

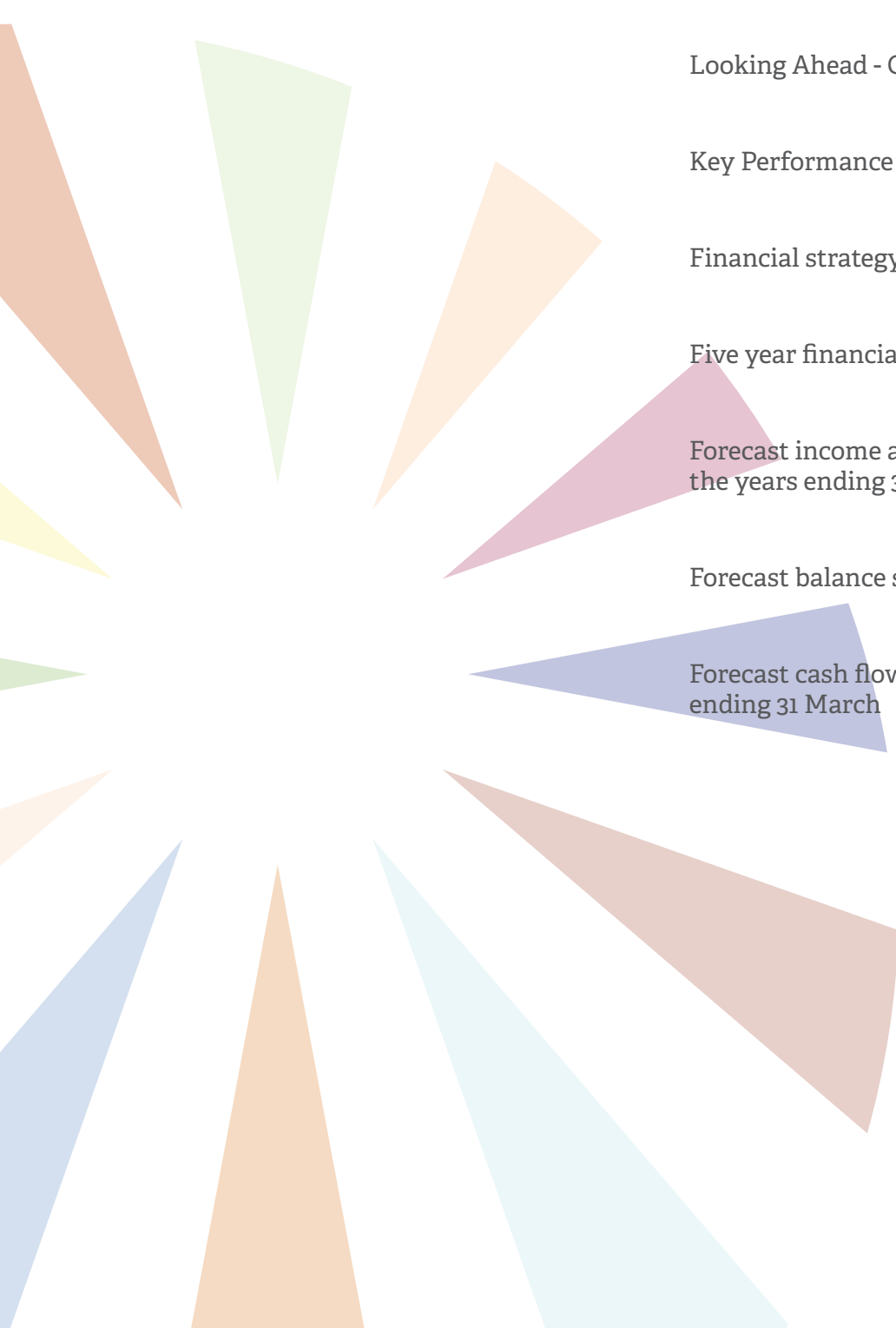


**Business Plan**

**2018**

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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 2018

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.

### Strategic Objectives 2018

**We will collaborate and innovate to deliver an excellent customer offer that delivers positive, sustainable change**

**We will maximise opportunities for growth in existing and new service areas**

**We will be financially strong, enabling investment in our services, properties and people**

**We will develop an agile, diverse workforce, harnessing talent from within**

## Looking Ahead - Our 5 year vision

### **We will collaborate and innovate to deliver an excellent customer offer that delivers positive, sustainable change**

- Our service delivery will be strengthened through partnerships between our staff, customers and health and social care providers
- We will be known for our expertise in delivering specialist services for people with multiple, complex needs
- Our customer offer will be shaped by what we know makes the biggest difference to customers' lives and the outcomes they achieve.
- We will champion innovation and embrace digital technology within our service delivery and properties

### **We will maximise opportunities for growth in existing and new service areas**

- We will maximise and build on our expertise in mental health, learning disabilities, homelessness and young people and care leavers.
- We will remain a regional specialist expanding our presence across London and the South East through business development, strategic acquisitions and property use
- We will maintain a strong property portfolio, purchasing, developing and refurbishing high quality property solutions, that meet customer and commissioner needs
- We will position ourselves as a proactive, forward thinking organisation, agile in our approach to deliver solutions for the health and social care sector.

## **We will be financially strong, enabling investment in our services, properties and people**

- We will have an annual turnover in excess of £80million and surplus of 3.5%
- We will maintain a healthy financial reserve to evidence our stability,
- We will develop diverse funding streams to support growth and investment
- Our services will offer clear value for money that we will measure and communicate

## **We will develop an agile, safe, diverse workforce, harnessing talent from within whilst recognising the need to bring in external skills**

- We will attract the best talent, bringing together a wide range of different skills, professional backgrounds and lived experiences
- We will develop talent from within the organisation
- Our leaders will have the freedom and autonomy to demonstrate innovation and creativity to meet local need
- Our people will have access to the right tools and technology to ensure safety and enable them to deliver flexible, person-centred support that meets customer need

## Key Performance Indicators for 2018/19

Performance indicator	2018/19 Target
% of all services achieving outstanding or good in quality audits	85%
No. of CQC locations where one standard has been rated "overall" as inadequate by CQC	0
% of units with a valid Landlord Gas Safety Record	100%
% of rent and service charges lost through voids	5.9% (5.3%)
Net rent and service charge arrears of current tenants (low point in month)	6.7% (5.5%)
Rent collected (current and former)	97%
Operating Surplus	1.3%
% of contract income retained of contracts retendered or extended <sup>1</sup>	80%
Net growth <sup>1</sup>	£2.5m (£5m)
Staff leaving voluntarily as a % of total number of staff	26.0%
Agency staff spend as a % of total staffing spend (operations)	3.0%
% of staff who have completed their required safeguarding training	100%
% of reactive repairs completed within target times	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.

<sup>1</sup> Figures are at end of October 2018



## 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 follow:

	2019 £'000	2020 £'000	2021 £'000	2022 £'000	2023 £'000
<b>Consumer Price Index</b>	2.4%	2.1%	2.0%	2.0%	2.0%
<b>Rent inflation</b>	(1.0%)	(1.0%)	3.0%	3.0%	3.0%
<b>Average void rate</b>	5.3%	5.3%	5.3%	5.3%	5.3%
<b>Average bad debt rate</b>	3.7%	3.5%	3.5%	3.5%	3.5%
<b>Maintenance inflation</b>	2.4%	2.1%	2.0%	2.0%	2.0%
<b>Contract inflation rate</b>	0.0%	0.0%	0.0%	2.0%	2.0%
<b>Contract growth (net)</b>	£2.8m	£3.9m	£3.9m	£5.5m	£5.4m
<b>BOE base rate</b>	0.7%	1.0%	1.2%	1.3%	1.3%
<b>LIBOR rate</b>	1.2%	1.5%	1.7%	1.8%	1.8%
<b>Investment return</b>	5.3%	5.0%	4.9%	4.9%	4.9%

## Forecast income and expenditure for the years ending 31 March

	2019 £'000	2020 £'000	2021 £'000	2022 £'000	2023 £'000
Rents and service charges	23,893	24,653	25,549	27,345	28,576
Less rent losses (bad debts/voids)	(2,280)	(2,108)	(2,044)	(2,170)	(2,264)
Net rents	21,613	22,546	23,505	25,175	26,312
Care and support contracts	36,204	38,942	42,010	45,795	50,031
Other income	1,685	1,717	1,768	1,820	1,874
<b>Turnover</b>	<b>59,502</b>	<b>63,205</b>	<b>67,284</b>	<b>72,790</b>	<b>78,217</b>
Operating costs - salaries	26,686	29,226	31,861	34,339	37,265
Other direct costs	21,180	21,976	22,877	23,984	25,068
Central support costs	8,046	8,168	8,334	8,501	8,671
Contingency	500	500	510	1,040	1,061
<b>Operating costs</b>	<b>56,412</b>	<b>59,870</b>	<b>63,582</b>	<b>67,864</b>	<b>72,066</b>
Operating surplus	3,090	3,334	3,701	4,926	6,151
<i>Operating surplus as % of Turnover</i>	<i>5.2%</i>	<i>5.3%</i>	<i>5.5%</i>	<i>6.8%</i>	<i>7.9%</i>
Bonus payment	387	400	412	424	436
<b>EBITDA</b>	<b>2,703</b>	<b>2,935</b>	<b>3,290</b>	<b>4,502</b>	<b>5,715</b>
<i>EBITDA as % of Turnover</i>	<i>4.5%</i>	<i>4.6%</i>	<i>4.9%</i>	<i>6.2%</i>	<i>7.3%</i>
Amortised grant	889	896	906	917	931
Depreciation	(3,053)	(3,230)	(2,604)	(2,805)	(2,836)
Net interest and other finance costs	(134)	(243)	(353)	(450)	(496)
<b>Retained surplus</b>	<b>406</b>	<b>357</b>	<b>1,238</b>	<b>2,164</b>	<b>3,313</b>
<i>Retained surplus as % of Turnover</i>	<i>0.7%</i>	<i>0.6%</i>	<i>1.8%</i>	<i>3.0%</i>	<i>4.2%</i>
Surplus on sale of properties	-	-	-	-	-
Unrealised investment gains	1,956	1,714	1,777	1,757	1,714
<b>Surplus for the year after exceptional items</b>	<b>2,362</b>	<b>2,071</b>	<b>3,015</b>	<b>3,921</b>	<b>5,027</b>
<i>Surplus as % of Turnover</i>	<i>4.0%</i>	<i>3.3%</i>	<i>4.5%</i>	<i>5.4%</i>	<i>6.4%</i>

## Forecast balance sheet as at 31 March

### Fixed assets

Housing properties at cost	135,679	146,649	150,777	161,321	170,164
Less: Depreciation	(15,736)	(17,137)	(18,649)	(20,279)	(22,019)

<b>Net property costs</b>	<b>119,943</b>	<b>129,511</b>	<b>132,127</b>	<b>141,042</b>	<b>148,145</b>
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Other fixed assets	4,941	3,829	3,815	3,473	3,243
Investment properties	3,505	3,505	3,505	3,505	3,505
Financial investments	38,665	35,580	37,120	36,549	35,476

<b>Total fixed assets</b>	<b>167,054</b>	<b>172,425</b>	<b>176,568</b>	<b>184,568</b>	<b>190,369</b>
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### Current assets

Debtors	5,248	5,248	5,248	5,248	5,248
Cash at bank and in hand	1,000	1,000	1,000	1,000	1,000
	6,248	6,248	6,248	6,248	6,248

### Creditors

Amounts falling due within one year	(5,965)	(5,965)	(5,965)	(5,965)	(5,965)
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<b>Net current assets</b>	<b>283</b>	<b>283</b>	<b>283</b>	<b>283</b>	<b>283</b>
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<b>Total net assets</b>	<b>167,337</b>	<b>172,708</b>	<b>176,851</b>	<b>184,851</b>	<b>190,652</b>
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### Creditors

RCGF	1,038	1,038	0	0	0
Unamortised Grant	73,462	73,816	73,661	74,244	74,663
Pension Past Deficit Liability	7,808	6,623	5,604	4,771	3,877
Other amounts falling due after more than one year (includes loans)	5,647	9,778	13,119	17,448	18,696

### Capital and reserves

Restricted reserves	183	184	185	186	187
Revenue reserve	79,199	81,269	84,283	88,203	93,229

<b>Total financing and reserves</b>	<b>167,337</b>	<b>172,708</b>	<b>176,851</b>	<b>184,851</b>	<b>190,652</b>
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## Forecast cash flows for the years ending 31 March

	2019 £'000	2020 £'000	2021 £'000	2022 £'000	2023 £'000
Net cash inflow from operating activities	1,409	1,558	2,093	3,464	4,630
Interest received	150	150	150	150	150
Interest paid	(82)	(235)	(351)	(493)	(560)
Net cash flow after interest	1,478	1,472	1,892	3,120	4,220
Fixed assets expenditure	(8,354)	(11,654)	(5,181)	(11,278)	(9,605)
Cash transferred from Investments	6,603	4,800	236	2,329	2,787
RCGF repayments	(213)	-	(1,038)	-	-
Grant receipts	-	1,250	750	1,500	1,350
New loan agreements	(350)	4,131	3,341	4,329	1,248
Proceeds from sale of property	-	-	-	-	-
<b>Increase/ (Decrease) in cash</b>	<b>(837)</b>	<b>0</b>	<b>-</b>	<b>(0)</b>	<b>0</b>
<b>Cash balance brought forward</b>	<b>1,837</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Cash balance carried forward</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>



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