reductions and Welfare Reform, and to the opportunity to modernise and reshape service delivery through making more use of remote and mobile working for front line staff, whilst maximising the use of the Customer Service Centre.
- 5.6.2 emh homes now comprises the following functional divisions:
- A centralised Customer Service Centre, bringing together teams previously spread over three sites;
 - A specialist centralised income management team working with local teams for tenant support and face to face contact;
 - A neighbourhood's team, overseeing front line housing and estate services, including anti-social behaviour, community development, neighbourhood management and income recovery.
 - An asset management team, overseeing maintenance services across emh homes and delivering the organisation's asset management strategy;
 - In-house maintenance teams for the North and South providing responsive maintenance services and helping the association deliver its Decent Homes improvement programmes;

- An in-house gardening and landscape maintenance team, emh sharps, which acts as a social enterprise within the Group.
- 5.6.3 emh homes is committed to growing and developing its Building Services function. A Building Services development strategy has been produced. The vision is that the in-house maintenance team become a viable business, with a reputation for excellence customer focus, service quality and value for money.

5.6.4 Key Strategic Goals – Housing Services

- Develop a comprehensive transformation project around how neighbourhood services will be delivered alongside a high performance customer service centre;
- Develop and implement an action plan in response to the value for money review undertaken of all Direct Labour Organisations within the Group;
- Develop and implement a comprehensive response to manage and mitigate the impact of Universal Credit and Welfare Reform on emh homes income collection;
- Develop cross cutting plans to make the best use of health and wellbeing funding particularly around sheltered housing, bed blocking initiatives and older persons projects;
- Carry out a review of how allocations are managed within emh homes giving consideration to changes in the external environment, value for money and partnership working;
- Review the potential impact of the Housing and Planning Act 2016 and agree an appropriate response;
- Maximise the use of digital technology in order to communicate effectively with tenants and encourage channel shift towards self service options.
- Review emh homes' traditional sheltered housing and support services for older people, including the lifeline, to ensure that they are fit for the future.

5.7 Care and Support

- 5.7.1 Enable joined the Group in April 2013 as its Care and Support provider. Since then its leadership and service delivery have been under review. Benefits to the Group of this partnership include the creation of a larger and more diverse organisation with new competencies such as social work skills, and access to new business opportunities.
- 5.7.2 enable's charitable status means that any surpluses generated by its activities are reinvested in future services.
- 5.7.3 In partnership with emh homes, enable now manages services for people with learning difficulties, older people, people with physical disabilities, people requiring mental health support, homeless people including mothers/fathers and babies, and people at risk of or experiencing domestic violence. These are considered our core client groups. However, we plan to undertake a review of our supported housing strategy over the next 18 months in order to determine which client groups we are best placed to support going forward.

5.7.4 Key Strategic Goals – Care and Support:

- Rebrand the care and support arm of the Group in order to help promote cultural integration across the group, and simplify service offers to emh customers;
- Undertake a structural review of the Care and Support service in order to maximise value for money and service quality;
- Undertake a review of our supported housing strategy in order to determine which client groups we are best placed to support going forward;
- Continue to pursue growth opportunities that are financially viable and which help meet the needs of enable's priority client groups. In particular, seek opportunities to provide extra care sheltered housing services across Leicestershire and Derbyshire;
- Explore opportunities and if appropriate develop a business case to develop a domiciliary care strategy for emh group's residents and for people living in their own homes in Derbyshire and Leicestershire;
- Develop detailed service plans that ensure that services are financially sustainable and that any cross subsidy between services is transparent, and time limited;
- Develop a considered response to the Governments' review of funding options for supported housing, including any move to cap rents and service charges at Local Housing Allowance levels.

5.8 Asset management

5.8.1 emh homes' asset management priority is to maintain the Decent Homes standard across the stock. Forecasts using life cycle costing on the building components, shows sufficient investment to sustain a 100% compliance with the Decent Homes standard. This is fully funded within the Group's business plan

5.8.2 emh homes' stock profile is summarised below⁶. The geographical spread of stock is set out in Appendix 4:

- 90% of the stock is rented
- 1% of the stock is leasehold schemes for the elderly
- 9% of the stock is shared-ownership
- 67% of the stock was built before 1983

5.8.3 emh group's ambition is to make fuel and warmth available to everyone in our communities through sustainable reduction measures and renewable energy sources. To this end, emh homes has established an award winning Green Team, dedicated to reducing carbon emissions and improving the environmental efficiency of our homes.

5.8.4 Key Strategic Goals – Asset Management:

- Review the Group's asset management strategy on the basis of updated stock condition data, ensuring convergence of asset management plan with financial plan commitments, including an active disposals programme to help fund new development;
- Maintain the Decent Homes Standard for homes across the Group;

⁶ Percentages are rounded to nearest whole number therefore do not add up to 100%

- Develop an asset management strategy and reinvestment implementation plan for the sheltered housing stock;
- Apply learning arising from the Group's Knowledge Exchange Partnership with De Montfort University to successfully complete our Knowledge Transfer Partnership in order to inform investment decisions that improve the environmental sustainability and affordability of our homes;
- Continue to invest in our award winning Green Team in order to explore opportunities arising from environmental initiatives to broaden sources of investment income in energy efficient home improvements, in line with their approved business plan;
- Ensure that our development strategy is consistent with the requirements of the asset management strategy.

5.9 Value for Money

- 5.9.1 emh group is committed to being an effective and efficient social business, achieving Value for Money (VfM) in all the activities that it carries out. The concept of VfM is fundamental to a successful organisation. emh group defines VfM as achieving its social and business objectives in the most cost effective way possible.
- 5.9.2 There are a range of activities underway within emh group to ensure the delivery of VfM. They include a clear role for Governance in setting strategic priorities and the delivery for VfM; the involvement of customers in shaping services and scrutinising how their rent is spent; performance management and benchmarking; effective financial management and the dissemination of accurate and relevant financial information; clear efficiency targets reflected in budgets; and effective procurement across the Group, with tender assessments weighted towards price wherever possible. Where appropriate, emh group applies RSM's Social Return on Investment methodology as a means of quantifying the social value associated with its non core activities such as its Green Team, emh academy, social worker placements, emh Sharpes Gardening Services and partnerships to reduce costs associated with NHS hospital Bed Blocking.
- 5.9.3 Interest payable is the largest single cost within emh group. Effective treasury management is therefore central to achieving VfM. The Group's Treasury Policy and Strategy is reviewed annually and opportunities taken to reduce interest costs whilst also limiting risks to the Group.
- 5.9.4 In response to the Government's changes to the sector's rent setting formula, emh group has identified an annual shortfall in income of £11m in its business plan by 2020-21. In response to this, efficiency gains of £4m have been targeted over the next four years.

5.9.5 Key Strategic Goals – Value for Money:

- Produce a new VFM strategy for the Group with increased focus on efficiency gains;
- Maximise opportunities for procurement efficiencies arising from economies of scale across the Group;
- Explore opportunities to enhance our approach to supply chain management to enhance value for money whilst supporting the local economy and maximising social return on investment;
- Produce an annual value for money statement, which is transparent, and enhances the Group's accountability to stakeholders, and which measures social return on investment;

- On a three yearly basis, review of the cost effectiveness of the in house maintenance teams, making reference to external pricing mechanisms, the outcome of tenders from related services and where necessary independent validation;
- Make strategic use of benchmarking information to help the Group achieve its objective of being upper quartile performer on cost efficiency measures for both housing and care services;
- Support residents to develop a Scrutiny Programme that focuses on value for money and maximising the impact of future rental streams;
- Further develop our delegated authority framework to maximise empowerment for front line staff and speed up decision-making;
- Continue to roll out the use of Electronic Document Management Systems across the Group in order to maximise efficiency and reduce paper use;
- Continued growth of emh group through organic growth and expansion through acquisition.

5.10 Business Excellence

- 5.10.1 The Group Support Centre (GSC) provides high quality, cost-effective business support services to all members of the Group. Such services include: governance support, company secretariat, finance, IT, HR, development, treasury management, research, policy and information, communications, health and safety, quality and strategic support.
- 5.10.2 emh homes has a high performing Customer Service Centre, with a Customer Experience team, set up to monitor complaints and ensure trends are captured and acted upon.
- 5.10.3 emh group's approach to business improvement is set out within its excellence framework, which is reviewed regularly to ensure it continues to meet business needs. Its organisational development programme is underpinned by Kotter's eight step change model.
- 5.10.4 All organizational objectives are translated into departmental, team and individual targets. Executive management team and corporate managers meet regularly to consider key performance indicators affecting the health of the business and take corrective action as necessary. Performance is benchmarked with other organisations and comparisons are used to prioritise service reviews. A Quality and Standards Team supports and co-ordinates continuous improvement activities across the Group.

5.10.5 Key Strategic Goals – Business Excellence:

- Implement a clear and effective strategy for capturing customer feedback, including complaints, compliments, survey responses, social media and consumer intelligence gathered through day to day contact, in order to continuously improve services;
- Introduce effective communication channels between customers and staff to ensure customers are well informed about how to access our services, and that customers can effectively contribute ideas that enhance the working environment, service delivery, efficiency or value for money;
- Ensure that we maintain appropriate levels of controls and clear lines of accountability to ensure the security and integrity of our data;

- Standardize methodologies across the group for business process reviews in order to ensure they are accessible to employees across business units and that they promote efficiency, effectiveness and a culture of continuous improvement;
- Develop a programme to review key service areas in order to eliminate inefficiency and duplication, promote Right First Time ways of working and a “One Big Team” culture;
- Adopt and implement a vision and strategy for customer services for the next 5 years.
- Review the Group’s management information strategy and Key Performance Indicators to ensure that it supports the needs of the business and reflect best practice across commercial and not for profit sectors;
- Develop a research and policy development service across the Group;

5.11 Information & Communication Technology and Digital Strategy

- 5.11.1 emh group’s approach to embedding digital technologies across the business is to ensure that business needs drive the digital strategy and prioritisation of investment. Internal drivers for digital investment are therefore contained throughout this business plan.
- 5.11.2 We are committed to ensuring that our systems are flexible and scalable in order to anticipate and respond to change, even if unexpected. We align reviews and assessments of the core business applications with major changes to the Group or the environment.
- 5.11.3 Strong governance arrangements underpin the prioritization and delivery of our ICT strategy and Digital Vision, ensuring that they meet the current and future needs of the business.
- 5.11.4 We aim to protect our investments in our ICT infrastructure - applications and systems - ensuring they are kept up-to-date, conform to regulatory and statutory requirements and continue to be supported by the supplier.

5.11.5 Key Strategic Goals – Information &Communication Technology & Digital Strategy

- Embed our Digital vision within all areas of the business and its strategies.
- Invest in an infrastructure that meets the changing business needs: the investment will be focussed on delivering safe, secure and robust systems that are flexible and accessible across the Group;
- Continue to invest and develop our core social housing solution and our asset management system, to provide a consistent and effective approach to the housing and repairs service across the Group;
- Invest in solutions that enable us to effectively manage, shape and improve performance of key services;
- Continue to develop and review systems that streamline processes and enhance internal controls and reduce the potential for risk and fraud;

- Review the ICT services that can support the business to develop alternative approaches to delivering services to customers and service users and that supports mobile and agile working;
- Develop a vision for how ICT can help improve services to customers and service users, including continuing to develop and promote digital and online services that encourages consumers to access services digitally as part of the channel shift;
- Develop a digital inclusion programme to tackle digital exclusion and maximise opportunities for service users and customers to access emh group services digitally and enhance the levels of access to broader digital services;
- Review how ICT and digital services can support and enhance the health and wellbeing of service users;
- Review arrangements for the governance of ICT to ensure they meet the needs of the business;
- Review strategies to protect and make effective use of the ICT assets - data, hardware and software;
- Maximise the strategic use of ICT to deliver digital services and communications to staff;
- Continue to ensure that we maximise the benefits of investment and systems and that internal processes are reviewed and automated where beneficial to do so.

5.12 Accountability & corporate social responsibility

- 5.12.1 emh group is committed to the principles of openness and transparency in its decisions and actions. The Group will share information with its stakeholders unless there are good reasons for not doing so – for example, for legal reasons or on the grounds of personal or commercial confidentiality.
- 5.12.2 emh group recognises the importance of being accountable to its external stakeholders. A robust probity policy and code of conduct is in place and the Group adopts a rigorous approach to declarations of interest which go well beyond legal and regulatory requirements.
- 5.12.3 Regular meetings are held with our Active Stakeholder Forum which provides external and independent challenge to the Board, helping safeguard the Group's adherence to its values and corporate social responsibilities.
- 5.12.4 Through its Kaleidoscope strategy, the Group actively promotes a commitment to diversity as one of its core values, and monitors outcomes in relation to governance, employment, service delivery and procurement. A joint staff and customer Diversity Group is in place to promote the Kaleidoscope Project and ensure good practice is embedded in all areas of our activity.
- 5.12.5 Social enterprise activities within the Group help address the social and financial exclusion of customers and build the capacity of the communities and neighbourhoods it works with, including initiatives such as credit unions, employment, training and apprenticeships.

5.12.6 One of the challenges facing the Group is to ensure contribute to national and global strategies for environmental protection. The Group's environmental strategy includes a commitment to improving the environmental performance of the business and to communicating results to stakeholders.

5.12.7 Key Strategic Goals - Accountability & Corporate Social Responsibility:

- Actively lobby Members of Parliament and the Government to bring about changes in social policy that support our service users, tenants and values as a social business;
- Refresh the Organisation's Social Enterprise Strategy to reflect new opportunities facing the Group;
- Review and promote the Group's use of remote and home working, video and conference calling and employee transport policies with a focus on reducing travel times and travel related carbon emissions;
- Develop proposals for events and programmes to promote the Group's value of Diversity;
- Develop a health and wellbeing strategy across the Group, in order to promote a healthy work-life balance;
- Continuously review and implement a well targeted internal and external communications strategy for employees, customers and wider stakeholders that ensures they are kept informed, and which promotes our values of accountability and openness.

5.13 Financial Management

5.13.1 Financial viability is a key objective for the Group and is crucial for the achievement of business objectives. Despite the recent economic circumstances, we are well equipped to meet the challenges.

5.13.2 A fundamental review of the Group's treasury policy has been concluded to ensure the funding needs of Group members are met in the most cost-effective way possible. This review has limited the influence funders have over the business plan and has provided greater flexibility in our funding arrangements. EMH Treasury PLC acts as a Special Purpose Vehicle to maximize funding opportunities for the business moving forward.

5.13.3 On the strength of a AA- rating from credit agency Standard and Poor's, in January 2014 emh group secured £200 million in the capital markets through a public bond issue.

5.13.4 The five year financial projections for the Group are presented as Appendix 6. This details how resources are deployed to meet business needs, including key assumptions and trends. All financial plans are subject to comprehensive scenario planning and sensitivity testing to ensure robustness.

5.13.5 The Group has a strong rating from the regulator on viability and is well placed to maintain this position.

5.13.6 Key Strategic Goals – Financial Management

- Maintain the Group's top rating for viability from the Homes and Communities Agency;
- Rigorously stress test our long-term financial model in order to ensure it is based on prudent assumptions to maintain viability;

- Establish targets for year on year efficiency;
- Ensure that all financial covenants with lenders are achieved, with sufficient “headroom” built in as contingency;
- Provide resources to subsidise new developments to meet housing needs;
- Maintain compliance with Regulatory requirements in relation to rent setting;
- Continue to monitor and proactively address the potential impact of Welfare Reform both on our customers and on our financial performance;
- Devolve operational budgetary responsibility to each operating business whilst maintaining central control over strategic financial issues;
- Use the buying power of the Group to deliver efficiencies through harmonized procurement initiatives and a group wide Procurement Strategy.

5.14 Managing Risk

- 5.14.1 As a housing and care organisation, emh group considers all of its current activities to fall within its core business. Its governance structures have been designed to ring fence publically funded housing assets from financial risks associated with the provision of care services.
- 5.14.2 Key challenges facing emh homes include those associated with major organisational transformation and the delivery of planned efficiency gains; risks to income streams arising from any potential further rent reductions; uncertainty over the application of Local Housing Allowance caps, and Welfare Reform; and ageing and in some cases, difficult to let traditional sheltered housing accommodation. An further analysis of the risks and opportunities facing the organisation are set out in section 4, and in the strategic risk map appended to this plan.
- 5.14.3 The Care and Support environment is rapidly changing, with cuts in traditional funding, new commissioners emerging, stronger regulation and the personalisation agenda. In this environment, robust management of financial and safeguarding risks becomes a vital challenge facing the sector. Targeted internal audit programmes, tight procedures, well trained staff, and on-going scrutiny by Service Users and Carers' Forums form part of the controls in place to ensure that enable's current and emerging risks are managed.
- 5.14.4 emh group has developed a comprehensive and holistic approach to the internal control and assurance processes, embedding a culture of risk management throughout the business. The Group Audit Committee steers an effective approach to risk management and internal controls throughout the Group. The Executive Management Team meets regularly as a Risk Panel to monitor and manage current and emerging risks. Operational risks are reviewed regularly for all key areas of the business. Clear action plans are developed to mitigate risks identified. Evidence-based mechanisms are in place to assure the Boards that risks are managed effectively.
- 5.14.5 The Group's Strategic Health and Safety Committee meet regularly, and provides regular and comprehensive reports to Board. All staff and Board Members receive appropriate training on their responsibilities in this area.
- 5.14.6 The Board takes a proactive view to setting the Group's risk appetite and is committed to undertaking growth or diversification projects where these meet our corporate objectives and do not threaten the Group's financial viability or publically funded assets. Board have

undertaken a more detailed evaluation of where they consider their risk appetite to lie across core areas of business risk.

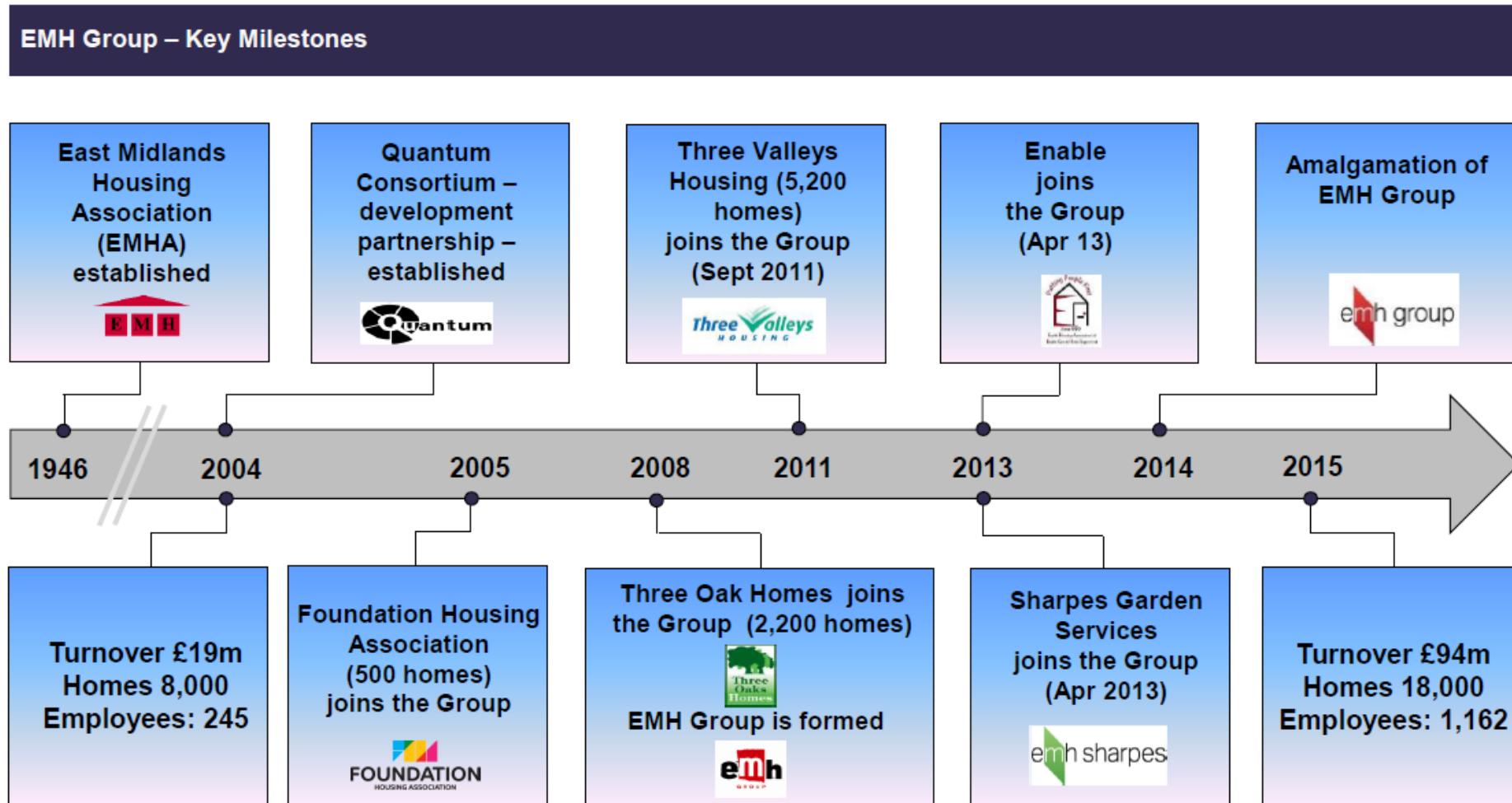
5.14.7 Key Strategic Goals – Risk Management:

- Continuously review the Group's Strategic and Operational Risk Maps to ensure that they remain relevant and reflect emerging risks in a rapidly changing environment;
- Develop plans to embed risk management systems operationally across the Group;
- Review internal assurance processes to Board in order to ensure that they are robust and reflect best practice;
- Ensure that the Group's Board Members have regular training on Risk Management and that there is a culture of constructive and open challenge within the Board Room;
- Promote practices across the Group that establish appropriate risk management within the day to day activities and culture of the Group.

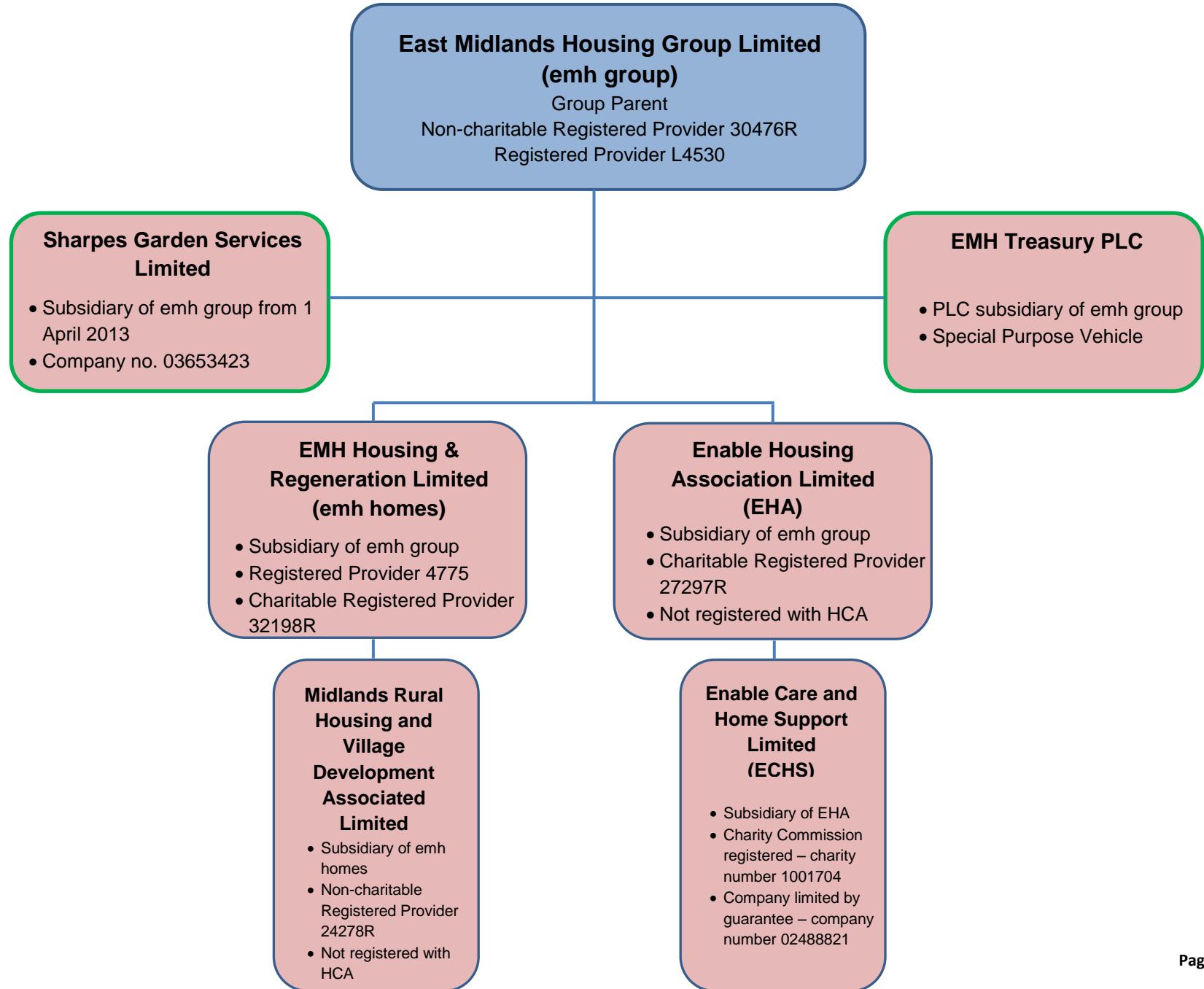
6. MONITORING AND IMPLEMENTATION

- 6.1 Key stakeholders have been involved in the formulation of this Business Plan, including customers, Operating Business Boards, and staff. Intelligence from customers and other stakeholders has been a major source of information for the business plan.
- 6.2 This plan has been translated into a Strategic Operational Plan, which identifies specific deliverable action points.
- 6.3 The Group Board and Executive Management Team will closely monitor the implementation of the plan.

History – a long and successful track record of partnerships



Appendix 2 – Group Structure from September 2013





Profit for Purpose

Strong, independent, viable

Environmentally sustainable

Digitally inclusive

Sustained growth

Commercially effective

Clear branding

Strong emh Academy

Values based

Health, care and housing integration

Great place to work

Social Enterprise

Empowered employees

Well trained leaders

Celebrating difference

Personalised, localised, quality services

Talent management

OUR VISION

To be widely recognised as the best social housing and care business in the country, leading the market as service provider and employer.

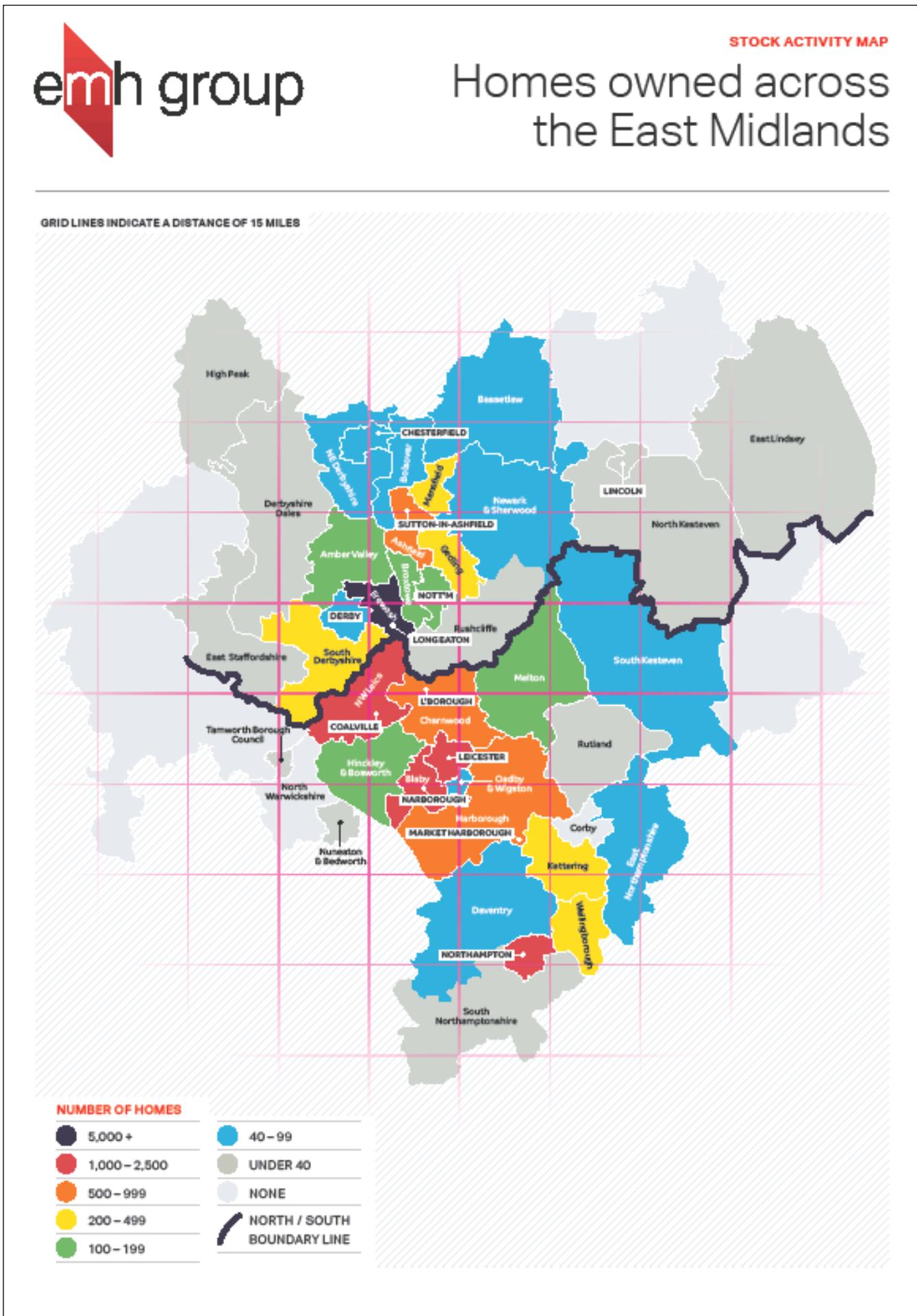
Passion for customer and communities

High performing

Learning organisation

Strong customer influence

Appendix 4 – Geographical Spread of emh homes' Stock Profile



Appendix 5 – Strategic Risk Map Summary

The Group Board undertakes an annual exercise to identify the key strategic risks across all of its operations. Those risks are scored at pre- and post-control level and action plans are developed to mitigate the effects of the residual risks.

This is an extract from the emhg strategic risk map.

Risk Title	Cause	Effect
Governance	Change of leadership Monitoring of operational performance Newly recruited board Increased diversification of group activities incl. commercial acumen Succession planning Lack of diversity	Regulatory intervention Poor performance reputational issues Reduction in accountability/ values drift group thinking/lack of challenge
Health & Safety	Failure to comply with legislation Inadequate monitoring procedures Lack of knowledge/training Insufficient focus/priority in organisation Inappropriate level of H&S management within Asset management team	Increased risk of injury/death Legal liability Regulatory intervention
Development	Focus of comprehensive spending review all LCHO Change to s106 planning obligations in favour of Starter Homes Initiative Uncertainty over revenue funding supported housing Local housing allowance review SOAHP for 2016-21 – 87% allocated to S/O	Only LCHO funding for 16-21 Not meeting growth objectives Unmet housing needs More pressure on internal resources due to grant loss Loss of opportunity for nil grant affordable units through s106 Unable to meet demand for rented housing Increased sensitivity to downturn in housing markets Move into commercial properties Inability to deliver new extra care
Welfare Reform	Ability of DWP to deliver info that they should be providing Under occupation rule so full rent no longer met for some tenants Universal Credit accelerated roll out End of Rent Direct Benefit cap of £20000 Changes to tax credits Local housing allowance	Lack of certainty on income stream Increase in indebtedness of tenants Increasing rent arrears and bad debts Higher void levels and turnover Reduced demand for 1 beds from under 35s
Care & Support Funding & Safeguarding	LA review of funding streams DCC review of enable TUPE contracts Personalisation Increased scrutiny by regulation of safeguarding Diversification of user groups- wider geographical spread Tenders based on lowest costs Failure of safeguarding controls	Withdrawal of services for vulnerable users Social exclusion of users Services not financially viable Lack of accountability to vulnerable service users Reputational damage Poor care quality rating Inability to bid competitively
Treasury	Government policies damage credit worthiness Disruption to financial markets (impact of Brexit) Group not seen as financially robust	Liquidity issues Cost of funding increases Limit capacity of development programme
Economic Conditions	Inflation Recruitment issues Property price increases Rent decreases policy Cyclical slump in housing market	Rental income reduced Staff costs increase more quickly than anticipated Development programme more expensive Unable to sell properties
People	Recognition and reward policies not reflecting the marketplace Staff are disempowered Lack of opportunities to progress Staff with inappropriate skills Downturn in employee relations Ageing demographic workplace Review of business Plan	Loss of key staff Staff are not engaged with the organisation Demotivated staff and low levels of commitment Inability to attract staff Increased tribunal claims Staff with inappropriate skills Disruption to service delivery

Risk Title	Cause	Effect
Asset Management	Government funding cut backs Affordable rents/ rent reduction Poorly performing DLO Insufficient funding Efficiency agenda and the need to sweat assets Weak asset management strategy Lower amount of money to be spent on reactive repairs Ageing and dispersed stock Stock in low value areas	Not meeting growth objectives Unmet housing need Deterioration in the value of assets Poor customer service Efficiency not maximised Not maximizing effective use of AM budget
Value for Money	Lack of management focus on VFM Insufficient challenge to inefficient practices Changing perceptions on VFM	Deteriorating financial performance Uncompetitive Damage to reputation of sector Regulatory challenges Savings not achieved
Consumer Regulation	Co-regulation structures not effective Scrutiny panel not challenging enough Inadequate linkages to board Organisational culture not putting residents at heart of business Inability to attract new members from under represented groups	Poor governance Not responding to customer requirements Reputational damage Poor customer satisfaction Reduced resources to deliver co-regulation (staff & money)
Financial Viability	Reductions in income streams Inability to control costs Ineffective management of budgets Less external funding	Financial covenants breached Credit rating downgraded Regulator downgrades Removal of capacity from Business Plan
Pensions	Escalating pensions costs Un-fundable arrangements Economic conditions	Reduce pension benefits Staff dissatisfaction
Probitry	Weak controls Ineffective audit and procedures Weak management Weak segregation of duties for related employees	Financial loss Reputational damage Regulatory intervention Safeguarding concerns
New Business	Skills lag for product diversification Gaps in commercial acumen Opportunity led Availability of resources Governance structural restrictions Cultural fit with partner Impact on credit rating Loss of MRH partners	Under-delivery in early contract period Loss-making contracts Lack of clear strategic fit with business plan Deterioration of operational performance Inability to attract new businesses into group Values of group watered down Cost of borrowing rises Missed opportunities
Customers	Lack of local focus Staff not putting the customer first Mobile working not yet embedded Not working with customers to implement new methods of service delivery Not managing customer expectations Reduced resources for service delivery Tenure shift towards LCHO Barriers to customer via digital engagement Poor use of resources	Increased turnover due to poor customer satisfaction Poor KPI performance Increase in number of complaints including ombudsman Poor impression of emh from external stakeholders Reputational damage
Effective ICT Systems	Inappropriate ICT systems implemented Weak governance arrangements for ICT Resources not allocated effectively Weak controls Cyber attack	ICT systems not meeting requirements of business Inefficient working practices Breach of data protection Barrier to mobile working

Risk Title	Cause	Effect
Reputation	Safeguarding failure Regulatory intervention Credit rating downgrade Contentious development activity Community concerns Probit failing Lack of political support	Negative media coverage Loss of new business Damaged partnerships Forced merger/shutdown
Operational Performance	Lack of performance management framework Poor management information No performance culture Lack of individual responsibility and clear targets	Loss of income Poor value for money Inefficient working Poor KPIs impacting on credit rating and confidence of investors
Business Continuity	Disaster or major incident Serious damage to property Prolonged service disruption	Loss of life or serious harm to individuals Loss of business critical functions Damage to reputation; Financial loss Failure to meet regulatory and/or statutory requirements