

# Hilldale

## *Business Strategy 2023-2026*



“

*To provide and manage high quality homes for people who need additional support.*

”

Hilldale Housing Association





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# Welcome and introduction

*Chair and Managing Director*



*JAMES BOYD*

*JAMES PLACE*



***Welcome to Hilldale Housing Association's Business Strategy 2023-26.***

***This sets out our areas of focus for the next 3 years which will enable us to fulfil our purpose.***

**In 2023, we launched our three-year Business Strategy. Within the first 12-months, Hilldale experienced several key changes and we have updated the Strategy to reflect our new strategic environment.** The key changes include the Regulator for Social Housing launching a new regime of standards and inspections. In July 2023, we also welcomed James Place as our new Managing Director. As a Registered Provider of more than 1,000 homes, Hilldale is focused on adapting to these changes and continues to have a much better understanding of the challenges that we face and the opportunities to move the business forward.

Our membership of the Change Housing Group continues to provide us with both strategic and operational support. We have approved the basis on which we will grow the business in the future to help build on our strengths but also to create solutions in partnerships with Commissioning bodies where a local need has been identified. This needs-based approach ensures that we are building quality and sustainable solutions in the right place and in the right way to meet the need now and into the future. We look to grow in



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partnership with high performing Care Providers where quality is recognised by Commissioning bodies and CQC inspection ensures that to be the case into the future.

The business has a relentless focus on getting the basics right and listening more to the views of Customers and our key stakeholders. We are building a culture of transparency and accountability so that we understand the needs of those who depend on us and use their views to constantly improve the services we provide. The Board and Executive have implemented new mechanisms to support with achieving our strategic objectives, these include a Customer Committee, Tenants Voice Panel and Feedback Forum. Our first year of Tenant Satisfaction Measures are published on our website and with the Annual Tenants Report. The satisfactions survey provided invaluable tenant insight of our strengths and weaknesses, and we will work with them to focus in and improve on these areas.

The Board and Executive continue to focus on meeting the Regulatory requirements particularly around long-term financial viability and new standards. Whilst we continue to make great progress across our Governance since our Regulatory notice in March 2021, the long-term

lease model presents a legacy lease liability and challenge that we will continue to address and reduce through work with our Head Landlords and in line with our Funders Strategy.

In developing the Strategy, we consulted with staff, took the views of stakeholders, and drew reference from the opportunities and challenges that are around us. This Strategy underpins our commitment to provide more homes for Customers, invest in existing homes to maintain standards, and transform our business to ensure that it remains focused on our Customers and that their voices are heard and acted upon throughout the organisation.

We are proud of the work that Hilldale does, the opportunities that it has provided to Customers who needed a home with some support to help them live independently. We thank the many partners who work alongside us to make this possible and colleagues for their dedication. We know that our plans are challenging, we have a lot to do over the remaining two years of this Strategy but with the support of our partners, Board, colleagues and Tenants we are continuing to make a difference to many people's lives.

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***We are proud of the opportunities we provide for Customers who needed a home with some support to help them live independently.***

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**JAMES BOYD  
JAMES PLACE**

# About **Hilldale**



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## *The sole purpose of our existence is to provide high quality housing to people who need additional support.*

**We only provide homes for people who need help to live more independently, in their own home, in their own community and who would otherwise have difficulty finding a home elsewhere.**

*We offer homes for life, or for as long as Tenants need and want our services.*

**Hilldale was established in 2009 recognising that there was a gap in accommodation with support to meet the needs of people in Wigan.** Since becoming a registered provider in 2013 the organisation has grown quickly, and the experience of Hilldale and its housing and care solutions has been used in many Local Authority areas to meet demand. Those bespoke housing solutions now provide Tenancies for over 1000 people who benefit from the high-quality accommodation and wrap around support. We now work across 58 local authorities areas.

We acquire accommodation through a long lease model where funders and head landlords provide the buildings and we enter a lease to use the building, offer homes for life that we then manage and maintain.

**As a Registered Provider of specialised supported housing (SSH) our housing management goes above and beyond what traditional landlords do** ensuring that when people have challenging behaviours, we can work with partners to ensure that the tenancy remains sustainable, and the support needed is provided to achieve that. We have recently expanded our portfolio to address the needs of people who have either been homeless, threatened with homelessness or fleeing domestic violence. This in partnership with Quays Housing, experts in that field and who are also members of the Change Group.

We ensure that care and support is provided to Tenants at our schemes through service level agreements with Care Providers. These partnerships are important to all parties to ensure that the scheme is working well and that we remain focused on the best outcomes and service for the Tenants. **Hilldale employs just 14 staff directly** with other key support services coming from the Group. These include Finance and Asset Management, Systems Management, HR, and ICT. **All those who work at Hilldale or on the Board are passionate about what we do here and the difference that our work can make to people's lives.** Not just those that go on to sustain a tenancy but also the wider families who know that their loved ones are safe and secure.

**Building a stronger organisation is part of what this Business strategy is about and that will ensure our continued success.**

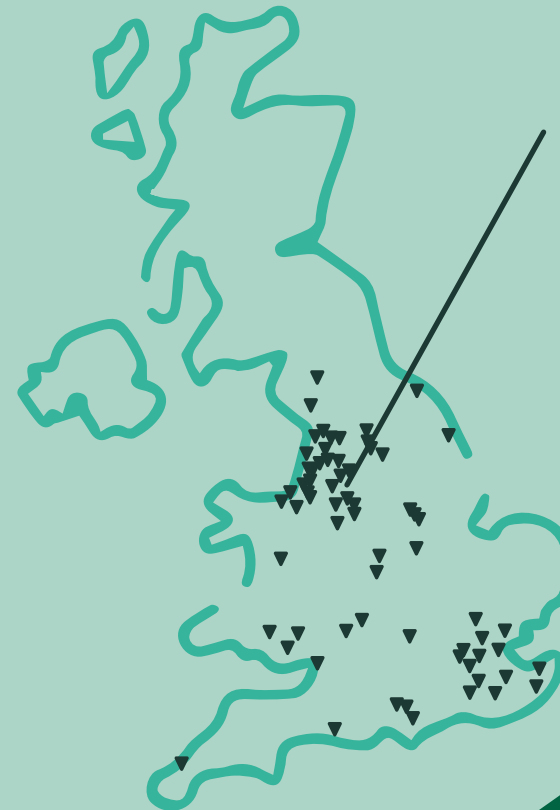
## Where we work and how we operate

*The map shows the extent of our geographical coverage, this has expanded over the last few years to take advantage of opportunities to use our housing solutions to meet local need.*

Our Housing Officers cover geographical areas and provide that essential connection with our Customers and the Care provider teams that work from the schemes themselves. The identification of officers for schemes enables the development of close working relationships. **We operate on an agile platform and the availability of new technology enables the team to work from home, out at the schemes or in the office dependant on the operational requirements.**

Due to our geography the delivery of the repairs service, by the in-house team, is supported in some areas by external contractors. We also use external contractors for more specialist work like Compliance. Our expectation is always that the service quality is excellent regardless of whether our own team or external contractors are involved.

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*Our Head Office is located in Salford and the Northwest remains the place where most properties are located and is our focus for future growth.*





## Our Customers

*We want to be trusted and ensure that we get the basics right, to listen and to change the way we deliver services.*



The Board and Hilldale team remain focussed on improving our services by listening and learning from the views of our Customers and stakeholders. To accelerate progress in this area, we have invested in focussed resources to help deliver our Involvement strategy.

**Our Customer profile is wide and varied** and the one thing that they all have in common, beyond their tenancy with Hilldale, is that they all matter to us and we want to do the best we can for each and every one. We exist to provide good quality housing but with help and

support so that our Customers can live as independently as possible. For some that support needs to be in place 24/7 in a safe and adapted environment whilst for others support is a lighter touch. For many Customers, the chance to become a Tenant in one of our homes is the first time they have been able to live independently of institutional care or away from their families.

Whilst some Customers have complex needs and challenging behaviours, we provide a service and accommodation that aims to meet those challenges with respect and the offer of a great service to them in their homes. **The views of all our Tenants are important** and we will work over the lifetime of this strategy to continue to develop our approach to capturing the views of our Tenants and using their voice to improve the things that we do. We will look to face that challenge with a mixture of tried and tested ways blended with use of technology and new and innovative methods of communication that reaches out to a wide range of abilities.

**Our success relies on the relationships that we have with our Care Providers**, and it is the strength of that partnership that ensures that we can together provide a quality housing and care service to make for a successful tenancy and long-term independence. Often advocating for Tenants our Care Providers are a vital part of that Tenants voice being heard and we will strengthen our connection with them on this.

# Change Housing Group

*In November 2020 Hilldale took the decision to move into the Change Housing Group. Since that time, it has been supporting Hilldale to deliver its transformational plan and ensure all the Regulatory requirements are being met.*

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## **The Group has 4 key objectives**

- Delivering great Customer experience
- Safe decent and sustainable places for people to live
- Growth, because we grow in resilience and influence as we get bigger
- Strong foundations - financial, governance and compliance

**The Board of Change is made up of 2 Board members from each of Hilldale and Quays (its subsidiaries) alongside 2 from the main parent group Foursynergy.**

Hilldale obtains services from the Group in the areas of Asset Management (including repairs), Finance, Customer engagement, Human Resources, Performance information and systems and ICT. The detail of each service is included in a Service Level Agreement that is reviewed annually for value for money.



**Change  
Housing**

Protect. Improve. Build.

# Strategic vision and priorities



## Purpose

*The sole purpose of our existence is to provide high quality housing to people who need additional support. We only provide homes for people who need help to live more independently, in their own home, in their own community and who would otherwise have difficulty finding a home elsewhere. We offer homes for life, or for as long as Tenants need and want our services.*

## Our Values

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### Honesty

- We do what we say we will do.
- We never mislead.
- We acknowledge mistakes, fix them, and learn from them.



### Empathetic

- We care about Hilldale, our Customers and colleagues.
- We take time to understand people's individual needs.
- We want to share and celebrate changes in people's lives.



### Accountable

- We do not hide from our responsibilities as individuals, a team or as a business.
- We build trusted relationships.
- We offer value for money.



### Respectful

- We treat everyone with respect and dignity.
- We value and actively encourage diversity.
- We put Customers and communities at the heart of all we do.
- We want to look after our planet.



### Teamwork

- We are one team.
- We share goals, ambitions, and targets.
- We are committed to strong leadership.

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*"To provide and manage high quality homes for people who need additional support."*





# Strategic Objectives

*Great customer experience*

*Maximising occupancy*

*Operational efficiency*

*Achieving best practise*

*Making quality investments*

*Growth and diversification*





## **Great Customer experience**

**We aim to achieve high levels of Customer satisfaction by maintaining our focus on providing a home and services that meet their needs.** Recognising the challenges that Customers face we will work with their advocates and our Care Provider partners to ensure their voices can also be heard. **We will promote a Customer centric culture,** give great experience and operational excellence. We will review, with our Customers, the service standards and publish these as our Hilldale promise. We will monitor our performance and report to our Tenants and stakeholders.

We will capture Complaints, Compliments and Comments about our service and demonstrate that we use these to improve the way we offer services.

We will demonstrate our commitment to and delivery of great experience by adopting the National Housing Federation Together with Tenants Charter.

Our success measure will include:

- ***Compliance with the Together with Tenants Charter***
- ***Customer enquiries resolved at the first point of contact***
- ***Top quartile Customer satisfaction***

We want to ensure that we can offer the best services at the right price. In order to achieve that last year we:

- ***Reviewed all our services and service charges to you***
- ***Renewed our Housing Management System making major improvements to data security and the way we work for the same annual cost***
- ***Agreed to a new way of delivering the repairs service in the South of England that will improve the speed of repairs, reduce costs and increase satisfaction.***

*The Old Printers, Sandbach.  
Converted August 2021*



## *Maximising occupancy*

**We aim to have 95% occupancy on all schemes as an average across a rolling 12-month period.** This will be achieved with the help of quality management data and a focus of resources in the business in this area. Resources have been increased through moving into the Change Group which is providing enhanced and more efficient management reporting and housing management support.

We will through our Asset Management strategy review the performance of schemes and undertake sustainability assessments to improve performance, reconfigure assets or dispose of ones that cannot realistically meet the target. The move into the Change Group increases our capacity to complete this work.

We will target day to day resources to ensure that void properties are available to let and attractive to potential Tenants. We performance monitor Care Providers and provide effective management of the Service Level Agreements to ensure that void periods are kept to a minimum. We will through our intensive management service look to prevent Tenancy failures by providing support as required. Where Tenancies end, we will use the information to inform future approaches to prevent termination and improve sustainability.

Our success measures will include:

- ***Increasing occupancy rates to 95%***
- ***Reducing or transforming underperforming schemes***
- ***Reducing turnaround times for voids***





## Operational efficiency

**We will ensure that that we can deliver efficient service that can demonstrate value for money and the essential high levels of Tenants satisfaction.**

We will set ourselves stretching targets and will monitor performance and report against these. Within the Group and against comparable organisations outside we will benchmark our costs and performance.

A range of key performance indicators will be monitored and the performance against these will be published to our Tenants. Our systems will enable us to have real time information to manage our services on a week-by-week basis. We will employ people who embrace our culture and values, live the behaviours and we will develop them to achieve their full potential.

We will ensure that services received through agreements or contracts can be measured and monitored for both quality and cost. We will continue to drive out waste, improve our repairs service and ensure our housing management software enables and innovates.

Our success measure will include.

- **Reducing average operational costs**
- **Delivering high quality value for money services**
- **Meeting our financial targets**



## *Achieving best practice*

**We will deliver strong corporate Governance and Leadership. We will, achieve financial viability through sound management, by being efficient, by being clear about our priorities and working effectively to deliver these, whilst looking to diversify the model in the medium-term.** We will review our approach to governance and ensure that we have the right leadership, skills, and structures to deliver on this strategy. The Board has adopted the NHF Code of Governance 2020, compliance with this code will be published with our annual report, with an explanation given for any non-compliance. As part of the Group, we will benefit from additional support and expertise in the area of governance and internal audit both by adding capacity but also increasing our 3rd line assurance. We will meet the Regulatory Standards as a minimum and always look to improve on the services that we are providing being clear in our annual operational plans. We will on an annual basis conduct a self-assessment against the regulatory standards reporting the outcomes to the Board.

**We will listen to the Tenant voice and use a variety of ways to capture this to improve the services we provide.** We will create innovative ways to capture the views of our partners and translate that into more efficient partnerships and greater results on the ground.

We will continue to focus on fire safety, mould and damp and other compliance responsibilities ensuring that our Tenants and their homes remain safe. Third party assurance will be provided to the Board to confirm this position. We will invest in our people, our systems and technology to ensure that we have the skills, capacity, and capabilities to deliver our plans.

**We will measure what we do and compare ourselves to the best in class.**

We will work closely with other partners in the Group to share good practice and co design services and solutions together.

Our success measures will include:

- ***Code of Governance compliance***
- ***Compliance with regulatory standards***
- ***Listening to Tenants views and acting on them***

*Bay Tree House, Torquay.*



## ***Making quality investments***

**We will actively manage our assets and continue to invest to maintain the quality of existing homes and facilitate early intervention when needed.** We will introduce a Hilldale standard ensuring that all homes meet that and develop a plan to address fuel poverty.

We will ensure that the **30-year Asset Management plan is kept up to date** and that it includes data on Tenants' satisfaction with the home.

**We will work with our superior landlords** to ensure that assets continue to meet the needs of our Tenants, Local Authority Commissioners, and other partners. Where they do not, we will review the viability and provide an options appraisal.

**We will invest in our Repairs Team** as we feel that the in-house service gives us greater control of a key service and creates added value opportunities. Tenant access to the repairs service will be improved through digital routes. We will invest in the digital route to the repairs service for contractors helping to reduce costs and visibility of repairs progress and performance.

Our success measure will include:

- ***Compliance with the home standard***
- ***Delivering a 5-year investment programme***
- ***Improving energy efficiency***



*Sovereign Court, Huddersfield.  
Converted 2021*



## ***Growth and diversification***

**We will provide 150 new homes over the next 3 years and exceed this target if we can.** Our Growth strategy sets out the conditions and **“golden rules”** that needs to be met for any new growth. This appraisal model ensures that we are needs led with Commissioner support and that the quality of any investment will **ensure long term sustainability and viability.**

We will continue to focus our attention for new development in the Northwest, Midlands and the M62 Corridor where our established and management and maintenance services can provide high quality services and bespoke housing solutions in a cost-efficient way. We will though be happy to look at and work with Local Authorities or Care Providers where long terms strategic partnerships can be developed.

**We have moved away from the traditional long lease model** and its exposure to risks. With changes in the financial market, we can now use leases in a way that manages our risks and mean that should assets become unsustainable over time we can exit from them. Longer term and working with the wider Change Group we will look to create access to funding through the Group to fund property acquisitions rather than long leases.

Our success measures will include.

- ***Number of new homes year on year***
- ***Rate of return on new schemes***
- ***Number of homes through other funding models***



# Governance and Executive

*Fundamental to the successful delivery of this strategy will be strong and effective Governance and Leadership with the Board and Executive working together in a clear and focussed way.*

**The Board that have been in place now since October 2020 have overseen significant change to the organisation. In its review of skills and experience the Board has expanded its membership to include strategic Asset Management.**

The Board have adopted the National Housing Federation Code of Governance 2020. We will on an annual basis review compliance and report this through to the Board and our Tenants. As part of the Change Group oversight of Hilldale the Governance arrangements are defined in the Group Governance strategy and the Inter Group agreement. The Board and Executive recognise the challenges that Hilldale faces but will remain focused and committed on our Tenants and improving the quality of our services to them.

## *Board members*



### ***James Boyd – Chair***

James is an accomplished Non-Executive board leader and advisor commanding a commercial and financial expertise to drive transformations and make direct contributions to bottom-line growth. He has a proven track record guiding management restructures, operational improvements and culture developments for organisations undertaking a period of significant change. He achieves best practice, delivering quality of service and attaining industry leading Customer satisfaction. Confidently operating with a high level of personal and professional integrity, applying corporate governance best practice whilst building high-performing boards and senior leadership teams, aligning combined competencies towards business objectives.

James is a qualified accountant, capable of disseminating complex financial problems and engaging shareholder interests to develop tangible investment solutions for short- and long-term strategic plans. James is also the Chair of the Change Group having overseen the Groups review of its own strategic direction and Governance framework.



### ***Rosemary Bell***

Rosemary is an experienced housing executive and consultant with an extensive knowledge of housing supply.

She is a highly skilled Executive leader, with 30-years of social and commercial experience gained in the Housing and Social Care arenas, she is commercially focused, with a multi-dimensional skill set encompassing all elements of strategic and operational management across the housing sector. Operating at Board level, a motivated leader she applies innovation and creativity to the identification and sourcing of solutions.

Rosemary has delivered transformational change within in Local Authorities, Registered Housing Providers, and private landlords. She has a broad base of experience and knowledge of both the private and public sectors. She applies commercial disciplines to the delivery of service alongside a sound understanding of the regulatory and financial compliance required in business management.



### ***Stephen Tonge***

Stephen is a Solicitor with over 25 years' experience. He specialises in providing legal advice to social landlords on their strategy, policy, and operations.

His social housing sector legal work includes governance and regulation, charity and business law, housing, and related law. Stephen has also developed and led high performing corporate, business, and commercial legal services in large charitable housing associations, public authorities, and commercial property organisations.

Stephen also has extensive litigation and advocacy experience. He also advises on public procurement and commercial contract law. After working in senior roles in Housing Associations and Local Authorities Stephen is now a freelance consultant advising and supporting Local Authorities and Housing Associations.

Stephen's broad legal knowledge and experience enables him to advise and guide boards, executives, and operational services.



### ***Arturo Gulla***

Arturo has over 38 years' experience working in Assets and property management within a local authority and Housing Association environment.

Arturo has a track record of delivering complex and challenging projects. These include Transformational change of Property Services, Asset Management, Sustainability and Building Safety teams, Leading on the response to governments consultation paper on 'Building a Safer Future' and the Fire Safety Bill, and obtaining over £3m government funding for zero carbon retrofit works to 300 homes.

Arturo has always been committed to improving living standards in the home. He is presently involved with the consultation process of the Department for Levelling Up, Housing and Communities consultation on the review of the Decent Homes Standard and is also involved in developing new guidance on the damp and mould. Arturo believes passionately in providing safe, affordable and well-maintained accommodation, as well as delivering an excellent asset management service.

Arturo is also a Non Exec Director of the Change Group. He has a degree in Building Maintenance Management and is a Fellow of the Chartered Association of Building Engineers.



### ***James Place***

James is Managing Director, Company Secretary and a Hilldale Board member. He first joined Hilldale in 2022 as Head of Operations, supporting the former Managing Director with the Regulators standards, performance management and lease renewals with smaller Head Landlords. In July 2024, he became Hilldale's Managing Director, leading the organisation in the successful delivery of the Strategy and is committed to continuing the transformation of the organisation.

An innovative and strategic focused professional, with 20 years' housing experience. A track record of developing and leading people within large organisations to collectively work towards shared goals. He is passionate about social housing and customers and is experienced in developing services alongside tenants to ensure they feel valued and receive a tailored approach.

James' role also includes being a key member of the Change Housing Groups Senior Leadership team, ensuring the services Hilldale receives provide value for money and are of high quality.

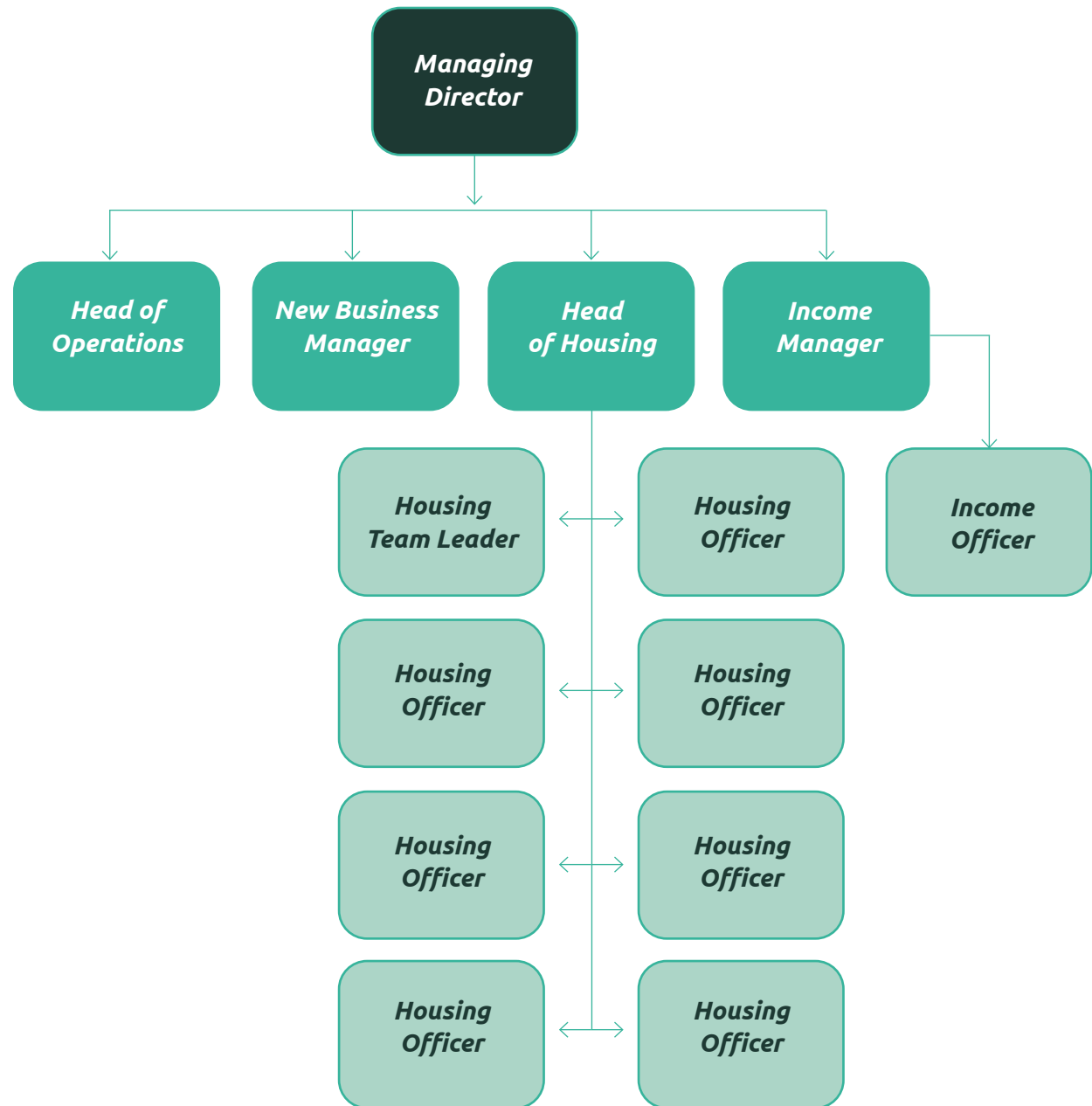


## **Executive and Senior positions**

*We will continue to review the Executive and senior management team to build capacity to take the organisation forward and deliver on this plan. Both at a Strategic and operational level support is provided from within the Group adding significant capacity to the resources at Hilldale.*

*Support is provided by Change Group in the areas of:*

- **Finance**
- **Asset Management**
- **Repairs**
- **Customer Engagement**
- **HR**
- **ICT**
- **Systems and Performance Data**



# Managing risks

*Risk management is an integral part of our activities and whilst its ultimately the responsibility of the Board, all staff share the responsibility to identify and manage risk.*

**Risk management supports the achievement of our business strategy through:**

- Protects and enhances Hilldale’s assets and reputation
- Contributing to the effective allocation of resources
- Enhances the quality of our decision making, planning and prioritisation

**We identify risks through a range of sources and methods. These include:**

- Board – risk is included on all agendas and reports
- Executive and management team
- The Regulator of Social Housing
- Internal/external auditors
- Specialist advisors (pensions, cyber security)
- KPI’s and stress testing
- Chartered Institute of Housing and best practice in the sector
- Horizon scanning

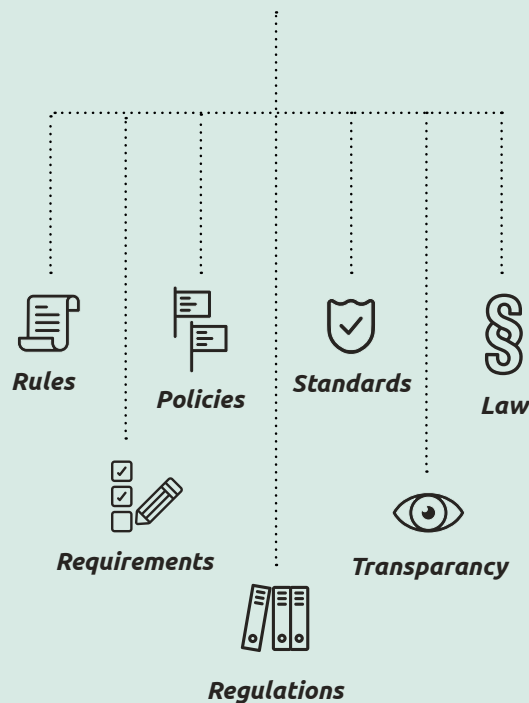
A strategic risk register is maintained that covers the high-level risks to our strategic objectives. This is updated as and when risks emerge and the Board review this at each meeting with a full review every quarter. To support this there is also an operational risk register which is held by the Leadership team.

**At the start of this plan the main risks identified are:**

- Meeting the Regulatory standards on Governance, Financial viability, Rent Standard
- Legacy property issues
- Occupation levels
- Pressure on operating and maintenance costs from high inflation
- Transformational change
- Approach to risk management and stress testing



## Compliance



## *We would define our appetite to risk as follows:*

### *Strategic*

We have an open risk appetite to developing new ways that we can create new homes but in doing so lower the risk exposure from the long lease model. We will continue to provide much needed homes under the long lease model in the short term but will look for new activity to ultimately lead to asset ownership. We will also diversify to bring income into the business but not at any costs and the risks of doing that must if possible be done with only a favourable impact on the core business. None of those new approaches must put the organisation's financial viability in a detrimental place.

### *Operational*

We have cautious appetite for risk and in some cases, such as compliance on gas servicing, we will be averse to any risk. In transforming the business, we recognise that there are some risks and that might result in short term operational challenges but long-term outcomes of greater benefits. We will always comply with our statutory obligations, the requirements of our regulator and compliance with the code of governance.

### *Financial*

We recognise that our operating margins can be low and so on new developments we can only accept a low level of risk, following a robust financial appraisal. We will protect existing assets and the Tenants best interests through management of the financial risks, working with our funders to ensure all properties are contributing to the overhead of the organisation, and carefully managing cashflow payments on leases. We have set operating targets around voids and income management which will manage the risks and exposure on lease payments to funders. We monitor performance against granular budgets to ensure ongoing cost control.

# Financial Framework



*Our 5-year Financial plan incorporates granular detail of occupancy, income, and costs for each property, along with business overheads for the 2023 budget, with the same level of detailed budget for 2023-2028.*

*This is reviewed, updated, and approved by the Board annually as part of the budget approval process.*

**The five-year plan is the basis for the 30-year financial forecasts.** This shows the improving position for Hilldale as it grows in financial and surplus strength to support the delivery of our plans and our ability to meet long term commitments and obligations. We will update our financial plan on an annual basis, and when considering any new development or other activities that may have a material impact on the plan or in the case of any material emerging risks. The base plan will be reviewed by the Board who will then be involved in robust stress testing of the plan for a range of individual and multivariate scenarios with identification of mitigation actions in the case that adverse scenarios materialise.

**We report monthly management accounts to the Board which detail progress against the plan and targets.**

## ***Financial Strategy***

Our financial plans are guided by the overriding purpose to ensure the long-term viability of Hilldale is maintained. That would include adequate resources to meet our lease obligations but also to invest in homes and services to the benefit of our Tenants. We will work towards our aim of achieving a V2 rating and demonstrating increases in the robustness of our business model. This will be facilitated by access to strong financial management services through Change Group and access to the evolving Group funding model.

We aim to

- ***Build a strong financial base that can provide resilience to known and unknown risks***
- ***Generate significant capacity to invest in new homes, existing homes, and services***
- ***Achieve a V2 rating***

## ***Our Financial Essentials***

Our Financial essentials have been developed over the last 2 years and include ;

- ***Continued compliance with the Rent Standard***
- ***All new property developments to undergo rigorous financial appraisal and sign off***
- ***Any longer leases will have break clauses automatically built into them***
- ***New leases to contain a mechanism to protect Hilldale if there is a fundamental policy change or shift in demand***
- ***Minimum 15% gross margin on all new properties, with legacy portfolios reviewed to improve position to this target***
- ***Minimum cash at bank balance £150,000***

## ***5-year Financial plan***

The 5-year plan shows the organisation increasing in strength from its initial reliance on short term loans and in year deficits through to a profitable position in 2023 and beyond. It identifies the resources required to achieve our transformation and to invest in homes and improve services.

The initial financial support provided by the Change Group has been repaid earlier than expected and is a positive sign of the progress made by the organisation. The plan assumes that the Government's commitment beyond 2023/24 to a rent policy of CPI only. There are no assumptions about any changes to Housing Benefit entitlement.

During the period of the plan, we will:

- ***Increase our number in management to 1200***
- ***Reduce our overall cost per unit by 15%***
- ***Improve occupancy rates to 95%***
- ***Improve income collection to 98.5%***
- ***Dispose of non-performing schemes***
- ***Work in partnership with landlords to obtain short term support, and medium-term structural lease changes, reducing Hilldale's risk exposure***
- ***Create additional capacity by driving through system improvements, efficiencies and careful cost control***
- ***Create efficiencies by working as part of the Group***
- ***Achieve balanced growth through access to the new Group funding model***
- ***Amend our business model to be more resilient and demonstrate this through stress testing***

# Business planning framework

## *Our Business strategy 2023-2026*

**This sets out who we are and what we are trying to achieve.** We set out where we want to be at the end of the plan and how we are going to get there. The strategic outcomes enable us to focus on high level initiatives that are fundamentally important to the business.

To achieve the strategy resources in the business will be identified and targeted to those areas. To support the strategy, we have a detailed annual plan where goals, targets and performance expectations are set out. The plan has SMART targets to support each high level strategic outcome. Progress against the plan and targets is reported to the Board twice a year.



### ***Enabling strategies***

The overall business strategy is supported by several key strategies. These are:

- ***Asset Management***
- ***Growth***
- ***Value for money***
- ***Housing services***
- ***Corporate social responsibility***

These provide a clear direction of travel and responsibility. Some of these are developed at a Group level and progress reported at Hilldale and by the Group.

### ***Operational plans***

These plans are set each year and are derived from the Business strategy but also have a reference to; risk register, 3rd party assurance, Regulatory requirements, benchmarking, and responses to Customer feedback. The plan is held by and monitored with the Leadership team and individual targets are derived from it ensuring that everyone within the Hilldale team is contributing to the overall success of the business.

STRATEGIC PRIORITY	PERFORMANCE INDICATOR	BASELINE POSITION	YR1	YR2	YR3
Maximising occupancy	Average 95% occupancy in rolling 12-month period	83%	90%	93%	95%
	Number of schemes in category 3, 4, 5	3-4-5	10% reduction	10% reduction	10% reduction
	Void turnaround times Minor – 14 days Major - 28 days	1%	90% 95%	93% 97%	95% 98%

STRATEGIC PRIORITY	PERFORMANCE INDICATOR	BASELINE POSITION	YR1	YR2	YR3
Efficiency	Reducing Average operating costs ( <i>discounting inflation</i> )	£35.23	Reduce 5%	Reduce 3%	Reduce 2%
	High quality value for money services	Benchmark with SSHN	Top quartile	Top quartile	3rd Party assurance
	Meeting our Financial targets	Budget position	External audit	External audit	External audit

STRATEGIC PRIORITY	PERFORMANCE INDICATOR	BASELINE POSITION	YR1	YR2	YR3
Achieving Best practise	2020 Nat Fed Code of Governance compliance	Self-assessment completed	Self-assessment	3rd party assurance	Self-assessment
	Compliance with Regulatory standards	Self-assessment	3rd party assurance	Self-assessment	3rd Party assurance
	Top quartile performance listening to Tenants	86%	Increase 3%	Increase 2%	Increase 1%



## Appendix

### Performance indicators suite

STRATEGIC PRIORITY	PERFORMANCE INDICATOR	BASELINE POSITION	YR1	YR2	YR3
Quality investments	Compliance with the Home standard	Self-assessment	Self-assessment	3rd party review	Self-assessment
	5 year Investment programme £	£656K per annum	£656K	£656K	£656K
	EPC ratings C and above	50%	55%	65%	75%

STRATEGIC PRIORITY	PERFORMANCE INDICATOR	BASELINE POSITION	YR1	YR2	YR3
Growth	Number of new Homes	50	50	50	50
	Average rate of return on new schemes	15%	15%	15%	15%
	Number of homes not on long term lease	27%	29%	30%	33%

STRATEGIC PRIORITY	PERFORMANCE INDICATOR	BASELINE POSITION	YR1	YR2	YR3
Great customer experience	Compliance with Together with Tenants Charter	Self-assessment	Action plan completed	Compliance	Compliance
	Repairs completed first time	87%	90%	92%	95%
	Top Quartile customer satisfaction TBD	87%	2% increase	2% increase	1% increase



## Appendix

### Performance indicators suite

<b>PROFIT &amp; LOSS</b>	<b>FY1 BUDGET £'000</b>	<b>FY2 BUDGET £'000</b>	<b>FY3 BUDGET £'000</b>	<b>FY4 BUDGET £'000</b>	<b>FY5 BUDGET £'000</b>
<b>Total Sales</b>	<b>14,297</b>	<b>17,217</b>	<b>20,881</b>	<b>23,405</b>	<b>25,863</b>
<b>Total Direct Costs</b>	<b>(3,246)</b>	<b>(3,983)</b>	<b>(5,014)</b>	<b>(5,712)</b>	<b>(6,364)</b>
<b>Gross Surplus/(Loss) before Lease Rents (£)</b> Direct Costs as a % of Income	11,051 23%	13,234 23%	15,868 24%	17,693 24%	19,499 25%
<b>Total Overheads</b> <b>Overhead costs as a percentage of turnover</b>	<b>(1,724)</b> 12%	<b>(1,841)</b> 11%	<b>(1,895)</b> 9%	<b>(2,023)</b> 9%	<b>(2,074)</b> 8%
<b>Total Lease Rents</b> Lease Rents as a % of Income	<b>(9,627)</b> 67%	<b>(11,372)</b> 66%	<b>(12,874)</b> 62%	<b>(14,430)</b> 62%	<b>(15,960)</b> 62%
<b>Operational Surplus/(Loss) before Mobilisation Fees (£)</b> <b>Operational Surplus/(Loss) before Mobilisation Fees (%)</b> Mobilisation Contribution	<b>(299)</b> -2% 349	<b>21</b> 0% 339	<b>1,099</b> 5% 339	<b>1,240</b> 5% 339	<b>1,465</b> 6% 339
<b>Net Surplus/(Loss) from trading (£)</b> <b>Net Surplus/(Loss) from trading (%)</b>	<b>50</b> <b>0%</b>	<b>360</b> <b>2%</b>	<b>1,438</b> <b>7%</b>	<b>1,578</b> <b>7%</b>	<b>1,804</b> <b>7%</b>



## Appendix

### 5 year business plan



*High quality homes for people  
who need additional support.*

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