



Knowsley Housing Trust Group

Five Year Corporate Plan

2009/10 to 2013/14



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About the KHT Group



Knowsley Housing Trust



The Knowsley Housing Trust (KHT) Group consists of two companies aligned to make a real difference to communities and to people's lives.

Knowsley Housing Trust (KHT) is our housing association, providing homes to around 25,000 people through our near 14,000 homes. Its work in communities focuses on the environment, creating opportunities for people to have improved choices and better quality of life and building new affordable homes in Knowsley.

KHT Services is our trading subsidiary, which is wholly owned by KHT and put simply, is a commercial company with a social conscience. It provides a range of services across the North West including repairs and maintenance, gas servicing, consultancy and other services to a range of organisations including housing associations, local authorities, colleges and both not for profit and private sector clients.

Although each part of the Group concentrates on what it does best, the glue that holds it all together are their shared objectives and values which include:

- Providing great customer service
- A can do approach
- A focus on people and valuing the contribution of everyone
- Listening and acting on what our customers tell us
- An ethos of working to improve and get better every year

We're proud of what we have already achieved and at meetings, focus groups and in surveys, customers tell us about the positive difference we have made to their lives.

But we don't want to stand still when there is so much more that could be achieved. The aim of this Corporate Plan is to provide us with the opportunity to tell you about what we are aiming to achieve over the next 5 years and provide a framework for you to judge for yourself whether we do make a real difference.

A handwritten signature in black ink that reads 'Bob Taylor'. The signature is written in a cursive, slightly slanted style.

Bob Taylor
Group Chief Executive

Since 2002, we've delivered a massive £300m plus programme of improvements to our tenants' homes. We've reached the Government's Decent Homes standard ahead of schedule and spent significant time, money and effort into improving the environment surrounding our homes.



We see the next 5 years as an opportunity to move forward and make a real difference to the look and feel of Knowsley as a place and create great opportunities to improve the quality of life of our tenants.

Tenants At The Heart Of What We Do

KHT's tenants have played a huge part in the Trust's success. They have provided us with lots of great ideas for improving services and have had a big say in what we have done. Our ethos is that our tenants really do come first.

Our work over the next few years will aim to increase how we engage and involve our tenants and the community in what we do. We are passionate about making a real difference to our tenants' lives and creating the kind of opportunities they deserve. Our success is directly linked to the success of our tenants and communities.

The National Picture – Challenges For Housing Organisations

National housing policy continues to evolve around the two key areas of creating sustainable communities and building enough houses to meet the current and projected demand in the country for affordable homes.

Key policies include:

- Creating mixed communities, where privately owned and social rented homes sit alongside each other to achieve sustainable communities
- Extending opportunities for people to get a foot on and remain on the housing ladder, through low cost home ownership
- The creation of new government agencies to focus on enabling and promoting housing building (through the Homes and Communities Agency), and the regulation of the affordable housing sector (via the Tenant Services Authority)
- More emphasis on tenants having a greater say in the running of their homes and ensuring housing organisations are properly accountable for the quality of services provided and their level of performance



- The recognition of a regional agenda for housing and a greater role for local authorities in formulating and implementing local housing strategies for their areas
- Recognition of a wider than housing role for housing associations in areas such as Community Investment, and in regenerating the areas they operate within
- There is also a changing government agenda around benefits such as unemployment and incapacity benefit, aimed at encouraging those on benefit into work



The Challenges For KHT

KHT has responded to government and local priorities by:

- Completing its initial major programme of improving homes
- Spending millions on improving the environment and creating opportunities for people
- Continuing with a major programme of regenerating areas and building new affordable homes.



Demand for our homes is strong. Future challenges include ensuring we can respond to meeting the local housing strategy, provide homes and services that meet the needs of a projected older population in future and ensure we achieve excellence in the delivery of services to our tenants. Although longer term demand for our homes seems to have stabilised, we need to respond to factors such as economic conditions and the housing market generally, which create short term fluctuations in demand for our homes.

Knowsley and its communities have been characterised by lower than average employment, attainment levels and generally having had less opportunities than many other communities. Our aim with partners is to create improved opportunities for communities that create improved prospects for Knowsley communities compared to others – so that Knowsley is seen as the place to live.

The government benefits agenda has the potential to make a significant impact on



Knowsley residents where the levels of those on unemployment, incapacity and other benefits are higher than many other parts of the country. Our challenge is to understand the impact of this agenda, manage the business risks and provide advice and support to tenants where appropriate.



Challenging Economic Conditions

Current conditions in the UK and world economies are challenging and the 'credit crunch' has been affecting businesses and individuals. Unemployment, has been rising whilst obtaining credit is more difficult and inflation rates are fluctuating.

The Board has to ensure the business is flexible to deal with the conditions faced but also recognise that our tenants may be greatly affected by what happens in the economy. In addition to monitoring business critical areas and taking an appropriate approach to the increased risks faced, the Board will use its Community Investment funding to provide support or other activities that will provide advice, support and links to other agencies to cope with the impact on their lives of the economy.

Despite the challenges and risks, the Board are committed to providing services that improve into the future and that can demonstrate even better value for money. We aim to make our services as efficient and effective as possible, so that we can deliver improved value for money for the rent and service charges our tenants pay.



Knowsley – The Place, The People

Knowsley is situated in Merseyside in the North West of England, neighbouring the city of Liverpool and close to Manchester. Transport links are good with the M57 running through the borough, linking up with other motorway and major road links.

Knowsley is made up of a number of townships and districts – Kirkby, Huyton, Prescot, Whiston and Halewood and is characterised by the high level of green space between townships.

The Board's key aims for Knowsley and our tenants include:

- Continuing to improve the standards of our homes
- Improving opportunities for our tenants
- Being able to make a significant direct contribution to improving Knowsley relative to other areas
- Working in partnership with others to achieve these aims

About our Tenants

Number of homes:

13,650 (Feb 2009)

Ethnicity:

White British 96.9%
Other 3.1%

Numbers of people in our homes:

One person 45% of homes
Two people 30% of homes
Three people 13% of homes
Four people 8% of homes
Five people 4% of homes

Other key statistics from our latest tenants survey (based on those responding):

24.8% of tenants felt that a member of their household needs some additional support and services to allow them to stay in their present home

29% of tenants were wholly retired

81% of tenants received either full or partial payment of rent by Housing Benefit

70% of tenants have a bank account

27% of tenants have home contents insurance

The future population is forecast to have increasing numbers of older people and we will look to design our services and our actions into the future to meet current and future population needs.



Partnerships For Success

Partnership working is crucial and plays a key role in helping us to make the most of the money we invest. The Board have set high level objectives against a number of themes, which will allow our stakeholders to judge our progress and how successful we have been.

We have annual plans which are ambitious and challenging. They show our priorities, the resources available, our achievements and progress against objectives set.

KHT supports and contributes to the Knowsley Strategic Partnerships where we have forged strong alliances with the Police, the Fire Service, the Primary Care Trust and Knowsley Council. We have also built strong partnerships with other organisations such as the North Huyton New Deal for Communities and Villages Housing Association.



KHT will work with any organisation or individual who can contribute positively to the long term benefit of the communities we serve.

KHT's Themes

The Board have identified 4 themes, all underpinned by people, which represent the areas KHT will concentrate upon over the next few years. This will help achieve the Vision for both communities and KHT and they are:

- Place
- Opportunity
- Service
- Growth

Achieved through:

- People

Our Five Year Focus And Expectations

Place

- The standard of our homes improved through better quality and choice of fittings
- All KHT land and sites re-developed for housing or other community use
- The carbon footprint of our homes reduced - with homes more energy efficient and cheaper to run
- Clear plans implemented to address the needs of a projected older population

Opportunity

We will have made a significant measurable impact through our community investment activities focussing on:

- Financial Inclusion of our tenants, reducing levels of financial exclusion
- Increasing opportunities for skills and employment and those taking up the opportunities
- Recycling and green agenda initiatives to reduce the carbon footprint in communities
- Affordable warmth and energy initiatives reducing the costs of running homes for our tenants

Service

- Increased level of customer satisfaction with services
- To be recognised as providing excellent services to tenants
- Improved service standards in place
- Top quartile performance in all key service areas
- To evidence continued improvement in the Value for Money of our services

Growth

- New affordable homes built to meet housing strategy demand
- At least £1m of extra sources of funds and grants brought in to enable us to achieve more
- Increased range of services available for older and vulnerable people
- Growth in commercial activities through our subsidiary company, KHT Services Ltd, which aims to double its turnover over the next 5 years

All of the above will be achieved through:

People

- Increased levels of customer involvement, participation and engagement in what we do
- Increased positive culture reflected in customer satisfaction and staff survey results
- Employee terms and conditions that recognise our aspiration to be an employer of choice and that reward and recognise those who do a great job for our customers

Our Five Year Service Improvement Performance Targets

We aim to be recognised as providing excellent services and to be performing at or above top quartile in all key service performance areas. What represents top quartile will move over time and the Board will review targets and performance against the latest benchmarks annually.

The well-being and strength of the Knowsley community is also being targeted via the Local Strategic Partnership (LSP). KHT is a key partner of the LSP, who have produced a 15 year Sustainable Community Strategy, to help focus on improving the relative position of Knowsley compared to other areas of the country. Local Area Agreements are also agreed and are focussed on improvement against key indicators. These documents will serve as another baseline for both KHT and our partners' contribution to making lasting improvements for the benefit of the people of Knowsley.

It is acknowledged that there is much to do. Knowsley was assessed using the government's local deprivation index as 5th out of 354 local authority areas in 2007. We aim to work with our partners to improve this position when the next results are produced, which is expected to be in 2010.



KHT Services

KHT Services was set up in 2004 and is the commercial arm of the KHT Group selling a range of services to other organisations.

Although it is a commercial company it really is a company with a social conscience and the social objectives that underpin what the Group is all about also underpin what KHT Services is all about.

Mission Statement

‘To create added value and deliver services which exceed customers expectations.’

Our Vision

‘To invest in and grow a successful business, which will become a leader in the market places in which it operates.’

Fundamental to this is putting customers at the heart of everything we do and to become more efficient and seek out new ways of working to benefit our customers.

Our Values

- Customer focus
- Provide excellent services
- Work with integrity
- Work ethically

Our approach and our values have served the Company well to date, with a number of notable achievements:

- Expansion across the North West
- Increased turnover from less than £1m in 2004/5 to £5m plus for 2009/10
- Recognised as one of the fastest growing companies based in Knowsley in both 2007 and 2008
- High levels of customer satisfaction and recognition to others

One of the Company’s key aims is to retain business, which requires us to focus on improving performance, high levels of satisfaction, being cost effective and efficient and looking to create a sense of working with us being something our customers would just want to do.

Our range of services has grown and we currently concentrate on selling services that fall into the following headings:

- Repairs and maintenance
- Gas servicing
- Property management
- Services for the community
- Consultancy and professional services



Our Ambitions

Our ambition for the Company over the next few years fall into three key headings:

- Winning business
- Doing business
- Developing business

Winning Business

We aim to:

- Increase the number of organisations we work with
- Retain a proportion of our profits and reserves to support new business
- Double our turnover over the next 5 years

Doing Business

We aim to:

- Retain customers by the way we do business
- Exceed contract requirements where possible
- Ensure our employees understand and uphold our values

Developing Business

We aim to:

- Increase our range of products and services
- Channel a proportion of profits and reserves to develop new products and services
- Establish links and partnerships with other organisations to increase opportunity

We recognise the need to be a responsible company. We have key objectives around reducing our carbon footprint and adding value to the organisations and communities we work with by supporting local environmental and community initiatives in the areas we work within.

Action plans which are prioritised and risk assessed are in place and reviewed annually to enable us to achieve long term, sustainable and successful growth.



The KHT Group's Financial Plans

The Group aims to maintain a strong viable business and runs both long term financial projections and a robust risk assessment framework.

Having the resources to achieve our aims is clearly vital and the Group's consolidated financial projections are shown below.

Our Housing Association, Knowsley Housing Trust, follows the widely accepted 'stock transfer' funding model where it borrows money from funders in the early years to finance a major programme of improvements. These loans are then repaid in later years from surpluses.

The Trust has to comply with certain covenants as a requirement of the loans linked for example to the value of its homes and to the amount of debt and net income at any point in time. The trading subsidiary, KHT Services, has overdraft facilities in place to assist it with its cash flow management as and when required.

The Group as a whole recognises the importance of achieving future income and expenditure forecasts and to regularly testing out the impact of major risks. This, alongside taking a prudent view of risk, helps the Group to prepare for and be better able to have the financial capacity to cope with issues that may affect it.



Consolidated Balance Sheet Forecast 2008/09 to 2013/14

Description	Reforecast 2008/09 £'000	Budget 2009/10 £'000	Budget 2010/11 £'000	Budget 2011/12 £'000	Budget 2012/13 £'000	Budget 2013/14 £'000
Housing & Investments at Cost	44,155	56,194	72,589	75,687	77,290	78,353
SHG & Other Grants	25	(3,024)	(7,173)	(7,885)	(7,940)	(7,940)
Depreciation	(4,253)	(5,213)	(6,418)	(7,670)	(8,954)	(10,259)
	39,927	47,957	58,999	60,131	60,396	60,154
Other Fixed Assets	3,434	3,167	2,963	2,774	2,586	2,397
	3,434	3,167	2,963	2,774	2,586	2,397
TOTAL FIXED ASSETS	43,361	51,124	61,962	62,906	62,982	62,551
Cash at Bank and in hand and short term investments	2,489	3,087	3,580	4,044	4,593	5,213
Rent Arrears Debtor	2,884	3,103	3,244	3,373	3,588	3,653
Other Current Assets (Liabilities)	(5,410)	(5,631)	(5,663)	(5,565)	(5,529)	(5,491)
NET CURRENT ASSETS	(37)	559	1,161	1,852	2,652	3,375
TOTAL ASSETS LESS CURRENT LIABILITIES	43,324	51,683	63,123	64,757	65,634	65,926
FINANCED BY :						
LONG TERM CREDITORS						
Housing Loans due after more than one year	133,094	147,776	159,510	158,546	156,866	150,786
	133,094	147,776	159,510	158,546	156,866	150,786
CAPITAL & RESERVES						
Reserves	(89,770)	(96,093)	(96,388)	(93,788)	(91,232)	(84,860)
	(89,770)	(96,093)	(96,388)	(93,788)	(91,232)	(84,860)
	43,324	51,683	63,123	64,757	65,634	65,926

Consolidated Income & Expenditure Account Forecast 2008/09 to 2013/14

Description	Reforecast 2008/09 £'000	Budget 2009/10 £'000	Budget 2010/11 £'000	Budget 2011/12 £'000	Budget 2012/13 £'000	Budget 2013/14 £'000
Income						
Rent	44,373	47,745	49,903	51,885	55,203	56,201
Service Charges	562	579	588	597	384	394
Other Income	608	517	218	224	231	238
KHT Services Turnover	3,827	5,714	6,728	7,797	8,925	10,114
Total Income	49,370	54,554	57,436	60,504	64,744	66,947
Operating Costs						
Management Costs: KHT	12,270	12,756	13,199	13,591	14,014	14,446
Management Costs: KHT Services	491	452	488	531	578	633
Regeneration	20,522	19,048	11,963	5,855	13,294	10,325
Community Involvement	2,900	1,900	1,900	1,900	1,900	1,250
Bad Debts	450	971	1,015	1,056	1,123	1,143
Depreciation	1,276	1,277	1,458	1,491	1,522	1,543
Repairs & Maintenance: KHT	13,992	13,500	13,500	13,500	13,500	13,500
Repairs & Maintenance: KHT Services	3,056	4,747	5,633	6,564	7,542	8,569
Total Operating Costs	54,958	54,652	49,157	44,488	53,474	51,409
Operating Surplus / (Deficit)	(5,588)	(98)	8,279	16,016	11,270	15,538
Gift Aid	0	0	0	0	0	0
Interest	5,454	7,548	8,365	9,053	9,194	8,955
Taxation	51	131	158	186	216	247
Surplus (Deficit) for the year	(11,093)	(7,776)	(243)	6,778	1,860	6,335

Consolidated Cash Flow Statement Forecast 2008/09 to 2013/14

Description	Reforecast 2008/09 £'000	Budget 2009/10 £'000	Budget 2010/11 £'000	Budget 2011/12 £'000	Budget 2012/13 £'000	Budget 2013/14 £'000
Net Cash Flow for Operating Activities	(8,944)	2,400	9,188	12,800	12,997	16,688
Returns on Investment - Interest Received	101	128	82	83	84	84
Servicing of Finance - Interest Paid	(6,954)	(7,536)	(8,243)	(9,097)	(9,361)	(9,097)
Corporation Tax Paid	116	51	131	158	186	216
Net Cash Inflow/ (outflow) from above activities	(15,681)	(4,957)	1,158	3,943	3,906	7,891
Acquisition and construction of Housing Properties	(1,211)	(11,585)	(15,762)	(2,707)	(210)	0
Major Repairs Capitalised	(845)	(461)	(656)	(391)	(1,394)	(1,062)
SHG and other grants Received	319	3,049	4,148	712	55	0
Sales of Housing Properties & other assets	1,560	0	0	0	0	0
Purchase of Other Fixed Assets	(50)	(50)	(50)	(50)	(50)	(50)
Net Cash Inflow/ (outflow) from investing activities	(227)	(9,047)	(12,319)	(2,435)	(1,598)	(1,112)
Net Cash Inflow/ (outflow) before financing						
Housing Loans Received	16,923	14,602	11,665	(1,044)	(1,759)	(6,159)
Net Cash Inflow/ (outflow) from financing	16,923	14,602	11,665	(1,044)	(1,759)	(6,159)
Increase / (Decrease in Cash and Cash Equivalents	1,105	598	493	464	549	620
Opening Balance	1,474	2,489	3,087	3,580	4,044	4,593
Closing Balance	2,489	3,087	3,580	4,044	4,593	5,213



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KHT is a company limited by guarantee registered in England and Wales number - 4338798 and with the Housing Corporation, number LH4343. It is also a charity registered with the Charity Commission, number 1103644.

KHT Services Limited is incorporated under the Companies Acts 1985 and 1989 and is a company limited with shares. Company No. 5070893. Registered Office, Lakeview, Kings Business Park, Prescot, Merseyside L34 1PJ. Telephone 0151 290 7066. www.khtservices.co.uk