



BUSINESS PLAN

2021-2026



EXECUTIVE SUMMARY

The creation of Barcud on 2 November 2020 was the culmination of almost 3 years' work between Tai Ceredigion and Mid-Wales Housing Association to form a stronger Association to champion the housing needs of rural mid and west Wales.

With over 4000 homes and a turnover exceeding £25 million, Barcud is the largest housing association with its roots in the communities of mid Wales and the natural partner for those wanting to provide housing, employment and wider development opportunities in the region.

Barcud is more than a housing association. It has three subsidiaries, which all provide complementary services and activities to those of the parent. This enables the Barcud group to offer comprehensive housing, maintenance and support solutions.

In establishing Barcud, the Shadow Board outlined a vision which was encapsulated in seven strategic objectives:

1. To provide 5,000 affordable, mixed tenure, high quality sustainable homes in Mid Wales by 2025;
2. To be an excellent community landlord, which also offers support and care services;
3. To be a tenant and resident focused social business, which involves customers at all levels and operates bilingually;
4. To work in partnership with local authorities and the Welsh Government to prevent and tackle homelessness in all its forms;
5. To be an employer of first choice that supports the local economy and communities;
6. To be a sustainable, low carbon organisation;
7. To be an organisation with robust governance and finances.

The outline business case (OBC) for merger explained that the bringing together of Tai Ceredigion and Mid-Wales HA enabled the unlocking of capacity to provide up to 100 additional homes over the current plans. The Association will be pursuing a loan refinancing to create additional borrowing capacity to enable these extra homes to be built, providing of course that the associated grant funding can also be attracted.

The genuine involvement of tenants and residents is fundamental to the Barcud way of working. The Board works closely with the independent tenant group (Barcud Monitoring Group) to jointly shape policy and strategy. This involvement is one of the many ways Barcud is embedded within the communities across mid and west Wales.

In establishing Barcud a new Board was created with a wide range of skills and experiences. This gives Barcud a strong base for robust governance.



Steve Jones
Chief Executive



Steve Cripps
Chair

OVERVIEW

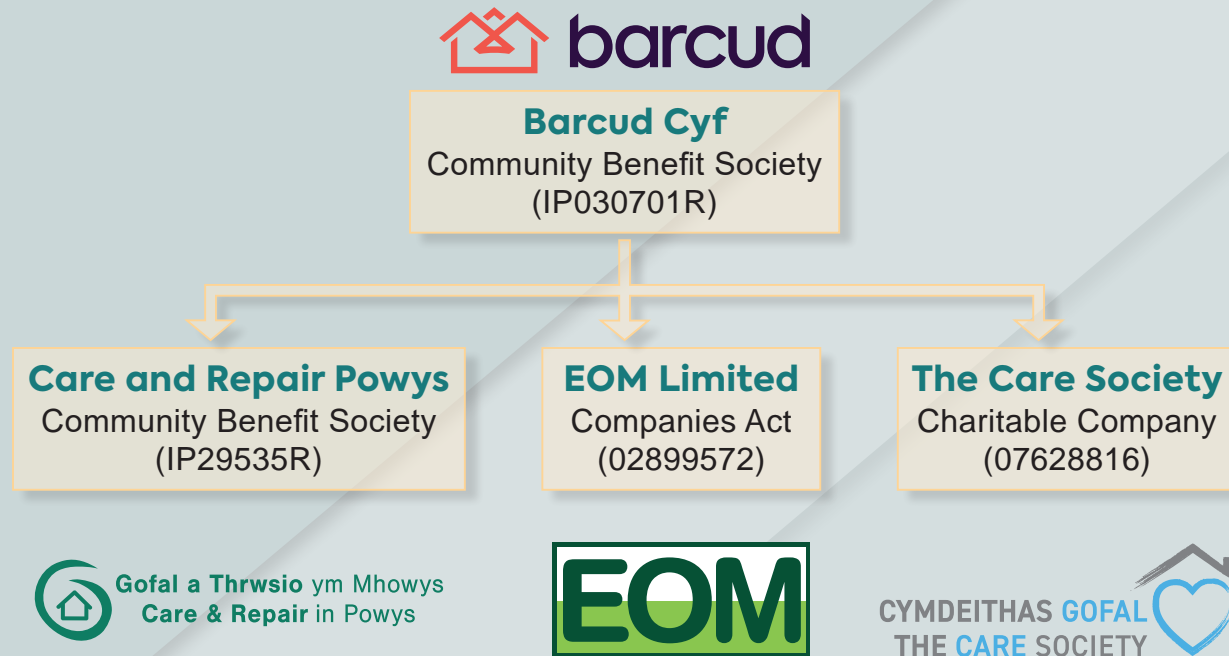
Introduction

Barcud was registered by the FCA on 2 November 2020. The merged Association was formed through the transfer of engagements from Mid-Wales HA (MWHHA) to Tai Ceredigion; at the same time Tai Ceredigion adopted new model Rules and changed its name to Barcud.

The origin of Tai Ceredigion was the stock transfer of the Ceredigion County Council Housing properties to the newly formed Association in 2009, while that of Mid-Wales HA was a traditional Association established by local people of Montgomeryshire in 1975.

Barcud owns and manages over 4,000 properties, has an annual turnover in excess of £25 million, and employs more than 200 staff. The Association also has three subsidiaries: Care and Repair in Powys (CRP), EOM (a building maintenance company) and The Care Society; these employ another 100 staff and contribute a further £3 million to the Group's turnover.

Legal Structure



Values

The way Barcud delivers its services is reflected by the values adopted by the Board in October 2020. These are:

Committed

We are committed to providing firm foundations for life.

Proud

We take pride in what we do and we take pride in doing it well.

Respect

We respect the people we work with and work for and value the contribution they make.

Care

We care about our people, communities, culture, country and planet.

Team

We work together with our colleagues, our tenants, our communities and partners to help each other succeed.

Purpose

The purpose or aim of Barcud can be summarised in the following strapline;

**Firm Foundations
Better Homes
Stronger Communities**

This is being delivered through the achievement of seven strategic objectives.



STRATEGIC OBJECTIVE 1

To provide 5,000 affordable, mixed tenure, high quality sustainable homes in Mid Wales by 2025.



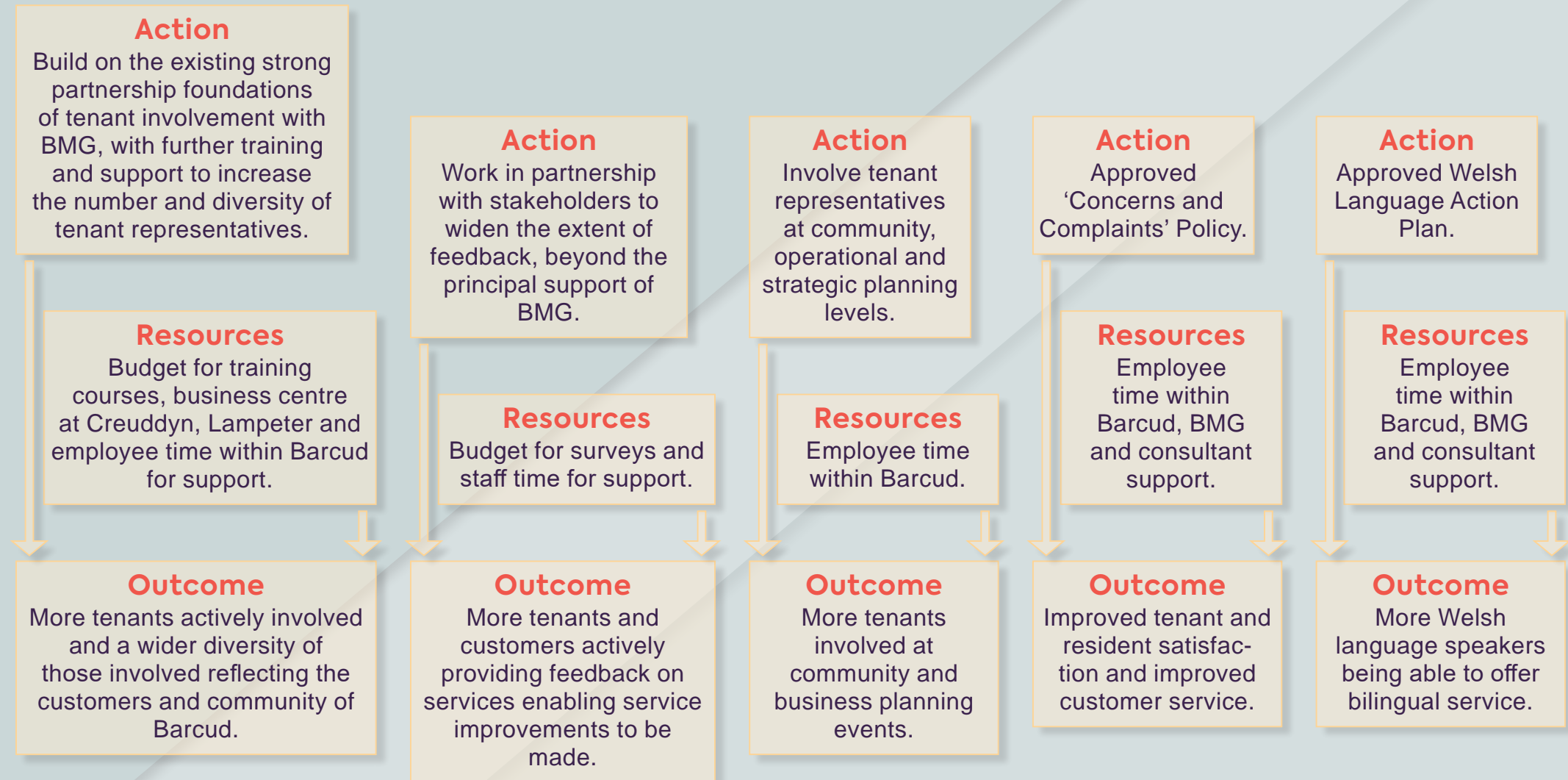
STRATEGIC OBJECTIVE 2

To be an excellent community landlord, which also offers support and care services.



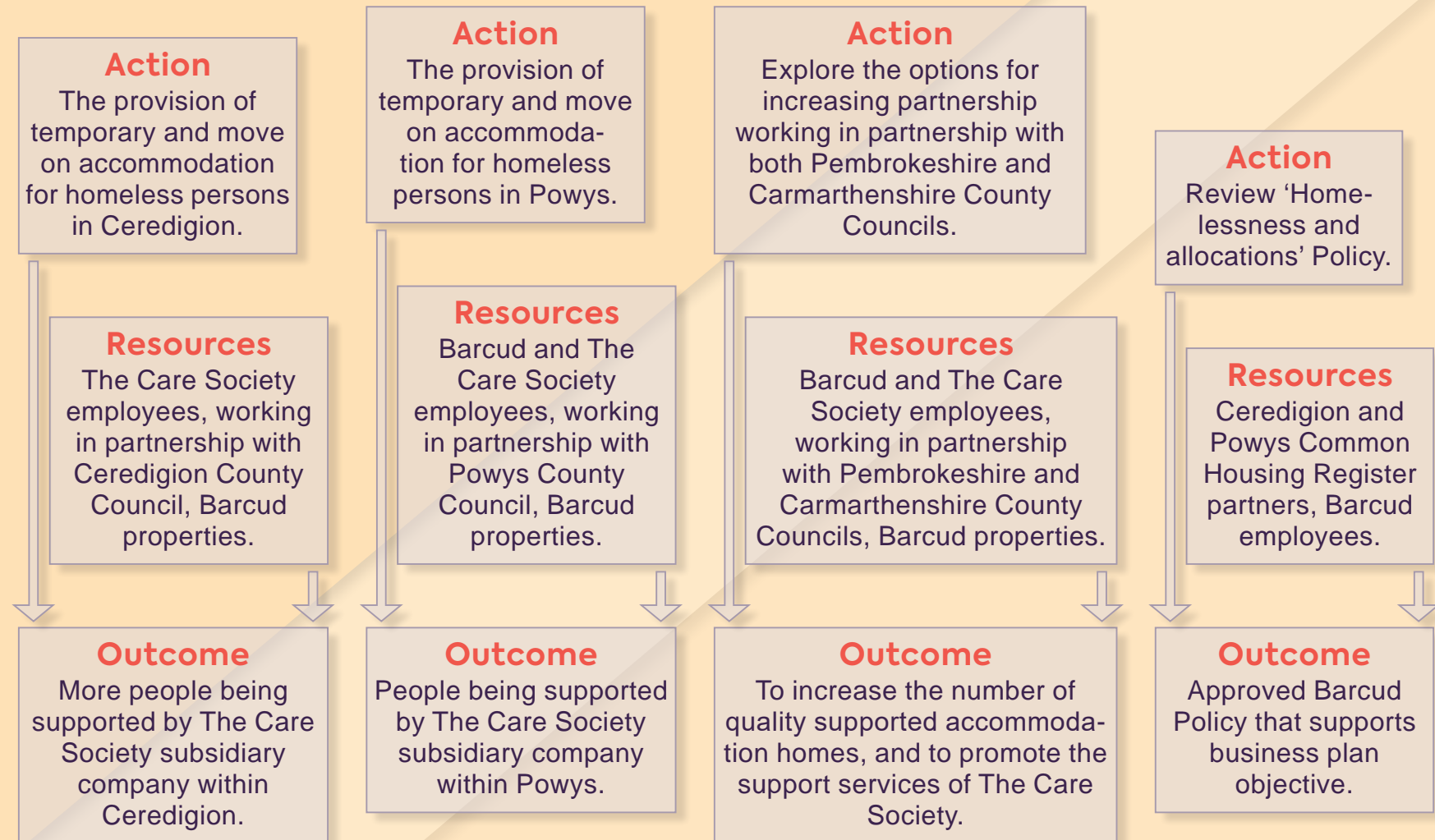
STRATEGIC OBJECTIVE 3

To be a tenant and resident focused social business, which involves customers at all levels and operates bilingually.



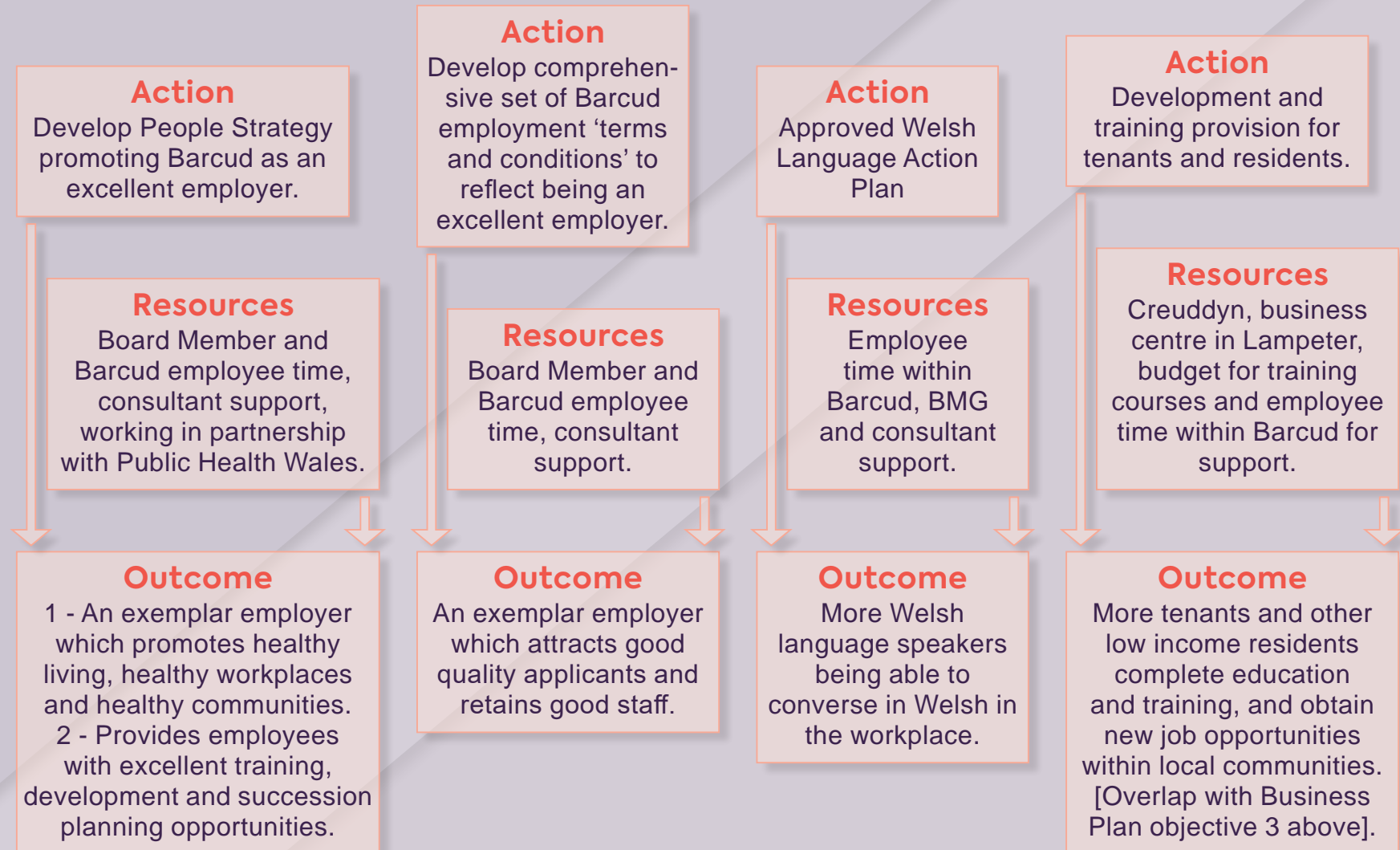
STRATEGIC OBJECTIVE 4

To work in partnership with local authorities and the Welsh Government to prevent and tackle homelessness in all its forms.



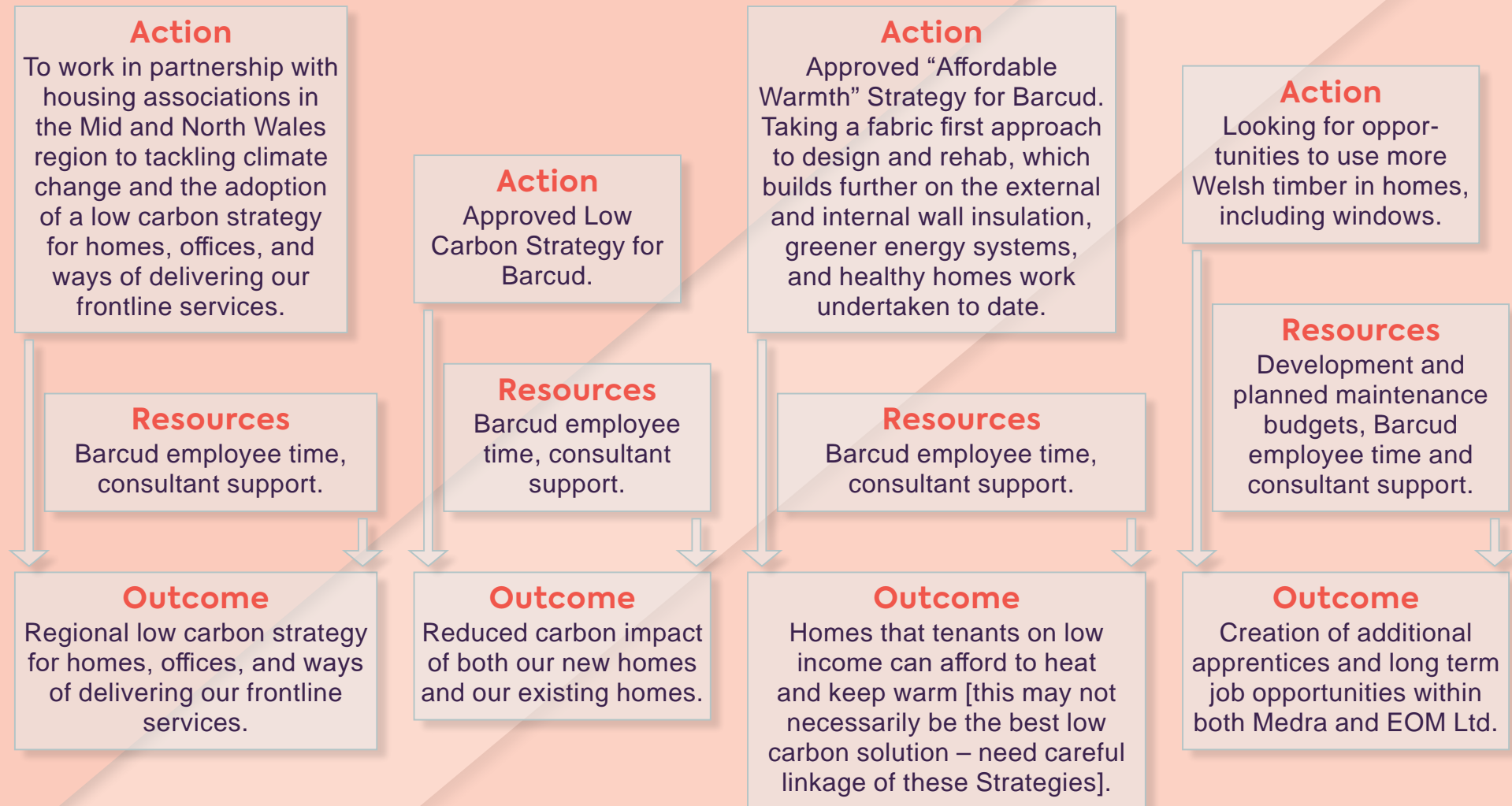
STRATEGIC OBJECTIVE 5

To be an employer of first choice that supports the local economy and communities.



STRATEGIC OBJECTIVE 6

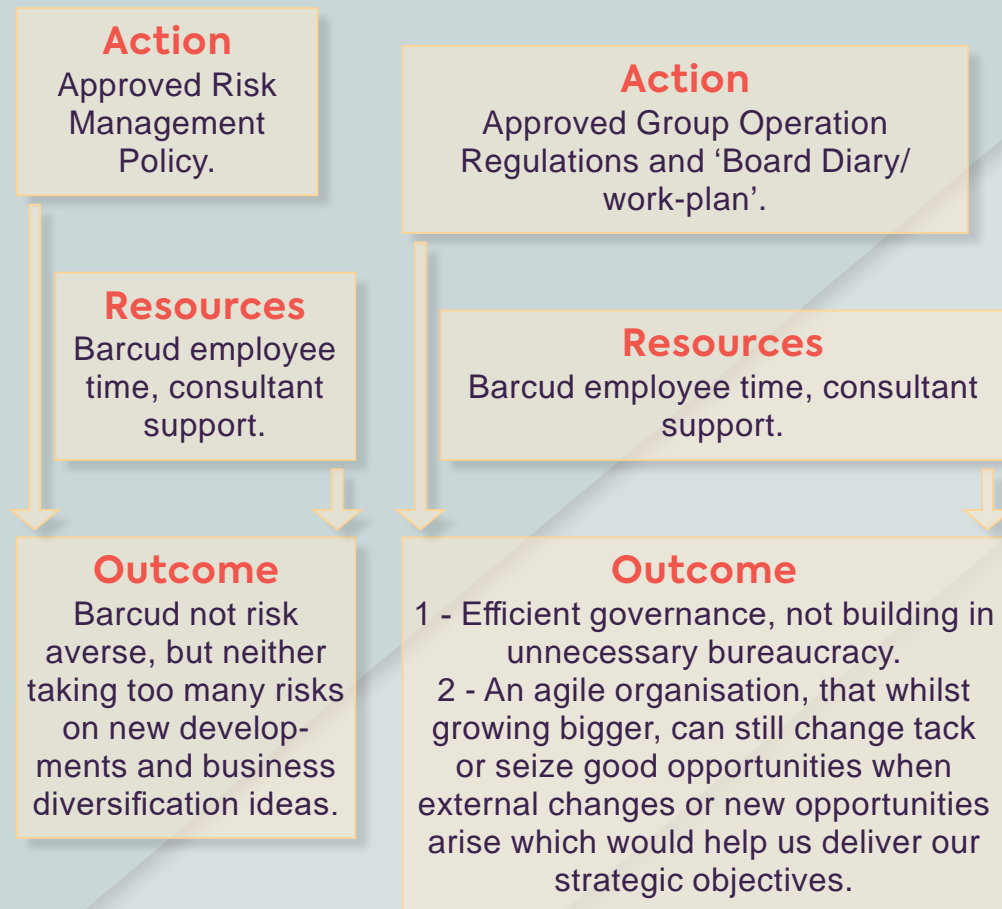
To be a sustainable, low carbon organisation.



STRATEGIC OBJECTIVE 7

To be an organisation with robust governance and finances.

Robust Governance



Robust Finances



Barcud has adopted a risk management strategy ensuring we achieve our key strategic objectives whilst reviewing the challenges and risks which may be encountered. Using a risk matrix Barcud identifies the impact of factors that may affect the likelihood of a significant risk impacting upon the organisation. The risk mapping process is embedded within business planning and operational arrangements. The risk register contains the key risks which could impact upon the delivery of the Strategic Objectives; with each being linked to the appropriate Welsh Government Performance Standard.

As a complex housing organisation, Barcud recognises that it faces risks from a wide variety of sources including:

- Government policy/legislation.
- Economic/financial environment.
- Demographic change.
- Market forces.
- Major works programmes/developments.
- Natural hazards.
- Pandemics
- Fraud and error.
- Information Technology.

Barcud is developing its risk appetite, through the documenting of a Target Risk score for each individual top risk by the Board of Management. The 'top risks' from the Risk Register are reviewed at each meeting of the Audit and Performance Committee. Where a top risk is reviewed and found not to be within our risk appetite, action will be taken to put in place further controls, or to seek further assurance that the identified controls are operating effectively.

Risk Matrix table

The risks are all scored using the following risk matrix. The impact of the risk is more critical than the likelihood. Therefore, the Impact score is multiplied by itself (squared), and then multiplied by the likelihood to give the total risk score.

Unmitigated Risk			Risk Appetite		Mitigated Risk		
Barcud Risk Matrix							
Impact	Catastrophic	5	25	50	75	100	125
	Major	4	16	32	48	64	80
	Significant	3	9	18	27	36	45
	Minor	2	4	8	12	16	20
	Nil	1	1	2	3	4	5
Risk score calculation: Impact ² x Likelihood			1	2	3	4	5
			Remote	Unlikely	Possible	Likely	Very Likely
			Likelihood				

Top Risks

The most significant strategic business risks are;

- Increased costs due to Welsh Government decarbonisation agenda
- Failure to comply with Landlord Health and Safety Regulations
- Failure to comply with Employee Health and Safety Regulations
- Failure to achieve Regulatory Compliance
- Failure of commercial maintenance subsidiary (EOM)
- Failure to integrate post-merger
- Inappropriate Risk Management Framework

- Increased costs and poor service due to Covid-19
- Failure of major development project
- Lack of affordability of future pension cost increases
- Loss of Welsh Government Dowry
- Breach of Financial covenant

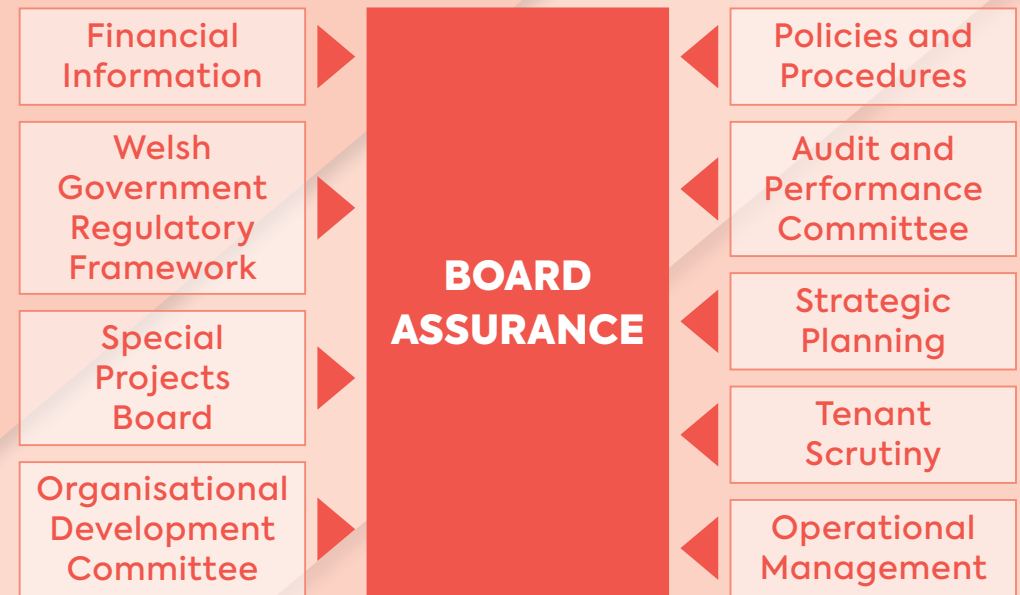
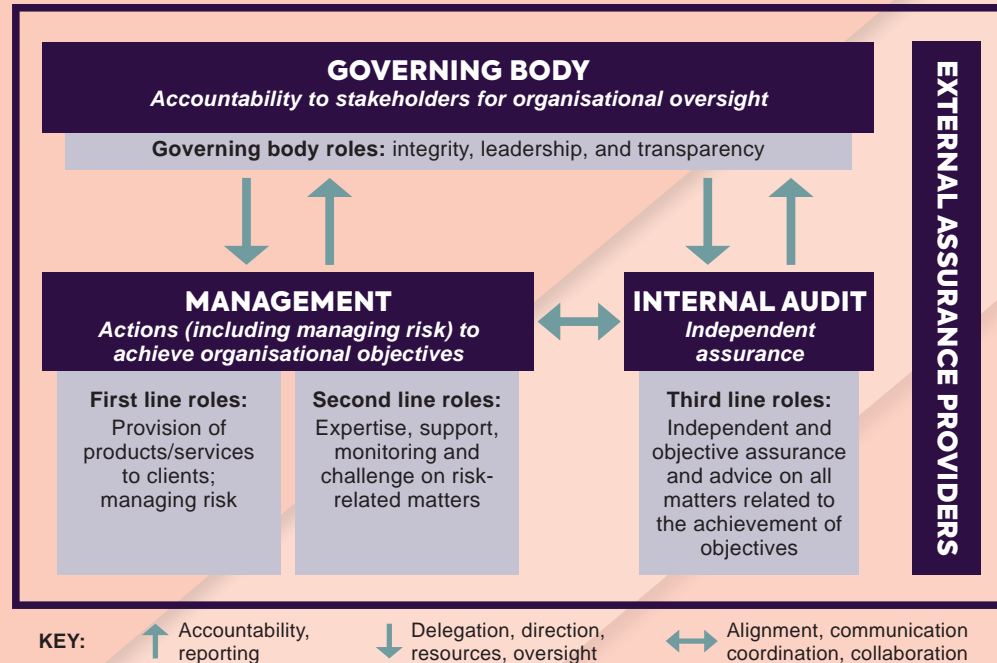
A number of these risks are linked to the post-merger integration, and the successful achievement of this action will result in many of the above scores reducing.



ASSURANCE

Barcud uses the “Three Lines Model” as a framework. This gives Board assurance that progress is being made towards mitigating risks and achieving strategic priorities by having accurate data, good processes and controls and reporting tools to assist with decision making.

The first line is how risks are managed day to day and comes directly from those responsible for delivering objectives and includes policy and procedures. The second is the way the organisation oversees the controls framework so it operates effectively, including all elements of reporting and monitoring. Third is objective and independent assurance of internal audit. There is also the overarching assurance from external organisations.



VALUE for MONEY (VfM) and SOCIAL VALUE



Barcud is the beneficiary of significant sums of public money, in respect of Social Housing Grant (SHG) to help fund new properties, and the Welsh Government and Local Authorities need to be satisfied these funds are being used effectively. In addition, the operating activities are being paid for from residents' rents, and as these are often those on the lowest incomes it is critically important to show that best use is being made of that resource. This is at the heart of delivering Value for Money (VfM).

The concept of VfM is not new and generally is considered to cover three elements:

ECONOMY

Doing things at the 'best price'

EFFICIENCY

Doing things in the 'best way'

EFFECTIVENESS

Doing the 'right things'

Within Wales a 'fourth E' has been recognised;

EQUITY

Ensuring the Association's actions are fair and equitable to all

VfM measures have been less well developed in Wales than England. In England a sector scorecard has been developed. This sector scorecard comprises 15 measures which Community Housing Cymru (CHC) is consulting with the sector about suitability for associations in Wales. Barcud will be developing the reporting against the sector scorecard during 2021/22.

However, VfM is more than reporting some key indicators. It is about providing excellent cost effective homes and services. A key element is the affordability of rents and Barcud has adopted a rent policy that has affordability at its heart. There are no blanket rent increases and the target rent for a property is mindful of the typical household income for such a property. A survey of over 200 tenants in December 2020 indicated over 80% considered the rents offered VfM.

Barcud is firmly rooted in the community and therefore interested in the wider social value it provides. The commitment to provide energy efficient homes within the rural communities where people want to live is paramount, along with supporting employment opportunities within these communities and keeping the Welsh Pound within our community. These wider environmental and social benefits are a key element of the wider delivery of VfM.

Tenants and residents were thoroughly engaged throughout the merger process and remain involved through the business planning workshops.

The ethos of Barcud is as a tenant and customer centred organisation. The importance of tenant involvement is captured by the Rules: '... put in place arrangements for tenants to monitor, scrutinise and be consulted...'. The Barcud tenants can join an independent tenant body, Barcud Monitoring Group (BMG). This body represents tenants and formally meets the Barcud Leadership Team or operational managers on a monthly basis through the Tenant Liaison Panel.

Role of the Barcud Monitoring Group (BMG)

The Barcud Monitoring Group (BMG) is an independent, voluntary, not-for-profit organisation with its own Chair, Vice-Chair, Secretary and Treasurer. The BMG can comprise up to 26 members. The BMG provide regular reports in the tenants' newsletter and at the Tenants Liaison Forum meetings. All tenants are invited to the Forums, and can vote, annually, if they wish for the Group to continue to represent them or not.

The objectives of the BMG are:

- To provide an accountable and representative structure
- To influence the future of Barcud by actively pursuing involvement and consultation with tenants and the wider local community
- To enable tenants to review the management and maintenance of Barcud properties
- To positively promote the work of the Monitoring Group within the wider area.

Tenant Scrutiny

In addition to the formal structure of the BMG and Tenant Liaison Panel, Barcud has a wide range of other mechanisms to involve tenants and customers and receive feedback on services. However, Barcud will be continuing to review how it can involve those 'hard to reach' tenants and customers, especially families and younger people.

In summary, Barcud has a well-established framework for tenant scrutiny and involvement.



Performance Standards

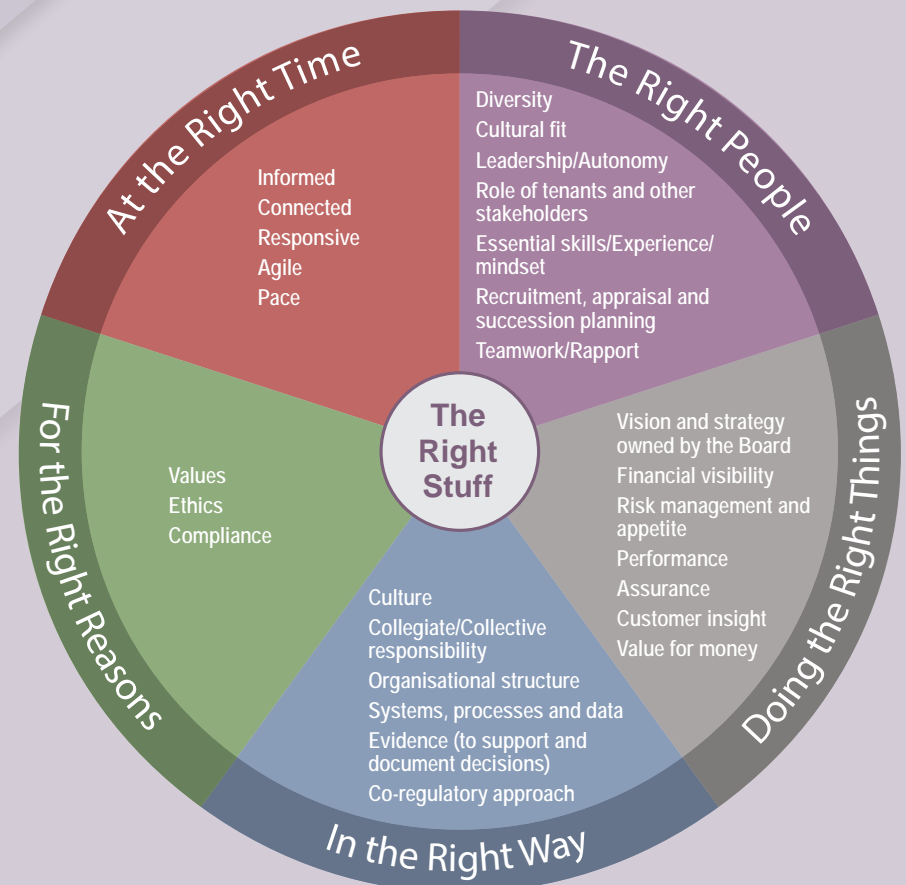
The regulatory framework for housing associations in Wales outlines the standards of performance set by Welsh Ministers. Each association is responsible for demonstrating to the Regulator that it is meeting the performance standards through a clearly evidenced self-evaluation and statement of compliance, verified through ongoing regulatory assurance and oversight. There are two tools that Barcud uses as a framework for ensuring good governance: The Right Stuff and the CHC Code of Governance.



Llywodraeth Cymru
Welsh Government

The Right Stuff

The Right Stuff is a high level framework and is intended to be indicative rather than prescriptive and can be used to prompt self reflection and evaluation, both within Associations and between the Regulator and Associations. Barcud will reflect on the framework in conjunction with the Code of Governance and continue to achieve its strategic priorities with effective governance.



CODE of GOVERNANCE

Community Housing Cymru (CHC) have produced a code of governance, which is designed as a tool to support continuous improvement. It sets out principles and recommended practices. Each principle has a brief description, a rationale, key outcomes and recommended practices. Barcud has adopted this Code and follows the 'apply and explain' approach to the Code and publishes a statement in the Association's annual report explaining the compliance with the Code.

1. Organisational Purpose

The Board is clear about the organisation's aims and ensures that these are being delivered effectively and sustainably.

2. Leadership

Every organisation is led by an effective Board that provides strategic leadership in line with the organisation's aims and values.

3. Integrity

The Board acts with integrity, adopting values and creating a culture which help achieve the organisation's purposes. The Board is aware of the importance of the public's confidence and trust, and Board members undertake their duties accordingly.

4. Decision-Making, Risk & Control

The Board makes sure that its decision-making processes are informed, rigorous and timely and that effective delegation, control and risk assessment and management systems are set up and monitored.

5. Board Effectiveness

The Board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

6. Diversity

The Board's approach to diversity supports its effectiveness, leadership and decision-making.

7. Openness & Accountability

The Board leads the organisation in being transparent and accountable. The organisation is open in its work, unless there is good reason for it not to be.

The approved budget and financial forecasts reflect in financial terms the delivery of Barcud's services alongside delivery of the strategic objectives. The five year budget is characterised by capital spend on maintaining the Welsh Housing Quality Standard on existing stock, along with the ambitious development programme to become a landlord of 5000 properties by 2025. This capital expenditure will be funded by our existing £80m facility provided by our Funders, alongside social housing grant provided by the Welsh Government.

Key budget assumptions

- Rental income has increased in accordance with Welsh Government policy to be within the target rent.
- Voids are assumed at 2% and bad debt at 1.5% of rental income over the five years as per the expectations of the results of Welfare Reform and especially Universal Credit.
- Operational costs have been fully reviewed and costed for.
- Interest rates on variable rate facilities have been assumed at 2% for 2021/2022 rising to 3% for year five.
- Barcud has assumed that there will be no property sales.
- The five year budget is incorporated into the Association's 30 year financial business plan and stress tested for changes in assumptions or risk effects and impacts.

KPI Description	Target 2021/22
Current Tenant Arrears	1.9%
Void Stock	0.83%
Average No of Days to Relet General Needs Property	14
Contact Centres - Calls Answered	98%
Repairs - Overall Customer Satisfaction	99%
Reactive Repairs - Jobs Completed Within Target - Emergency (24 Hours)	99%
Average Energy Efficiency of Social Housing Stock (SAP Rating)	75
Sickness Absence	2.6%
Proportion of Welsh Speaking Employees	50%
Services Available Bilingually	100%

STATEMENT of COMPREHENSIVE INCOME

	2021/22 Budget £'000	2022/23 Forecast £'000	2023/24 Forecast £'000	2024/25 Forecast £'000	2025/26 Forecast £'000
Turnover					
Net rent & service charges	21,914	22,974	23,927	24,810	26,032
Operating Activities					
Operational costs	(6,405)	(6,541)	(6,690)	(6,868)	(7,000)
Repairs & maintenance	(5,745)	(6,035)	(6,200)	(6,351)	(6,505)
Other spend	(5,042)	(6,070)	(6,721)	(7,097)	(7,910)
Operating Surplus	4,722	4,327	4,316	4,494	4,616
Interest receivable and other income	3,196	3,218	3,264	3,315	3,299
Interest payable and similar charges	(12,510)*	(3,529)	(3,680)	(3,709)	(3,742)
Surplus for the Year	(4,592)	4,016	3,899	4,100	4,173

*£8.6m relates to cost of breaking fixed rate loans.

STATEMENT of FINANCIAL POSITION

	2021/22 Budget £'000	2022/23 Forecast £'000	2023/24 Forecast £'000	2024/25 Forecast £'000	2025/26 Forecast £'000
Fixed Assets					
Housing properties less depreciation	219,955	236,804	253,629	271,392	276,996
Other fixed assets	4,414	4,632	4,856	5,084	5,318
Investments	1,780	1,780	1,780	1,780	1,780
Current Assets					
Debtors	15,189	11,421	13,929	13,936	14,018
Creditors: due within one year	(3,186)	(3,796)	(3,716)	(4,643)	(5,024)
Total assets less liabilities	238,153	250,842	270,477	287,550	291,339
Creditors: due after one year	(216,873)	(225,546)	(241,281)	(254,254)	(253,869)
Total	21,280	25,296	29,196	33,296	37,469
Reserves	21,280	25,296	29,196	33,296	37,469

CASHFLOW FORECAST

	2021/22 Budget £'000	2022/23 Forecast £'000	2023/24 Forecast £'000	2024/25 Forecast £'000	2025/26 Forecast £'000
Operating Cashflow					
Cash b/f	3,809				
Surplus	(4,592)	4,016	3,899	4,100	4,173
Add back depreciation	5,022	5,809	6,509	6,885	7,698
Less amortisation	(1,026)	(1,056)	(1,098)	(1,144)	(1,122)
Add back capitalised interest	(159)	(102)	(80)	(73)	(104)
Total	3,054	8,667	9,231	9,768	10,645
Capital Expenditure					
Capital works programme	(6,819)	(6,458)	(5,685)	(5,812)	(5,941)
Development costs	(13,726)	(12,019)	(11,639)	(12,542)	(12,615)
Other capital costs	(758)	(278)	(284)	(289)	(295)
Total	(21,303)	(18,755)	(17,608)	(18,883)	(18,851)
Other Income & Expenditure					
Social housing grant	4,172	3,499	7,097	8,256	6,726
Creuddyn grant	900				
Total	5,072	3,499	7,097	8,256	6,726
Financing Costs					
Loan repayments and interest	(20,744)	(903)	(922)	(897)	(747)
Refinancing breakage costs	(8,600)				
Loan drawn down	40,000				
Total	10,656	(903)	(922)	(897)	(747)
Funding Requirement	(2,521)	(7,492)	(2,200)	(1,426)	(2,229)
Opening Balance Loan Account	20,000	17,478	9,987	7,786	6,360
Closing Balance Loan Account	17,478	9,987	7,786	6,360	4,132

THE CARE SOCIETY

The five-year business plan is designed to ensure The Care Society continues to provide flexible services that help achieve our charitable objectives and deliver community benefits. The Care Society becoming a subsidiary of Tai Ceredigion Housing Association in 2018 provided a solid platform to improve infrastructure and has resulted in improved financial performance and increases in people accessing services. Tai Ceredigion's subsequent merger with Mid Wales Housing Association and the formation of the Barcud Group provides further opportunities to increase the reach of The Care Society Services.

In response to identified service user and strategic need, business planning is premised on –

- The growth of existing services and developing innovative new services within Ceredigion together with exploring and expanding support services to Powys, Pembrokeshire and Carmarthenshire working with Barcud and strategic partners
- Mitigating risk, improving and building financial resilience and quality of service provision
- Adapting to significant internal and external changes in The Care Society's operating environment to help safeguard the future of The Care Society, for example –
 - Changes in Welsh Government Housing policy initiatives and Housing Legislation.
 - Changes in commissioning evidenced by Housing Support Grant transferred by Welsh Government and administered by Local Authorities.
 - Ceredigion County Council procurement of support services through tendering and innovation partnership frameworks.
 - The impact of the Covid-19 pandemic and impact of future service design and delivery to meet the economic and financial impact on local jobs, individual and family incomes, the local community as well as the impact on the public purse and future public spending.
 - The socio-political and economic impact of Brexit.

In addition to benefitting from the support and opportunities provided through the parent body Barcud, The Care Society will continue to build on established strategic links with organisations from across the public, private and third sector at a local, regional and national level to achieve the strategic priorities detailed throughout this business plan.



CARE & REPAIR in POWYS

Background

Care & Repair in Powys (CRP) was established from 1988 to serve the three original shires of Powys, Brecknock, Radnor and Montgomeryshire, and merged into one organisation in 2003.

CRP is one of thirteen agencies that operate across Wales. Each Agency is independent but affiliated to Cardiff based Care & Repair Cymru (CRC) and signs up to a Collective Working Strategy.

CRP is a non-profit-making organisation with charitable purposes which is a subsidiary of Barcud. They are registered with the Financial Conduct Authority as a Community Benefit Society under the Co-operative and Community Benefit Societies Act 2014.



Purpose

To enable older people and people with disabilities to live as independent lives as possible in safe, warm and secure homes. This is encapsulated in the statement:

Improving Homes,
Changing Lives.

Objectives

- To deliver the maximum range, quantity and quality of CRP services afforded within current resources.
- To actively identify and explore opportunities to sustainably extend the services offered.
- To maximise the effectiveness of Agency performance.
- To reach a conclusion on the most effective legal status for the Agency.

This will be achieved through the provision of high quality advice, support and practical services in collaboration with key stakeholders. The CRP values and objectives are aligned to those of our parent Barcud. Our work complements their ambition to deliver better homes, brighter futures and strong communities.

Our main sources of income, be it grant aid or fees from service agreements, include Welsh Government, Powys County Council and the Powys Teaching Health Board.

EOM Electrical Contractors Ltd (EOM) is an established and reliable Newtown firm providing electrical, gas and plumbing works as well as general maintenance. EOM work on projects ranging from small jobs for individual homeowners to large-scale projects for commercial and public sector clients.

EOM was established in 1995 by a group of Mid Wales electricians, and today employ a total of 46 professionals within the team. EOM will provide services to clients throughout Mid Wales and boast an impressive client portfolio including Barcud, Newydd Housing Association, First Choice Housing Association, Powys County Council, Heart of Wales Property Services (HoWPS), Aberystwyth University, Hywel Dda Health Board and many private and commercial clients.



EOM will:-

- Undertake all Barcud property related work in the East.
- Continue to work with other Housing Associations, Local Authorities and private clients.
- Aim to invest in new tools and some new vehicles in 2021/22.
- Provide a first class service to all our clients.
- Review the terms and conditions for our colleagues and invest in training in green technologies, PV roof panels installations as well as electric vehicle charging points.
- Identify any inefficiencies and become a technology-driven maintenance company by the end of March 2022.
- Review our Risk Register, key Performance Indicators and Debtors on a monthly basis.
- Communicate clearly with our colleagues to ensure that every team member's views are listened to and that everyone feels part of the team.
- Build on our procurement of materials strategies, and review our storage of stock.
- Look at the possibility of increasing the number of apprentices.
- Regularly review the progress made against our Business Plan.
- Review our marketing strategy so that other private clients can benefit from our services.

THE EXECUTIVE TEAM



Steve Jones

Group Chief Executive

Graduated at Sheffield Hallam University with a BA (Hons) degree in Housing Studies.

Nearly 40 years in local authority and RSL housing.

Appointed Tai Ceredigion's first CEO in 2009.

Guided TC through stock transfer from Ceredigion County Council.

Appointed Interim Chief Executive for Barcud in 2019.

Former Group Director of Community Services at Pennaf Housing Group.

Voluntary member of Digartref Charity on Ynys Mon.

Fluent Welsh speaker.



Sian Howells

Group Director Development and Asset Management

Member of the Royal Institute of Chartered Surveyors.

Degree in Urban Estate management (BSc) from University of Glamorgan.

30 years' experience in both commercial and residential development, asset and estate management.

Joined Mid-Wales Housing in 2014.

Previous housing association experience with Circle and Guinness Housing Groups and Merthyr Tydfil Housing Association in Wales.



Llŷr Edwards

Group Director Commercial Services

Degree in Building Technology and Management.

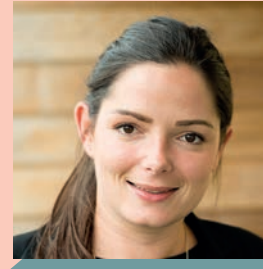
Over 20 years' housing experience.

Joined Tai Ceredigion in 2009.

Planned, managed and successfully oversaw completion of WHQS works for TC.

Responsible for Medra and EOM.

Fluent Welsh speaker.



Kate Curran

Group Director Finance and IT

Over 20 years' experience in Public Sector Finance.

Responsible for the Finance, ICT and business improvement departments within Barcud.

CIPFA qualified accountant.

Trustee of Age Cymru Ceredigion.

Member of the Dyfed Powys Police and Crime Commissioner Joint Audit Committee.

Active Welsh learner.



Charles Brotherton

Group Director of Governance, Risk and Resources

Nearly 30 years' housing experience.

Graduated in Economics (BSc) from Loughborough University.

Chartered Public Finance Accountant.

Appointed Acting Chief Executive of Mid-Wales Housing in 2020.

Director of Finance/ Deputy Chief Executive of Mid-Wales Housing since 2010.

Former Director of Finance at Rooftop Housing Group.

Local authority experience with Coventry City Council and Wychavon District Council.

Actively involved with the CIPFA RSL Panel.

Active Welsh learner.



Eleri Jenkins

Group Director of Housing and Support

Over 40 years of experience in all aspects of housing management.

Past experience in local authority and with Cymdeithas Tai Cantref.

Joined Tai Ceredigion 2009.

Respected housing professional in west Wales and Fellow of the CIH.

Leads on tenant involvement and participation.

Fluent Welsh speaker.

THE BARCUD BOARD



John Wilkinson



David Hall



Enid Roberts



Siobhan Johnson



Steve Cripps



Mererid Boswell



John Jenkins



Catherine Shaw



Cadwgan Thomas



Wyn Jones



John Rees



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