



Business Plan

2017

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Introduction

Look Ahead is a specialist housing association and provider of tailor-made care, support and accommodation services. We support thousands of people across London and the South East with a diverse range of needs, helping them to make individual choices, achieve goals and take control of their own lives.

With the right support, we know that our customers can realise their dreams and aspirations. Our customers are experts by experience - by encouraging individuals to identify and develop their own unique skills and abilities, we can support them to bring about positive change in both their lives and the people around them.

Who do we work with?

With over forty years in social care under our belt, we are experts through both practice and understanding. Today, we are proud to be the trusted partner of over 30 local authorities and health trusts, providing specialist support and care services for over 7,000 people every year with a wide range of needs, including:

- Mental health
- Learning disabilities
- Homelessness and complex needs
- Young people and care leavers

Whether it's working with someone to achieve a positive change or providing specialist care, Look Ahead's experienced and passionate teams are committed to delivering high quality services across social care, health and housing that support independence and help transform lives.

Through our business planning process, we drive our vision, mission and values forward through the delivery of our strategic objectives, reinforcing our commitment to supporting more customers to move forwards with their lives.

Our mission, vision and values

Our mission

Working with people to make choices, achieve goals and take control of their lives through high quality care, support and housing.

Our vision

Look Ahead will be a leading provider of specialist support and care services for people with complex and multiple needs, bridging the gap between social care, health and housing. We will have a solid reputation as a growing, solution-focused social care business that draws on the best of the public and private sectors. We will work in partnership, embrace digital innovation and maximise our property assets to deliver high quality, outcomes-based services in line with our values.

Our values

Excellence

We are committed to excellence in everything we do. The success of our organisation and, crucially, the successes and outcomes of the people who use our services, depends on our ability to deliver consistently excellent services that exceed expectations.

Aspiration

We are aspirational – for our customers, staff and organisation. We aim high, seek out opportunities and do not shy away from the challenges we face. We believe in identifying, nurturing and developing potential and creating a culture of recognition and celebration across the organisation.

Partnership

We know our organisation is stronger when we work in partnership with stakeholders, commissioners and – crucially – customers. Partnership between staff and people who use our services informs and influences everything we do. Through working together at every level, customers and staff will together design and deliver flexible, personalised and better services.

Trust

We will be an organisation with a strong social purpose. We will be trusted by our commissioners and funders to deliver the services we say we will. We will behave with integrity and transparency. We will be trusted by our customers to deliver on our promises and by their loved ones to deliver safe and consistently high quality services.

Strategic objectives 2017

In order to continuously improve our service delivery and manage the organisation, Look Ahead's management team has established the following strategic objectives.

These have informed the annual business planning process for all Look Ahead services and teams.

Strategic Objective 2017

Provide high quality safe services that deliver positive outcomes for all customers

Achieve sustainable growth, maximising social and economic returns on investment

Enhance our financial strength and viability

Design and deliver innovative services in partnership with our customers

Recruit, develop and retain a high performing workforce through strong local leadership

The delivery of each strategic objective is underpinned by a detailed work programme, linked to and evidenced within our core business strategies.

Key Performance Indicators for 2017/18

Performance Indicator	2017/18 Target
% of all services achieving outstanding or good in internal quality management audits	80%
Number of CQC locations where one standard has been rated “overall” as inadequate by Care Quality Commission (CQC)	0
Number of units without a valid Landlord Gas Safety Record	0
% of rent and service charges lost through voids	5.3%
Net rent and service charge arrears of current tenants (low point in month)	6.0%
Operating surplus	2.0%
Gross value of business development	£7m
% of contract income retained of contracts retendered or extended	80%
Net growth	£4.5m
Staff leaving voluntarily as a % of total number of staff	27%
Agency staff spend as a % of total staffing spend	3%
% of staff who have completed their required safeguarding training	100%
% of reactive repairs completed within target times	90%
% of new operational staff who have completed mandatory training within their probation	90%
% of customers satisfied with Look Ahead overall	90%

Look Ahead’s performance monitoring framework measures business plan delivery against these key indicators. Performance is monitored throughout the year at all management levels, at Audit and Risk Committee and via the half yearly business review process.

Financial strategy

The financial plan fully supports Look Ahead's mission and financial strategy.

The financial strategy states that:

'We will effectively deploy Look Ahead's financial strength, its asset base and income streams, to grow our services and transform the lives of even greater numbers of vulnerable people'

If we are to deploy our asset base to both grow our services and transform the lives of even greater numbers of vulnerable people then it is essential that that asset base is strategically relevant and meets the expectations of customers.

Financial strength and viability

Our ability to deliver this is dependent on our continued long term financial strength and viability.

Financial objectives

The financial objectives that underpin Look Ahead's financial strategy are summarised below.

Over the next five years we will effectively deploy our financial strength to:

- Pursue a strategy for sustainable and managed growth
- Re-invest surplus funds in developing and marketing new, innovative and high value personalised services that promote customer choice and independence and achieve the best outcomes for our customers
- Maximise the social and economic returns on our property assets by remodelling and leveraging them to deliver higher value quality care and support services
- Achieve value for money by driving an agenda for improving customer service and efficiency across our services and central support functions
- Proactively seek merger opportunities that strengthen Look Ahead's financial position, increase our social impact and enhance the outcomes for our customers.
- Implement an investment strategy that maximises returns on cash invested within acceptable levels of risk
- Continue to employ a robust risk management strategy to secure long term financial viability and strength

Five year financial forecast

The financial forecasts for the next five years, based on Look Ahead's organisational objectives and corporate priorities, are set out in the following pages:

The key financial assumptions underlying the projections are as follows:

	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000
Consumer Price Index	2.4%	2.6%	2.2%	2.1%	2.1%
Rent inflation	(1.0%)	(1.0%)	(1.0%)	3.1%	3.1%
Average void rate	5.3%	5.0%	4.8%	4.6%	4.6%
Average bad debt rate	3.7%	3.5%	3.5%	3.5%	3.5%
Maintenance inflation	2.4%	2.6%	2.2%	2.1%	2.1%
Contract inflation rate	0.0%	0.0%	0.0%	2.1%	2.1%
Contract growth (net)	£3.6m	£4.5m	£3.6m	£5.6m	£4.6m
BOE base rate	0.3%	0.4%	0.6%	0.7%	0.7%
LIBOR rate	0.8%	0.9%	1.1%	1.2%	1.2%
Investment return	4.4%	4.6%	4.2%	4.1%	4.1%

Forecast income and expenditure for the years ending 31 March

	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000
Rents and service charges	21,434	20,548	21,114	21,892	22,724
Less rent losses (bad debts/voids)	(1,927)	(1,747)	(1,745)	(1,765)	(1,832)
Net rents	19,507	18,801	19,369	20,128	20,892
Care and support contracts	33,396	37,901	41,542	47,132	51,688
Other income	2,587	2,587	2,594	2,649	2,705
Turnover	55,490	59,290	63,504	69,908	75,285
Operating costs - salaries	24,349	28,105	31,037	34,648	37,243
Other direct costs	21,370	21,142	22,287	23,711	24,985
Central support costs	7,481	7,671	7,840	8,005	8,173
Contingency	1,000	1,000	1,000	1,000	1,000
Operating costs	54,201	57,918	62,164	67,364	71,401
Operating surplus	1,289	1,372	1,340	2,545	3,883
<i>Operating surplus as % of Turnover</i>	2.3%	2.3%	2.1%	3.6%	5.2%
Net interest and other finance costs	(172)	(163)	(245)	(264)	(330)
Surplus for the year after interest	1,117	1,209	1,095	2,281	3,553
<i>Surplus after interest as % of Turnover</i>	2.0%	2.0%	1.7%	3.3%	4.7%
Bonus payment	(602)	(644)	(690)	(760)	(819)
Surplus for the year after bonus payment	515	565	405	1,521	2,734
<i>Surplus after interest as % of Turnover</i>	0.9%	1.0%	0.6%	2.2%	3.6%
Surplus on sale of properties	227	-	-	-	-
Unrealised investment gains	1,694	2,123	1,814	1,729	1,646
Surplus for the year after exceptional items	2,436	2,688	2,219	3,250	4,380
<i>Surplus as % of Turnover</i>	4.4%	4.5%	3.5%	4.6%	5.8%

Forecast balance sheet as at 31 March

	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000
Fixed assets					
Housing properties at cost	129,378	139,100	146,333	154,761	161,851
Less: Depreciation	(15,275)	(16,407)	(17,611)	(18,919)	(20,316)
Net property costs	114,103	122,694	128,722	135,842	141,535
Other fixed assets	4,899	5,200	5,495	5,722	5,880
Investment properties	3,178	3,178	3,178	3,178	3,178
Financial investments	45,712	40,945	39,648	36,968	35,906
Total fixed assets	167,891	172,016	177,042	181,709	186,498
Current assets					
Debtors	3,310	3,310	3,310	3,310	3,310
Cash at bank and in hand	1,000	1,000	1,000	1,000	999
	4,310	4,310	4,310	4,310	4,309
Creditors					
Amounts falling due within one year	(7,670)	(7,670)	(7,670)	(7,670)	(7,670)
Net current assets	(3,360)	(3,360)	(3,360)	(3,360)	(3,362)
Total net assets	164,531	168,656	173,682	178,349	183,137
Creditors					
RCGF	1,233	1,233	120	120	120
Unamortised Grant	70,657	69,755	68,853	67,952	67,050
Pension Past Deficit Liability	7,709	6,627	5,466	4,222	3,147
Other amounts falling due after more than one year (includes loans)	6,122	9,543	15,525	19,088	21,472
Capital and reserves					
Restricted reserves	195	195	195	195	195
Revenue reserve	78,616	81,304	83,523	86,773	91,153
Total financing and reserves	164,531	168,656	173,682	178,349	183,137

Forecast cash flows for the years ending 31 March

	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000
Net cash inflow from operating activities	396	89	42	1,297	2,932
Interest received	160	149	163	182	136
Interest paid	(90)	(140)	(264)	(339)	(380)
Net cash flow after interest	466	98	(58)	1,140	2,688
Fixed assets expenditure	(7,183)	(10,415)	(7,940)	(9,145)	(7,828)
Cash transferred from Investments	5,481	6,889	3,112	4,409	2,708
Net cash outflow from financing	(354)	(527)	(1,079)	(1,479)	(1,828)
RCGF repayments	(213)	-	(1,113)	-	-
Grant receipts	-	1,250	1,250	1,500	1,350
New loan agreements	-	2,704	5,829	3,574	2,908
Proceeds from sale of property	297	-	-	-	-
Increase/ (Decrease) in cash	(1,506)	0	0	0	(1)
Cash balance brought forward	2,506	1,000	1,000	1,000	1,000
Cash balance carried forward	1,000	1,000	1,000	1,000	998

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