




# Northamptonshire Rural Housing Association

## BUSINESS PLAN 2018/19–2022/23

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# **NORTHAMPTONSHIRE RURAL HOUSING ASSOCIATION**

## **BUSINESS PLAN 2018/2019 TO 2022/2023**

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## Item 1

# INTRODUCTION TO THE BUSINESS PLAN AND MISSION STATEMENT

The mission of NRHA can be summarised as follows:

“NRHA exists to provide affordable housing within rural Northamptonshire. We work closely with District Authorities and Parish Councils in order to ensure that our developments meet the needs of local people who cannot access housing in their communities.”

At the beginning of the plan period Northamptonshire Rural Housing Association managed 566 homes, with proposals for a further 74 dwellings in the pipeline during the plan period. Despite the challenging economic and fiscal environment, we remain encouraged by the fact that growth is continuing, and our vision is being realised.

We continue to be supported by a range of partners, particularly Parish Councils, Local Authorities, Homes England, and Midlands Rural Housing, and we will continue to build on this valued support throughout the plan period. We will also look to engage with Local Enterprise Partnerships and any emerging devolution structures, including any Combined Authority arrangements.

This Business Plan takes into account the significant changes affecting affordable housing – particularly the impacts resulting from the re-focusing of capital subsidy, rent control, implementation of welfare reforms and Government policy directives. At the same time we are determined not to lose sight of our primary objectives of providing affordable, attractive, well managed homes for local people within the villages of Northamptonshire; securing improved services for our residents and engaging them in decision making; and contributing to the sustainability of the rural communities.

This Business Plan sets out the way ahead for achieving our aims, and how the emerging challenges will be addressed, and will be subject to annual review.

## Item 2

# SUMMARY OF AIMS AND OBJECTIVES

The purpose of this Document is to set out the objectives and financial plans of the Association for the period 2018/2019 – 2022/2023.

Throughout this period we will continue to pursue our stated mission. The Plan sets out the methodology by which we will do this, and how we will gain the support to do so while maintaining our financial viability. At the same time, the Association will continue to provide high quality services to its customers. In this context, our policies will remain resident focussed and geared to “local” aspirations.

We will continue the core business of providing new homes for the benefit of local people and rural communities. Such growth will continue to be achieved organically, and will be influenced by evidenced needs.

We will look for opportunities to expand the number of homes in management by working with other organisations and promoting ourselves as a specialist manager of rural housing. However, this role will only be pursued where it is viable in financial terms, has strategic value, and where our management expertise brings tangible benefits to residents.

We will continue to maintain our stock in good condition and our Asset Management Strategy will be consistent with this objective. We will also undertake improvements to our existing stock, with an emphasis on achieving affordable running costs for residents, and defining our sustainability aspirations.

Sound financial management is vital across all our operations, particularly in a period of rent reductions. We will increase the investment of our own resources into the delivery of new homes to achieve our key objectives, but will continue to maintain our viability. The plan will ensure that required surpluses, and key financial ratios are achieved.

We will also meet any revised regulatory requirements set by the Regulator of Social Housing (RSH), and periodically review our compliance with the latest NHF Code of Governance.

The Board of Management is fully aware of the challenging environment in which we operate, and feels that the plan represents a sound basis on which to progress during the coming five years.

## Item 3

# THE OPERATING ENVIRONMENT AND EXTERNAL CONSIDERATIONS (INCLUDING PEST AND SWOT ANALYSIS)

## KEY ISSUES AND RISKS

The Association's expectation is that the operating environment will continue to be challenging, and will cover a period of significant fiscal constraint.

In particular, the plan will cover the period of the UK exit from the European Union, and it is recognised that this is likely to dominate the political and economic environment for the foreseeable future. This will present risks and opportunities for the sector, but it is difficult to say with any accuracy what the impact will be on the NRHA business. As a consequence, this plan concerns itself with the current focus of the business and addressing the tangible challenges that are presenting themselves.

In particular, it is anticipated the following areas will have a direct impact on the operations of NRHA, and the delivery of its objectives, and will need to be monitored and reviewed over the period of the Plan.

### 1. The Voluntary Right to Buy

Despite indications to the contrary, the Government has continued to promote its manifesto commitment to extend the Right to Buy to housing association tenants via the launch of a pilot project across the Midlands. Agreements between Government and the NHF enable this to be progressed on a voluntary arrangement and will enable "discretion" on what homes providers will sell.

In determining its policy position, it needs to be recognised that the majority of NRHA's stock has been developed utilising the "Exceptions" approach, with planning granted on the basis that the homes will be retained for local people in perpetuity, which is enshrined in legally binding S106 agreements or covenants. The voluntary deal acknowledges that rural locations present specific issues, and there can be no expectation to sell homes that have been provided on this basis.

The pilot project is intended to test further elements of the VRTB proposals, including the application of "portable discount". However, there is recognition by MHCLG and the NHF that there are practical barriers for smaller providers, particularly rural housing associations, who would find it very difficult to offer tenants any reasonable porting

opportunity. Given this, the expectation is that larger housing associations (those with over 1,000 homes) would engage with the pilot, but there is no obligation on smaller providers to take part.

In addition, it is a mandatory term of the pilot scheme that all qualifying tenants who are unable to buy their current home must be offered portability. As a consequence, the Association has decided to opt out of the pilot project.

## **2. Rent Reductions and future Rent Control**

The Government has maintained its directive that social housing rents across England will reduce by 1% a year until 2020. This will apply to both social and Affordable Rents. Such a rent reduction will impact on income streams, and cash flow during the early plan period.

The financial projections included in this plan have been modelled to take this into account. These continue to show surpluses being created and financial covenants being achieved. The Government has confirmed a return to a rent review mechanism of CPI +1% in 2020/21 in accordance with initial announcements. However, the Association has taken a cautious approach to its financial planning and based its projections for the immediate post 2020 period on a “modest increase” scenario. In practical terms, close financial management will be required over the plan period, and the financial projections will be subject to stress testing moving forward.

## **3. Relationships with Partner Housing Associations**

NRHA remains committed to working in partnership with other Housing Associations, particularly in the context of Development, where there is still a requirement to engage others to absorb risks associated with this activity. The Plan assumes that such arrangements will be maintained, and that we will partner with housing associations who will look to secure subsidy in one form or another. That said, the Association recognises that the development capacity of mainstream providers is being affected by reducing incomes. This, in turn, could result in some providers being unable to take on additional schemes and provide development agency services. This will need to be monitored over the plan period, and it may be necessary for NRHA to identify new partners for programme delivery.

## **4. The Devolution Agenda**

The Government devolution agenda continues to be promoted, with an increasing role for Local Enterprise Partnerships, and Combined Authorities acting as investment vehicles, which in many cases, includes a housing growth remit. This is part of the Government’s commitment to devolve the powers and budgets of public bodies to the



local level. This has the potential to lead to increased integration of funding streams, including those for housing delivery. As a consequence, NRHA will need to identify opportunities to engage with any Combined Authority arrangements in its area of operation. Such structures will undoubtedly have an increasing role as strategic influencers and funding bodies moving forward.

## **5. Funding priorities and future investment**

Despite the welcome increase in investment for affordable housing, the current level of public investment targeted at new rural housing is limited.

That said, NRHA has a healthy development programme, which will be supported by Social Housing Grant via Homes England and Local Authority partners.

The Association made two funding bids for Home England's 2016-21 Shared Ownership and Affordable Homes Programme which were successful. However, the funding flexibility offered in the Autumn Statement presents opportunities to bring forward additional schemes. The Association is, therefore, actively considering bids for further development as part of the enhanced Continuous Market Engagement programme announced by Homes England.

It is recognised there will still be reliance on other forms of funding, particularly that from Local Authority partners. There will also be an ongoing need to consider alternative funding solutions and models to maintain delivery of rented homes – this includes cross-subsidy, sourcing alternative funding and increased use of the Association's own resources. Progress has already been made in relation to cross-subsidy arrangements with a formal proposal already in the pipeline. Opportunities to access funding for Community Led projects will also be explored, although it is recognised that such funding is limited across the area of operation at present. In terms of the Association's investment, it is acknowledged that this will need to increase, and its assets will need to be effectively managed for this purpose.

## **6. Regulation and Governance**

The current regulatory framework is primarily concerned with ensuring social housing assets are protected, and investment in new supply is encouraged. Managing risk to ensure that both elements can be delivered is crucial. This requires effective governance to manage the Association's resources; ensure financial viability is not compromised; and the impact of its activities on the business are clearly understood.

NRHA will periodically assess, and test, compliance with the regulatory framework, which is likely to be modified following the establishment of



the new Regulator for Social Housing. However, it should be acknowledged that the business is not exposed to the wider commercial risks that affect some larger providers given that the Association is solely concerned with meeting rural needs through the provision of general needs affordable housing. Therefore, the Association does not anticipate any compliance issues in relation to asset protection.

As it currently stands, the current regulatory engagement for NRHA is minimal on the basis that it does not open itself up to significant risk, and remains below the 1,000 unit regulatory threshold. However, as the operating environment becomes more challenging, the new regulator is likely to take a “risk-based” approach to regulation which could bring smaller providers under closer scrutiny. This is already being demonstrated with regard to data collection, and will need to be monitored as the framework evolves.

NRHA has continued to adopt the National Housing Federation Code as its governance model, and will periodically test compliance to ensure the requirements of the code are met.

## **7. Climate Change and Renewable Technologies**

The Association has taken the view that the focus on the existing stock will increase, particularly with regard to energy efficiency and limitations on carbon dioxide omissions. We have a strong commitment to address these issues, and future budgets will need to be set to enable investment in such measures. Additionally, we recognise there is an obligation to our residents to improve environmental standards in our stock and reduce the potential for fuel poverty. With this in mind, the Association will look to balance future investment in renewable technologies to ensure the benefits are passed on to existing residents as well as those occupying new developments.

The first stage in this process will be the development of a heating system replacement strategy which will initially consider the options for off-gas properties.

The Association is committed to gaining increased experience and learning, and will engage with its partner rural housing association in Warwickshire, which is embarking on an exemplar Passivhaus development.

## **8. Private Finance and Borrowing**

Lenders continue to take a more commercial view of the sector, and margins are set to reflect this, and the risks associated with income restrictions. This will impact on future NRHA borrowings, and will shape the assumptions factored into financial planning. In line with the

adopted Treasury Management Strategy, NRHA will move towards facility arrangements to make the best use of its assets for borrowing purposes. Refinancing or extending existing loan portfolios to secure further borrowing headroom will be actively pursued, which will be supported with reference to the Asset and Liability Register. In taking this approach, the Association acknowledges that there are a limited number of lenders in the market, and that increasingly commercial terms will be applied. However, cautious assumptions have been used in the development of the 5 year financial plan, which confirm that such an approach can be accommodated from a viability perspective.

Alongside the wider long-term borrowing concerns, there remains a limited range of products available to purchasers of Shared Ownership homes, which is still compounded by high deposit requirements. This continues to pose a disincentive to develop shared ownership products. The model shared ownership lease, introduced as part of the “Protected Area Status”, has alleviated some of these concerns by allowing leaseholders to purchase 100% of the equity in their property. Nonetheless, at the present time sales risks remain, and NRHA will continue with its approach of only providing shared ownership homes where a clear demand can be evidenced, and homes meet the affordability criteria.

## **9. Changes to Welfare Benefits**

The Government has continued implementing its programme of welfare reforms which affects residents, providers and housing authorities. Steps have already been taken to minimise the impact of benefit reductions which has resulted in rent arrears levels being maintained or even reduced. However, this positive trend could be impacted as more benefit recipients are moved on to Universal Credit.

In acknowledgement of this, increased resources have been invested in the Housing Management function to ensure minimal impact on the Association’s income stream and neighbourhood services.

However, the Association is in a position where the number of residents claiming benefit is low when compared to others in the sector. (At the point of preparing this plan, around 25% of tenants claim housing benefit.) However, there can be no room for complacency. Significant activity is being undertaken to inform residents of the changes and a cautious approach has been adopted to financial planning assumptions in order to acknowledge, and anticipate, the growing impact.

## **10. National Planning Policy Framework**

The “National Planning Policy Framework” continues to have an impact on development activities, much of which is positive. The maintenance of and enhancements to the “Exceptions” policy, and the ability to utilise “cross-subsidy” from market homes is beneficial. Our key Local Authority partners have adopted policies that will allow a proportion of open market homes to be developed on such sites, and this mechanism will be increasingly used to support the provision of rented homes in the future.

At the point of preparing this plan, further changes to the NPPF were proposed. These cover a range of areas, including:

- Clarity of what is determined as sustainable development.
- A new approach to viability and the soundness of the initial plan-making framework.
- A new method for the calculation of local housing need.
- Developing clear land use strategies.
- Protecting the Green Belt.

It will also draw together any written ministerial statements issued since the initial framework publication in 2012.

Positively, the strong support for Exceptions development in rural areas is retained. However, the wider impact of the proposed changes will be monitored over the plan period, and specific consultation responses will be made as appropriate.

## **11. Neighbourhood Planning**

Neighbourhood planning was introduced as part of the Localism Act. It is designed to give local people the power to deliver development in their local communities, providing significant support can be secured – this is currently set at 50% of those voting in a local referendum.

Increasingly, rural communities are looking to engage with these arrangements, which may present opportunities for the Association, and the potential to act in an advisory/consultancy capacity. The process is bringing forward potential development opportunities where communities have recognised the need for more housing, and are including options in their plans. NRHA is ideally placed to assist in the delivery of this objective whilst providing a commitment to meet local needs, which is often the primary driver for increasing local housing supply.

## **12. Achieving Value for Money and Business Efficiency**

The Association will continue to ensure value for money in its activities and operations. Over the plan period it will continue to review its loan portfolio, and release assets via a refinancing programme in order to improve borrowing efficiency and build more homes. It will also competitively procure key elements of planned and cyclical maintenance, in conjunction with larger providers, to achieve increased economies of scale and cost efficiencies. This will all contribute to increasing our investment in new housing supply.

Alongside this, a value for money statement will be included in the annual accounts. This will be in accordance with the revised value for money standard introduced by the Regulator for Social Housing for Smaller Housing Associations.

During 2017, and in conjunction with its partner Rural Housing Associations, and Midlands Rural Housing, the Association reviewed the staffing resources required to carry out key functions and identified operational cost efficiencies and associated overhead savings which have been implemented.

The cost sharing arrangement with partner rural housing associations, in relation to the staff support from Midlands Rural Housing, will continue. This approach has already demonstrated its value from a cost efficiency perspective, while enabling the full range of skills to be secured for the effective running of the business.

The Association recognises that the issue of cost efficiencies is a crucial one for the sector, and cannot be avoided during a period of income restrictions. It is against this background that the NHF issued its voluntary code on “Mergers, Group Structures and Partnerships”. This puts the onus on Boards to ensure organisations operate effectively and efficiently, and that opportunities to do this should be regularly reviewed.

In this context, the existing cost sharing arrangement with the partner RHAs is already regarded as a good practice example of a formal “partnership” arrangement as described in the Code. That said, the Association will not be complacent in identifying further operational efficiencies moving forward.

In summary, the Association has recognised that the current operating environment, while raising potential risks, can present opportunities, and will undoubtedly be a key influence on the Association’s activities over the plan period. A detailed analysis of the risks identified is contained in the Association’s Operational Risk Map, which forms an Appendix to this plan.

### 13. NRHA SWOT and PEST Analysis

As part of the process of identifying the key strengths and weaknesses of the organisation, a PEST and SWOT analysis has been undertaken, the outcomes of which are as follows:

(i) **PEST**

POLITICAL	ECONOMICAL
<ul style="list-style-type: none"> <li>• Government investment priorities</li> <li>• VRTB pilot in the Midlands</li> <li>• Welfare Reform Agenda and implementation</li> <li>• Sector Reputation with Government</li> <li>• Evolving Planning Frameworks</li> <li>• Devolution agenda</li> <li>• Revised regulatory framework and new regulator</li> <li>• Exit from the European Union</li> </ul>	<ul style="list-style-type: none"> <li>• Structural deficit/reduced public investment</li> <li>• Economic uncertainty</li> <li>• Restructure of, and reduction in, public services</li> <li>• Inflation/deflation</li> <li>• Interest rates, borrowing margins, and availability of finance</li> <li>• Access to mortgages</li> <li>• Future rent control/ rent reductions</li> <li>• Pensions deficit</li> <li>• Unemployment + new employment patterns</li> </ul>
SOCIOLOGICAL	TECHNOLOGICAL
<ul style="list-style-type: none"> <li>• Increased homelessness</li> <li>• Demographical and demand changes</li> <li>• Scarcity of rented housing</li> <li>• Social exclusion</li> <li>• Increasing care and support needs</li> <li>• Social cohesion</li> <li>• Community empowerment</li> <li>• Rising customer expectations</li> <li>• Ageing population</li> <li>• Increasing home ownership aspirations</li> </ul>	<ul style="list-style-type: none"> <li>• Flexible/mobile working</li> <li>• Data security/integrity</li> <li>• Technology/Broadband exclusion</li> <li>• Business continuity</li> <li>• Renewable energy/carbon reduction</li> <li>• Sustainable/Eco/Passivhaus Homes</li> <li>• Social networking/media</li> <li>• Modern methods of construction (MMC)</li> </ul>

(ii) **SWOT**

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<p><b>Financial Status</b></p> <ul style="list-style-type: none"> <li>• Financially robust and viable</li> <li>• Positive support from funders</li> <li>• Sound asset base</li> <li>• High value stock in prime location</li> </ul> <p><b>Operations</b></p> <ul style="list-style-type: none"> <li>• Good track-record of delivery and performance</li> <li>• Efficiency of operation</li> <li>• Well resourced and efficient structure</li> <li>• Innovative support structure within the larger group</li> <li>• Able to compete with larger housing associations</li> <li>• Compliance with GDPR</li> </ul> <p><b>Services to Tenants</b></p> <ul style="list-style-type: none"> <li>• Small and flexible and able to readily respond to residents needs</li> <li>• Good satisfaction levels amongst residents</li> <li>• Moving to on-line Tenant communications</li> </ul> <p><b>Partnership Working</b></p> <ul style="list-style-type: none"> <li>• Partnership working ethos with Good reputation with partners and stakeholders</li> <li>• Specialist providers with expertise local knowledge</li> <li>• Strong support from local authorities</li> <li>• Member of wider engagement structures and good practice sharing</li> </ul> <p><b>Governance</b></p> <ul style="list-style-type: none"> <li>• Committed Board members with skills and experience</li> <li>• Independent position</li> </ul>	<p><b>Small Organisation within Sector</b></p> <ul style="list-style-type: none"> <li>• Reliance on others (Development Agents) to deliver</li> <li>• Narrow product and operational range</li> <li>• Reliant on key staff covering wide-ranging tasks</li> <li>• Lack of public awareness and limited ability to raise profile of NRHA activity</li> <li>• Limited ability to influence in own right</li> <li>• Bound by sector rent structures and other Government Policies</li> </ul> <p><b>Planning and Development</b></p> <ul style="list-style-type: none"> <li>• Restricted options for development delivery</li> <li>• Reliant on specific planning policies and sensitive to external policy changes</li> </ul>

OPPORTUNITIES	THREATS
<p><b>With Partners</b></p> <ul style="list-style-type: none"> <li>• Specialisms can be offered to others on a contract basis</li> <li>• Management of rural stock for others on a contract basis</li> <li>• Selection as a Preferred Partner leading to business expansion</li> <li>• Community Land Trusts and social enterprise</li> <li>• Stock rationalisation by others</li> </ul> <p><b>From the Market</b></p> <ul style="list-style-type: none"> <li>• Demand for housing increasing</li> <li>• Potential operational area expansion</li> <li>• Product expansion into intermediate housing</li> <li>• Securing positive publicity via increased PR</li> </ul> <p><b>From Government / Local Government Policies</b></p> <ul style="list-style-type: none"> <li>• Rural issues still on political agenda (locally, regionally, and nationally)</li> <li>• New planning mechanisms</li> <li>• Government Policy increased investment in affordable housing</li> <li>• Devolution agenda – more power to Regional / Local Authorities</li> </ul> <p><b>From Financial Status</b></p> <ul style="list-style-type: none"> <li>• Other funding streams (Community Led funding/ commuted sums and cross-subsidy)</li> <li>• Increased borrowing against asset base</li> </ul>	<p><b>From Government / Local Government</b></p> <ul style="list-style-type: none"> <li>• Reduction in Government Spending on Social Housing</li> <li>• Voluntary Right to Buy (VRTB) Midlands pilot</li> <li>• Change in local and national planning policies (NPPF)</li> <li>• Non-compliance with the regulatory framework</li> <li>• Amendments/changes to building standards impacting on costs</li> <li>• Rural issues lose priority status (urban bias)</li> <li>• Further rent reform/ restructuring</li> </ul> <p><b>From Local Authorities</b></p> <ul style="list-style-type: none"> <li>• Loss of Preferred Partner status</li> </ul> <p><b>From Financial Constraints</b></p> <ul style="list-style-type: none"> <li>• Restricted number of investment partners</li> <li>• Restricted capital subsidy for rented homes and increasing costs</li> <li>• Increased maintenance input/requirements</li> <li>• Reduced number of lenders and/or increasing margins</li> <li>• Welfare Reform / Universal Credit implementation leading to increased arrears and bad debts</li> </ul> <p><b>From External Market Forces</b></p> <ul style="list-style-type: none"> <li>• Competition from others, including private developers</li> <li>• Loss of NRHA profile through ineffective PR and media activity</li> <li>• Ineffective marketing in a competitive environment</li> <li>• Data security and cyber attack</li> </ul> <p><b>Tenants</b></p> <ul style="list-style-type: none"> <li>• Reputational damage from service delivery failure</li> <li>• Welfare Reform impacting on residents, and Association's income stream</li> <li>• Fuel poverty and associated impact on the Association's resources</li> <li>• Non-compliance with health and safety obligations</li> </ul>



## Item 4

# CURRENT ACTIVITIES AND STRATEGIC FOCUS

In order to achieve its objectives, it is necessary for the Association to concentrate its activities in areas that will deliver the required outcomes. This section of the plan identifies those areas, and explains how they will enable the delivery of the plan objectives.

## 1. Delivering Development and Growth

The Association will continue to pursue organic development growth based on evidenced housing needs. However, the Association has recognised that demographic trends will impact on demand for its products and these will need to feed into the development strategy. That said, the Association will continue to adhere to the key aspects of its development strategy, which are:

- To develop new build schemes in villages, of not more than 3,000 people for the benefit of local people. It will consider schemes in larger villages and towns on their merits where they contribute to this primary aim.
- Opportunities to provide homes will be sought where and when proven housing need is brought to the attention of the Association. To encourage the discovery of housing need, the co-operation and support of Local Authorities, Parish Councils and rural communities will be sought. The plan assumes that the majority of new development schemes will continue to be delivered on “exceptions” sites and subject to Section 106 Agreements. However, increased emphasis will be given to exploring alternative mechanisms to meet local housing needs, and achieve the growth ambitions identified in this plan. This includes cross-subsidy arrangements, planning gain options with developers, acquisitions from other providers resulting from stock consolidations, and increased investment on its own resources.
- The views of the Parish Council will always be sought and all actions will be taken to secure their support throughout the development process
- Considerable care will be taken to ensure its developments are in harmony with the existing village architecture.

The Association has a clear focus with regard to where it will promote new development, and on what basis. Surrounding this, however, are

specific activities that will always be an integral part of the development process, namely:

- a) Emphasis will be maintained on keeping Parish Councils, landowners, District Councils and the funding agencies informed and updated on development progress. It is recognised that the nature of such schemes, with significant involvement from those at a local level, will involve a process of updating on a regular basis.
- b) Where the procurement process allows, NRHA will consult with Parish Councils on scheme layouts and design proposals, with a view to co-sponsoring any planning application.

Moving forward, the Association recognises that its expertise can be utilised beyond its existing geographical area. Given this, opportunities to provide homes in adjoining counties will be investigated on the basis that there is local support, and high quality service delivery can be achieved to residents in line with the values of the Association.

The Association will also explore alternative construction techniques. This includes the use of modern methods of construction (MMC) and off-site manufacture.

While the Association's growth objectives will primarily be achieved through developing new homes, growth through formal partnerships with other organisations will not be ruled out on the basis that the organisations key aims, objectives and values are not compromised. This may involve engagement with local Almshouse societies; local landed estates; and developers. However, such opportunities will only be pursued where it is financially viable to do so, and there are strategic or operational gains in relation to business.

To summarise, in respect of its development and growth activity, NRHA will, over the Plan period;

- Pursue the majority of its developments on "exception" sites or through similar planning mechanisms. It will increasingly look to the use of cross-subsidy arrangements, planning gain opportunities and consider acquisitions from other providers, and increase investment of its own resources to pursue its growth objectives.
- Aim to deliver a minimum programme of 74 dwellings in the Plan period, subject to funding availability (both public and private) and viability being achieved.
- Where feasible, NRHA will progress environmental exemplar projects, and develop good practice examples with a view to promoting this activity to others.

- Actively look for opportunities for partnership arrangements to achieve its growth objectives where its key aims, objectives and values are not compromised.

## **2. Service delivery to residents**

As a manager of property, NRHA aims to provide excellent services to its residents, and will strive to improve this service when opportunities to do so present themselves.

The Association remains committed to engaging with residents over the services it provides, and is enhancing its mechanisms to achieve this, including the increased use of social media. This includes regular review of its website; continued development of a Facebook page; utilising Twitter and publishing a regular e-zine.

We have proven resident engagement structures to enable scrutiny of our performance. This is primarily via the Resident Involvement Board in conjunction with our partner RHAs. The NRHA Board also receives annual reports in relation to resident complaints, satisfaction with new homes, and Customer Care performance. Alongside this, the Association will develop approaches to enable increased member engagement with residents to improve local accountability.

The Association has set clear targets against which it will monitor its Housing Management performance. To this end, it has adopted a set of “Performance Indicators”. These indicators will not only be used as a measure to ensure effective management, but will also be used as a management tool to assess where improvements, for the benefit of residents, can be made. Performance against these indicators will be subject to regular review by the Board.

In this regard, the Association recognises that the regulatory obligations in relation to resident involvement may change as a result of the proposed Housing Green Paper. As a consequence, this aspect of the business is likely to be enhanced throughout the plan period.

There are clear differences in management between the rural environment and the urban areas. Remaining sensitive to local circumstances and consultation over local connections are just two areas where NRHA has significant experience and expertise. The Association recognises that these management skills are a resource that could be effectively deployed in the management of stock outside the Association’s ownership. The Association will look for strategic opportunities to expand its management role with particular emphasis on managing stock for others where financially viable to do so where it presents benefits to residents, or where the management of such stock is likely to present future purchase options.

To summarise, NRHA will, over the plan period:

- Provide high quality management, maintenance and customer care services to residents.
- Set clear Performance Indicators to monitor the delivery of services.
- Continue to widen the membership of the Resident Involvement Board, and identify options for increasing Board member engagement with residents.
- Promote itself as a skilled manager of rural stock and expand this element of the business where it has strategic value; is financially viable to do so, and where stock ownership opportunities exist.
- Enhance its engagement commitments with partners through increased use of social media.
- Ensure all residents' data is fully secured and usage complies with GDPR requirements.

### **3. Asset Management**

The Association has a formal Asset Management Strategy, which is subject to annual review. Through the implementation of the Strategy, the Association aims to improve the quality of life and environment for its customers and ensure its homes are maintained in a safe condition. The Strategy sets out how the Association will maintain its stock at Decent Homes Standard by the effective programming of works. Such works will be discussed with residents as part of our on going commitment to consultation. We will ensure that realistic and deliverable budgets are set for planned maintenance over the life of the Business Plan. Such budgets will be formulated with reference to current rent reductions, and any future rent control mechanism.

The Association remains committed to minimising the effect of climate change and improving our stock for the benefit of the environment and our residents, and this will be a clear objective over the life of the plan.

In this context, over the plan period, NRHA will:

- Annually review the Asset Management Strategy.
- Maintain its stock in good, safe, condition to ensure all homes meet the Decent Homes Standard.
- Liaise with our residents over any proposed planned maintenance or improvement work.
- Fund a planned programme of repair work based on realistic and deliverable budgets.
- Invest resources to improve running costs for the benefit of residents.
- Ensure compliance with all health and safety obligations, and monitor performance against key indicators.

## 4. Financial planning

### a) *Assumptions on Development Activity*

It is highly unlikely, in the current fiscal and funding environment, that new projects will be viable in their first year of management. This is the result of increasing costs and building requirements and limited capital subsidy. This position has been exacerbated by rent reductions imposed by Government until 2020.

In these circumstances a considered decision will be made on scheme specific revenue losses, and capital contributions, and their impact on the Association's financial resources.

In addition, the Association has a responsibility to ensure that its expenditure on long-term finance commitments can be met, and that there is sufficient provision for management and maintenance costs and long-term major repairs. Delivery of these key business objectives is a major consideration in deciding on the level of the Association's own resources to be invested in new development projects.

At the time of preparing this Plan, the Association had secured grant funding as part of the Home England's affordable housing development programme for 2015-18 and the shared ownership programme for 2016-21. This was supplemented with funding from specific local authority partners. This funding, alongside private finance raised from more efficient asset security and utilisation of the Association's own resources, will support the Association's growth aspirations during this period.

Based on current level of development programme, the following unit completions are anticipated for the plan period:

- (i) At the end of 2017/18 the Association had 566 homes in management, including those managed for other Housing Associations. This is the "baseline" figure for the commencement of the plan.
- (ii) It is anticipated that 15 homes will complete in the first year of the plan (2018/19).
- (iii) The number of completions achieved in the second year of the plan is anticipated at 6. The number of completions achieved in the third year of the plan is anticipated at 23.
- (iv) Completions for 2021/22 and 2022/23 are anticipated figures based on the completions achieved in the first three years of the plan.

**b) Assumptions on staffing and running costs**

The staffing resources required to run the operations of the business will be provided by Midlands Rural Housing.

Midlands Rural Housing will meet its obligations utilising staff from its office located in Coalville, Leicestershire, and this will remain the base for staffing resources for the plan period.

The Association, in conjunction with its partner rural Housing Associations in Warwickshire, Leicestershire and Derbyshire, jointly employs the staff within MRH. These costs are directly related to the time involved in running the business of the Association, and are regularly adjusted to ensure the contribution to salaries and overheads is fair and appropriate.

We recognise that as our stock and activity base continues to grow, and the management of income becomes more demanding, we will need staff resources to support it. This will be addressed by increased resourcing within Midlands Rural Housing, in conjunction with the partner RHAs. However, such resources must be readily accommodated within the financial plans of NRHA and the partner RHAs in manner that does not adversely impact on individual viability, and still demonstrates value for money.

## **5. Risk Management**

NRHA recognises the importance of establishing a risk management framework, and a formal risk map has been developed as part of this process. A summary of this is attached to the plan at Item 6, Appendix 3.

As part of the adopted framework, there is regular reporting of emerging risks to the business in order for the Board to take ownership of the process, and there is a periodic review of the Association's risk appetite. With regard to this latter aspect, the Board has previously confirmed that the Association has a moderate approach to most risks, but remains cautious when it comes to finance and growth. Alongside this, it is more open to the risks associated with service delivery and supports innovation in this area of the business.

## **6. Incorporating Community Cohesion into our Core Activities**

The Association provides more than just homes. Our activities contribute to sustaining rural villages as cohesive and vibrant communities. By providing much needed homes for local people, who contribute significantly to their neighbourhoods, the benefits are not just to those housed but to the community as a whole. While this is often

seen as “added value” to what we do, we want to ensure that these benefits are embedded as core objectives.

In this context, the Association will endeavour to increase its commitment to, and investment in, community development activity. In particular, we will:

- Work with other agencies committed to community development in rural areas to ensure our contribution is part of a co-ordinated approach and not an isolated activity.
- Ensure that our homes are designed to environmental standards that benefit residents by controlling utility costs and reducing fuel poverty.
- Look for opportunities in the villages where we work to improve economic and social viability; for example, utilising local skills in development, social enterprise and maintenance activities, and contributing to community infrastructure projects.
- Contribute to local support services that actively tackle social exclusion, and contribute to maintaining people in their communities.
- Undertake an assessment of specific development projects to establish the social and economic return on investment associated with the provision of such homes.

That said, we recognise there needs to be “buy in” from the communities themselves, and much of our involvement will need to be led by the communities in which we work.

## **7. Governance and Board Control**

The Board of NRHA will ensure its activities are accountable. It will determine strategic direction of the business; oversee the management of risk, and ensure the Association adheres to its aims and objectives. Specifically, during the plan period, the Board will look to:

- 1 Promote engagement and communication opportunities with residents with a view to increasing Board accountability.
- 2 Ensure compliance with the NHF Code of Governance and ensure arrangements are in place for Board member succession recruitment and renewal in accordance with the adopted Succession Plan. This will include the appointment of a new Chairman during the plan period
- 3 Ensure proportionate compliance with any regulatory framework.
- 4 Ensure all members are sufficiently trained, briefed and engaged to act as advocates for our work, and are able to act as a bridge between the organisation and the outside world.



- 5 Ensure a proportionate appraisal process is in place for Board members, and learning and development needs are identified.
- 6 Keep under review the Board meeting and agenda structure to ensure members are able to consider and debate wider strategic matters in the context of the Association's business objectives.

## Item 5

# FINANCIAL ASSUMPTIONS

In order for NRHA to achieve its development and growth objectives, access to private lending sources is crucial, and such money can only be secured if adequate security is available. In this respect, the Association has a clear Treasury Management Policy and Asset Register, which is subject to regular review. The Treasury Management Policy identifies how the Association will raise the necessary finance to support its developments and which sources and terms will be utilised. It also deals with the Association's approach to interest rate exposure.

Attached to this section of the plan are the assumptions used in the financial planning process and the anticipated income and expenditure profile for the period. These demonstrate that the Association has the resources to fulfil the aspirations set out in this Plan.

Details are as follows:

- Appendix 1 - Assumptions on Unit Completions
- Appendix 2 - Assumptions on Houses in Management
- Appendix 3 - Other Assumptions
- Appendix 4 - Income & Expenditure Forecast for the Plan Period
- Appendix 5 - Balance Sheet for Plan Period.

**FINANCIAL PLANNING ASSUMPTIONS**

**COMPLETIONS**

	<b>PLAN PERIOD</b>									
	<b>Year 1: 2018/19</b>		<b>Year 2: 2019/20</b>		<b>Year 3: 2020/21</b>		<b>Year 4: 2021/22</b>		<b>Year 5: 2022/25</b>	
	<b>Location</b>	<b>Units</b>	<b>Location</b>	<b>Units</b>	<b>Location</b>	<b>Units</b>	<b>Location</b>	<b>Units</b>	<b>Location</b>	<b>Units</b>
<b>Completions Achieved In</b>										
Arising from:	Yarwell	9	Little Addington	6	Brigstock	7				
<u>Existing and forecast</u>	Walgrave	6			Nassington	8				
Development Programme					Norton	8				
<b>TOTAL</b>		<b>15</b>		<b>6</b>		<b>23</b>		<b>15</b>		<b>15</b>

**FINANCIAL PLANNING ASSUMPTIONS**

**HOUSES IN MANAGEMENT**

	<b>PLAN PERIOD</b>				
	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
<b>Houses in Management at start of year</b>	566	581	587	610	625
<b>New completions</b>	15	6	23	15	15
<b>Total houses in Management at year end</b>	<b>581</b>	<b>587</b>	<b>610</b>	<b>625</b>	<b>640</b>

**FINANCIAL PLANNING ASSUMPTIONS**  
**FOR THE PERIOD ENDED 31<sup>st</sup> MARCH 2022**

	2018/19	2019/20	2020/21	2021/22	2022/23
<b>INFLATION INDEX</b>					
Consumer Price Index	2.80%	2.25%	2.25%	2.25%	2.25%
Rental Income	-1.00%	-1.00%	3.25%	3.25%	3.25%
Staff Costs	1.50%	3.25%	3.25%	3.25%	3.25%
Maintenance – Responsive – owned	-2.00%	-1.00%	2.25%	2.25%	2.25%
Maintenance – Responsive – managed	-1.00%	-1.00%	2.25%	2.25%	2.25%
Other Expenses	0.00%	2.25%	2.25%	2.25%	2.25%
<b>FUNDING COSTS</b>					
Bank Base Rate	3.50%	4.50%	4.50%	4.50%	4.50%
Margin on new Bank Debt	2.50%	2.50%	2.50%	2.50%	2.50%
<b>RENT LOSSES</b>					
Voids	0.75%	1.25%	1.25%	1.25%	1.25%
Bad Debts	1.75%	2.50%	3.00%	3.50%	3.50%

**INCOME & EXPENDITURE FORECASTS**  
**FOR THE PERIOD ENDED 31<sup>st</sup> MARCH 2023**

	2018-19	2019-20	2020-21	2021-22	2022-23
	£	£	£	£	£
<b>Income From Lettings</b>					
<b><u>Rent Receivable</u></b>					
Existing Units	1,700,185	1,707,601	1,757,895	1,814,630	1,873,199
New Units	40,211	94,413	179,559	196,332	262,378
Service Charge Income	73,896	75,558	77,258	78,997	80,774
<b>Gross Rental Income</b>	<b>1,814,292</b>	<b>1,877,572</b>	<b>2,014,712</b>	<b>2,089,959</b>	<b>2,216,351</b>
Void Losses	(20,642)	(35,145)	(37,201)	(38,527)	(40,505)
Amortisation of Government Grant	132,477	138,327	145,772	148,398	153,976
Management Charge Income	195,427	194,279	199,965	206,382	213,005
<b>Total Turnover From Social Housing Lettings</b>	<b>2,121,554</b>	<b>2,175,033</b>	<b>2,323,248</b>	<b>2,406,212</b>	<b>2,542,827</b>
Management Costs	517,975	529,629	541,546	553,731	566,190
Service Costs	66,570	68,068	69,599	71,165	72,767
Routine Maintenance	292,240	290,977	299,020	305,966	313,954
Planned Maintenance	127,388	127,774	132,144	135,336	139,485
Bad Debts	48,166	70,290	89,282	107,876	113,415
Depreciation Of Housing Properties	381,724	399,955	425,423	440,461	464,591
<b>Total Operating Costs</b>	<b>1,434,063</b>	<b>1,486,693</b>	<b>1,557,014</b>	<b>1,614,535</b>	<b>1,670,402</b>
<b>Surplus (Deficit) On Social Housing Lettings</b>	<b>687,491</b>	<b>688,340</b>	<b>766,234</b>	<b>791,677</b>	<b>872,425</b>
I&E from Other Activities	40,131	53,951	12,248	50,287	51,419
<b>Surplus Before Interest and Tax</b>	<b>727,622</b>	<b>742,291</b>	<b>778,482</b>	<b>841,964</b>	<b>923,844</b>
Interest Collected	968	973	979	985	991
Interest Payable	(490,296)	(534,919)	(537,383)	(539,127)	(610,035)
<b>Surplus Before Tax</b>	<b>238,294</b>	<b>208,345</b>	<b>242,078</b>	<b>303,822</b>	<b>314,800</b>

## **BALANCE SHEET**

### **FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2023**

	2018-19	2019-20	2020-21	2021-22	2022-23
	£	£	£	£	£
<b>HOUSING ASSETS</b>					
<b>Housing Properties at cost</b>	28,287,836	29,968,672	32,648,447	34,462,742	36,317,858
<b>Depreciation</b>	(3,390,796)	(3,790,752)	(4,216,174)	(4,656,635)	(5,121,225)
<b>Total Fixed Assets</b>	<b>24,897,040</b>	<b>26,177,920</b>	<b>28,432,273</b>	<b>29,806,107</b>	<b>31,196,633</b>
<b><u>Current Assets</u></b>					
<b>Cash</b>	2,403,071	2,122,995	1,000,000	1,000,000	1,000,000
<b>Other</b>	64,830	66,288	67,763	69,255	70,764
	2,467,901	2,189,283	1,067,763	1,069,255	1,070,764
<b>Current Liabilities</b>	(498,347)	(509,559)	(521,024)	(532,747)	(544,734)
<b>Net Current Assets</b>	1,969,554	1,679,724	546,739	536,508	526,030
<b>Total Assets Less Current Liabilities</b>	<b>26,866,594</b>	<b>27,857,644</b>	<b>28,979,012</b>	<b>30,342,615</b>	<b>31,722,663</b>
<b>LONG TERM LIABILITIES</b>					
<b>Outstanding Loan Balance</b>	8,048,553	8,426,752	8,622,980	9,255,574	9,886,683
<b>Loan Fees</b>	(138,162)	(129,527)	(120,892)	(112,257)	(103,622)
<b>Government Grants</b>	11,975,525	12,361,198	13,025,426	13,433,779	13,849,081
<b>Pension Liabilities</b>	198,661	208,861	219,061	229,261	239,461
<b>NET ASSETS</b>	<b>6,782,017</b>	<b>6,990,360</b>	<b>7,232,437</b>	<b>7,536,258</b>	<b>7,851,060</b>
<b>Capital and Reserves</b>					
<b>Share Capital</b>	12	12	12	12	12
<b>Retained Surplus</b>	6,782,005	6,990,348	7,232,425	7,536,246	7,851,048
	<b>6,782,017</b>	<b>6,990,360</b>	<b>7,232,437</b>	<b>7,536,258</b>	<b>7,851,060</b>





## **Item 6**

# **BUSINESS PLAN**

## **APPENDICES**

- 1. Board Membership and Structure**
- 2. Stock Profile**
- 3. NRHA Operational Risks**
- 4. Glossary**

## 1 BOARD MEMBERSHIP AND STRUCTURE

The Board of NRHA comprises representatives from Local Authority partners, ACRE, partner RSLs, NFU, the Church and Residents. In addition, there are a number of individual representatives who bring a significant range of skills and experience to the Board.

A regular “Skills and Experience” audit is undertaken to ensure the range of experience and knowledge remains relevant to the Association’s business, and the Association’s operations are fully compliant with the NHF Code of Conduct.

The following were members of the NRHA Board at the time the Plan was issued:

Janet Roberts	Chartered Accountant <i>Chairman of Board of Management</i> Independent Member
Darren Paterson	Chartered Certified Accountant <i>Vice Chairman of Board of Management</i> Independent Member
Pam Booker	Retired Resident Representative
Bradley Swingler	Trainee Chartered Building Surveyor Independent Member
Tim Collins	Retired Commercial Director / Operations Director Independent Member
Teresa Ankin	Financial Controller / Business Manager Independent Member
Bob Hartley	Retired Deputy Dean Independent Member
Wendy Herdman	Bookkeeper/Accountant Independent Member
Wes Boswell	Company Director Independent Member

## 2 NORTHAMPTONSHIRE RURAL HOUSING ASSOCIATION – STOCK PROFILE

Village	Address	Number	Mix	Tenure	Completion Date
Geddington	Chase View Road	6	2 Bed 4 Person Houses	Rent	September 1992
Byfield	Curgenven Close	7	5 x 2 Bed 4 Person Houses 2 x 2 Bed 3 Person Houses	Rent Rent	September 1993
Nether Heyford	Roberts Field	13	6 x 2 Bed 4 Person Houses 5 x 3 Bed 5 Person Houses 2 x 2 Bed 3 Person Bungalows	Rent Rent Rent	September 1993
Holcot	Moulton Road	4	4 x 3 Bed 5 Person Houses	Rent	February 1994
Nassington	Fenn Close	8	5 x 2 Bed 4 Person Houses 1 x 3 Bed 5 Person Houses 2 x 2 Bed 4 Person Houses	Rent Rent Shared ownership	January 1994
Braunston	Spinney Hill	4	4 x 2 Bed 4 Person Houses	Rent	April 1994
	Walnut Close	4	2 x 2 Bed 4 Person Houses 2 x 3 Bed 5 Person Houses	Rent Rent	April 1994
Clipston	Marecroft	8	1 x 2 Bed 4 Person House 3 x 3 Bed 5 Person Houses 4 x 2 Bed 3 Person Bungalow	Rent Rent Rent	May 1994
Potterspury	Chettle Place	18	2 x 2 Bed 3 Person Bungalows 2 x 3 Bed 5 Person Houses 6 x 2 Bed 4 Person Houses 6 x 2 Bed 4 Person Houses 2 x 3 Bed 5 Person Houses	Rent Rent Rent Shared ownership Shared ownership	May 1994

Village	Address	Number	Mix	Tenure	Completion Date
Farthinghoe	Church Piece Cottages	5	1 x 3 Bed 5 Person Houses 2 x 2 Bed 4 Person Houses 2 x 2 Bed 3 Person Bungalows	Rent Rent Rent	April 1995
Stoke Albany	Denman Close	4	2 x 2 Bed 4 Person Houses 2 x 3 Bed 5 Person Houses	Rent Rent	April 1995
Welford	Woodford Glebe	12	4 x 3 Bed 5 Person Houses 5 x 2 Bed 4 Person Houses 3 x 2 Bed 3 Person Bungalows	Rent Rent Rent	December 1994
Barby	Mitchison Close	14	8 x 2 Bed 4 Person Houses 6 x 3 Bed 5 Person Houses	Rent Rent	February 1995
Brafield on the Green	Bridle Close	8	2 x 3 Bed 5 Person Houses 4 x 2 Bed 4 Person Houses 2 x 2 Bed 4 Person Houses	Rent Rent Shared ownership	June 1995
Ravensthorpe	Diary Field	6	2 x 2 Bed 4 Person Houses 2 x 3 Bed 5 Person Houses 2 x 2 Bed 4 Person Houses	Rent Rent Shared ownership	March 1996
Wilbarston	Kendalls Close	5	2 x 2 Bed 4 Person Houses 3 x 3 Bed 5 Person Houses	Rent Rent	March 1996
Barnwell	Well Lane	6	2 x 2 Bed 4 Person Houses 4 x 3 Bed 5 Person Houses	Rent Rent	September 1996
	Castle View	4	2 x 2 Bed 4 Person Houses 1 x 3 Bed 5 Person Houses 1 x 3 Bed 5 Person Houses	Shared ownership Shared ownership Rent	

Village	Address	Number	Mix	Tenure	Completion Date
Crick	Ellen Close	16	7 x 2 Bed 3 Person Bungalow 3 x 2 Bed 4 Person Houses 2 x 3 Bed 5 Person Houses 4 x 1 Bed 2 Person Flat	Rent Rent Rent Rent	June 1997
Flore	Muscott Close	6	2 x 2 Bed 3 Person Bungalow 2 x 2 Bed 4 Person Houses 2 x 3 Bed 5 Person Houses	Rent Rent Rent	September 1997
Existing Satisfactory Purchases: Daventry	Phase I Phase II Phase III 30 Rugby Rd, Kilsby 3 Swan Close, W. Halse 28 Barnett Cres W. Halse 26 Westfield Cres Welford	10 6 6 1 1 1 1	9 x 2 Bed 4 Person Houses 1 x 3 Bed 5 Person House 6 x 2 Bed 4 Person House 6 x 2 Bed 4 Person House 1 x 2 Bed 4 Person House 1 x 2 Bed 4 Person House 1 x 2 Bed 4 Person House 1 x 3 Bed 5 Person House	Rent Rent Rent Rent Rent Rent Rent	April 1996 April 1996 March 1997 October 1997 April 1998 April 1998 April 1998 July 1999
Existing Satisfactory Purchases:- Kettering	32 Chase View Road	1	1 x 3 Bed 5 Person House	Rent	March 1997
Existing Satisfactory Purchases:- ENDC	16 West St, Woodford	1	1 x 3 Bed 5 Person House	Rent	March 1998
West Haddon	Eleanor Court	7	13 x 2 Bed 4 Person House 1 x 3 Bed 5 Person House	Rent Rent	February 1998

Village	Address	Number	Mix	Tenure	Completion Date
Bozeat	Little Close	6	4 x 2 Bed 4 Person Houses 2 x 3 Bed 5 Person Houses	Rent	May 1999
Holcot II	Tithe Close	6	2 x 2 Bed 4 Person Houses 2 x 2 Bed 3 Person Bungalows 2 x 1 Bed 2 Person Flats	Rent	September 1999
Walgrave	Jubilee Drive	9	2 x 2 Bed 3 Person Bungalows 5 x 2 bed 4 Person Houses 2 x 2 Bed 2 Person Flats	Rent	March 2000
Greens Norton	Calvert Close	16	2 x 2 Bed 3 Person Bungalows 5 x 2 Bed 4 Person Houses 4 x 3 Bed 5 Person Houses 5 x 2 Bed 4 Person Houses	Rent Rent Rent Shared Ownership	April 2000
Naseby	Catton Close	5	2 x 2 Bed 4 Person House 1 x 2 Bed 3 Person Bungalow 1 x 3 Bed 5 Person House 1 x 3 Bed 5 Person House	Rent Rent Rent Shared Ownership	September 2002
Hemington	Tally Ho Cottages	5	2 x 2 Bed 4 Person Houses 2 x 3 Bed 5 Person Houses 1 x 3 Bed 5 Person House	Rent Rent Shared Ownership	June 2002
Braunston II	Maple Close	10	6 x 2 Bed 3 Person Bungalows 3 x 2 Bed 4 Person Houses 1 x 3 Bed 5 Person House	Rent Rent Shared Ownership	October 2002
Byfield II	Clock Meadow	8	1 x 3 Bed 5 Person House 4 x 2 Bed 4 Person House 2 x 2 Bed 4 Person Bungalow 1 x 3 Bed 5 Person House	Rent Rent Rent Shared Ownership	April 2005

Village	Address	Number	Mix	Tenure	Completion Date
Braunston III	Maple Close	10	4 x 2 Bed Bungalow 1 x 2 Bed Adapted Bungalow 4 x 2 Bed House 1 x 3 Bed House	Rent Rent Rent Rent	May 2006
Nassington II	Fenn Close	9	1 x 4 Bed Person House 1 x 3 Bed House 3 x 2 Bed House 2 x 2 Bed Bungalow 1 x 2 Bed House 1 x 3 Bed House	Rent Rent Rent Rent Shared Ownership Shared Ownership	September 2006
Barby II	School Close	9	1 x 2 Bed Bungalow 3 x 2 Bed House 3 x 3 Bed House 1 x 2 Bed House 1 x 3 Bed House	Rent Rent Rent Shared Ownership Shared Ownership	May 2007
Norton	Gouldens View	6	1 x 2 Bed Bungalow 4 x 2 Bed House 1 x 3 Bed House	Rent Rent Rent	February 2008
Ravensthorpe II	Dairy Court	6	3 x 2 Bed House 2 x 2 Bed House 1 x 3 Bed House	Rent Shared Ownership Shared Ownership	February 2009
Little Harrowden	Rookery View	7	2 x 2 Bed Bungalow 2 x 2 Bed House 2 x 3 Bed House 1 x 3 Bed Bungalow	Rent Rent Rent Shared Ownership	October 2010
Harpole	Larkhall Way	14	2 x 2 Bed Bungalow 4 x 2 Bed Flat 1 x 3 Bed House 5 x 2 Bed House 2 x 2 Bed House	Rent Rent Rent Rent Shared Ownership	April 2011



Village	Address	Number	Mix	Tenure	Completion Date
Hannington	Lime Trees Close	6	3 x 2 Bed House 1 x 3 Bed House 1 x 2 Bed Bungalow 1 x 3 Bed House	Rent Rent Rent Shared Ownership	September 2011
Collyweston	The Drove	6	3 x 2 Bed Bungalow 3 x 2 Bed House	Rent Rent	May 2014
Croughton	Townend Close Brackley Road	9	1 x 2 Bed Bungalow 2 x 2 Bed Flat 3 x 2 Bed House 1 x 3 Bed House 1 x 3 Bed House 1 x 2 Bed House	Rent Rent Rent Rent Shared Ownership Shared Ownership	June 2014
Walgrave	Poachers Close	11	2 x 2 Bed Bungalow 4 x 2 Bed Flat 3 x 2 Bed House 1 x 3 Bed House 1 x 3 Bed House	Rent Rent Rent Rent Shared Ownership	December 2014
Titchmarsh	Islington	6	2 x 2 Bed Bungalows 2 x 2 Bed House 1 x 3 Bed House 1 x 3 Bed House	Rent Rent Rent Shared Ownership	August 2016
Braunston III	Maple Close	12	2 x 2 Bed Bungalow 4 x 2 Bed House 2 x 3 Bed House 2 x 2 Bed Flat 2 x 2 Bed House	Rent Rent Rent Rent Shared Ownership	June 2017
Yarwell	Dovecote Close	9	2 x 2 Bed Bungalow 2 x 2 Bed House 1 x 3 Bed House 3 x 2 Bed House 1 x 3 Bed House	Rent Rent Rent Shared Ownership Shared Ownership	May 2018

### 3 NRHA OPERATIONAL RISKS

NO	RISK CATEGORY	CAUSE	EFFECT
1	NRHA development procurement and viability	<ul style="list-style-type: none"> <li>- Insufficient subsidy/capital funding sources available for required product</li> <li>- Over extending of NRHA resources</li> <li>- Competition for resources</li> <li>- Direct funding of developers, and others, and reduced opportunities</li> <li>- Lack of Development Agent partners for NRHA with capacity and access to funding</li> <li>- Increased output expectations</li> <li>- Nimbyism</li> <li>- Insufficient rental values</li> <li>- Lack of Core Strategies resulting in increased hope value for sites</li> <li>- Insufficient private funding available at affordable rates</li> </ul>	<ul style="list-style-type: none"> <li>- NRHA unable to develop to meet identified needs</li> <li>- Failure to meet NRHA Business plan targets</li> <li>- Loss of development income to NRHA</li> <li>- Reduced reputation/influence</li> <li>- Inability to meet identified needs</li> </ul>
2	Welfare Reforms and introduction of Universal Credit	<ul style="list-style-type: none"> <li>- Government continuing to reduce public spending and Welfare Bill</li> <li>- Changes to Welfare Benefit rules/ qualifying criteria</li> <li>- Continued roll-out of Universal Credit</li> <li>- New legislation/payment arrangements impacting on consistency of rental stream</li> </ul>	<ul style="list-style-type: none"> <li>- Reductions in NRHA rental income</li> <li>- Rapidly increasing NRHA rent arrear and, bad debts</li> <li>- Court applications and evictions</li> <li>- NRHA residents seeking transfer to smaller properties</li> <li>- Increased assistance to residents requiring support (signposting)</li> <li>- Resourcing of the Housing Management Team</li> </ul>

NO	RISK CATEGORY	CAUSE	EFFECT
3	NRHA ability to compete within sector	<ul style="list-style-type: none"> <li>- Inadequate priority attached to rural housing delivery</li> <li>- Increased competition for grant resources/ reduced funding sources</li> <li>- Unrealistic/unachievable output expectations</li> <li>- Inability to raise sufficient private finance</li> <li>- Insufficient internal resources to compete</li> <li>- Revised funding priorities</li> </ul>	<ul style="list-style-type: none"> <li>- Increased costs/excessive use of NRHA resources</li> <li>- Lack of new business for NRHA</li> <li>- Reduced development programme</li> <li>- Lack of homes being provided</li> </ul>
4	Meeting NRHA health and safety obligations	<ul style="list-style-type: none"> <li>- NRHA failure to comply with legislation and regulatory requirements</li> <li>- Inadequate policy approaches, systems and monitoring procedures</li> <li>- insufficient priority/focus</li> </ul>	<ul style="list-style-type: none"> <li>- Increased risk of death or injury</li> <li>- NRHA legal liability and associated financial impact</li> <li>- Regulatory intervention (serious detriment)</li> <li>- Enforcement action</li> <li>- Reputational damage to NRHA</li> </ul>
5	Withdrawal of managed stock	<ul style="list-style-type: none"> <li>- NRHA unable to meet partner performance expectations and VFM</li> <li>- Increased consolidation of management function by partner RSLs</li> <li>- Reduction in management fees</li> <li>- Property sales/stock rationalisation</li> </ul>	<ul style="list-style-type: none"> <li>- Loss of income to NRHA, and viability of service</li> <li>- Efficiencies required in management service</li> <li>- Loss of geographical/local influence</li> <li>- Reputational fall out</li> <li>- Loss of purchase opportunities</li> </ul>

NO	RISK CATEGORY	CAUSE	EFFECT
6	Increasing NRHA maintenance and void costs	<ul style="list-style-type: none"> <li>- Increases in building inflation</li> <li>- Ageing/deterioration of NRHA stock</li> <li>- Insufficient investment by NRHA in planned maintenance</li> <li>- Properties not attractive to potential residents</li> </ul>	<ul style="list-style-type: none"> <li>- Detrimental impact on NRHA budget</li> <li>- Unable to include necessary work in financial plans</li> <li>- NRHA resident dissatisfaction</li> <li>- Reputational damage, and increase in disrepair claims</li> <li>- Increasing void times</li> <li>- Emergence of hard to let stock</li> </ul>
7	Changes to planning system	<ul style="list-style-type: none"> <li>- Change in planning legislation (NPPF)</li> <li>- Local policy making at LA level</li> <li>- Interpretation of wider Core Strategy policies</li> <li>- Government announcements and initiatives</li> </ul>	<ul style="list-style-type: none"> <li>- Loss/revision of planning mechanisms for delivery of new NRHA homes</li> <li>- Loss/revision of Exceptions Policy</li> <li>- Lack of appreciation of specific rural planning mechanisms</li> </ul>
8	NRHA ability to access private finance	<ul style="list-style-type: none"> <li>- Insufficient lenders in the market</li> <li>- Increasing margins</li> <li>- NRHA inability to meet covenants</li> <li>- Insufficient security for loans</li> <li>- Inadequate financial skills on NRHA Board</li> <li>- Withdrawal of existing lenders from the sector</li> </ul>	<ul style="list-style-type: none"> <li>- Inability to secure loans at acceptable levels</li> <li>- Inability of NRHA to repay loans</li> <li>- Reduced lending market</li> <li>- Increased refinancing</li> <li>- Reduced development programmes</li> </ul>
9	NRHA interest rate exposure	<ul style="list-style-type: none"> <li>- Economic uncertainty (Brexit)</li> <li>- Inflation/deflation in economy</li> <li>- NRHA lenders margins renegotiated/increased</li> <li>- Fixed:Variable loan ratios not maintained</li> </ul>	<ul style="list-style-type: none"> <li>- Inability of NRHA to repay loans</li> <li>- Breach of NRHA lending covenants</li> <li>- Borrowing rate assumptions exceeded</li> <li>- Increased exposure to variable rates in the market</li> </ul>

NO	RISK CATEGORY	CAUSE	EFFECT
10	NRHA failure to comply with Regulatory Framework and Code of Governance	<ul style="list-style-type: none"> <li>- Insufficient attention given to emerging regulatory obligations (VFM, health and safety, and resident engagement)</li> <li>- Insufficient attention given to adopted (NHF) Code of Governance</li> <li>- NRHA failure to address resident focus/ co-regulatory agenda</li> <li>- Increased regulatory engagement emerging from private lender concerns</li> <li>- Risk based approach to regulation and increased attention on smaller (RASA) HAs.</li> </ul>	<ul style="list-style-type: none"> <li>- Regulatory intervention</li> <li>- Merger considerations</li> <li>- Loss of/reduction in NRHA development funding</li> <li>- NRHA reputational damage with partners and residents</li> <li>- Incorrect/ inaccurate certifications</li> </ul>
11	Business continuity	<ul style="list-style-type: none"> <li>- Destruction of MRH office(s)</li> <li>- Office site(s) unavailable to MRH staff</li> <li>- Hardware failure/destruction of equipment</li> <li>- No access to, or failure of, Group systems</li> </ul>	<ul style="list-style-type: none"> <li>- Disruption to service provision</li> <li>- Loss of MRH/NRHA records</li> <li>- Financial loss to MRH and NRHA</li> <li>- Reputational damage to MRH and NRHA</li> </ul>
12	Increasing NRHA rent arrears and bad debts	<ul style="list-style-type: none"> <li>- Rents not affordable to client group</li> <li>- Wider roll-out of Universal Credit</li> <li>- Social changes (increasing unemployment/benefits review and Welfare Reform)</li> </ul>	<ul style="list-style-type: none"> <li>- NRHA rent arrears/bad debts increase</li> <li>- Reduced income</li> <li>- Reduced surpluses</li> <li>- Increased demands on income management function</li> <li>- Increased evictions and associated costs</li> </ul>

NO	RISK CATEGORY	CAUSE	EFFECT
13	Flood risk	<ul style="list-style-type: none"> <li>- Environmental change</li> <li>- Extremes of rainfall</li> <li>- Poor/inadequate land drainage in rural locations</li> </ul>	<ul style="list-style-type: none"> <li>- Flood damage to properties</li> <li>- Relocation of residents</li> <li>- Impact on insurance premiums</li> <li>- Disruption to service standards</li> <li>- Costs and potential rent loss</li> </ul>
14	Changes in demand	<ul style="list-style-type: none"> <li>- NRHA unable to meet resident/ prospective residents aspirations</li> <li>- Lack of demand for NRHA products due to changing/ lack of need</li> <li>- Demographic changes/ changes in demand in rural locations</li> <li>- Contraction of rural services</li> <li>- NRHA not providing VFM/achieving local affordability requirements</li> </ul>	<ul style="list-style-type: none"> <li>- Loss of NRHA rental income, resulting from voids and difficult to let properties</li> <li>- Lack of demand for NRHA services and homes</li> </ul>
15	Unable to meet resident aspirations and maintain service delivery	<ul style="list-style-type: none"> <li>- NRHA not meeting agreed service standards</li> <li>- NRHA not involving residents in decision making</li> <li>- Resident Involvement Board not engaged effectively</li> <li>- Reduced resources for stock investment</li> <li>- Contractual obligations not being delivered by external partners</li> <li>- Increasing demands and expectations from residents</li> </ul>	<ul style="list-style-type: none"> <li>- Increase in complaints and service demands</li> <li>- NRHA unable to let properties</li> <li>- Lack of resident “buy-in” and failure of resident engagement structures</li> <li>- Failure to deliver services and performance requirements</li> </ul>

NO	RISK CATEGORY	CAUSE	EFFECT
16	NRHA Board membership and Board effectiveness	<ul style="list-style-type: none"> <li>- Insufficient skills and experience on NRHA Board</li> <li>- Lack of focus on key issues impacting on NRHA businesses</li> <li>- Insufficient membership renewal and succession</li> <li>- Insufficient effectiveness reviews</li> </ul>	<ul style="list-style-type: none"> <li>- Poor decision-making and governance</li> <li>- Inadequate business planning</li> <li>- Non-compliance with NHF Code and regulatory requirements</li> <li>- Lack of Board control</li> </ul>
17	Marketability of shared ownership and sales exposure	<ul style="list-style-type: none"> <li>- Lack of s/o mortgage lenders</li> <li>- Unattractive to purchasers</li> <li>- High deposit requirements</li> <li>- Local affordability</li> </ul>	<ul style="list-style-type: none"> <li>- Unable to sell LCHO products</li> <li>- Mortgages unavailable or expensive to secure</li> <li>- Reduced development of home ownership products</li> </ul>
18	Adverse publicity and media	<ul style="list-style-type: none"> <li>- Service delivery failures</li> <li>- Inaccurate/irresponsible reporting</li> <li>- Inadequate supply of prepared material</li> <li>- Insufficient promotion of the sector's work/ poor sector image</li> </ul>	<ul style="list-style-type: none"> <li>- Poor perception of NRHA</li> <li>- Reputational damage</li> <li>- Failure to take advantage of PR opportunities</li> </ul>
19	Legislative change	<ul style="list-style-type: none"> <li>- Government policy announcements</li> <li>- Change in legislation</li> <li>- Judicial reviews</li> <li>- Increased transparency</li> </ul>	<ul style="list-style-type: none"> <li>- Increased scrutiny of NRHA business practices</li> <li>- Increasing legal costs and resource demands</li> <li>- Increased Government influence over activities</li> <li>- Revision of current business models</li> </ul>

NO	RISK CATEGORY	CAUSE	EFFECT
20	NRHA service charges – not achieving cost recovery	<ul style="list-style-type: none"> <li>- Insufficient cost recovery</li> <li>- Tenant difficulty in meeting increases</li> <li>- Charges not supported within UC framework</li> <li>- Ineffective collection measures</li> <li>- Inaccurate budget setting</li> </ul>	<ul style="list-style-type: none"> <li>- Insufficient collection to cover costs</li> <li>- Service charges set at incorrect level</li> <li>- Affordability to residents</li> </ul>
21	Security of loan portfolio (Co-op Bank)	<ul style="list-style-type: none"> <li>- Instability in banking system</li> <li>- Insufficient capitalisation</li> <li>- Poor management and reputation</li> <li>- Co-op Bank withdrawal from the sector</li> </ul>	<ul style="list-style-type: none"> <li>- Inability to maintain existing facilities resulting in repayment demand</li> <li>- Requirement to refinance</li> </ul>
22	Restriction of LA allocation policies	<ul style="list-style-type: none"> <li>- LA policy changes to nominations/allocations criteria</li> <li>- Restrictive access to LA lists</li> <li>- LA responses to Homeless Reduction Act and obligations</li> </ul>	<ul style="list-style-type: none"> <li>- Inability of applicants to access LA registers</li> <li>- Inappropriate nominations/allocation referrals</li> <li>- Local needs not being addressed as promised</li> <li>- Negative impact locally</li> <li>- Reputation and future growth undermined</li> </ul>
23	Voluntary Right to Buy for Housing Associations	<ul style="list-style-type: none"> <li>- Previous Government Manifesto pledge</li> <li>- Commitment to pilot project in the Midlands by current Government</li> <li>- Voluntary agreement between NHF and Government</li> </ul>	<ul style="list-style-type: none"> <li>- Potential to undermine “exceptions”/in perpetuity principles</li> <li>- Reduced community support/buy in</li> <li>- Landowners unwilling to engage</li> <li>- Increased land values</li> <li>- Negative view from lenders on asset security</li> <li>- Difficulties in portability offer and replacement of stock</li> </ul>



NO	RISK CATEGORY	CAUSE	EFFECT
24	Policy and procedure reviews and updates	<ul style="list-style-type: none"> <li>- Inadequate review of existing policies and procedures</li> <li>- Revised legislation/good practice introduced</li> </ul>	<ul style="list-style-type: none"> <li>- Outdated policies and procedures</li> <li>- Non-compliance with law/good practice</li> <li>- Inconsistent approaches across RHAs</li> </ul>
25	Rent reductions/ rent control	<ul style="list-style-type: none"> <li>- Government intervention</li> <li>- Legislative change</li> <li>- Welfare reduction agenda</li> </ul>	<ul style="list-style-type: none"> <li>- Reduction in income to NRHA</li> <li>- Impact on NRHA business viability</li> <li>- Further cost efficiencies to be identified</li> <li>- Potential to breach loan covenants</li> <li>- Inability to raise private finance</li> <li>- Inability to deliver Business Plan aspirations</li> <li>- Insufficient resourcing of the business</li> <li>- Reductions in service provision and performance</li> </ul>
26	Delivery of Passivhaus/Eco development	<ul style="list-style-type: none"> <li>- Undertaking Passivhaus development proposals</li> <li>- Policy on reducing fuel poverty for residents</li> <li>- Planning requirements requiring eco friendly development</li> </ul>	<ul style="list-style-type: none"> <li>- Increased development costs</li> <li>- Increased input of Association's own resources (over extending)</li> <li>- Reduction in borrowing capacity for other projects</li> <li>- Restricted development programme</li> </ul>
27	Data Protection breach	<ul style="list-style-type: none"> <li>- Inappropriate release of data/release of personal information</li> <li>- Cyber attack</li> <li>- Lack of training for staff</li> <li>- Non-compliance with Data Protection Act</li> <li>- Non-compliance with GDPR standards post May 2018</li> </ul>	<ul style="list-style-type: none"> <li>- Regulatory intervention (Homes England and ICO)</li> <li>- Fines/penalties</li> <li>- Reputational damage</li> </ul>

NO	RISK CATEGORY	CAUSE	EFFECT
28	Safeguarding obligations and reporting	<ul style="list-style-type: none"><li>- Insufficient knowledge of vulnerable residents/families</li><li>- Obligations under legislation</li><li>- Lack of front facing reporting structures</li></ul>	<ul style="list-style-type: none"><li>- Inadequate support for vulnerable residents/families</li><li>- Non-compliance with safeguarding legislation and requirements</li><li>- Lack of targeted resources/support to individuals/families</li></ul>

## 4 GLOSSARY

ACRE	Action for Communities in Rural England
CLA	Country, Land and Business Association
CME	Continuous Market Engagement
CPI	Consumer Price Index
CSR	Comprehensive Spending Review
HA	Housing Association
LA	Local Authority
LCHO	Low Cost Home Ownership
MHCLG	Ministry of Housing, Communities and Local Government
MMC	Modern Methods of Construction
MRH	Midlands Rural Housing
NFU	National Farmers Union
NHF	National Housing Federation
NPPF	National Planning Policy Framework
NRHA	Northamptonshire Rural Housing Association
PEST	Political, Economical, Sociological and Technological
PR	Public Relations
RHAs	Rural Housing Associations
RSH	RTB Regulator of Social Housing
RSLs	Registered Social Landlords
SWOT	Strengths, Weaknesses, Opportunities, Threats
VFM	Value for Money
VRTB	Voluntary Right to Buy

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Northamptonshire Rural Housing Association Ltd is registered under the Co-operative and Community Benefit Society with Charitable Status 27416R, and with Homes England No. L3981  
A member of the National Housing Federation

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