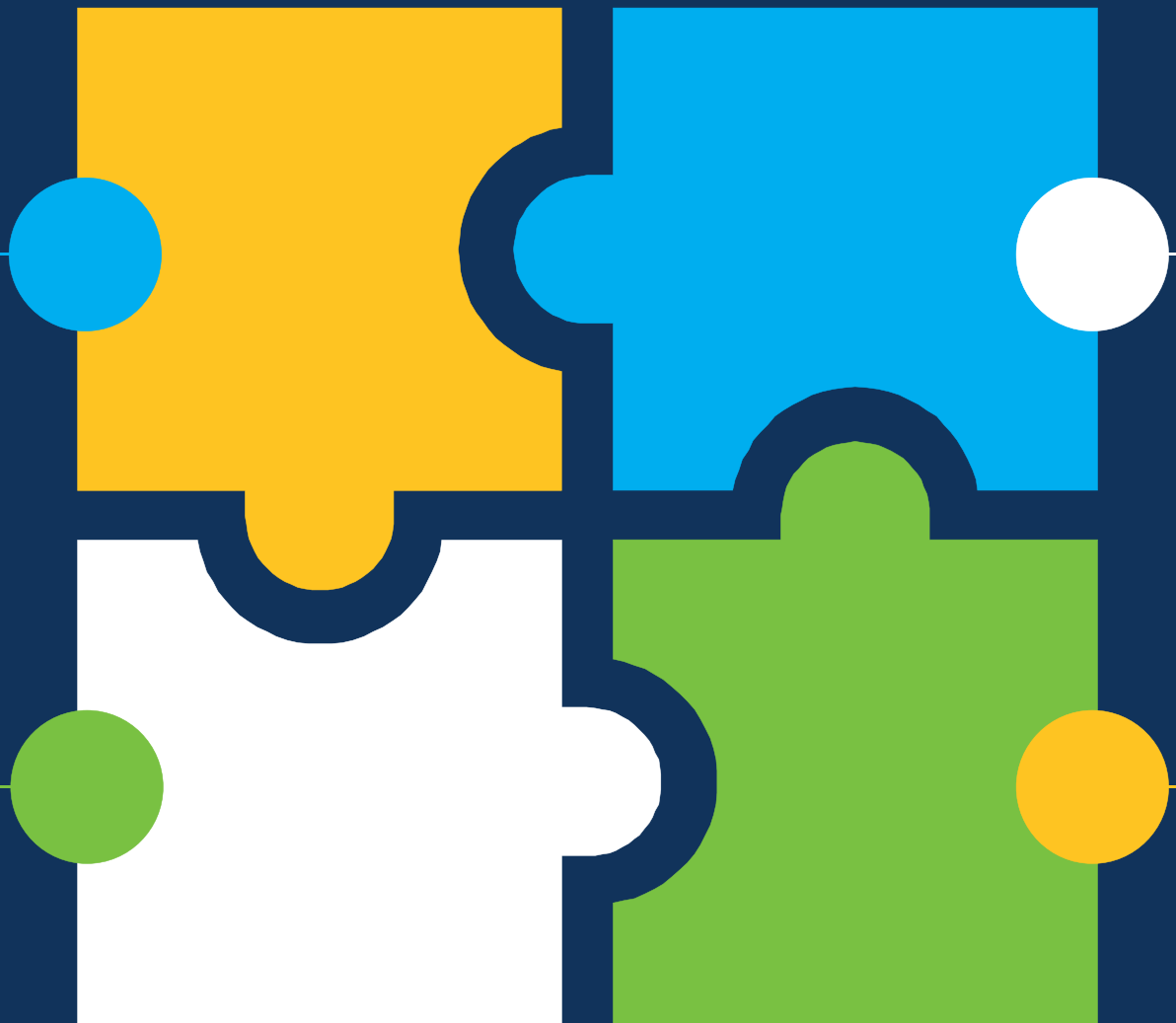


Business Plan



2023-2028

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Who we are

Chislehurst and Sidcup Housing Association (the Association) is a Registered Provider of social housing. We have been providing homes and services in South East London since the mid-1970s.

We are regulated by the Regulator of Social Housing. Our main activity is the provision of accommodation and support services to older people. We also have four general needs properties.

Our objective and mission

Our objective is derived from our constitution. We were formed for the benefit of the community, to provide and manage housing, services and assistance to those we house. Our purpose is summarised through our mission, which is *“to provide cost-effective, efficient and caring services that meet needs in new and existing areas of operation and enable people who require housing with support to live as normal a life as possible in the community”*.

We aim to achieve our mission by providing the highest quality services in the most cost-effective way possible. We are therefore committed to providing:

- Good quality, affordable homes
- Support to promote independent living
- A responsive asset management and repairs service



Our mission is underpinned by four, key, strategic objectives, which are set out as follows:

- 1. Strategy and service delivery** – To provide excellent support and services that meet the needs of our tenants and our local communities
- 2. Finance and growth** – To ensure activities, improvements and changes in services are properly costed and planned to ensure that the Association remains financially viable
- 3. People** – To invest in staff to ensure that every staff member has the skills to meet the needs of our tenants and to pre-empt the future needs of the Association by forward planning
- 4. Community and well-being** – To build strong links with community organisations and health services, to ensure our tenants have access to a range and variety of local opportunities

Purpose of the Business Plan

The purpose of this Business Plan is to provide a framework within which we can deliver our objective and mission. We will use this Plan to set out our approach to delivering our mission, ensuring financial viability, maintaining high standards of service delivery and delivering future aspirations.

Review of previous Business Plan

The Business Plan covering the period 2018-2023 was developed at a time when the UK benefited from low interest rates, low inflation and energy security. It was approved prior to the Covid-19 pandemic, the UK exit from the European Union and against the backdrop of the most significant fire in recent times, in which 72 people lost their lives.

Despite the challenging economic, financial and social environment, we managed to achieve the following:



- We optimised the financial rate of return on our investments, despite concerns with Brexit and volatility in the equity markets.
- We kept up our spend on maintaining homes.
- We maintained our spend on components, ensuring compliance with the current Decent Homes Standard.
- We planned, organised and began implementing our approach to meeting climate, environment and sustainability challenges – in particular net zero emissions by 2050.
- We maintained and improved high levels of service quality, as evidenced through surveys, service standards and other feedback measures.
- We generated healthy surpluses.
- We complied with regulatory obligations and standards.
- We assisted and supported tenants to maintain independence and financial resilience.

In the Business Plan for 2018-2023, a number of financial assumptions were made. The outcomes are listed as follows (figures relate to 2019-2023):

- It was assumed that rents would increase by 1% increase year on year. The overall average across the five years was 0.9%.
- It was assumed that service charges could be expected to increase by 4% year on year until 2023. The overall average across the five years was 3.2%.
- It was assumed that rent loss due to voids would not exceed 1%. The average figure over the five years was 1.02%.
- It was assumed that management costs would increase by 2% year on year until 2023. The overall average across the five years was 3.8%.

- It was assumed that routine repair costs would increase by 4% year on year until 2023. The overall average across the five years was 5.3%.
- It was estimated that the cost of major repairs would decrease in 2019 and thereafter remain static at £75k from 2020 to 2023. Major repairs costs did not decrease in 2019, when comparing 2018 to 2019 year-end figures. In fact, there was an increase of £17,473. They did not remain static from 2020-2023, but decreased by -1.4%, on average, across the five years.
- It was assumed that bad debts would remain static at 5%. Bad debts did not exceed 5% in each financial year from 2019-2023. The average figure over the five years was 0.15%.

Five-year business objectives were achieved – with the exception of acquiring more homes.

Key considerations

Financial stability through economic uncertainty

In light of the economic uncertainty, we have reviewed and updated our strategic objective of finance and growth. The main change being that activities, improvements and changes in services shall be properly costed and planned to ensure that the Association remains financially viable.

The economic uncertainty has created a challenging environment to operate in. In particular, the financial year ending 2022 was exceptionally difficult, as energy costs soared, exacerbated by the war in Ukraine and the pandemic. Although there have been Government schemes designed to minimise the impact, the Association has initially had to absorb these spiralling costs. In the financial year 2021-2022, our surplus was dramatically decreased as a result of this one item of expenditure. We continue to work with our energy broker to fix our energy costs in advance.

Despite concerns over Brexit, volatility in the equity markets, and the challenging economic climate, we have managed to achieve a rate of return on our principal investment and a surplus over the last five years (see overleaf).

In accordance with the Association's Rules, we do not trade for profit and any surpluses are used to provide homes and related services.

Investment income

	2018	2019	2020	2021	2022	2023
Surplus	£120,509	£104,627	£133,718	£180,381	£16,155	£203,581
Interest receivable	£16,946	£18,309	£19,089	£16,176	£12,843	£22,167

Our Board continues to review the medium to long-term future of the Association and regularly updates its financial forecast. A new financial forecast, with assumptions made, is included in this Business Plan for 2023-2028.

- The Association continues to operate within its Rules and in accordance with its financial policies and procedures.
- The Association regularly scrutinises financial information, ensuring that we meet targets set and that we operate within the confines of the law and regulatory requirements.
- We will continue to work with tenants to maximise their income.
- The Association adopts an ethical investment policy to ensure that its investments do not conflict with its aims. We therefore invest in funds that seek to exclude unethical themes.
- The Association continues to comply with all regulatory standards.

Our Board is ultimately responsible for safeguarding our assets and ensuring our long-term financial viability at all times. We aim to continue to do so by the careful monitoring and planning. We will continue to ensure that the Board is governed by experienced members, who make decisions to ensure that we meet our strategic objectives and remain financially viable. Our Board members bring experience from various sectors. They carry out a robust assessment of their performance on a regular basis and continue to comply with the Board's Code of Governance and Conduct.

Our governance arrangements continue to include a framework of effective risk management and internal controls assurance. The risk map is presented to the Board twice a year for scrutiny and, over the last five years, more frequently, based on events in our external operating environment, such as the pandemic, affordability, cost-of-living crises and high energy costs. We ensure that our approach to risk management continues to be robust and flexible, to take account of changing events that may threaten our ability to remain financially viable.

More homes

We will continue to seek out development opportunities that are consistent with our objective and purpose. But, more importantly, we will ensure that the long-term financial viability of the Association remains unaffected. To do this we will ensure that the viability of new proposals is scrutinised by our Development Committee and accompanied by an appropriate risk assessment and exit strategy.

More homes must be balanced against our ability to maintain and improve our existing homes, and to meet the challenges of the zero-carbon agenda. We are mindful of the uncertainty of current economic conditions and changes in the regulatory environment, which may affect our ability to develop. Therefore, the Board has resolved not to set any specific targets for new homes.

Any growth aspirations must be made in consideration of, and in conjunction with, our:

- Asset management strategy
- Partnership arrangements
- Risk appetite
- Progress with regard to the implementation of our Sustainability Strategy





Meeting increased demand

We endeavour to let our homes efficiently, minimising the length of time properties are vacant, whilst complying with our statutory responsibilities and our purpose of creating and promoting harmonious communities, where people choose to live. We aim to let our homes in a fair, transparent and efficient way, taking into account the housing needs and aspirations of tenants and potential tenants.

The traditional method for allocating homes is through rights granted in the form of nomination agreements. However, we also operate a direct waiting list. It became increasingly apparent that a number of nominations were inappropriate and put a strain on our ability to maintain a healthy waiting list and to re-let homes in a timely manner. However, we did see an increase in the number of applicants coming from the private rented sector for various reasons. With this in mind, we undertook market analysis to try to understand who potential applicants are, with a view to establishing that what we offer is appropriate. We also sought to understand:

- What are their needs and aspirations of applicants?
- How many potential applicants are out there?
- How much will they pay?
- Who are our competitors?
- Challenges and successes

Following market analysis commissioned in 2022, we developed a Customer Marketing Strategy and action plan. Their purpose was to protect and enhance our ability to maximise full occupancy by attracting a better quality, more robust, direct waiting list. Also to publicise our homes and services, with a view to providing peace of mind,

safety and security. As a result, we have developed a number of objectives, which are included in our Customer Marketing Action Plan and are summarised as follows:

- Explore expectations of existing/new tenants
- Explore how they renovate/refurbish homes and communal areas
- Balance provision of new homes/modular vs traditional construction
- Digital notice board
- Scheme/conferencing facilities
- Be transparent
- Assess satisfaction rates, distinguishing between existing and new tenants

Quality of service

Our approach to understanding whether we provide high quality services is for our tenants to tell us so. Surveys are one of the methods used to assess how we have performed and to assess service quality.

The service standards questionnaire is carried out annually and the regulatory tenant satisfaction survey every two years. Some of the information used to assess our performance against some of the agreed service standards, which are not in question form, will continue to be reported. We will also have to incorporate the new tenant satisfaction perception survey questions to ensure we meet our increased regulatory responsibilities. The outcome of these surveys continues to be reported to the Board and our stakeholders.

We will also seek to understand whether there are differing satisfaction rates between applications that come via the traditional route (nominations) and those that come to us directly. If there are differences, we will seek to increase the overall satisfaction rates so that they are consistent between direct lets and nominated lets.

In terms of service quality, our most recent annual service standards survey, carried out in 2022-2023, showed:

- 96.36% were satisfied with the way we responded to letters, faxes and emails within three working days (97.05% in 2020-2021).
- 96.38% were satisfied with the way we attempted to resolve a query first time, or at least put the tenant in contact with the right person (96.10% in 2020-2021).
- 100% were satisfied that staff carried

identification when they visited a tenant's home and are checked with the Disclosure and Barring Service (96.73% in 2020-2021).

- 97.89% were satisfied that we use plain English in written communications (97.95% in 2020-21)
- 98.76% were satisfied that we consult with tenants about the services we offer (95% in 2020-2021).
- 97.53% were satisfied that we sought feedback from tenants to ensure our services met their needs (94.59% in 2020-2021).
- 97.67% were satisfied that we consult tenants about changes to services that directly affect them (97.53% in 2020-2021).

Overall, satisfaction levels improved in six areas.

Tenant satisfaction survey results 2021

Overall satisfaction with the Association was 96%, which had improved since the last survey was carried out in 2018, when only 91% were satisfied.

The percentage of tenants satisfied with our repairs and maintenance service was 99.25%, while 96% were satisfied that their home was safe and secure.

Satisfaction with the service provided by Sheltered Housing Managers remained very high. In all, 91% were happy with the way we engaged with them and 93% found us easy to deal with.

The response rate for the 2021 tenant satisfaction survey was 41.4% (50.5% in 2018).

Tenant engagement

As a social landlord, we have a responsibility to demonstrate the steps we take to implement and continuously evolve tenant engagement and scrutiny of the services provided. This satisfies regulatory and best practice requirements, but the process of tenant engagement is also central to the social purpose of the Association.

We are committed to meeting the requirement of having stronger tenant engagement, so that tenants can have their voices heard. The publication of the Charter for Social Housing Residents has been a catalyst for the review and, as a result, we have reviewed and updated our Tenant Engagement Strategy, which was approved by the Board on 4 November 2021. Our Tenant Engagement Strategy sets out what tenants can expect from us.

We have adopted the Together with Tenants



Charter and the four-point plan for change, with the aim of creating a stronger relationship and to frame a continuous process for doing so.

In order to monitor adherence to our commitments and ensure accountability, we check our performance against the National Engagement Standards developed by the Tenant Participation Advisory Service (TPAS).

Scrutiny of performance in relation to National Engagement Standards, Key Performance Indicators (KPIs), tenant satisfaction measures and other applicable sources, is conducted by a tenant-led Tenant Engagement and Scrutiny Panel, in conjunction with our Board.

In particular we commit to the following:

- We will be transparent about our performance and decision-making, so that tenants and the regulator can hold us to account.
- We will put things right when they go wrong.
- We will listen to tenants through effective engagement.
- We will support tenants who choose to become involved in our work, offering them training, supporting their capacity to become involved and enabling them to develop their skills.
- We will pay agreed travel and other expenses for all tenants who are working on the Association's business, so that they are not out of pocket from being involved.
- We will consider other financial and practical

ways of recognising the contribution made by tenants to our work – including moral support and recognition for those involved

- We will ensure we engage effectively with our entire tenant body. If we identify significant under-representation from certain groups or types of tenants, we will actively attempt to engage with these groups.

Regulation

Following the publication of the Charter for Social Housing White Paper, the regulator started developing tenant satisfaction measures (known as ‘TSMs’) and the tenant satisfaction standard. The proposals were discussed with a range of stakeholders including tenants.

The new tenant satisfaction measures require us to collect and provide certain information. We also have to support effective scrutiny by tenants of our performance in managing their homes and neighbourhoods.

In addition:

- We must collect and process the performance information specified by the regulator against the tenant satisfaction measures. This information must be collected within a timeframe set by the regulator and must meet the regulator’s requirements.
- We must annually publish our performance against the tenant satisfaction measures. This should include information about how we have met the regulator’s requirements set out in tenant satisfaction measures. This information must be published in a manner that is timely, clear, and easily accessed by tenants.
- We must ensure the information is accurate, reliable, valid and a transparent reflection of our performance against the tenant satisfaction measures.

The new measures are intended to make our performance more visible to tenants and to help them hold us to account.

They mean that our performance is measured on a set of criteria that tenants have access to, so that they can compare us to other landlords. These measures will cover a number of areas, including building safety maintenance, the effective handling of complaints, whether we are keeping up with repairs, and whether we are



engaging with tenants in a respectful manner. This will then be reflected in an overall tenant satisfaction assessment. We will also have to provide details about the salary of our Chief Executive, executive remuneration costs and management costs relative to the size of the Association.

There are 22 tenant satisfaction measures, covering five themes. Ten of these will be measured by us directly, and 12 will be measured by carrying out tenant perception surveys. Following the publication of the new measures, we updated our key performance indicator (KPI) reporting template to reflect the five themes of:

- Keeping properties in a good state of repair
- Maintaining building safety
- Respectful and helpful engagement
- Effective handling of complaints
- Responsible neighbourhood and management

Building and fire safety are of paramount concern to keep tenants safe in their homes. The Government is committed to ensuring that all homes are safe to live in, and have identified ways to raise safety standards and to help tenants feel safer in their homes. The Grenfell tragedy revealed “significant failings”. As a result, we must comply with additional regulatory obligations. Work in this area has already started and the Board have agreed a health and safety exceptions report, which must be reported on at every Board meeting.

The Government also reiterated a commitment made as part of the Building Safety Bill, to remove the requirement for complaints to the Housing Ombudsman to first be raised with MPs, councillors or a designated tenant panel. We have already amended our ‘Complaints, compliments and queries’ policy to reflect this. The Government has

expanded the Housing Ombudsman service, and increased its powers, so it will make decisions more quickly and can take stronger action against landlords where needed.

To provide tenants with consistency, we now have to self-assess against the Housing Ombudsman's Complaint Handling Code. We have already carried out the self-assessment process and, as a result, introduced a 'reasonable adjustment policy' to ensure full compliance. Other registered providers have been made more accountable for their actions by the requirement to publicise the details of cases determined and published by the Housing Ombudsman.

Maintaining our homes

One of our main areas of spend is property maintenance. We continue to fulfil our commitment to replace kitchens and bathrooms in line with the current Decent Homes Standard. We are keeping up to date with our planned maintenance programmes, and making investments to meet the zero-carbon agenda.

Technology-enabled services

The ageing UK telephony network is to be upgraded to meet the demands of digital communications. By 31 December 2025, the existing analogue telephone system will be switched off, to be replaced by a digital communication network. This will impact landline telephones and any communications systems using the network. As we utilise telecare systems for remote support via the analogue network, we have had to examine our current installations.

Our telecare systems provide remote monitoring and care for tenants living independently at our schemes for older persons. By connecting alarm systems and calling devices via the telephone network, the systems enable monitored communication on a 24-hour basis.

Each home is provided with a hub and/or alarm device, which may be activated by a pull cord or remote devices (traditionally pendants). Once activated, a call is generated and a connection is made to the Scheme Manager and voice communication can be initiated.

Where our Scheme Managers are not present on site, the call is diverted to a 24-hour emergency call centre. Our present systems integrate with



other technologies and provide a broad solution for monitoring other services, including door entry systems, and fire and smoke detectors. The systems traditionally allow for 'push' services, meaning that our Scheme Managers can proactively call a tenant on a routine basis to check on their well-being and to test the technology.

All of our schemes are fitted with analogue telecare systems. These systems are all relatively old (20 years), but are considered suitable for adaptation with the installation of a digital converter. They will therefore continue to function when the switchover happens in 2025. However, as the systems are all ageing and have a limited life expectancy, we have begun to consider a programme of renewal across all of our schemes and to understand the opportunities that digital technology will offer. This year, we will plan and cost the process of renewal at all of our sites.

As a small housing provider, we will continue to outsource our repairs services, and digital upgrades and renewals, in order to achieve value for money. We will also continue to ensure our performance monitoring processes are robust. We recognise that value for money is not just about cost, but is inextricably linked to the quality of the services we provide.

2 Our business

Our homes

We own 199 properties, of which 198 are available for let. All homes meet the Decent Homes Standard. All homes available to let are self-contained and comply with health and safety and regulatory standards. At the time of writing this plan, we have no properties that fail to meet the EPC level required by Government.

We regularly review our asset management approach, to ensure that planned maintenance programmes are up to date and appropriately costed. We also ensure that there is an appropriate budget and spend on routine and urgent repairs, to ensure that our homes continue to be maintained to a high standard.

We have an annual programme for kitchen and bathroom replacement. Inspections and servicing of communal components are carried out and evidenced as part of our health and safety monitoring of schemes. In addition, we continue to comply with specific health and safety monitoring in relation to water quality testing, fire, electrical safety, lift safety and asbestos management. Up to date Fire Risk Assessments are in place, supplemented by appropriate action plans. This is also the case for water quality testing and management.

Our services include managing our homes, allocating homes that are right for tenants' needs, the provision of support services, managing the

lettings process effectively, involving tenants in decision making, responding to complaints and tackling any anti-social behaviour. Directly employed staff manage our homes.

As of the year ending 31 March 2023:

- We spent a total of £332,665 on managing our homes.
- The value of our properties was £9,059,243.
- The current income generated from renting our properties was £1,050,927, excluding service charges.
- We estimate that our rental income will rise by 2.5% a year from 2023 and over the next five years.
- We spent £420,232 on maintaining our homes.
- We spent £36,938 on major repairs.

Support services

We continue to provide support services to tenants who occupy our housing for older persons. This service is delivered by a Scheme Manager, directly employed by the Association. The role of the Scheme Manager can be summarised as:

- The provision of building management (including health and safety)
- The identification and delivery of support
- The prevention of social isolation
- Assistance to enable independent living
- Advice and assistance and access to other services
- The prevention and management of risk

The key benefit for tenants in our schemes, is the ability to remain independent in their homes. They have the security of 24-hour support, provided either by their Scheme Manager or via a telecare phone service. As tenants' needs change over time, Scheme Managers can provide support that enables tenants to access services such as meals or personal care, by liaising with social services. Tenants also benefit from the use of communal facilities, which enable them to socialise and form friendships with neighbours.



Where we operate

We own 199 properties, of which 198 are available for rent. The properties are located in the London boroughs of Bromley, Bexley and Lewisham. All of our homes are self-contained. The properties and their types are listed as follows:

Bromley

- 14 x 2 bedroom properties
- 4x 3 bedroom properties
- 4 x 1 bedroom bungalows
- 56 x 1 bedroom properties
- 1 x 4 bedroom property

A total of 80 properties, of which 75 are designated as sheltered housing accommodation

Bexley

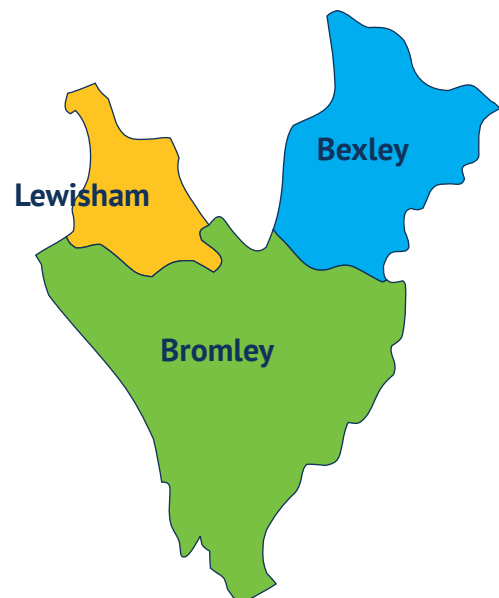
- 3 x 2 bedroom properties
- 99 x 1 bedroom properties
- 1 x 3 bedroom property

A total of 103 properties, of which 102 are designated as sheltered housing accommodation

Lewisham

- 16 x 1 bedroom properties

A total of 16 properties, of which 16 are designated as sheltered housing accommodation



3 Challenges

External operating environment

This new Business Plan for 2023-2028 is developed amidst a cost-of-living crisis in the UK, which is exacerbated by extremely high energy costs and high food prices, which are continuing to rise. In addition, we have the highest inflation rate seen in the UK for over 40 years and high interest rates that show no signs of a downward trend.

For these reasons, our focus for the next five years is to maintain our financial viability, and to provide advice and assistance to tenants who may find themselves struggling to meet day-to-day living costs. Our aim remains the same – we are committed to achieving our mission to provide high quality services in the most cost-effective way possible.

Energy prices

Energy costs continue to increase, despite wholesale energy costs plummeting. Wholesale electricity costs have seen an annual fall of 23%, with gas prices plummeting by 38% over this timeframe. Electricity is the cheapest it has been since September 2010, and gas has not been so cheap since April 2010.

Despite this, there is no indication from the Big Six energy companies that they will reduce customers' bills, and there is no rationale behind the current high energy prices. However, it is recognised that the wholesale market is not the only factor in energy prices. Green tariffs, Government schemes and infrastructure investments also have an influence. We will continue to engage with our energy broker to source the most cost-effective prices.

Energy efficiency

The UK Government set out its commitment to reach net zero emissions by 2050. In its landmark Net Zero Strategy, published on 19 October 2021, measures to transition to a green and sustainable future were outlined. Our tenants must be at the



heart of this work. While they will benefit from warmer, more affordable, healthier and smarter homes, tenants will also face the disruption of retrofit and the installation of new heating technologies. As a result, tenants' willingness to learn about, adopt and champion new low-carbon technology will be crucial to our collective success.

Our Sustainability Strategy sets out how we will act to meet climate, environment and sustainability challenges. The strategy provides for our general direction and also provides a framework where innovation and improvements are enabled.

Our strategy is informed by a stock energy efficiency and decarbonisation study. This study noted that, overall, the baseline position of energy efficiency at most of our schemes is good compared to the UK social housing average. This is largely due to the fact that accommodation spaces are small, with limited heat loss potential through roofs, external walls and floors. However, there is scope to further improve the thermal efficiency of the external fabric. This is likely to be both technically simple and cost effective in most cases and so will be prioritised.

The report also went on to note that our properties are well maintained and, as a result of effective maintenance regimes, the heating and hot water systems, which contribute significantly to energy efficiency and carbon emissions, remain operational.

However, they are mostly old and inefficient in comparison to contemporary services.

The approach we will take is a 'fabric first retrofit'. We will improve the energy efficiency of a home by investing in its insulation before investing in clean heat. This approach should help tenants by lowering bills and emissions immediately, as it will reduce the demand for space heating in the home.

We have developed a Forward Investment Plan that, as far as is practicable, coincides with the timing of upgrading and 'retrofit' works with the natural life expiry of related components. The plan also includes an estimation of costs and such costs will be incorporated into our annual budgets going forward.

The majority of all of our communal lighting has been replaced with LED fittings. The outstanding fittings have been prioritised with a view to ensuring that all of our communal areas not only have LED fittings, but sensors are also fitted to reduce spend on communal electricity bills.

We have revisited our sites to ensure that we have the appropriate loft insulation in the appropriate spaces. We will also revisit and inspect the feasibility of cavity wall insulation. Some of the works were identified a number of years ago and have been concluded. The remaining outstanding works will be programmed and are included in our Forward Investment Plan.

We have begun replacing LED fittings in the homes of our tenants as and when they become void. We will update electrical sockets to ensure they are modern and incorporate USB charging points.

We will continue our journey to achieving net-zero emissions by 2050, by implementing our Forward Investment Plan. This will undergo regularly scrutiny and monitoring at Board level.



Cost of living

Building material prices remain a big concern for the UK. The construction materials shortage of the past two years appears to have eased, but prices remain high across a range of materials. The Construction Leadership Council (CLC) said, in November 2022, that inflationary pressures present the main challenge for companies that produce energy-intensive products such as glass, concrete, cement, plasterboard and bricks.

Meanwhile, rocketing energy price rises have put pressure on construction firms, as these companies pass on the impact of higher prices. Russia's invasion of Ukraine has caused significant disruption to supply chains and further sanctions to Russia now include eight other companies connected to metals production in Russia. Despite this, we will continue to ensure our homes are well maintained according to the relevant industry standards.

We have also seen an increase in costs in other areas such as telecoms, IT, day-to-day supplies such as cleaning materials, stationery, paper and furniture. We continue to liaise with suppliers at regular intervals to monitor any potential increases and to adjust our forecasting accordingly.

Regulatory obligations

We have a legal duty to ensure that the Association takes practicable steps to manage the health, safety and welfare of all tenants and employees, and to operate in such a way that the health and safety of visitors, to any premises under our control, is not put at risk.

The tragic fire at Grenfell in 2017, and the subsequent enquiry, have resulted in significant changes in regulation – not just in terms of fire, but in the way we engage, listen and respond to our tenants. The core theme of the Charter for Social Housing is that a home should provide safety, security and dignity, regardless who a tenant rents from. This has culminated in additional regulatory responsibilities, new tenant satisfaction measures, an improved complaints process, the removal of the 'serious detriment' tests and, last but not least, additional building and fire obligations. Understandably, additional regulatory requirements have led to an increase in costs and resources. We will continue to implement new regulatory obligations as they come into effect.

Changing profile of tenants

The Association has considered the current trends in housing for older persons and in the context of the national picture noted the following:

- The UK is undergoing an age shift. There are currently 11 million people aged 65 and over (or one in six). In 10 years' time this increases to 13 million.
- In 20 years' time, it will be around 17 million (or one in four).
- One in 10 UK homes is currently suitable for older people.
- Supported housing has not kept pace with the ageing population.
- Local authorities have reduced funding.
- More older people are living in social housing that has not been modified to cater for their needs.

Also of note, there appear to be two 'older people' sub-categories, who have different expectations:

Older people (75+ years):

- prefer in person contact/face-to-face meetings
- are less willing to travel to other schemes to receive services
- like to be involved and asked for their views, and
- would prefer dedicated, on-site staff.



Younger people (55+ years):

- embrace digital and expect 'speedy' responses
- are less likely to be involved, but happy to travel, and
- are less concerned about on-site staff, and happy with a named contact and regular communication.

The above trends are consistent with what we have learnt from our marketing analysis. Although it may present challenges, it also provides opportunities – allowing us to respond and offer choice, in the way we deliver our services.



4 Opportunities

Our USP

Our Unique Selling Proposition is that we continue to employ a Scheme Manager at each of our schemes. These managers continue to provide a delicate balance of support, scheme management, social events and other services that help us to deliver our objective of providing excellent support that meets the needs of our tenants and our local communities.

Unlike many of our competitors, we continue to employ Scheme Managers directly and most of them work full time. We will therefore be reviewing our publicity material and website to publicise this. At the same time, we will use the opportunity to update our website to be more interactive and review the imagery used, with a greater focus on independent living.

We recognise that some of our schemes may provide better services than others. Our challenge is to ensure consistency across all of our schemes, as well as to adapt to the changing demographic of new tenants who have differing needs and expectations, as identified in our market analysis.

There will be a review of professional training and development to consider the appropriate qualification and standards for social housing staff, including senior staff. The review will consider best practice for delivering support on mental health, to ensure staff maintain their skills and knowledge and, if required, set out new proposals for new qualifications.



Offering choice

To some extent, we remain a traditional organisation with an ethos that is firmly rooted in the provision of quality housing for 'older' people – albeit that the concept of 'older' people can be difficult to grasp, as everyone is getting older, and the demography and lifestyle of people as we age is also changing.

As an organisation, we too are constantly being asked to plan and deliver services that meet changing demands. Embracing change means that we must consider the benefits of traditional modes of operation, which we are keen to maintain, versus new ways of working, in order to ensure our longevity and attract new tenants from different sources who will be receptive to our offer.

This means that people who are currently aged 55 years will have to work for another 12 years before receiving a state pension. People are living longer. It is estimated that by 2039 there will be over eight million people aged 80 years and over. It is also estimated that there will only be 3.3 people working to support every person of pensionable age. For these, and many other reasons, our identity has evolved from sheltered housing to independent living – to more accurately convey the support, rather than care, services that we provide.

Many estimates or projections of population figures are based on modelling by the Greater London Authority (GLA), or derived from the Office for National Statistics (ONS). However, even the most conservative projections point to a significant increase in the number of older people in Bexley, Bromley and Lewisham. This seems beyond dispute and the following can be treated as illustrations of this.

The 2011 Census data indicated the number of households aged over 65:



- Bexley 24,761
- Bromley 34,634
- Lewisham 18,269

The GLA projected increases to 2032:

- Bexley 33,880 (+30%)
- Bromley 48,476 (+29%)
- Lewisham 29,900 (+52%)

An understanding of tenure, income and aspirations is crucial, as it cannot be assumed that the increase in the population of older people will be reflected in an increased demand for our accommodation. The most recent available data (based on the 2011 Census) describes the relative size of different sectors in which older people live:

The private rented sector in Bexley grew by 10% between 2011 and 2016, and most recent estimates

	Bexley	Bromley	Lewisham
Owner occupation	82%	82%	54%
Social rent	14%	13%	40%
Private rented sector	4%	5%	5%

suggest that it now represents 13.4% of dwellings and is probably still slowly increasing. Our review refers to 12.2% and found 11,931 households in the private rented sector. In the five-year period between 2013-14 and 2018-19, median private sector rents in Bexley increased by 25% and lower quartile rents by 29.4%. These increases were higher than the London average.

Information about tenants most recently rehoused by us indicates that a significant number have come from the private rented sector, with unaffordability a particular generator of applicants. This, then, is an important, and possibly growing source of referrals, despite being a relatively small pool of

people.

The market analysis went on to conclude that although it appears that our homes are particularly well managed and maintained, the layout of the flats means that there is little realistic prospect of bringing them up to HAPPI or Lifetime Homes standards. As such, they are probably typical of most social rented sheltered housing in London.

Our core rents plus service charges range from £159.61 to £189.03 per week. These are clearly cheaper than private sector median rents and well within the Local Housing Allowance. They may overlap with what some private sector tenants are already paying in the lower quartile.

At the time the market analysis was carried out, there had been 38 new lettings to our properties since April 2020. In addition, there was one internal transfer. In all, 14 lettings were from the private rented sector. The main reasons for needing to move to our schemes from their existing housing – or at least the push factors behind needing to move – appear to be:

- Affordability (i.e. mainly compared to private sector rents)
- Being asked to leave existing private rented accommodation
- Relationship breakdown
- Bereavement
- Unsuitability of current accommodation, e.g. for health or mobility reasons

At a time of growing housing need and of growing economic inequality, some people are settling for accommodation which matches their basic needs, but falls some way short of what they might aspire to. 'Preferred' or 'hoped for' might be useful concepts. The most obvious example is that many people going into homes for older persons would prefer the flats to be bigger and to have more storage.

Our analysis identified a number of groups of





potential tenants:

- People looking to downsize from social housing, possibly also for a more accessible or manageable home.
- People who find their current accommodation in the private rented sector unsuitable and/or unaffordable.
- Home owners who do not have sufficient capital to afford more suitable accommodation in the private market.
- People who are homeless or living informally with friends or family.

Our analysis told us that the needs and aspirations of potential tenants consisted of:

- Security of tenure – for many, the idea of a home for the rest of their life
- Physical security in a safe environment
- Well-managed and well-maintained homes
- Avoiding isolation and loneliness
- Affordability (including housing-related costs such as fuel bills)
- Suitable homes, with adequate accessibility and amenities
- Access to advice and assistance

Competition is from other housing association providers. They provide similar accommodation, at similar prices, for much the same group of people. In Bexley and Bromley, this may represent relatively more competition than in other London boroughs. In Lewisham, the ‘competition’ also includes the Council’s own provision.

The conclusion of the analysis identified a number of challenges, but, more importantly, successes. Our successes include:

- Avoiding excessive voids during a particularly difficult period
- Providing homes that are clearly well maintained and well managed
- Optimising staffing input with a focus on the

health and safety and well-being of tenants in their homes

- A steady programme of improving schemes
- Running a waiting list

In order to attract new tenants, we will be examining ways to give life to new tenant experiences. This will involve examining our feedback mechanisms so that we can explore the expectations of new and existing tenants, and review the satisfaction rates between them.

We will also take account of the difficulties that prospective tenants may experience – especially in terms of downsizing and attachment to belongings/ local areas. By understanding these factors, we will then look at real choices that can be offered to ensure a successful transition.

We will also look to update our communal areas to ensure they are modern and provide spaces tenants wish to use and enjoy, and which assist us in promoting our homes and services.

Partnership working

Partnership working with statutory and voluntary agencies remains crucial to the Association and its tenants. The current economic climate means that funding for statutory and voluntary organisations continues to decline. This means our role as a provider is extending beyond the provision of accommodation and support, with greater focus on tenancy sustainment.

To ensure we are best placed to meet this challenge, we continue to take part in joint strategic groups in the areas in which we operate, working with voluntary agencies to deliver seamless services that benefit our tenants. In particular, we will look to strengthen our relationships with providers of extra care, so that we are able to make the transition process more seamless for tenants who develop complex needs and who are unable to maintain their independence.

We will also strengthen our partnerships with organisations that focus on the health and well-being of our tenants, by promoting and ensuring that tenants are aware of the choices available. We will also continue to promote financial well-being, by signposting and holding events in partnership with credible organisations.

Summary of five-year business objectives

Our objectives over the next five years are summarised as follows:

1. Strategy and service delivery – To provide excellent support and services that meet the needs of our tenants and our local communities.

- Assess satisfaction rates, distinguishing between existing and new tenants and examining our feedback mechanisms, so that we can explore the expectations of new and existing tenants and review the satisfaction rates between them
- Understand our approach to digitalisation of our warden call systems to ensure they meet the needs of new and existing tenants
- Incorporate the new tenant satisfaction perception survey questions to ensure we meet our increased regulatory responsibilities
- Utilise technology to provide current and up-to-date information to tenants such as digital noticeboards and scheme/conferencing facilities
- Update our website, to attract potential new tenants with different expectations and give life to new tenant experiences
- Review our publicity material and website to ensure a greater focus on independent living
- Understand and assist those who have difficulty in downsizing and improve our offer by providing greater choice (e.g. in terms of kitchens and bathrooms, and modern communal facilities)
- Review targets for building safety and the Decent Homes Standards, to ensure compliance
- Review progress on the Sustainability Strategy annually, to ensure targets set as part of the Forward Investment Plan are met
- Explore partnership arrangements with other registered providers to achieve economies of scale in relation to the green agenda
- Review targets in relation to tenant satisfaction



2. Finance and growth – To ensure activities, improvements and changes in services are properly costed and planned to ensure that the Association remains financially viable.

- Plan and cost the renewal of telecare services across all of our sites, as a result of the ageing UK telephony network, to meet the demands of digital communications
- Improve energy efficiency by planning and implementing a programme to upgrade communal lighting to LEDS with sensors
- Regularly review the Forward Investment Plan (developed in line with our Sustainability Strategy) to ensure the timing of upgrading and 'retrofit' works coincides with the natural life expiry of related components
- Review the timetable and costs associated with the renovation of communal areas to ensure they take into account technological developments and energy efficiency, and meet the expectations of new and existing tenants
- Review our approach to the acquisition of new homes, balancing traditional methods of construction/refurbishment with modular construction
- Offer choice when replacing components such as kitchens and bathrooms, ensuring that choices are modern and based on appropriate design to utilise existing spaces
- Review our void specification and void works to ensure we incorporate energy efficient measures before properties are re-let
- Review our risk appetite/and any associated financial buffers
- Review existing covenants and securitisation
- Review capacity to develop/acquire a smaller number of homes

3. People – To invest in staff to ensure that every staff member has the skills to meet the needs of our tenants and to pre-empt the future needs of the Association by forward planning.

- Review professional training and development to consider the appropriate qualification and standards for social housing staff including senior staff
- Examine best practice for delivering support on mental health, to ensure staff maintain their skills and knowledge, and, if required, set out new proposals for new qualifications
- Review our approach to scheme activities and events to ensure they meet the requirements of tenants and enable us to continue our work in preventing social isolation and championing inclusion
- Review and ensure consistency in the way that all schemes are managed and empower Scheme Managers to provide good services

4. Community and well-being – To build strong links with community organisations and health services to ensure our tenants have access to a range and variety of local opportunities.

- Strengthen our partnership arrangements in the areas of health and well-being of our tenants, e.g. integrated care partners
- Work with our tenants to understand how to promote well-being and develop the tools used in promoting well-being
- Seek out opportunities in consultation with tenants to get involved with local communities



5 Implementation

Annual Operating Plan

As part of the strategic planning process, the Board sets annual objectives based on the strategic objectives in its Business Plan. These objectives are incorporated into the Annual Operating Plan. The objectives are then incorporated into the appraisal process for all staff, which is monitored by their line managers and the Board twice a year. The effective systems used to monitor and accurately report on the delivery of these plans consist of operational reports being prepared for all Board meetings and committees. Such reports are prepared in all key areas of activities such as finance, housing management, governance and resources.

Staffing

We recognise that staff play a key role in our continued success and development as the provider of choice for housing and support services within the community. We currently employ 13 staff. Seven of these are head-office based, whilst the remainder are scheme-based.

We continue to maintain low staff turnover by investing in staff with continuous professional training and development, and providing an open and collaborative working environment. Staff are remunerated at a median level comparable to the wider housing sector, to ensure adequate recruitment and retention can be achieved. We will continue to invest and support our staff by offering a comprehensive approach to learning and development, and by implementing a pay policy that enables us to retain and attract good quality staff.



Technology

We have embraced technological advancements across all areas of our business and services. Where appropriate, we have:

- Enabled Wi-Fi connectivity in the majority of our tenants' homes
- Provided training and information for tenants on exploring preventative measures to protect them from online scams and the misuse of their personal information, when using online services
- Updated our internal systems to enable staff to work remotely
- Upgraded our office telephony system, which has enabled VOIP capabilities

We will continue to explore and embrace the use of technology further, by examining how we can operate more effectively and efficiently, with the ultimate goal of improving services to tenants.



Monitoring performance

The effective systems used to monitor and accurately report on the delivery of this plan, consist of Board and Committee reports produced on a quarterly basis, covering key areas of activity such as finance, housing management, governance and resources. In addition, the Board monitors performance on a quarterly basis against agreed Key Performance Indicators to reflect the five themes of:

- Keeping properties in a good state of repair
- Maintaining building safety
- Respectful and helpful engagement
- Effective handling of complaints
- Responsible neighbourhood management

Annual Operating Plan objectives are incorporated into staff appraisals and monitored at regular support and supervision meetings.

Each year, we publish an annual report, which incorporates information on service quality outcomes and performance, benchmarked against other registered providers.

We regularly engage with tenants to assess service quality via various feedback mechanisms and surveys, which are reported to the Board and its Tenant Engagement Scrutiny Panel.

Performance is monitored as part of our tenant involvement structures, within an agreed framework decided in consultation with the relevant tenant body.

We publish the outcome of KPIs and relevant health and safety reports/outcomes to all tenants in our newsletters.

Regulatory returns are submitted to the Regulator of Social Housing and the Financial Conduct Authority as well as the Charity Commission, as and when required.

Despite no requirement to do so, due to the size of the Association, we continue to carry out an internal audit of financial and non-financial controls under the direction and control of our Audit and Risk Committee.



6

Company and management summary

Our history

The Association is committed to *“providing cost-effective, efficient and caring services that meet the needs of its tenants in new and existing areas of operation, and enable people who require housing with support to live a normal and independent life as possible within the community”*.

We have been providing housing and support to older persons since the 1970s. Since that time, the Association has continued to grow. We now own and manage 199 units of accommodation, and work in partnership with the London Boroughs of Bexley, Bromley and Lewisham.

The beginnings of the Association started with a lady called Evelyn Rogers, who was a local resident. Mrs Rogers used to pass the site at Mottingham daily and was intrigued by some building works that were going on. It turned out that British Petroleum (BP) was building a petrol station on the site and had a piece of land that was surplus to their requirements. The use of the surplus land was taken up with BP, who agreed to lease it for the sum of £3,000. Evelyn Rogers Court was built and now provides 18 self-contained flats for older persons in the London Borough of Bromley.



Ursula Lodges, a scheme providing 42 self-contained homes in the London Borough of Bexley, began as a Trust that was responsible for six almshouses. Ursula Lodges Trust was transferred to CSHA at no

cost, on the proviso that the new Trustees would maintain six residences for maiden ladies. The Trustees are made up of the Chief Executive, the Chair of the Board, the Chair of the Audit and Risk Committee and one other Board member.



The site at Bertha Hollamby Court was occupied by seven cottages owned by Bertha Hollamby. Mrs Hollamby donated the site to the Association and all the existing tenants were rehoused while the new building was being constructed. Situated in Sidcup, in the London Borough of Bexley, the scheme currently provides 31 self-contained flats.

In 1984, the Association built Stanley Glynn Court, with 20 self-contained internal flats, at the Bushell Way site in the London borough of Bromley. An additional 37 properties are located in and around Bushell Way and Invicta Close. The scheme currently provides a total of 58 self-contained properties.



Blackmore House started out as a site providing accommodation for the homeless. It was refurbished as a sheltered housing scheme and was acquired by the Association in April 2013. This scheme, which is situated in the London Borough of Lewisham, provides 16 self-contained one-bedroom flats.

Lingwood, a sheltered housing scheme built in the 1960s, has always provided accommodation and support to older persons in the borough of Bexley. This scheme has 29 self-contained homes and was acquired by the Association on 5 October 2015.



Legal status

Chislehurst and Sidcup Housing Association is a Registered Society under the Co-operative and Community Benefit Societies Act 2014 (registration number 17650R) and has charitable objectives. It is regulated by the Regulator of Social Housing.

The Association has a subsidiary called Ursula Lodges Trust, which is itself a charity, registered with the Charity Commission (charity registration number 261419). Its purpose is to provide accommodation and support to spinsters of the Parish, for which they pay a contribution. Six flats at the Ursula Lodges Trust sheltered housing scheme are assigned for this purpose.

Governance structure

The Board has ultimate responsibility for the governance of the Association. Its central role is to lead, direct, control, scrutinise and evaluate our work. This includes determining strategic direction and policies, establishing and overseeing control and risk management frameworks, satisfying itself on the integrity of financial information and ensuring that the Association achieves its aims and objectives.

The foundation of good governance is that there should be a balanced, diverse and effective Board, which leads and controls the organisation and complies with its legal requirements. The Board is responsible for ensuring that the Association upholds the following four principles:

- **Mission and values** – The Board sets and actively drives the organisation's social purpose, mission, values and ambitions, and through these embeds within the organisation resident focus, inclusion, integrity, openness and accountability
- **Strategy and delivery** – The Board sets ambitions, plans and strategies, which enable the organisation to fulfil its social purpose and remain viable and sustainable, and exercises demonstrable and effective oversight of its delivery
- **Board effectiveness** – The organisation is led by a skilled and diverse Board, which regularly reviews and capably manages its own performance and effectiveness, and ensures that it complies with its Code of Governance
- **Control and assurance** – The Board actively manages the risks faced by the organisation, and obtains robust assurance that controls are effective, that plans and compliance obligations are being delivered, and that the organisation is financially viable

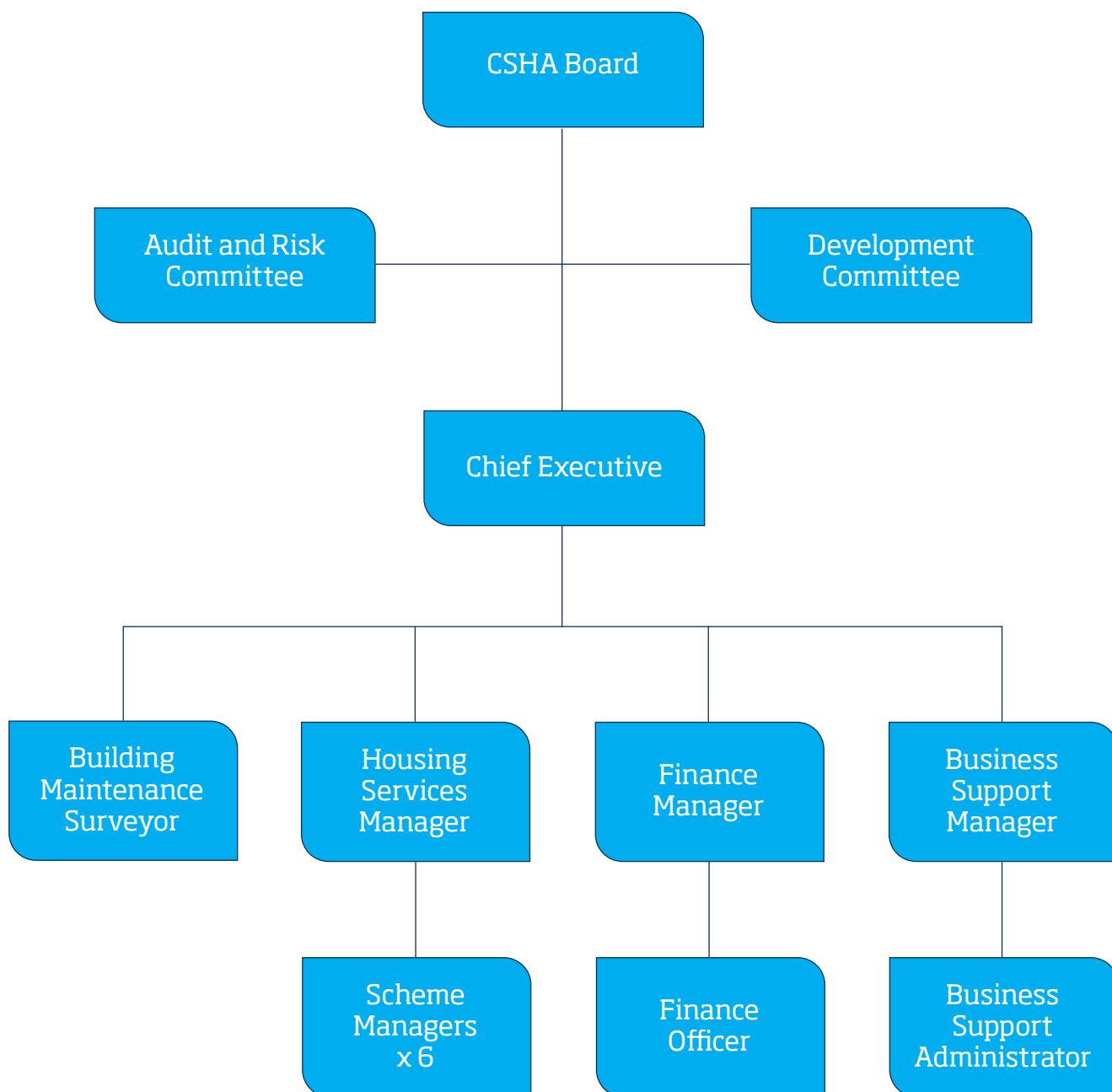
The Association is run by a voluntary Board, consisting of not more than 12 members, as per its Rules. The Association has adopted the Model Rules (2015 edition) produced by the National Housing Federation. The Association's Board adopts and complies with the most up-to-date Code of Governance produced by the National Housing Federation (2020 edition). Details of existing Board members, and a summary of their skills and experience, is available upon request.

Management structure

The Association is led by a Chief Executive, who has four direct reports: a Finance Manager, Building and Maintenance Surveyor, Housing Services Manager and Business Support Manager.

Six Sheltered Housing Managers report to the Housing Services Manager. The Association also employs a Business Support Administrator, who reports to the Business Support Manager and a Finance Officer, who reports to the Finance Manager.

Governance and management structure



Financial management and forecast

Overview of financial management

The Board has the ultimate responsibility for ensuring that the Association remains financially viable and safeguards its assets. The Association has a regulatory obligation to manage its resources effectively, to ensure its viability is maintained, while ensuring that social housing assets are not put at undue risk. In order to achieve this, the Association has an appropriate, robust and prudent business planning, risk and control framework. The Risk Strategy and framework address and ensure the following:

- There is access to sufficient liquidity at all times.
- Financial forecasts are based on appropriate and reasonable assumptions.
- Effective systems are in place to monitor and accurately report delivery of our plans.
- The financial and other implications of risks to the delivery of plans are considered.
- We monitor, report on and comply with our funders' covenants.

The Association monitors that it has sufficient liquidity at all times, by preparing regular Statements of Financial Position (which show cash and cash equivalents), as well as preparing quarterly reports for the Board and Audit and Risk Committee.

Financial forecasts are based on appropriate and reasonable assumptions, based on accrual-based accounting.

The effective systems, which are used to monitor and accurately report on the delivery of these plans, consist of operational reports being prepared for all Board meetings and committees. Such reports are prepared on the all key areas of activities, such as finance, housing management, governance and resources. Financial reports are presented at each Board and Audit and Risk Committee. The Audit and Risk Committee is responsible for the scrutiny and recommendation



of these reports to the Board. The report areas cover income and expenditure for the period, explanations for variances and other matters which may affect the organisation's financial viability.

The financial and other implications of risk to the delivery of plans are considered as part of the objective-setting process and the review of the strategic objectives are set out in the Association's Business Plan. The appropriate risk management framework continues to be robust. Details are set out in the Association's Risk Strategy. All risks have been identified and are documented in the risk map. The risk map, which contains all risks facing the Association, is presented to the Audit and Risk Committee for scrutiny twice a year, with any changes or additions of new risks clearly identified. After rigorous scrutiny, the risk map is presented to the Board for further scrutiny and approval.

The Association continues to monitor compliance with the covenants it has with funders, at every Board and Audit and Risk Committee meeting.

In addition to the above, the Association assesses, manages and where appropriate addresses risks, to ensure the organisation's long-term viability, including ensuring that social housing assets are protected. It does this by:

- Maintaining a thorough, accurate and up to date record of its assets and liabilities – and particularly those liabilities that may have recourse to social housing assets
- Carrying out detailed and robust stress testing against identified risks and combinations of risks across a range of scenarios and putting appropriate mitigation strategies in place as a result
- Ensuring that we understand and manage the likely impact on current and future business and regulatory compliance, before taking on new liabilities



Financial assumptions

- Rents will increase by 2.5% year on year until 2027.
- Service charges are expected to increase by 7% year on year until 2027.
- Support charges are expected to increase by 4% year on year until 2027.
- Expected rent losses are calculated as 1% of the rental income each year to 2027.
- Management costs are expected to increase by 2% year on year until 2027.
- Routine repairs costs are expected to increase by 7% year on year until 2028.
- Major repairs are expected to remain static at £100,000 from 2024 to 2027.
- Bad debts are expected to remain static at £8,000.
- Service costs are expected to remain static or increase by 7% year on year until 2027.
- Support costs are expected to remain static or increase by 4% year on year until 2027.

Financial forecast

The financial forecast detailing the following is attached as Appendix A to this document.

- Statement of comprehensive income
- Statement of financial position
- Cashflow forecasts
- Adjustments to cash flow
- Breakdown to financial statements
- Assumptions and notes.

Appendix A

Five-year forecast

2023-2028

Statement of comprehensive income

Years ending 31 March 2023 to 31 March 2028

	2023	2024	2025	2026	2027	2028
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Turnover	1,712,988	1,838,576	1,901,620	1,985,333	2,064,963	2,148,699
Less: operating costs	-1,432,469	-1,559,161	-1,625,751	-1,694,281	-1,767,012	-1,844,225
Operating surplus	280,519	279,415	275,869	291,053	297,951	304,475
Interest receivable	22,167	20,000	21,000	22,000	23,000	24,000
Interest payable	-99,105	-98,000	-95,900	-92,000	-88,000	-85,200
Net surplus	203,581	201,415	200,969	221,053	232,951	243,275
Reserves at start of FY	2,875,761	3,056,441	3,257,856	3,458,825	3,679,878	3,912,829
Other comprehensive income	-22,901	0	0	0	0	0
Reserves at end of FY	3,056,441	3,257,856	3,458,825	3,679,878	3,912,829	4,156,103
<i>PBIT covenant test</i>	3.05	3.58	3.68	4.16	4.58	4.98
<i>EBITDA covenant test</i>		4.26	4.49	4.84	5.30	5.72
<i>PBIT movement on surplus test</i>		193,415	193,369	214,053	226,451	236,975
<i>EBITDA movement on surplus test</i>		254,415	254,369	269,053	279,951	288,975

Statement of financial position

Years ending 31 March 2023 to 31 March 2028

	2023	2024	2025	2026	2027	2028
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
TANGIBLE FIXED ASSETS						
Cost	9,059,243	9,073,782	9,138,852	9,238,340	9,348,955	9,453,659
Less: depreciation	-3,117,516	-3,285,516	-3,462,516	-3,627,516	-3,792,516	-3,957,516
	5,941,727	5,788,266	5,676,336	5,610,824	5,556,439	5,496,143
Other fixed assets	120,392	140,000	138,000	138,000	138,000	138,000
	6,062,119	5,928,266	5,814,336	5,748,824	5,694,439	5,634,143
CURRENT ASSETS						
Debtors	51,262	40,000	45,000	41,000	28,000	36,000
Cash & cash equivalents	1,187,952	1,316,741	1,465,441	1,610,425	1,762,860	1,920,231
	1,239,214	1,356,741	1,510,441	1,651,425	1,790,860	1,956,231
Less: creditors due within 1 year	-252,907	-301,800	-287,000	-292,000	-301,000	-322,000
NET CURRENT ASSETS	986,307	1,054,941	1,223,441	1,359,425	1,489,860	1,634,231
TOTAL ASSETS LESS CURRENT LIABILITIES	7,048,426	6,983,207	7,037,777	7,108,249	7,184,299	7,268,374
Less: creditors due after 1 year:						
Housing loans	-1,533,746	-1,432,346	-1,323,946	-1,211,366	-1,092,466	-971,266
Pension debt liability	-127,000	0	0	0	0	0
Grant - deferred income	-2,331,239	-2,293,005	-2,255,005	-2,217,005	-2,179,005	-2,141,005
TOTAL NET ASSETS	3,056,441	3,257,856	3,458,826	3,679,878	3,912,828	4,156,103
REVENUE RESERVES AT START OF YEAR	2,875,761	3,056,441	3,257,856	3,458,825	3,679,878	3,912,829
SURPLUS IN YEAR	203,581	201,415	200,969	221,053	232,951	243,275
GAINS/(LOSSES) FROM PENSION	3,000	0	0	0	0	0
INVESTMENT REVALUATION RESERVE	-25,901	0	0	0	0	0
SHARE CAPITAL	0	0	0	0	0	0
	3,056,441	3,257,856	3,458,825	3,679,878	3,912,829	4,156,103

Statement of cashflows

Years ending 31 March 2023 to 31 March 2028

	2023	2024	2025	2026	2027	2028
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Surplus for the year	203,581	201,415	200,969	221,053	232,951	243,275
Adjustments for non-cash items	48,911	110,374	119,130	104,931	102,485	101,096
Net cash generated from operating activities	252,492	311,789	320,099	325,984	335,436	344,371
Cash flows from investing activities: purchase of housing property components	-106,322	-20,000	-103,400	-110,000	-110,000	-110,000
Purchase of other fixed assets	-90,822	-100,000	-4,000	-5,000	-5,000	-5,000
Interest received	22,167	20,000	21,000	22,000	23,000	24,000
Net cash (outflow) from investing activities	-174,977	-100,000	-86,400	-93,000	-92,000	-91,000
Cash flows from financing activities: repayment of borrowings	-91,427	-83,000	-85,000	-88,000	-91,000	-96,000
Net cash (outflow) from financing activities	-91,427	-83,000	-85,000	-88,000	-91,000	-96,000
Net increase/(decrease) in cash & cash equivalents	-13,912	128,789	148,699	144,984	152,436	157,371
Cash & cash equivalents at start of FY	1,201,864	1,187,952	1,316,741	1,465,441	1,610,425	1,762,860
Cash & cash equivalents at end of FY	1,187,952	1,316,741	1,465,441	1,610,425	1,762,860	1,920,231

Adjustments to cashflows

Years ending 31 March 2023 to 31 March 2028

	2023	2024	2025	2026	2027	2028
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Cash flows from operating activities						
Surplus for the year	203,581	201,415	200,969	221,053	232,951	243,275
Adjustment for non-cash items:						
Unrealised gain/(loss) in investment	-25,901	0	0	0	0	0
Depreciation of housing properties	168,999	168,000	177,000	165,000	165,000	165,000
Depreciation of other fixed assets	24,363	23,000	22,000	21,000	20,000	19,000
Grant amortisation	-38,234	-38,234	-38,234	-38,234	-38,234	-38,234
Interest payable	99,105	98,000	95,900	92,000	88,000	85,200
Interest receivable	-22,167	-20,000	-21,000	-22,000	-23,000	-24,000
Decrease/(increase) in debtors	-5,681	-1,500	-1,500	-1,500	-1,500	-1,500
(Decrease)/increase in creditors	-51,165	-22,500	-22,500	-22,500	-22,500	-22,500
Interest paid	-100,408	-96,392	-92,536	-88,835	-85,281	-81,870
Total adjustments for non-cash items	48,911	110,374	119,130	104,931	102,485	101,096
NET CASH GENERATED FROM OPERATING ACTIVITIES	252,492	311,789	320,099	325,984	335,436	344,371

Breakdown for financial statements

Years ending 31 March 2023 to 31 March 2028

	2023	2024	2025	2026	2027	2028
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Turnover						
Rents receivable	1,050,927	1,138,082	1,166,534	1,195,697	1,225,590	1,256,230
Service charges receivable	509,859	573,530	613,677	656,634	702,599	751,781
Support charges	121,798	105,802	110,034	114,435	119,012	123,773
Less: rent losses from voids	-7,830	-17,071	-26,859	-19,668	-20,472	-21,318
Net rents receivable	1,674,754	1,800,342	1,863,386	1,947,099	2,026,729	2,110,465
Amortised government grants	38,234	38,234	38,234	38,234	38,234	38,234
	1,712,988	1,838,576	1,901,620	1,985,333	2,064,963	2,148,699
Operating costs						
Management costs	420,232	428,637	437,209	445,954	454,873	463,970
Routine maintenance	235,056	251,510	269,116	287,954	308,110	329,678
Major repairs	36,938	100,000	100,000	100,000	100,000	100,000
Bad debts	4,264	8,000	8,000	8,000	8,000	8,000
Service costs	445,182	476,345	509,689	545,367	583,543	624,391
Support costs	121,798	126,670	131,737	137,006	142,486	148,186
Depreciation of housing properties	168,999	168,000	170,000	170,000	170,000	170,000
	1,432,469	1,559,161	1,625,751	1,694,281	1,767,012	1,844,225

Assumptions and notes

Years ending 31 March 2023 to 31 March 2028

Turnover

Rents are forecast to increase by 2.5% (being 1% + CPI per annum)

Service income is expected to rise by 7% per annum

Operating costs

The analysis of operating costs is shown on page 6. Operating costs for 2024 are based partly on the 2020 budget, and partly on actuals ytd.

From 1 April 2025, operating costs are expected to rise by 7% per annum, except for: (a) major repairs which is set at £100k per annum,

(b) housing properties depreciation which has been estimated using component accounting information, and

(c) management costs which are expected to rise by 2%

Interest receivable and interest payable

Interest receivable assumed a slight incline in rates after 2024 with increments of £1k on the total interest receivable coming from the COIF fixed rate investment and base rate reward each year

For interest payable, see note 8

Housing properties cost, depreciation, and deferred grant income

a) Housing cost to be increased on average by the budgeted cost to spent on the component replacement programme

b) Depreciation is estimated based on component accounting information

c) Deferred grant amortisation is fixed each year at £38,234

Other fixed assets

This is comprised of the office freehold land and buildings' furniture and equipment.

There is a large amount in the year for 2024 for the addition of the new pullcord system install at Ursula Lodges

Additions and annual depreciation is estimated to be £5,000 per annum after 2025

Debtors

Debtors are expected to fluctuate somewhat throughout the forecasts, using previous forecast information

Creditors falling due within one year

This comprises of estimated loan capital to be repaid within a year, as well as other creditors and accruals

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