



# Corporate Plan

**2007**

**to**

**2010**

## **Our purpose is:**

**To be the UK's leading Co-operative housing association promoting, developing and providing quality services to housing co-operatives and other forms of mutual tenure.**

## **Our vision is:**

- to provide high quality, efficient and financially viable services that enables and supports resident control.
- to make a significant contribution to solving the housing needs of our nation by developing housing co-operatives and other forms of mutual tenure.

**Final version: as approved by the Board of Management  
10 December 2007**



## **Corporate Plan 2007 – 2010**

### **Introduction**

CDS Co-operatives was founded in 1975 and is the largest, most effective and influential co-operative housing development and service agency in London and the South of England where we are now the only independent co-operative housing agency. We are registered with the Financial Services Authority as a co-operative society, democratically controlled by its members. Our members are the client co-operatives we serve, individuals who are committed to our work and local community based organisations interested in developing resident controlled housing for their community. We are also registered with the Housing Corporation as a registered social landlord.

CDS Co-operatives is well governed by an elected Board of Management. We have an established reputation, built up over more than 30 years, as a successful promoter, developer and service provider for housing co-operatives. We have a good relationship with our regulator, the Housing Corporation. We currently have all 'green lights' on the Housing Corporation's traffic light assessment system confirming that we are financially viable, properly governed, properly managed and an efficient developer of new affordable housing.

### **Our core values**

Our work is driven by our commitment to the seven Co-operative Principles recognised by the International Co-operative Alliance as the principles on which all co-operatives operate. These seven Co-operative Principles are appended to this corporate plan.

Through our membership of the International Co-operative Alliance Housing Board, Co-operatives UK and the Confederation of Co-operative Housing we will continue to maintain our links with the wider Co-operative Movement and make our contribution to it.

The Co-operative Principles are the source of the Core Values which we seek to apply in all our activities. These Core Values are:

- to recognise the value of resident control and to support and enable it
- to be open, honest and accountable for what we do
- to treat every person with dignity and respect
- to promote equality and welcome, value and respect the diversity of people and cultures
- to be equitable and fair in all our business dealings
- to strive for excellence and efficiency in all that we do
- to value and respect our staff and develop their contribution to our work
- to recognise the importance of continuing education and training opportunities for tenants and other residents as a means of developing the human and social capacity of the communities we serve
- to be well governed by an informed and accountable Board of Management
- to be dedicated to making a positive contribution to meeting the housing needs of our nation.

## **The six pillars of excellence**

In consultation with our staff and those who use our services we have also identified the six pillars which support our endeavours to achieve excellence in all we do and strive to achieve.

These six pillars are:

- personal commitment to quality and excellence of service
- motivated, well trained and committed staff
- a commitment to developing peoples' skills
- clear strategic goals and objectives
- policies and procedures to enable us to do things right first time
- striving for continuous improvement

We endeavoured to build these themes for achieving excellence into our policies and procedures. We have a programme of best value reviews through which we search for policy and procedural improvements and efficiencies. We have introduced quarterly awards to acknowledge staff who demonstrate excellence in customer service as individuals and as a team. We are introducing personal development plans for staff but more work needs to be done to imbed these as a key outcome of annual staff appraisals. We have also recently carried out a Board skills analysis on which Board skills development plans are being based.

We will seek to further imbed these themes through the targets in this corporate plan and through achieving the targets it contains. In setting out our goals for the current three years to April 2010 we do not consider any one goal to be more important than any other; they are all interdependent and there is no hierarchy within the goals we have set.

As always we recognise that we are setting ourselves challenging objectives because, if we are to realise our vision we need to work hard to achieve it. Resting on whatever laurels we may have is not an option for us. We do not wish simply to be a good service agency that enables residents to control their homes; we want to be the best and a model for others. We want to extend the opportunities for people who cannot afford to meet their own housing needs in the housing market to live in a decent home which they can afford and to gain the personal and social benefits which come from the democratic control of their housing community. All of us engaged in the work of CDS Co-operatives, whether board members, sub committee members or staff, renew our dedication to work hard to achieve our purpose and vision by striving to deliver the corporate goals set out in this plan.

## **A successful three years**

The last three years covered by our previous corporate plan have been challenging but successful and productive. We have:

- completed our complex but highly successful CRISH project to provided permanent housing for former short-life residents in Camden, North London, and received a build quality award for it;
- completed the inspection by the Audit Commission and received a reasonable report;
- maintained our 'four green light' status with our statutory regulator the Housing Corporation
- maintained our sound finances;
- improved our performance in service delivery and increased the level of satisfaction of our client co-operatives and residents with the level of service we provide;

- succeeded in our efforts to promote the potential of community land trusts and Mutual Home Ownership as a means of increasing the supply of permanently affordable intermediate market housing and secured the consent of English Partnership to provide land for our exemplar pilot project at Cashes Green, Stroud, subject to ministerial approval.

### **The CRISH Project**

Early this year we completed the CRISH project, a new development funded by a combination of capital from the Housing Corporation, the Co-operative Bank (during the development phase), the Royal Bank of Scotland and our own capital resources. It is a stunning development that has already achieved accolades for its design and quality, but most importantly it provides high quality housing for former short-life residents who previously were trapped in substandard insecure housing who worked with us to develop the project in partnership with Camden Council. Delivering such a complex project is an achievement of which they and we are rightly proud.

### **Audit Commission Inspection**

Last year the Audit Commission inspected us after a delay in the planned inspection date of over 12 months. Despite the difficulty that the Audit Commission had in understanding our finances and the unusual nature of our business, in comparison to more traditional social landlords, we received a reasonable Audit Commission inspection report. The housing service we provide was graded 'fair' with 'reasonable prospects for improvement'. Overall we found the Audit Commission inspection a positive process that aided our focus on continuous improvement of the services we provide.

### **The Housing Corporation**

We have maintained our 'four green light' status with the Housing Corporation, our statutory regulator showing that we are properly managed, financially sound, well governed and have achieved all our expenditure targets for projects funded by the Corporation. We are recognised by the Housing Corporation as an organisation that complies with all its regulatory requirements and to be a low regulatory risk.

### **Sound finances**

Our finances remain sound. Overall our housing business continues to generate a surplus. We have also succeeded in making significant inroads into the deficits we make on providing services to independent client co-operatives. Our deficit reduction strategy has succeeded in reducing deficits on providing housing services from £203k in the financial year ending 31 March 2005 to £96k in the financial year ending 31 March 2007. We have also recently revised the terms of our management agreement with client co-operatives, revisions which take effect from 1 April 2007, and revised and increased our fees for maintenance services to ensure that we are able to continue to provide the high quality service our clients need and expect. Our 24 hour, 365 day a year response maintenance service still only costs £1 per property per week plus 10% of the cost of repairs ordered, which we consider continues to offer our client co-operatives good value for money.

### **Improved service quality and satisfaction with the services we provide**

Our STATUS survey of residents and client satisfaction shows continuing improvements in the quality of services we provide. In 2006, 86% of residents were satisfied or very satisfied with the services we provide; up 2% on the previous survey two years earlier. This improvement has been driven by our vision to be a provider of high quality, efficient and financially viable services that enable and support resident control and by the benefits we derived from preparing for and responding to the Audit Commission inspection.

## **A commitment to sustainability of the communities we serve**

Sustainability has been described as like a three-legged stool: social, economic, and environmental. Having considered our draft Corporate Plan, one of our new client co-operatives, Hourglass Housing Co-operative Ltd, requested that we make clear that our commitment to sustainability is a dynamic, not a passive one. We are pleased to comply with Hourglass's request.

Social sustainability, through the active engagement of residents in the ownership and management of their homes, is a key motivator of our work and will remain so. In seeking to promote economic sustainability we acknowledge that we are constrained by our size and capacity and it is therefore more effective for us to pursue this goal through our links with the wider Co-operative and social enterprise sector of the economy. Our response to the reality of global warming, which heightens our concern over environmental sustainability, is to include in this corporate plan the objective of carrying out environmental impact assessments of our work to ensure that we reduce our consumption of resources and environmental impact, in particular our CO<sup>2</sup> emissions and to encourage and support our clients co-operatives to do likewise. How to reduce carbon emissions has been ably demonstrated by one of our client co-operatives, Sanford Housing Co-operative, whose Carbon 60 project has succeeded in reducing the carbon footprint of their homes by 60%. We will support such initiatives by disseminating information, giving practical advice and actively supporting the development and application of environmentally sustainable solutions.

## **Promoting Community Land Trusts and Mutual Home Ownership**

Our efforts to promote the development of community land trusts and Mutual Home Ownership as a means of increasing the supply of permanently affordable housing have met with considerable success. Government ministers, in answers to questions in the House of Commons, have stated the government's interest in, and support for, our proposals. The Conservative Party has, with our assistance, established a taskforce to review what policy changes need to be made to promote the development of community land trusts. The Liberal Democratic Party included support for community land trusts and Mutual Home Ownership in its housing policy paper 'Greener homes, sustainable communities' published before the last election. The Welsh Assembly is supporting Land for People Wales Ltd, with whom we are working, to develop community land trusts in Wales. Very positive enabling guidance has also been made in recent government policy statements.

We have also stimulated wide interest from many local communities and local authorities across the country and have financed the publication of a toolkit by Salford University to help interested local communities through the practical steps they need to take to establish a community land trust. We have also helped the community in Stroud, Gloucestershire to register their community land trust, Gloucestershire Land for People Ltd, and completed a pilot study for a Mutual Home Ownership project on a former hospital site at Cashes Green, in the parish of Cainscross, Stroud.

We recognise that, just as we did in promoting the development of tenant management co-operatives on council estates in the 1980s which led to the Right to Manage, our pioneering work on Community Land Trusts and Mutual Home Ownership breaks new ground. This is always time consuming and challenging. The feasibility study for the pilot project at Cashes Green was considered and approved by English Partnerships' Main Project Board on 30 May 2007. English Partnerships board's decision is, however, subject to ministerial approval because providing land for such a pilot project is beyond English Partnerships' normal remit. We are optimistic that ministerial approval to the Cashes Green pilot project will be granted; an optimism that is enhanced by the emphasis placed on affordable housing by the new Prime Minister, Gordon Brown, and the appointment of the Rt Hon Hazel Blears, a Co-operative

Party member, as Secretary of State for Communities and Local Government, English Partnerships sponsoring department.

Our efforts to secure a pilot Mutual Home Ownership project in London have met with less success. Despite two reports, one from the Greater London Authority and one from the London Development Agency following the Mayor of London's commitment to our initiative during the 2004 mayoral elections, we have yet to identify and secure a site for an urban pilot scheme in London. We are continuing our efforts to secure such an urban pilot project and doing so remains a key target of this corporate plan.

## **Building on success**

Our recent successes have not made us complacent. We recognise that, in order to achieve our purpose, we need to continue to improve efficiency, maintain and continuously improve service standards, further reduce and, ultimately, eliminate the deficits we incur on the services we provide to our client co-operatives.

In order to do this we need to grow our business. We recognise that, in most modern service businesses, scale brings economy in terms of lower overhead cost per unit of service provided. This is because fixed overheads, which do not increase directly in proportion to income generated, can be spread over a wider income base. We recognise that we too can achieve economies of scale and therefore need to grow our business in a way that is consistent with the two-fold elements of the vision statement that sets the context for this corporate plan.

But that does not mean that we wish to pursue growth purely for its own sake, or indeed, simply to reduce deficits, although that is a high corporate priority that is a necessary goal to secure our long-term financial viability.

The key reason for wishing to increase our business of providing services to housing co-operatives and other forms of resident controlled housing organisations is that we know there are independent housing co-operatives and tenant management organisations that are not currently our clients who could benefit by using the services we provide. Many of these co-operatives may be at risk of losing their independence if they do not have access to quality services and governance support.

We also wish to extend the opportunities tenants and other residents of affordable housing have to establish co-operatives and other forms of resident controlled housing. This can be encouraged and supported by the services we provide and by our efforts to establish a new, resident controlled, intermediate housing market through the development of Mutual Home Ownership.

## **A change of emphasis**

We consider that our twofold purpose and vision, set out in the previous corporate plan, remain valid as statements that encapsulate the passion and commitment of purpose which form the philosophical and ethical foundation for our work.

However, we recognise that if we are to grow, there needs to be a change of emphasis and pace in the way we seek to develop new business opportunities and market our services. That change of emphasis and pace is to market our services more widely and effectively to secure new clients who can benefit from the services we provide.

In the past we have felt some constraints in seeking to market our services to existing housing co-operatives, most particularly when they were buying services from other co-operatively run service agencies that would have been undermined had we sought to market our services to their clients. This constraint has now gone. The only remaining service agency has now lost

its independence and co-operative identity having become part of a larger housing association group.

If we are to achieve growth, we must be prepared to invest in marketing and business development to actively sell our services. We need to invest more resources in developing marketing materials and promoting our work through public relations activity so that potential clients who may need our services know about us and the services we provide.

But we also recognise the need to actively manage the risks inherent in seeking to market our services more widely to co-operatives that have not used our services in the past and to new types of clients, such as resident management companies in the private sector or tenant management co-operatives in local authority housing. We have a sound reputation as a quality service provider, built on over 30 years of service provision to client co-operatives. In marketing our services to other potential clients, we will manage the risks inherent in seeking to expand our client base so that, in providing services to new clients, we do so to the same high standards we set ourselves for service provision to existing clients and in a way that helps us achieve our objectives of continuous improvement in service quality, improved efficiency and reduction of 'per unit' service costs.

One of the greatest risks in any business expansion is to succeed in marketing a service without investing in the resources that are needed to meet the increase in demand that marketing stimulates. We will invest in the resources we need in order to ensure that we have the capacity to respond promptly and positively to potential new clients and deliver the services they require. Prudent financial and resource planning will be required, but we have the financial and organisational capacity to expand resource capacity in a timely way to meet increases in the demand for our services that the active marketing of our services more widely may generate.

We also know from hard experience that clients which are poorly governed and who lack the commitment to good governance and management can consume time and resources far in excess of the fees they are willing to pay. In the past, we have been very successful in working with challenging clients who have approached us when they are already encountering governance and management difficulties. We remain willing to use our expertise, commitment and service skills to assist challenging new clients who come to us in difficulty because we know that we can make a difference. However, we will be resolute in making clear to such clients that we require from them the same commitment as we have to good governance, to codes of conduct and to efficient management so that our resources are properly directed to service provision and not consumed by dealing with internal conflicts or lack of commitment to the principles of good open and accountable governance. We will require from them a commitment to work with us to resolve any governance difficulties they have within an acceptable timeframe. This we will seek to achieve through governance training, encouraging the acceptance of codes of conduct and governance and the development of good practice policies and procedures that accord with Co-operative Principles and Values. Where necessary we will seek agreement on such improvements before commencing new service contracts.

### **Making our contribution to solving the housing needs of our nation**

Housing supply and affordability has moved high up the political agenda. The new Prime Minister, Gordon Brown, has made affordable housing one of his government's key priorities. We remain committed to using our skills and expertise in the development and management of affordable housing to help meet the acute need to increase the supply of high quality, environmentally and socially sustainable housing that is affordable and accessible to all in need of a decent home. As a co-operative housing service provider, with the skills to engage the talents of communities and residents in meeting their own needs, we consider that we have

a unique contribution to make, as our innovative work to develop community land trusts and Mutual Home Ownership shows.

During the course of this corporate plan we will therefore continue our work in promoting and developing community land trusts (CLT) and Mutual Home Ownership with the aim of making such projects part of the standard package of affordable housing options communities can apply to helping to meet the housing needs of their community. Our continuing work in this area will have equal importance to continuing and expanding services to existing and new clients.

But we cannot succeed on our own without the political will on the part of Government to remove some of the obstacles that impede our endeavours. There are five key things which we consider the Government should do to enable communities to use our innovative proposals to increase affordable housing supply. These are:

- define the nature of a CLT in law
- exclude housing on CLT owned land from the enfranchisement provisions of the Leasehold Reform Act 1967
- set up a revolving loan fund to provide technical assistance to communities wishing to establish CLTs
- issue supplementary planning guidance to create a presumption in favour of consent for development on CLT owned land
- extend the legal arrangements for Commonhold to allow Mutual Home Ownership projects to use Commonhold as the preferred form of tenure

We will therefore continue the political lobbying we need to do to secure the changes necessary for community land trusts and Mutual Home Ownership schemes to be readily established by communities to meet their housing needs.

We also wish to continue to develop traditional rented housing for co-operative ownership and management using social housing grant. We will continue to look for opportunities to develop with social housing grant, on our own or in partnership with others, where such developments can be delivered without adverse financial impact.

Approved by the Board of Management at its meeting on 10 December 2007.

# Purpose

**To be the UK's leading co-operative housing association promoting developing and providing quality services to housing co-operatives and other forms of mutual tenure**

## **Respecting our people and developing their skills**

We will:

1. develop the knowledge and skills of our staff to ensure that they are highly competent, committed and motivated, that they understand our business needs and the needs of our clients and service users, and understand our Co-operative Principles and Values
2. develop the knowledge and skills of our board and sub committee members to encourage and enable them to engage in learning and skills development that enhances their capacity to contribute to the governance and development of our Co-operative business

## **Developing our education and governance service to enhance democratic participation by tenants and members of our client co-operatives**

We will provide more accessible education and training opportunities for our tenants and leaseholders and for tenant-members of our client co-operatives to enable them to become more effective clients and to develop their wider social commitment. We shall also endeavour to encourage and develop among our clients and residents who use our services a greater understanding of our role and corporate identity and purpose

## **Growing our business to achieve economies of scale**

- We will seek to expand our business in three ways with equal importance being given to each:
1. marketing our service to potential new clients including housing co-operatives, tenant management co-operatives, other resident controlled housing organisations and small RSLs wishing to maintain their independence who may wish to use the services we provide
  2. delivering the Cashes Green pilot Community Land Trust/Mutual Home Ownership project and developing other Community Land Trust/Mutual Home Ownership schemes
  3. continuing to seek opportunities, on our own or in partnership with others, to develop new rented housing with Social Housing Grant that will be co-operatively owned or managed by its tenants

## **Continuously improving the services we provide**

We will, through the use of planned best value reviews and other service improvement methods continuously strive to improve the quality, reduce the cost and guarantee the quality of the services we provide to our client co-operatives, our tenants and leaseholders and other service users so that we increase the value for money we offer to those who use and pay for our services

## **Managing the business efficiently**

We will improve our business performance by continually reviewing costs and reducing deficits on the services we provide to client co-operatives and improving efficiency in order to ensure our long term financial viability

**Business Goal:****Managing the business efficiently**

We will improve our business performance by continually reviewing costs and reducing deficits on the services we provide to client co-operatives and improving efficiency in order to ensure our long term financial viability

<b>Sub goal ref</b>	<b>Specific activity</b>	<b>Measurable output</b>	<b>Desired outcome</b>	<b>Lead officer</b>	<b>Target date</b>
<b>1</b>	As part of the process of preparing the annual budget, critically review all costs, overheads and fee charges in order to achieve deficit reduction	Annual schedule of deficit reduction and efficiency improvements	Agreement of efficiency measures by SMT and Board as part of annual budget process	Director of Operations	March 2008 and annually
<b>2</b>	Develop annual budgets and five year plans to ensure that deficits in core service provision reduce	Budgets and 5 year business plans with reducing deficits	Continuing reduction in core service deficits	Director of Operations	March and July each year
<b>3</b>	Reduce unit overhead costs by increased business activity [link to goal of 'growing our business']	Increased business activity	Increasing revenues and reduced unit overhead costs	Business Dev Manager	Year end accounts for 2008 and ongoing
<b>4</b>	Carry out outstanding review of Finance Department	Report to the Board on future structure of finance department and development of finance services	Improvements in operation of department and creation of capacity to take on additional fee earning work without commensurate increase in fixed costs	Finance Manager	Dec 2007
<b>5</b>	Review education and tenant participation service	Report to the Board on future of service and report on plan for the future of the service	Agreement of future plan that incorporates deficit reduction by the Board and its implementation	Housing Services Manager	March 2008

<b>6</b>	Review the environmental impact of our business to reduce our consumption of resources and environmental impact, in particular our CO <sup>2</sup> emissions	Production of environmental impact assessment and report for the Board	Reduced environmental impact and cost savings from reduced consumption of resources	Administration Manager	Dec 2009
----------	--	--	---	------------------------	----------

***Analysis of current realities in relation to our goal of managing the business efficiently.***

**Strengths:** *We are succeeding in our ongoing efforts to reduce deficits on service provision to our client co-operatives and are determined to continue to do so. We have introduced new fee charges to reduce the deficits on providing maintenance services, fee charges which will come into effect from 1 April 2007. We are acutely aware that we need to ensure our long term viability and have the determination within the Board and staff team to do so. Our revenues remain healthy and our cashflow robust. We have a strong balance sheet with low gearing ratios of assets to loans. We will also shortly introduce the new management agreement with our client co-operatives which will provide a better framework for controlling our costs and charging for services that are beyond the regular service covered by our standard fee structure. We have maintained our regulatory status of 'four green lights' from the Housing Corporation and are considered by the Housing Corporation to be a low regulatory risk.*

**Weaknesses:** *We remain fundamentally too small to carry the cost of compliance as a regulated social housing business, costs that are not scaleable to the size of the organisation. We are at the limit of what we consider to be the market tolerance of the fees we can charge our client co-operatives without risking loss of clients to other service agencies who may offer a cheaper service, albeit one that will not serve our clients as well. Our annual health checks on our client co-operatives show that some are not performing to an acceptable level in terms of the governance of their co-operative and may need additional inputs from us in order to improve.*

**Opportunities:** *The review of regulation following the Cave report may reduce the resources that we and our client co-operatives devote to regulatory compliance and may enable us to redirect them to service improvement and service deficit reduction. Our unique selling point is that we remain driven by our Co-operative Principles and Values and are now the only independent co-operative service agency in the South of England that offers clients' membership and the right to participate in the democratic control of the work that we do. [Link to our business goal of 'growing our business to achieve economies of scale']*

**Threats:** *The loss of key staff and difficulty in recruiting staff with similar skills and the reduction in efficiency that would create. Introducing efficiency measures could threaten service quality and client satisfaction and create the risk of losing clients which would increase per-unit fixed costs by reducing overall income.*

**Business Goal:****Continuously improving the services we provide**

We will, through the use of planned best value reviews and other service improvement methods, continuously strive to improve the quality, reduce the cost and guarantee the quality of the services we provide to our client co-operatives, our tenants and leaseholders and other service users so that we increase the value for money we offer to those who use and pay for our services

<b>Sub goal ref</b>	<b>Specific activity</b>	<b>Measurable output</b>	<b>Desired outcome</b>	<b>Lead officer</b>	<b>Target date</b>
<b>1</b>	Complete the implementation of the improvement plan prepared in response to the Audit Commission report	Regular quarterly reports of progress in implementation to the Board	Service improvements contained in the improvement plan	Housing Services Manager and Administration Manager	Dec 2007
<b>2</b>	Revise programme of Best Value reviews and implement	Ongoing programme of best value reviews and Best Value review reports and recommendations to Board	Implementation of Best Value review recommendations	Director of Operations	Dec 2007 and ongoing
<b>3</b>	Update and develop the use of our Whole Organisation Improvement Plan database	Plan updated and used by all members of the SMT	Use of plan by SMT to track progress and plan priorities	Administration Manager	Dec 2007
<b>4</b>	Completion of design and introduction of new interactive website	New interactive website goes live	Offering tenants, leaseholders and client co-op members interactive access to core services	Administration Manager	Oct 2007
<b>5</b>	Carry out further STATUS survey of service user satisfaction	New STATUS survey report and recommendations to the Board for service improvement areas	Implementation of service improvements shown as necessary by STATUS report	Housing Services Manager	July 2008

<b>6</b>	Develop new IT improvement and implementation plan	New IT improvement and implementation plan approved by SMT and Board	Improvement and extension of the use of IT system for service delivery	Administration Manager	March 2008
<b>7</b>	Using feedback from tenant auditor, KPI reports, benchmarking data and information on service failure of quality issues from complaints, develop an annual service improvement plan for each year to drive continuous service improvements.	Preparation of annual service improvement plans based on service quality feedback data	Programme of service improvements based on tenant auditors reports and subsequent recommendations	Executive Director	March 2008 and annually thereafter
<b>8</b>	Investigate prospect of using quality service assurance standards in order to enhance our service offer by having a service quality guaranteed.	Presentation of a report on quality assurance guarantee schemes to the Board	Decision by Board on use of service quality assurance guarantee scheme	Administration Manager	Mar 2009
<b>9</b>	As part of our environmental impact assessment, assess how services can be provided in more environmentally efficient ways	Clear analysis of environmental impact of services in environmental impact assessment and report to the Board	Introduction of changes to and new ways of service provision to reduce the environmental impact of the way services are provided	Housing Services Manager (in partnership with Administration Manager)	Dec 2009

***Analysis of current realities in relation to our goal of continuously improving the services we provide***

***Strengths:*** *the quality of our housing stock and that of our client co-operatives is good. There are very high levels of satisfaction with the quality of the housing accommodation we provide. Our latest STATUS survey shows that, on most measures, satisfaction has risen since we asked the same questions in 2004. Overall satisfaction was up 1% to 86%, satisfaction with participation up 11% to 84% and the proportion who felt that they get good value for money for their rent increased 4% to 85%. Satisfaction with accommodation was unchanged at 91%. Both we and our client co-operatives experience low levels of anti-social behaviour in comparison to other social landlords. We have a staff team that are dedicated to providing high quality services to our client co-operatives and other users of our services and CDS remains a positive and pleasant place of work. We have also introduced awards to recognise the contribution of staff, both individually and as part of a team, to high quality service provision. Our preparation for inspection by the Audit Commission, and our response to its report, has helped to imbed the principle of searching for continuous improvement into our management procedures. We have developed our regular 'key performance indicator reports' and are benchmarking our*

*services against other social housing providers, which has enabled us to identify early service areas where performance may be at risk or need improvement.*

**Weaknesses:** *while we have a planned programme of best value reviews of our services the pressures of day to day work make it hard to achieve our review timetables and to implement the changes that are necessary to achieve service quality improvements and we can be slow to implement changes that are needed. Staff training and development are also impeded by the pressures of day to day work, hence the continued emphasis on staff training and developing staff skills in this corporate plan. We are still too small an organisation to have the resources that are necessary to drive change at a more rapid desirable pace and there is, occasionally, a resistance to change among staff and managers. Our IT system, whilst sound and robust, is not used as fully as it could be and we need to develop our use of it to help improve our efficiency and to enhance the services we provide. We have also had great difficulty in recruiting a suitably qualified and able building surveyor to lead our major repairs programme and have been forced to rely on the employment of external surveyors for this work.*

**Opportunities:** *having completed our response to the Audit Commission report, we are able to direct resources towards achieving the improvement plans we have prepared as a result of the Audit Commission inspection process and to developing ongoing continuous improvement plans. Our staff team are keen to develop new skills and to develop the way we use our IT system to enhance service provision. We have also embarked on the redesign of our website which gives us the opportunity to introduce interactive provision of some services via the internet outside normal office hours.*

**Threats:** *there is a continuing move by medium sized housing associations like us, to merge or join group structures, which our Board is not keen to emulate because of its desire to maintain our unique co-operative identity. While this does not always lead to improved service quality, there is a risk that we will not be able to develop the service quality systems and assurance procedures that larger organisations ought to be able to develop. While staff turnover has been low in the past, our central London location and the high cost of housing and living in London risks increasing staff turnover with the associated loss of the knowledge and skills of key staff, which may be hard to replace.*

## Business Goal:

### Growing our business to achieve economies of scale

We will seek to expand our business in three ways with equal importance being given to each:

1. marketing our service to potential new clients including housing co-operatives, tenant management co-operatives, other resident controlled housing organisations and small RSLs wishing to maintain their independence and who may wish to use the services we provide, and
2. delivering the Cashes Green pilot Community Land Trust/Mutual Home Ownership project and developing other Community Land Trust/Mutual Home Ownership schemes
3. continuing to seek opportunities, on our own or in partnership with others, to develop new rented housing with Social Housing Grant that will be co-operatively owned or managed by its tenants.

Sub goal ref	Specific activity	Measurable output	Desired outcome	Lead officer	Target date
1	Finalise changes to job descriptions for part-time business development manager post and to extend role of PA to Executive Director to include responsibility for marketing role	Agreement of new roles and job descriptions by SMT, JCC and Board	Formal introduction of new job descriptions	Executive Director	Dec 2007
2	Re-establish Business Development and Marketing working party with remit to develop and propose business development and marketing strategy to the Board	Proposal of business development and marketing strategy paper to the Board	Approval of business development and marketing strategy by Board with clear targets and costs incorporated in a business development budget	Business Development Manager	Dec 2007
3	Develop business development and marketing strategy risk map	Risk map for business development and marketing	Approval of risk map by Board as part of business development and marketing strategy	Business Development Manager	Dec 2007
4	Develop SMART business development and	SMART business development	Approval of SMART	Business	March

	marketing plan to implement strategy (in parallel with development of budget)	and marketing plan proposed to SMT	business development and marketing plan by SMT	Development Manager	2008
<b>5</b>	Continue to seek opportunities to develop traditional social housing for rent either alone or in partnership with others, in particular exploring the possibility of developing as part of the Matrix Group	Revised development strategy that explores the possibilities for developing social housing grant funded rental housing and report to the Board on possible partnership working to develop rented co-operative housing	Approval of revised strategy and decision by Board on whether or not development of rental housing co-operatives funded by SHG is possible in partnership with other social landlords	Executive Director with support from Development Director	Sept 2008
<b>6</b>	Develop business development and marketing budget	Business development and marketing budget as annex to annual budget	Approval of budget as part of annual budget approved by Board	Finance Manager	March 2008
<b>7</b>	Implement business development and marketing strategy	As defined in the business development and marketing plan	As defined in the business development and marketing plan	Business Development Manager	Ongoing from March 2008
<b>8</b>	In carrying out risk analysis and reporting new business opportunities to the Board, include in analysis an assessment of the environmental impact of taking on new business and the way this can be reduced.	Incorporation of environmental impact assessments in new business analysis and risk assessments.	Reduction of the environmental impact of taking on new business	Business Development Manager	Ongoing from Jan 08
<b>9</b>	Develop the detailed plan and risk map for the delivery of the Cashes Green CLT/Mutual Home Ownership pilot project	Production of detailed project plan and risk map	Submission of project plan and risk map for approval to Boards of CDS and Gloucestershire Land for People Ltd (GLP)	Development Manager	Sept 2007
<b>10</b>	Manage the risks and deliver the Cashes Green pilot project in accordance with the delivery plan	Transfer of site for pilot project from ownership of English	Pilot project start on site	Development Manager	Dec 2008

		Partnerships to GLP			
11	Secure second urban CLT/Mutual Home Ownership pilot project, preferably in London	Completion of feasibility study for second pilot project	Approval of second pilot by GLA/LDA or other urban housing authority	Executive Director	March 2008
12	Lobby for legislative change required to enable CLTs and Mutual Home Ownership	Detailed drafted proposals for five elements of legislative change required	Acceptance of need for legislative change by government and inclusion of proposed changes in draft bill	Executive Director	Dec 2008

***Analysis of current realities in relation to our goal of growing our business to achieve economies of scale***

***Strengths:*** we are now the only independent co-operative housing service agency in London and the South of England and our commitment to Co-operative Principles and Values and our reputation for assisting client co-operatives maintain their independence by the provision of responsive quality services and sound governance advice and support gives us a unique marketing advantage over competitive service providers. We have in place good service systems and a reputation for providing quality services which are an attractive offer to potential clients. These include our Help Desk staffed by our responsive customer services team, our arrears management and lettings service, our finance service and the administrative and governance support provided to clients by our housing services manager, her assistant and our team of co-operative support officers. Our introduction of co-operative support officers who are home-based workers has been successful and gives us the capacity to increase the clients we service without necessarily increasing overhead costs. We have maintained our record of never having one of our client co-operatives become a regulatory intervention case for the Housing Corporation. We have recently produced a very attractive marketing leaflet which clearly sets out the services we provide and our fee structure for potential clients. We have been very successful in publicising our proposals for the development of Community Land Trusts and Mutual Home Ownership and have, subject to ministerial approval, secured approval to our Cashes Green pilot project from English Partnerships and have generated considerable interest in our innovative proposals elsewhere. We have recently been engaged by one new client co-operative to provide services and by Hackney Council to carry out continuation ballots for two tenant management co-operatives. We have skilled resources in our existing staff team that can be redirected to business development and marketing.

***Weaknesses:*** we do not have spare, underutilised staff resources so the resources needed to take on additional work generated by increased business development and marketing activity will need to be created either through achieving efficiencies, such as improved use of IT, or increasing staff (but not our fixed overhead costs). Our move to home-based staff while working well, needs some refinement in management controls and accountability. Our marketing efforts are currently ad-hoc and unfocussed and need to be underpinned by the development of a clear business development and marketing strategy backed by a budget which guides investment in business development and the outcomes which such investment is expected to deliver. Whilst we have secured considerable support for our CLT/MHO proposals from across the political

*spectrum, legislative change is desirable to enable CLTs and MHO to be delivered as a standard intermediate housing market product, change that we will need to lobby for in order to achieve.*

**Opportunities:** *Our service offer is one that is potentially attractive to clients other than our normal housing co-operative clients. Having completed the preparation for and response to the Audit Commission's Inspection we can redirect the resources we devoted to it to business development and marketing in order to secure new clients who will benefit from buying the services we provide. These could include small RSLs that are not co-operatives, tenant management organisations and other resident controlled housing organisations. If we can deliver the Cashes Green pilot Mutual Home Ownership project, Mutual Home Ownership and Community Land Trusts could expand as a new intermediate market product for which there is high demand, which would significantly increase business activity in a new area of housing provision.*

**Threats:** *demand for services could outstrip our capacity to respond to requests for services and to make proposals for and secure contracts from new clients, especially non traditional ones. It would also create serious damage to our reputation if we were to expand our activity at the expense of service quality to our existing clients or in such a way that we fail to deliver a quality service to new clients. This risk needs to be carefully analysed and managed to ensure that service quality to new clients is maintained and that the quality service new clients require can be delivered and assured. If our Mutual Home Ownership pilot projects are successful others could seek to emulate us and compete as MHO development and management agents and damage the MHO brand by not having the same commitment to resident control and community empowerment that we have.*

**Business Goal:****Developing our education and governance service to enhance democratic participation by tenants and members of our client co-operatives**

We will provide more accessible education and training opportunities for our tenants and leaseholders and for tenant-members of our client co-operatives to enable them to become more effective clients and to develop their wider social commitment. We shall also endeavour to encourage and develop among our clients and residents who use our services a greater understanding of our role and corporate identity and purpose.

<b>Sub goal ref</b>	<b>Specific activity</b>	<b>Measurable output</b>	<b>Desired outcome</b>	<b>Lead officer</b>	<b>Target date</b>
<b>1</b>	Carry out a full and comprehensive Best Value review of our tenant participation, education and training service that considers the costs, benefits and future of the service over the duration of this Corporate Plan. As part of the Best Value review look at ways in which the environmental impact of our tenant participation, education and training service can be reduced.	Best Value review report considered by the SMT and recommendations made to the Board.	Agreement on the future of the service, development targets and agreement of ongoing service budget plan	Housing Services Manager	June 2008
<b>2</b>	Conclude discussions with the Co-operative College over the development of new education and training materials for members of client co-operatives.	Agreement with the Co-operative College approved by the Board and calling-in contributions to the Co-operative Education Trust	Programmed development of new education and training materials for housing co-operatives	Executive Director	Sept 2008
<b>3</b>	Develop new annual tenant participation, education and training business development and marketing plan.	Production of annual plan and approval by SMT	Increased take-up of education and training service by existing clients	Co-operative Education Officer	March 2009 and annually

**Analysis of current realities in relation to our goal of developing our education and governance service to enhance democratic participation by tenants and members of our client co-operatives**

**Strengths:** we have long history of providing education and training services to our client co-operatives, which we have seen as a core part of our service offer that is integral to our endeavours to encourage our client co-operatives to maintain high standards of governance and accountability. Each year we carry out a comparative 'health check' on our clients to assess their governance performance and report to them on areas of weakness where further education and training may be needed to improve governance performance and encourage increased member participation. We have been approved by the Co-operative College and the Open Colleges Network as an approved provider of the accredited 'Access to Housing' course.

**Weaknesses:** our capacity to resource education and training activity is limited and, because of the limited resources we can commit to education and training which is not matched by the income we can generate, the service we provide does not meet the standards that can reasonably be expected. We only have one full-time member of staff to provide our education service, which restricts the range of the service we can offer. Whilst we are accredited as a provider of the 'Access to Housing' course, we do not have access to any source of funding to offer this course to our client co-operatives or other tenant and resident groups other than on a full cost fee basis, which is beyond the resources of such potential groups. Our client co-operatives do not fully understand the importance of continuing education and training of their members to the ongoing good governance and success of their co-operative housing businesses. Our education and training service does not generate sufficient income to meet the costs of providing education and training services and, as a result, is a net drain on our resources and contributes to core service deficits. Recognition of the importance of continuous education and training is one of the seven Co-operative Principles and one of our core values, but our efforts to develop a break-even education and training business plan has not been successful in generating the income needed to meet the cost of this element of our service.

**Opportunities:** there is the potential to provide some funding for education and training through calling in the contributions due from client co-operatives to the Co-operative Education Trust but payment of the contributions to CDS has VAT implications and may not be acceptable to the clients from whom the contributions are due. We are exploring the possibility of the contributions to the Co-operative Education Trust being paid to the Co-operative College, the co-operative sector's national educational charity that is developing its range of education services to new co-operative sectors, and commissioning the college to develop new types of training materials for housing co-operatives, such as DVD and internet based training. We have the potential to develop an education and training service beyond that required by our clients, but this capacity has not been developed or marketed. If we are successful in developing mutual home ownership schemes, educating new members to govern their mutual ownership housing will be a fundamental part of the process of establishing them.

**Threats:** self employed trainers could provide a cheaper more flexible service than we are capable of providing. Other dedicated education service providers, particularly organisations who work as 'tenants' friends' also have the potential as alternative service providers.

**Business Goal:**

**Respecting our people and developing their skills**

We will:

1. develop the knowledge and skills of our staff to ensure that they are highly competent, committed and motivated, that they understand our business needs and the needs of our clients and service users, and understand our Co-operative Principles and Values
2. develop the knowledge and skills of our board and sub committee members to encourage and enable them to engage in learning and skills development that enhances their capacity to contribute to the governance and development of our Co-operative business

<b>Sub goal ref</b>	<b>Specific activity</b>	<b>Measurable output</b>	<b>Desired outcome</b>	<b>Lead officer</b>	<b>Target date</b>
<b>1</b>	Introduce staff training passports	Training passports introduced for all staff	Standard method for recording training plans and record of training undertaken	Admin Manager	Sept 2007
<b>2</b>	Introduction of new appraisal system for Executive Director and Director of Operations	Completion of appraisals using new methodology	Embedded effective appraisal system for two senior staff posts	Executive Director/ Chair and external consultants	Dec 2007
<b>3</b>	Further imbed staff training needs analysis into the appraisal system	Production of annual organisation wide staff training plans	Agreed training plan for each staff member incorporated into plan, budgeted for and plan implemented	Admin Manager	March 2008 and annually
<b>4</b>	Develop succession strategy for Executive Director and Director of Operations	Succession strategy for two senior staff agreed by the Board	Succession of key staff planned and ready to implement	Chair and external consultants	March 2008
<b>5</b>	Develop succession strategy for Chair and other key Board members	Succession strategy for key Board members agreed by Board	Succession strategy planned and ready to implement	Chair and external consultants	March 2008

<b>6</b>	Following consultation with staff through JCC develop competency framework for all posts. Trial the use of competency based appraisal for assessing salary progression for Senior Management Team (SMT)	Development of competency scheme, introduction as trial for SMT, completion of trial and report to Board	Use of new competency assessment method for salary progression for SMT members	Admin Manager (with external consultants)	Sept 2008
<b>7</b>	Provide training to key staff on environmental impact assessment methodology	Training on environmental impact assessment methodology for key staff	Ability of key staff to carry out environmental impact assessments on areas of business activity	Admin Manager	June 2008
<b>8</b>	Provide training to all staff on understanding the environmental impact of our business activities and secure commitment to reduce them.	Half day training session completed for all staff	Improved awareness of staff of environmental impact of business activities and ways to reduce impact	Admin Manager	Dec 2009
<b>9</b>	Review success of trial of competency salary framework for SMT and, subject to outcome, extend to all staff as an alternative to 'basket of skills' means of salary progression	Development of new competency framework and presentation of recommendations to JCC	Agreement with Union shop at JCC on replacement of 'basket of skills' with new competency framework and its introduction	Admin Manager (with external consultants)	March 2010
<b>10</b>	Develop staff management and training systems to achieve Investors in People standards	Securing Investors in People accreditation	Improved staff management and continuous skills and career development	Admin Manager	Sept 2009

## **Analysis of current realities in relation to our goal of respecting our people and developing their skills**

**Strengths:** we have a highly committed and able staff team and Board who are dedicated to the Co-operative aims and objectives of the Society. Many of our staff are long serving members. Staff turnover remains generally low and staff relationships remain positive. The new annual staff appraisal system has training needs analysis and personal career development planning as an integral part of the process and is a significant improvement on our previous method of staff appraisal, but work is still needed to embed it and ensure that all appraisals are carried out and written-up within the required timescale. In 2007 we completed a Board skills analysis which has provided us with the information needed to prepare training plans for Board members. We have also prepared a staff 'Passport for training' to record agreed training planned for each staff member and to provide an ongoing record of training completed.

**Weaknesses:** while the new appraisal system analyses staff training needs and personal career development plans the process of translating this into an organisation wide annual staff training plan still remains. Our central London location and the high cost of living in London, particularly the high cost of housing, is making it harder to recruit staff with the right knowledge and expertise. We have faced particular difficulties in recruiting a qualified building maintenance surveyor. There remains some dissatisfaction among staff with the basket of skills award system, which was always seen as a compromise, and we have yet to introduce a new salary structure for the senior management team. Our two most senior staff members are nearing retirement age and we have yet to develop a succession strategy for them and key members of the Board of Management.

**Opportunities:** the need to introduce a salary structure for members of the senior management team together with dissatisfaction with the basket of skills creates an opportunity for further improvements in our salary structure and arrangements for salary progression that could be used to improve incentives and help us manage performance more positively.

**Threats:** ongoing pay negotiations between UNISON and the local authority employer's representatives over the pay settlement for the current 2007 pay round raises the risk of staff dissatisfaction with pay, notwithstanding the 'no strike' agreement entered into by our union shop in exchange for an interim salary award pending the outcome of negotiations. The increase in the working week agreed last year to fund the maintenance of the final salary scheme has also left some resentment and dissatisfaction which could undermine staff commitment to our work, particularly as turmoil in the financial and equity markets could put further pressure on the cost of maintaining final salary pension schemes. Also the rate of house price inflation in London, although slowing, continues to make working outside London more attractive to some staff and reduces the pool of staff from which we seek to recruit



## **Statement on the Co-operative Identity**

### **Definition**

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

### **Values**

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

### **Principles**

The co-operative principles are guidelines by which co-operatives put their values into practice.

#### **1st Principle: Voluntary and Open Membership**

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

#### **2nd Principle: Democratic Member Control**

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner.

#### **3rd Principle: Member Economic Participation**

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by

setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

#### **4th Principle: Autonomy and Independence**

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter to agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

#### **5th Principle: Education, Training and Information**

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

#### **6th Principle: Co-operation among Co-operatives**

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

#### **7th Principle: Concern for Community**

Co-operatives work for the sustainable development of their communities through policies approved by their members.