



barcud

BUSINESS PLAN

2022-2027

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 4,100 homes and a turnover exceeding £26 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.

Barcud has a vision which is encapsulated in seven strategic objectives:

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

Since merger, work has been ongoing to integrate the two associations into one. This has covered all areas of the association - Governance, HR and Communications, Finance and ICT, Housing, Maintenance and Development. Parallel to this, an external consultant was engaged to conduct an independent review, which culminated in a culture change action plan. Now the majority of the integration is done, we will be concentrating on achieving the seven strategic objects, growing the association and further improving services to tenants.

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.



Steve Jones
Group Chief Executive



John Jenkins
Chair

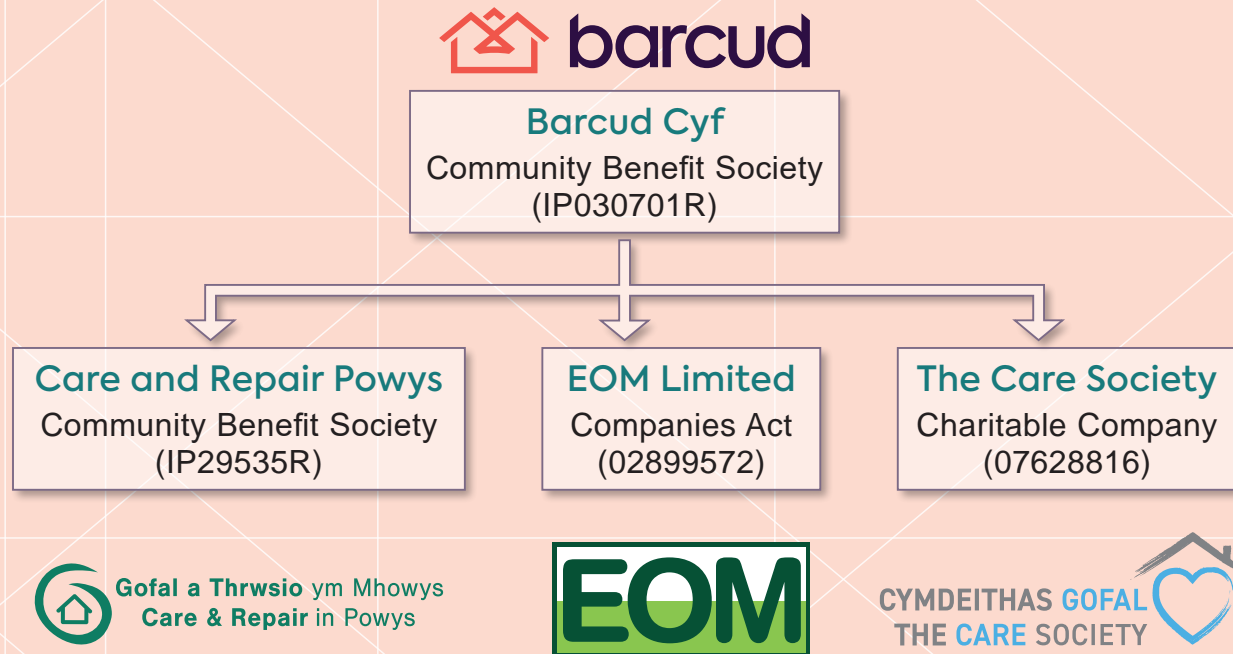
Introduction

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 4,100 homes, has an annual turnover in excess of £26 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
Strong Communities**

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



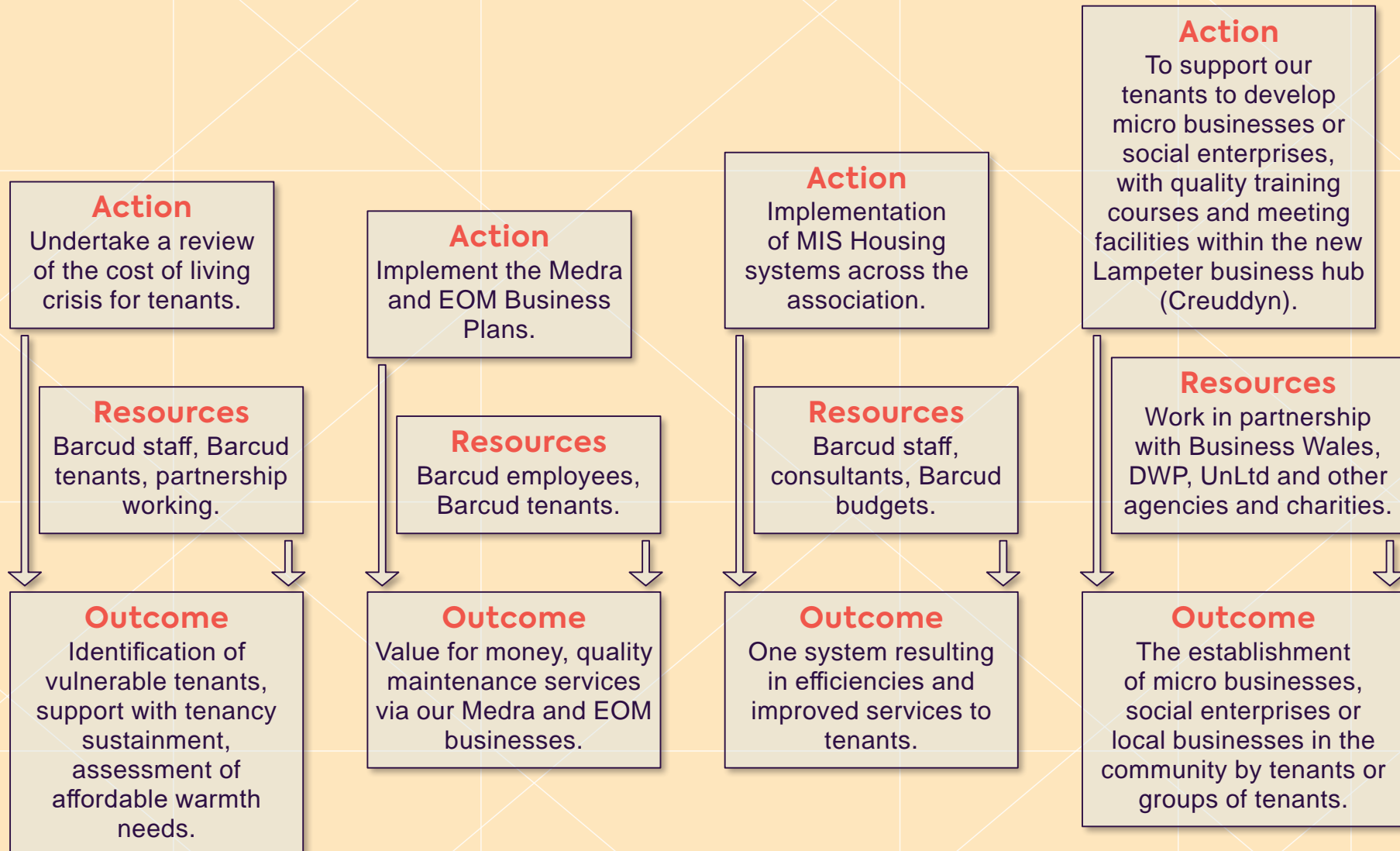
STRATEGIC OBJECTIVE 1

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



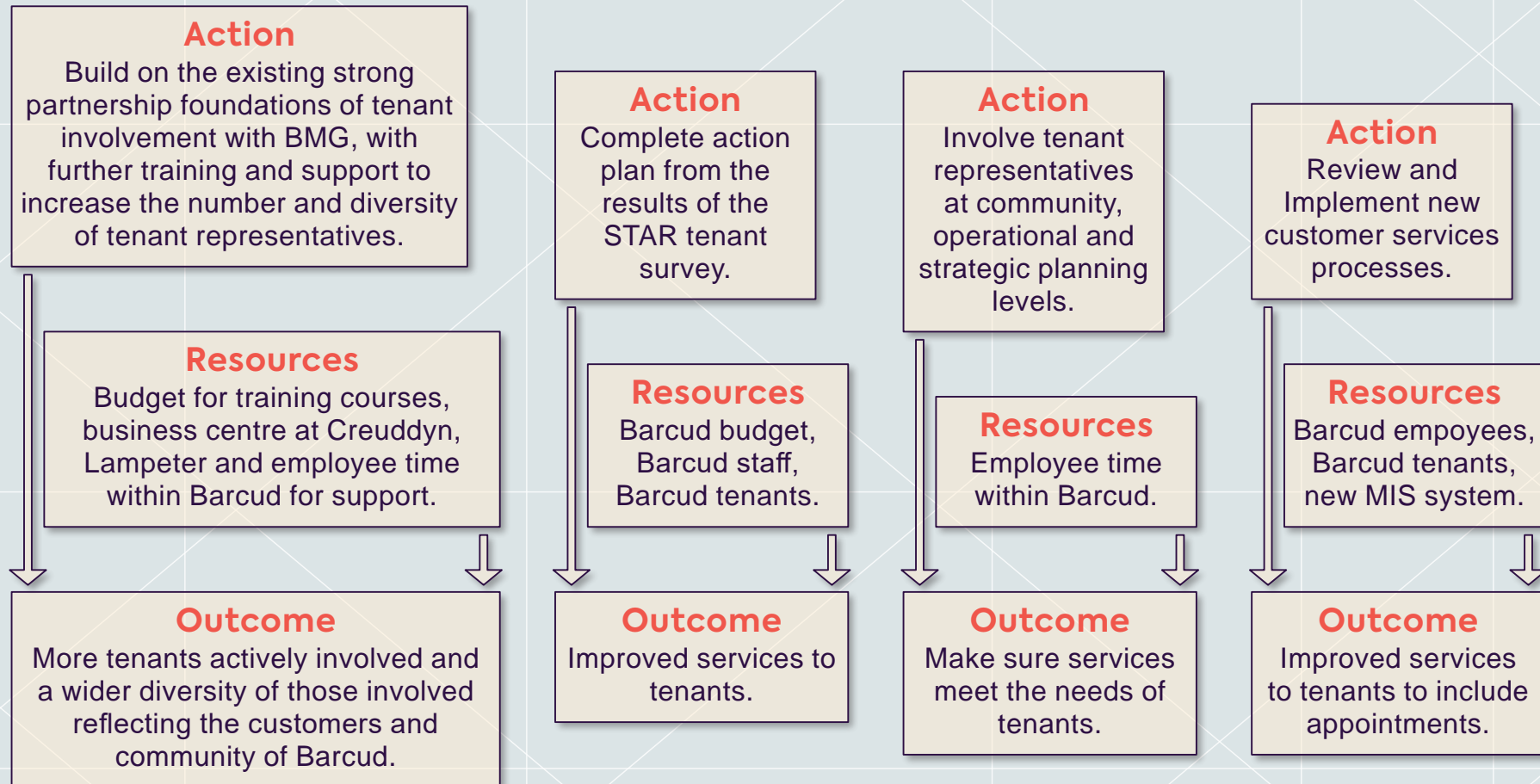
STRATEGIC OBJECTIVE 2

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



STRATEGIC OBJECTIVE 3

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



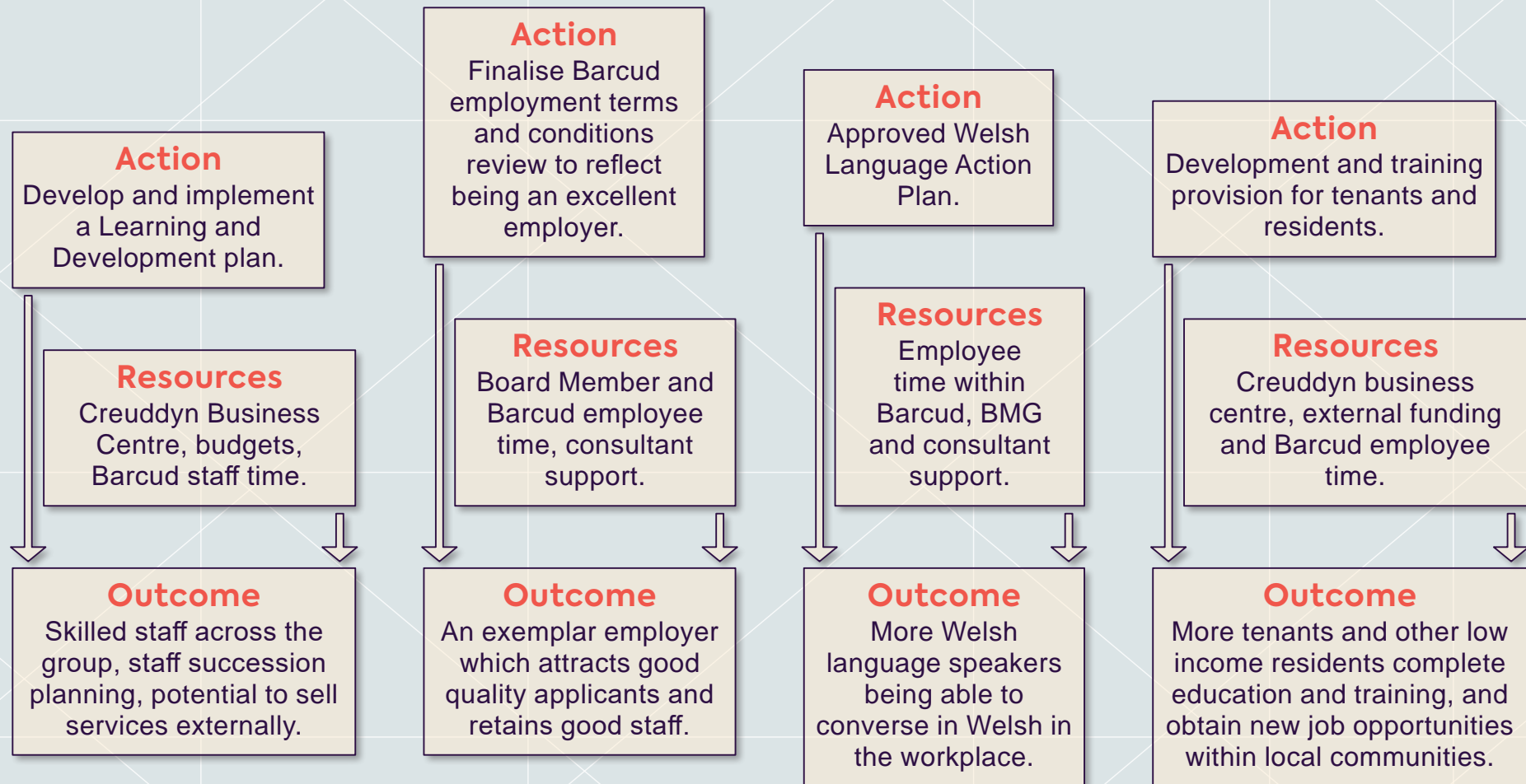
STRATEGIC OBJECTIVE 4

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

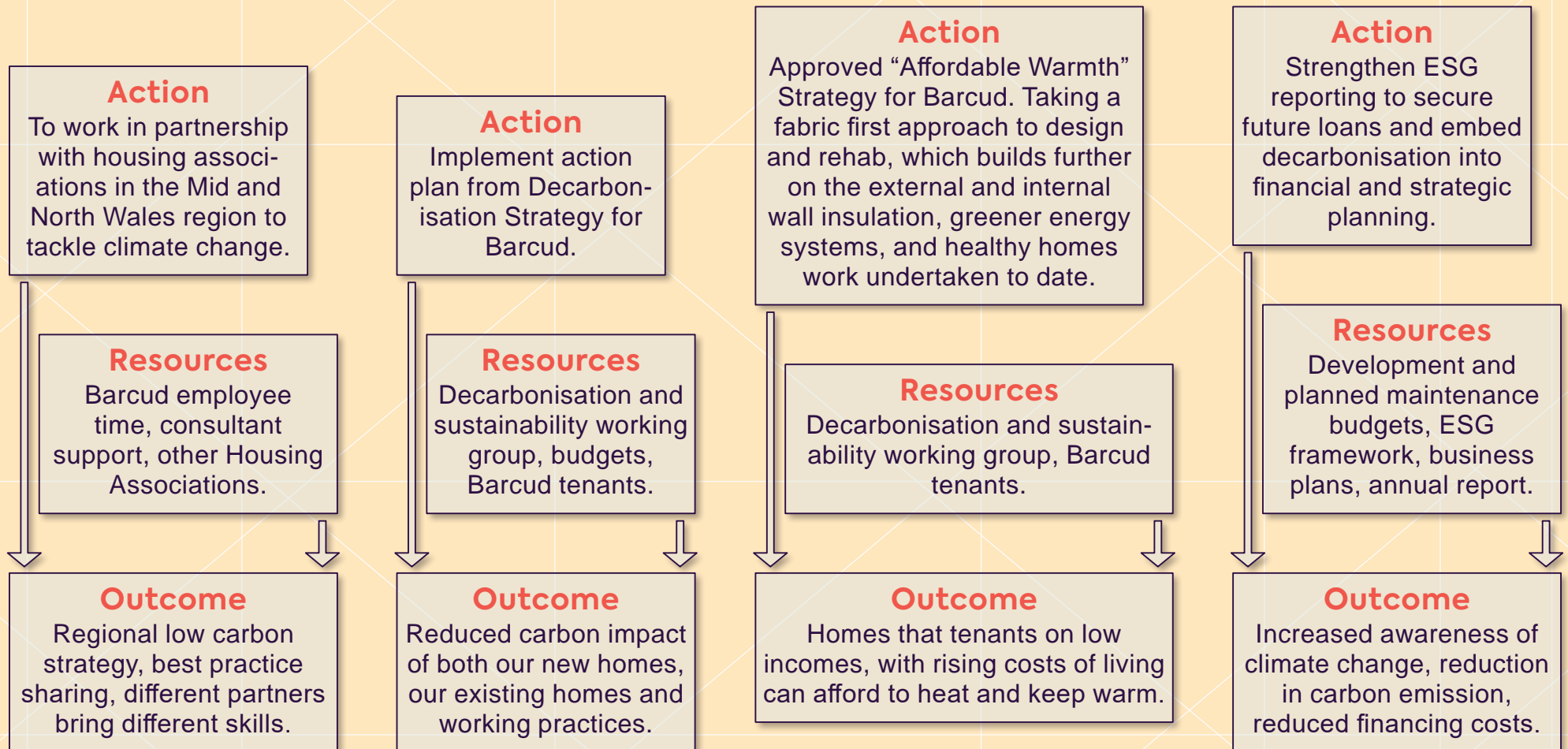


STRATEGIC OBJECTIVE 5

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

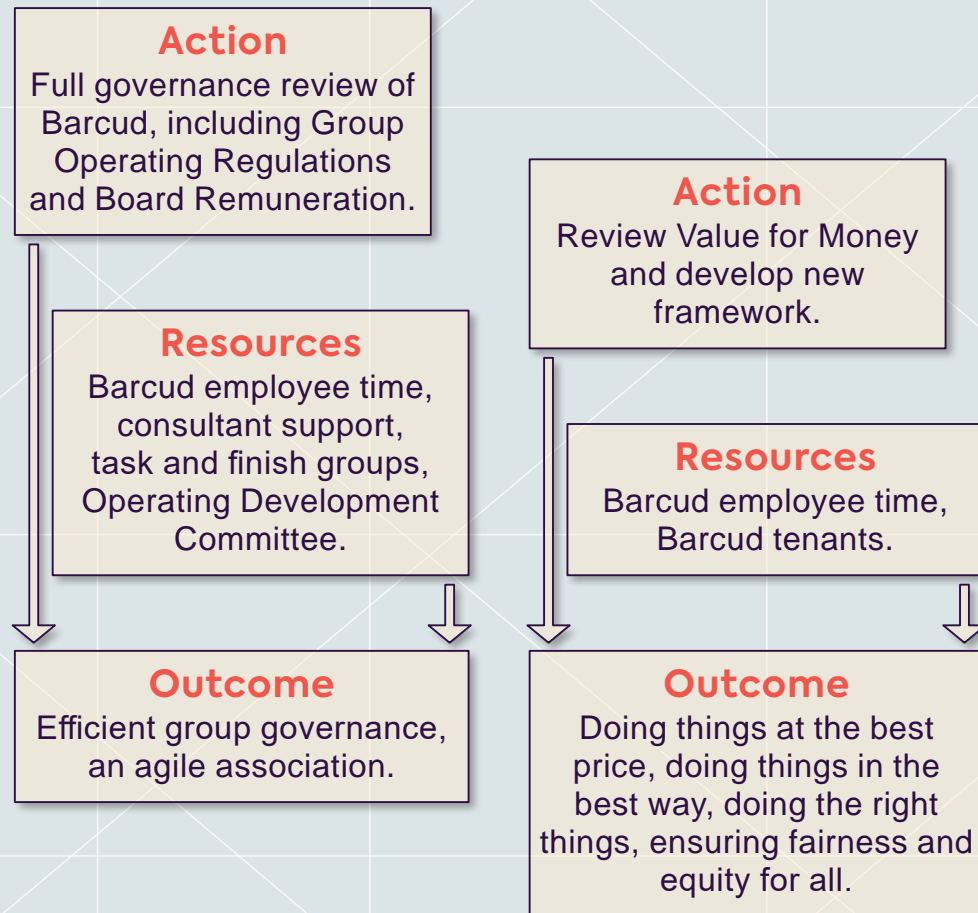


*To be a sustainable,
low carbon organisation*

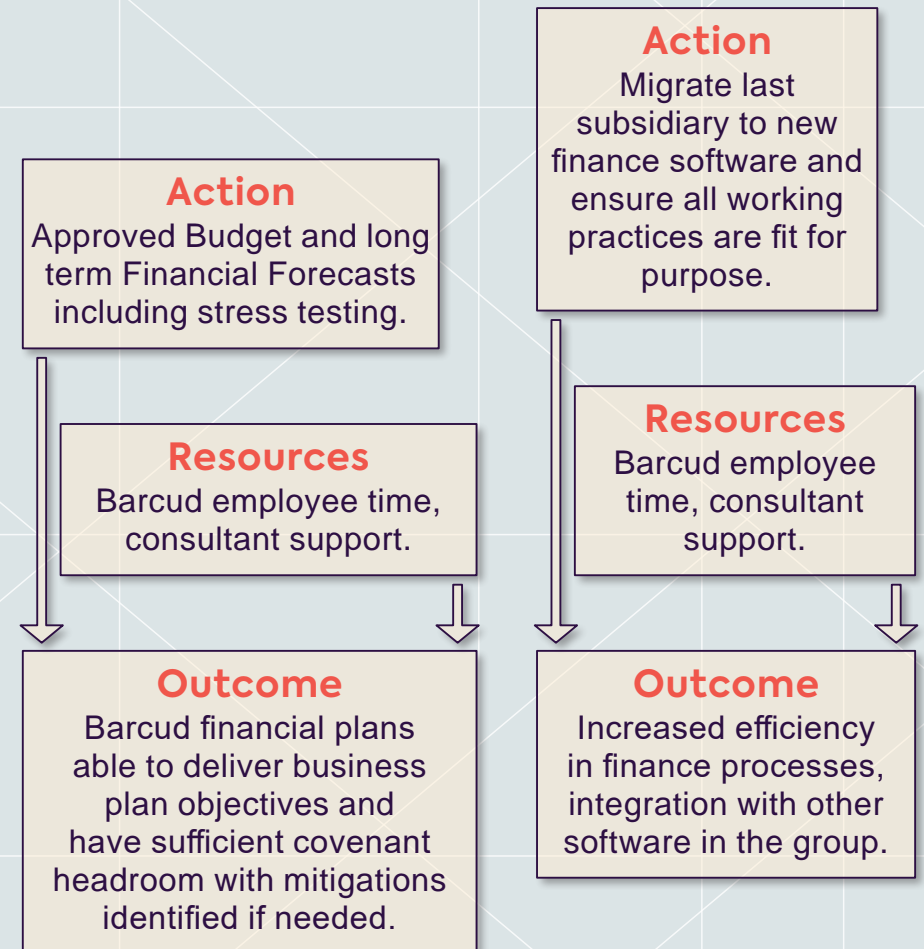


To be an organisation with robust governance and finances.

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

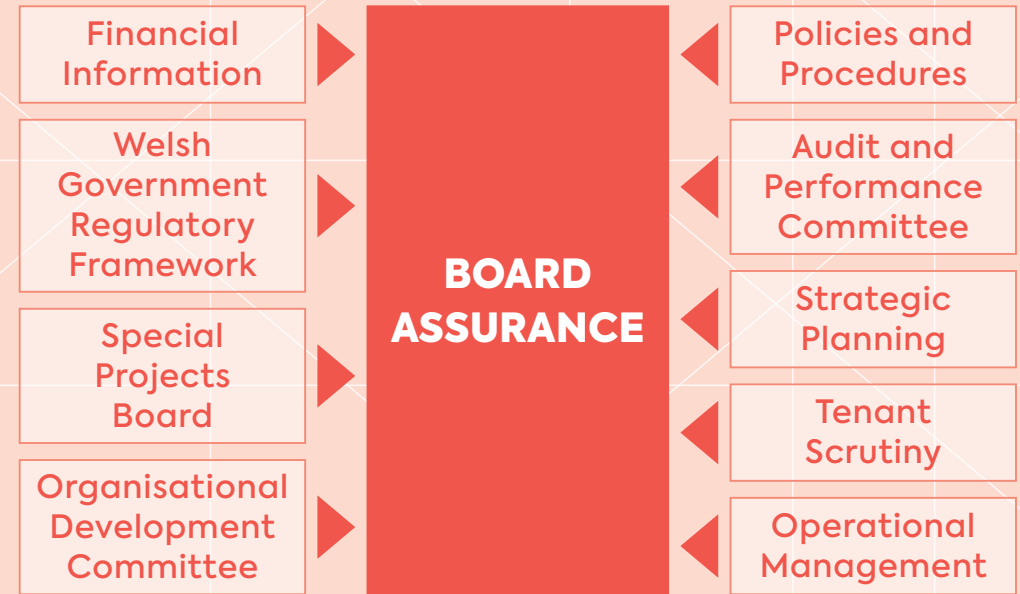
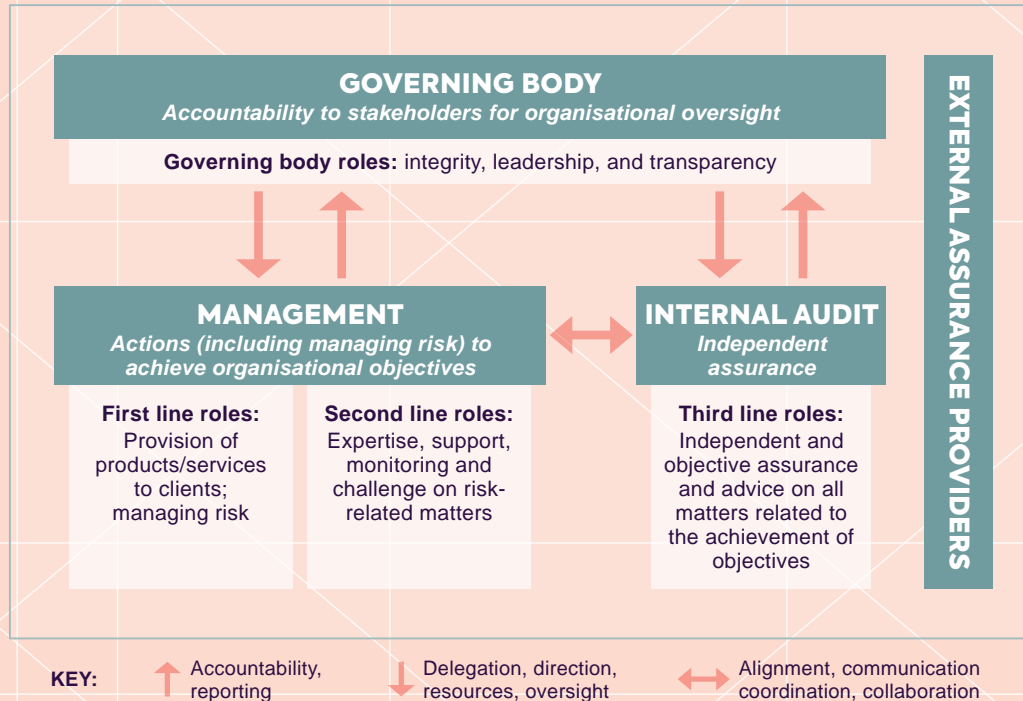
The most significant strategic business risks are;

- Increased costs due to Welsh Govt decarbonisation agenda
- Failure to comply with Landlord Health and Safety Regulations
- Failure to comply with Employee Health and Safety Regulations
- Failure to lead, direct and make strategic decisions
- Failure to recruit and retain key staff
- Increased costs due to high inflation
- Loss of income due to rent arrears
- Loss/reduction of Welsh Government Dowry
- Breach of Financial Covenant
- Impact of Renting Homes Act



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.



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

As part of the sector's global accounts, Community Housing Cymru has identified a suite of indicators used for assessing value for money and benchmarking across the Welsh housing sector. Barcud reports against these indicators annually and uses them to identify areas where improvements could be actioned.

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 Star tenant survey completed in 2021 indicated that 78% of tenants think their rent is value for money.

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 provides 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. These include:

- Tenants/Resident groups in estates/flats/sheltered schemes
- Tenant Liaison Forum, held quarterly across Mid Wales
- Surveys and Questionnaires
- Special Interest Groups, as and when required to discuss and lead on various topics
- Tenant Inspectors who assess the housing services we provide

However, Barcud will be continuing to review how it can involve those 'hard to reach' tenants and customers, especially families and younger people.

Other Stakeholders

We work closely with other stakeholders, these include Funders, Welsh Government, Local Authorities, Dyfed Powys Police, Third Sector Agencies and other Housing Associations. Our staff are vital to Barcud being able to provide services to our tenants and stakeholders and we receive feedback through employee forums, questionnaires and team meetings.



Regulatory Standards

The organisation has effective strategic leadership and governance arrangements which enable it to achieve its purpose and objectives.

Robust risk management and assurance arrangements are in place.

High quality services are delivered to tenants.

Tenants are empowered and supported to influence the design and delivery of services.

Rents and service charges are affordable for current and future tenants.

The organisation has a strategic approach to value for money which informs all its plans and activities.

Financial planning and management is robust and effective.

Assets and liabilities are well managed.

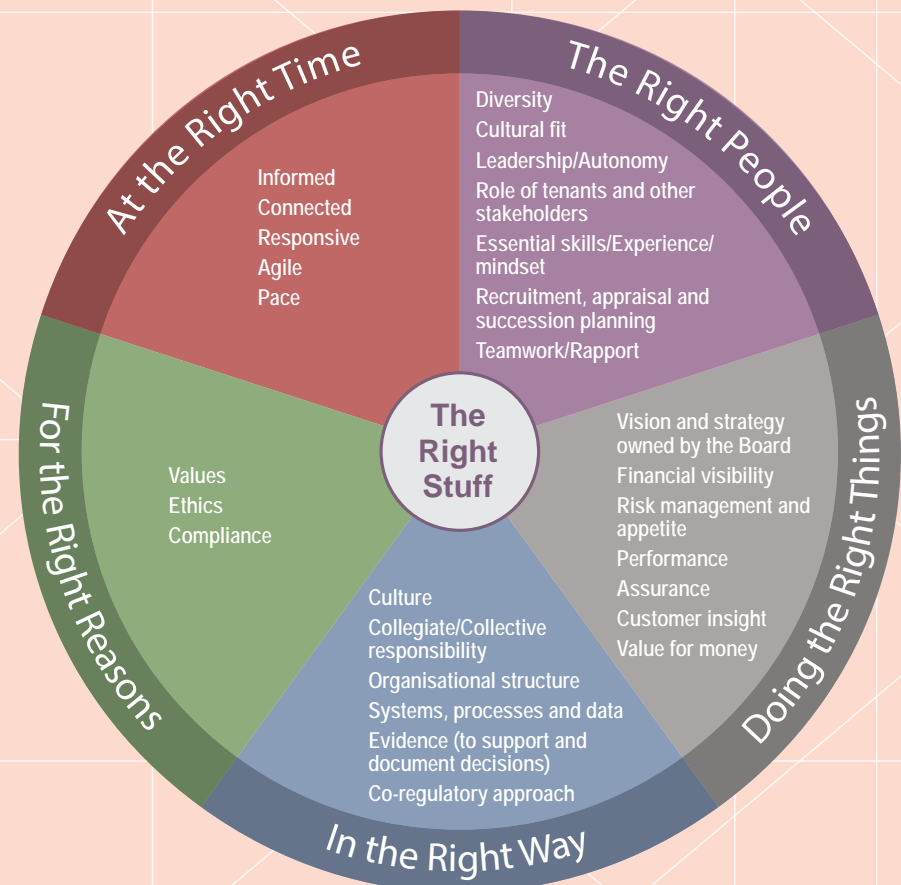
The organisation provides high quality accommodation.



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.



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 helps 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, decarbonisation work and an ambitious development programme to become a landlord of 5,000 properties by 2025. This capital expenditure will be funded by our existing £90m facility provided by our Funders, alongside grants provided by the Welsh Government.

Key budget assumptions

- Rental income has increased in accordance with Welsh Government policy with emphasis on affordability.
- Voids are assumed at 2% and bad debt at 1.5% of rental income over the five years
- Operational costs have been fully reviewed and costed for.
- Interest rates on variable rate facilities have been assumed at 1.5% for 2022/2023 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 2022/23
Current Tenant Arrears	1.99%
Average No of Days to Relet a Property	40
Repairs – Overall Customer Satisfaction	97%
Reactive Repairs – Percentage of Jobs Completed Within Target – Emergency (24 Hours)	96%
Average Energy Efficiency of Social Housing Stock (SAP Rating)	72
Percentage of Complaints Not Responded to in Accordance with Policy	0%
Contact Centres – Percentage of Calls Answered	98%
Sickness Absence	3.00%
Proportion of Welsh Speaking Employees	50%
Services Available Bilingually	100%

STATEMENT of COMPREHENSIVE INCOME

	2022/23 Budget £'000	2023/24 Forecast £'000	2024/25 Forecast £'000	2025/26 Forecast £'000	2026/27 Forecast £'000
Turnover					
Rent	22,642	23,815	24,980	25,729	26,457
Operating Costs					
Operational Costs	(6,790)	(6,835)	(6,991)	(7,177)	(7,311)
Responsive, Void and Cyclical	(6,676)	(6,742)	(6,925)	(7,093)	(7,265)
Other Spend	(5,371)	(5,785)	(6,196)	(6,607)	(7,018)
Total Operating Costs	(18,837)	(19,362)	(20,112)	(20,877)	(21,594)
Operating Surplus (Deficit)	3,805	4,453	4,868	4,852	4,863
Interest receivable and other income	3,525	3,485	3,510	3,668	3,806
Interest payable and similar charges	(2,978)	(3,129)	(3,480)	(3,609)	(3,742)
I & E Surplus / (Deficit) For Period	4,352	4,809	4,898	4,911	4,927

	2022/23 Budget £'000	2023/24 Forecast £'000	2024/25 Forecast £'000	2025/26 Forecast £'000	2026/27 Forecast £'000
Fixed Assets					
Housing properties less depreciation	244,872	263,796	276,213	284,218	296,634
Other fixed assets	4,385	4,254	4,127	4,007	3,892
Investments	1,782	1,782	1,782	1,782	1,782
Total	251,039	269,832	282,122	290,007	302,308
Current Assets					
Debtors	28,133	19,641	14,847	13,798	8,989
Creditors: due within one year	(6,264)	(5,833)	(5,420)	(5,420)	(6,304)
Total assets less current liabilities	272,908	283,640	291,549	298,385	304,993
Creditors: due after one year	(243,945)	(249,867)	(252,879)	(254,802)	(256,484)
Total assets less liabilities	28,963	33,773	38,670	43,583	48,509
Reserves	28,963	33,772	38,670	43,584	48,509

	2022/23 Budget £'000	2023/24 Forecast £'000	2024/25 Forecast £'000	2025/26 Forecast £'000	2026/27 Forecast £'000
Opening Cash Balance 31st March 2022	8,093				
Operating Cashflow					
Surplus/(Deficit)	7,331	7,939	8,378	8,521	8,669
Add back depreciation	5,154	5,564	5,974	6,384	6,794
Less amortisation	(1,202)	(1,245)	(1,264)	(1,417)	(1,549)
Capital interest adjustment	(160)	(102)	(80)	(73)	(104)
Total	19,216	12,156	13,008	13,415	13,810
Capital Expenditure					
Capital works programme	(7,144)	(6,386)	(6,525)	(6,670)	(6,818)
Housing development costs	(18,624)	(17,692)	(11,455)	(7,309)	(11,982)
Other	(348)	(278)	(284)	(289)	(295)
Total	(26,116)	(24,356)	(18,264)	(14,268)	(19,095)
Other Income & Expenditure					
Social housing grant	11,905	8,040	5,152	4,066	3,978
Private placement	10,000	0	0	0	0
Total	21,905	8,040	5,152	4,066	3,978
Financing Costs					
Capital repayments	(894)	(873)	(875)	(726)	(748)
Interest costs	(2,978)	(3,129)	(3,480)	(3,609)	(3,742)
Total	(3,872)	(4,002)	(4,355)	(4,335)	(4,490)
Funding Requirement	11,133	(8,162)	(4,459)	(1,122)	(5,797)
Closing Balance Loan Account	31,133	22,971	18,512	17,390	11,279



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.

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 a well established and reliable building maintenance and repair specialist based in Newtown employing local tradespeople and apprentices. Established in 1995, EOM today employs a total of 46 professionals within the team. A wide range of services are provided from electrical installations and repairs, gas and plumbing works as well as general maintenance work. During the last 5 years EOM has also been undertaking LoRaWAN technology installations, as well as green energy installations such as air source heat pumps and Photovoltaic panel for electricity generation. EOM has a wide range of private and commercial clients as well as Local Authority clients and Housing Associations. Barcud is EOM's main client, with approximately 80% of its turnover coming from the housing association.



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 continue to invest in new tools and some new vehicles in 2022/23.
- Provide a first class service to all our clients.
- Continue to invest in training, and review the terms and conditions for our colleagues.
- 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.
- Continue to review our marketing strategy so that other private clients can benefit from our services.



Steve Jones
Group
Chief Executive

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

Fellow member of Chartered Institute of Housing.

Nearly 40 years in local authority and RSL housing.

Appointed Tai Ceredigion's first CEO in 2009 and negotiated the Ceredigion large scale stock transfer.

Appointed Group Chief Executive for Barcud in 2019 and led on the voluntary merger with Mid Wales HA.

Voluntary trustee of Digartref Charity on Ynys Mon.

Fluent Welsh speaker.



Sian Howells
Group Director
Development and Asset
Management

Chartered Surveyor with 30 years professional experience in both commercial and residential development, asset and estate management.

Started working for Mid-Wales Housing in 2014 having previously worked for the Circle and Guinness Housing Groups in England and Merthyr Housing Association in Wales.

Previously employed in the commercial sector as the Head of Estates for the Royal Mail, covering London and the South East of England and Cwmbran Development Corporation.



Llŷr Edwards
Group Director
Commercial Services

Degree in Building Technology and Management.

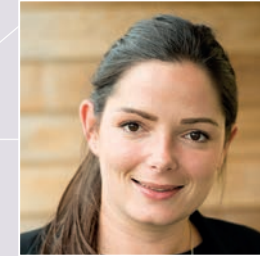
Over 25 years of building & maintenance experience.

Joined Tai Ceredigion in 2009.

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

Responsible for Medra and EOM.

Fluent Welsh speaker.



Kate Curran
Group Director
Corporate Services

Over 20 years' experience in Public Sector Finance.

Responsible for Finance, ICT, Business Improvement and Governance within Barcud.

CIPFA qualified accountant.

Trustee and treasurer of Age Cymru Dyfed.

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



Eleri Jenkins
Group Director
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.



John Jenkins
Chair



John Wilkinson
Vice Chair



Carina Roberts



Cadwgan Thomas



Catherine Shaw



David Hall



Enid Roberts



John Rees



Mererid Boswell



Steve Cripps



Siobhan Johnson



Wyn Jones



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by Sue Thomas