
ARHAG HOUSING ASSOCIATION

Business Plan 2017 - 2022

“Championing the migrant and their story”

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1. Introduction

1.1 Arhag is a housing association with a strong social purpose and a vision to develop the potential of migrants and refugees (M&R) in London. We focus on being a great landlord to our residents while providing services to M&Rs to help them overcome disadvantages. Our business plan for 2017-22 explains how we intend to diversify, strengthen and grow the business. This will enable us to meet more housing needs and provide better services to M&Rs. We are keen to work with others who share our values, especially where it will improve services and business outcomes.

1.2 Our long term aim is to become the “go to” organization for migrants and refugees in London. We will achieve this simultaneously with being a great landlord to our tenants. This Plan outlines the first phase of that journey and explains what we intend to do to complete it successfully.

1.3 The Plan should be read in conjunction with both the three years Corporate Plan and the 2017/18 action plan. The former identifies the specific priorities and objectives for the next three years and will enable us to track progress in delivering the plan. The latter contains the targets we must achieve in 2017/18.

1.4 Our Plan says a lot about us; what we believe and value and what we want to become. We are a professional organisation that constantly strives to provide a quality service. We will be flexible and forward thinking, with talented and committed staff who work together to facilitate improved quality of life for our customers. While being vigilant to both financial and reputational risks to Arhag, we will innovate, enhance our knowledge and skills, challenge the existing wisdoms, and seek new ventures.

1.5 Fundamental to the delivery of our business plan objectives is the discipline to take on new ventures only as our resources allow. To ensure this happens we will regularly review progress against the planned targets, and the significance of any shift in the social, economic, technical and political environment. Hence this is a rolling business plan, a working tool, which will be reviewed and revised annually.

1.6 For the next five years this Plan will be the driver for the organisation. From it will be identified the core activities to achieve ARHAG’s objectives and improvements, enhance service delivery and develop and continue to improve our staff and Board Members’ performance. Pivotal to our success is the need to support our residents, tap into their talents to contribute to our social purpose; and to ensure inequalities are addressed, diversity is championed and we are on the side of human rights at all times.

2. Arhag's profile

2.1 Arhag was founded in 1979 as a campaign group to challenge the housing disadvantages experienced by African migrants and refugees. It developed as a housing association under the Housing Corporation's strategy for Black and Minority Ethnic (BME) housing associations. We registered with the Registrar of Friendly Societies in 1979 and with the Housing Corporation in 1988.

2.2 We are an organisation that cares about those people less able to fend for themselves; who are destitute and disadvantaged. Migrants and refugees most fill this slot in our society today and that is why we will endeavor to provide them with better housing solutions/options and support to settle successfully in London.

2.3 We own and manage 937 properties spread over 14 London boroughs and provide permanent, key worker and supported accommodation. We are London centered and our main office is in Kentish Town in Camden. We have a very strong presence in the North East quarter of London where we have 73% of our stock. Most of our growth in the last three years has been in this area. In contrast only 9% of our properties are south of the river. Our assets have a book value of £69m. All our homes meet the decent homes standard and we have a seven year planned and cyclical maintenance timetable to ensure this standard is maintained.

2.4 Our supported accommodation is move-on hostel accommodation for migrants and refugees and we specialize in meeting the housing and support needs of this group. In addition to housing we provide services to help and support migrants and refugees to enable them to live independently and overcome the barriers they face to integrate, develop and thrive in London. At the present time our main initiatives are the RISE employment programme, the provision of a hardship fund, facilitating access to foodbanks and providing welfare benefit and debt advice.

2.5 Arhag has a strong performance culture based upon continuous improvement. Performance is actively managed and there are SMART targets in place across all of our operations and services to ensure that we remain financially strong and efficient whilst delivering high quality services to our residents. The last five years have seen a noticeable improvement in service delivery. This is confirmed by an 85% reduction in formal customer complaints. We have an equally robust approach to customer care. A recent investment in IT has helped to increase and enrich our interaction with customers.

3. Our Vision, Mission and Values

3.1 Our Vision

Our social purpose is enshrined in our vision:

“to ensure every migrant and refugee in London has a good home, is empowered to safeguard their individual rights, have their voice heard and make a full contribution to their community”

3.2 Our Mission Statement

Defines for our people what we will do:

“To provide the best housing services to our customers while developing the potential of migrants and refugees in London”

3.3 Our Values

To further our vision and achieve our mission statement, we have adopted five company values that underpin our aims and objectives:

- *Trust*
- *Respect*
- *Accountability*
- *Customer care*
- *Innovation*

3.4 A willingness to work in partnership

We are very interested in working with other organisations with similar aims and values to ourselves. We are especially keen to collaborate where this will help us meet more of the needs of our client groups, or where the outcomes can be achieved quicker, more cost effectively or sustainably.

4.0 A Summary of our Position

4.1 Arhag is one of approximately 1700 registered providers (RPs) in the sector that collectively own over 2.5 million homes. We are a small RP, but among the biggest of the 1,100 owning less than 1,000 homes. There are 60 providers who own more than 10,000 homes and of these 13 own more than 50,000 properties. The collapse in grant funding to provide affordable homes means that new development opportunities are dominated by the largest RPs who have the financial muscle to cross subsidise and to squeeze down costs. Acting on our own RP Arhag's opportunity for stock growth is very limited although we aim to grow by 5% each year.

4.2 Like most RPs the provision and/or management of homes for an affordable rent is our core activity. Recently RPs, especially the larger ones, have been diversifying to subsidise affordable housing development. The most common diversification is building homes for outright sale to generate surplus income. While this exposes RPs to a different risk profile compared to traditional renting it has also increased turnover dramatically for the sector in the last 10 years. The balance sheet for the sector continues to grow strongly with social housing assets increasing by £8.5 billion to a book value of £109 billion. Hitherto Arhag has not considered developing principally to generate a surplus to support its social purpose but that is now firmly on our agenda.

4.3 However while Arhag is financially strong relative to its peers, its operating strength is a fraction of larger more established RPs and this makes them better able to bear risk. Arhag has to compete with them but this is more risky since Government no longer has ring fenced funding for small RPs or makes any compensation for size.

4.4 Our Business Plan for 2013-18 succeeded in strengthening the business. From 2013 our stock grew by 20.5% from 777 to 937 properties owned or managed. This has had a beneficial effect on our rental turnover and operating surplus, which grew by 32% and 56% respectively. Even though interest payments increased by 40% as a consequence of utilizing new loans for the acquisition of the 160 units, the surplus at the end of the last completed year of the plan was £0.9m compared to £0.7m at the start. In addition we have a healthy development fund in place to support further growth. Arhag's financial viability was most clearly demonstrated by comfortably achieving the key financial ratios agreed with our investors and funders. In March 2016 our gearing and interest cover were 42% and 2.08 against a ceiling of 65% and 1.10 respectively.

4.5 In the same period we have maintained a relatively high level of service and business performance. The most important service indicator is resident satisfaction and this is currently 78%, significantly above the average for the sector. Our residents care most about the repairs, maintenance and estate services. At the start of 2016 satisfaction with repairs was 90% and planned maintenance a remarkable 100%. The only area for improvement is estate services. Our 70% is average for the sector and we intend to do much better. We also performed well in the key areas of the business. Income collection last year as a percentage of the rent due was 100% despite the challenge of welfare reform. Similarly void rent losses were 0.34% of the debit and 0.8% of the stock was void. A notable area of improvement was in gas servicing.

We took remedial action to ensure a target of 99.5% is being met consistently. Finally we saved 5% on our repairs procurement and improved performance so that 91% of all repairs are being completed within their scheduled time.

4.6 We have been able to build up our financial strength while facing an increasing number of challenges from a range of government policies and increasingly adverse economic conditions. Not least among these are the 1% rent reduction and welfare reform changes. The former makes it more difficult for us to fund service improvements and the latter reduces the disposable incomes of our vulnerable residents and makes it harder for them to pay their rent. On the horizon there are potentially new threats. Brexit ushers in a prolonged period of economic uncertainty and leaving the EU could induce a recession. In these circumstances the government might look for more public expenditure savings exacerbating the problems referred to already. Moreover there are already signs that inflation will rise and this will drive up our operating costs. Finally although Voluntary Right to Buy has been postponed it has not gone away and remains a threat to our assets.

4.7 Notwithstanding the risks and challenges ahead we believe there is a strong case for increasing momentum in pursuit of our vision. Arhag has never been in a better position financially and provided we understand and manage the risks, we can and should continue grow and at the same time do more to develop and diversify services to meet prevailing needs.

4.8 We are pleased to present a business plan for 2017-22 that has an optimistic approach to the future. During the life of this Business Plan we will concentrate on three strategic and interlocking objectives. Firstly we will focus on our housing service and aim to be a first rate service provider and well regarded landlord. This gives us a solid platform from which to launch our second strategy to become the “go to” organization for migrants and refugees in London. The third strand helps us sustain an increasingly diversified business by continuing to grow the organization’s housing supply and income stream, including undertaking commercial developments to provide the resources to fund our social purpose.

4.9 This plan is ambitious but realistic in its goals and, if achieved, it will see Arhag become one of the best performing small housing associations in England and speak with a distinct voice on behalf of its residents, and migrants and refugees.

5. Our operating Environment

We believe that over the next five years Arhag's operating environment will continue to be challenging and volatile. Although domestically there has been a change in Government we are not expecting a more favourable milieu for small RPs like Arhag. The government appears less driven by an austerity agenda, but even with the best intentions we foresee the demands of Brexit sapping all its energy and resources. Hence we will continue to face the same challenges to our income stream as in previous years. So protecting, maximizing and working within limited resources should remain a key operational requirement and approach for Arhag. At the same time there will be additional economic volatility. This will be in two phases. Firstly in the two year period before Brexit and secondly in the period after we leave the EU. The former is due to the uncertainty Brexit brings, the latter is the fear that after leaving the UK economy will suffer a setback while it adjusts to the new circumstances.

5.1 The economy

It is too early to forecast the exact affect Brexit will have on the UK economy and this is the problem. Like most major change it should bring challenges and opportunities in equal measure. The most disastrous would be a Brexit fuelled economic recession. Many pundits believe this can only be sidestepped if the government avoids a "hard" Brexit and negotiates a transitional arrangement with the EU to enable systems and processes to adjust to the new arrangements. Recent events do not augur well.

Pre-Brexit there is already evidence of a pending increase in inflation and a reduction in economic growth. The former is driven by an increase in commodity prices and a fall in the value of the pound. The latter is the result of businesses "holding fire" on their investment decisions until the situation is clearer.

The UK economy is renowned for low wages, low productivity and low investment and this is not a good platform for a strong post Brexit economy. Various initiatives have been tried over the last decade to tackle these problems but without success.

It is positive for our business that interest rates have been historically low and are likely to remain at this level despite rising inflation. This has been enough to halt any further reduction in the cost of borrowing but there is little incentive to increase the rates with business take up and investment already being much lower than expected.

5.2 Our resources

The economy poses two main threats to our business. Firstly an economic down turn will affect the earning capacity of our residents and this could impact on our income stream. Secondly if the government is receiving less tax revenue it might return to a cuts agenda. One consequence of this might be a continuation of welfare cuts and the 1% rent reduction regime past 2020.

We are nearing the end of the first year of the 1% reduction in rental income and we have risen to the challenge to identify efficiency savings to match the loss while maintaining existing quality and service levels. More “lean thinking” will be required in future years

Unfortunately we are in the process of handing back 102 properties belonging to Newham Council that they no longer want us to manage for temporary accommodation. This will mean a loss of income and dilapidation costs but these have been factored into the Brixx Model and will be reflected in future annual budgets. Nonetheless this is a setback to our aspiration to get to 1000 properties in management and invest more in our social purpose. Conversely it gives us more time to plan for the onset of formal regulation when the 1000 threshold is reached.

With a financially uncertain environment we could be cautious about new ventures and concentrate on generating efficiency savings to bolster our operating margin and increase our reserves. However we can best protect the business by growing it and this means pursuing growth and considering new business income streams.

5.3 Development

There is a housing crisis so we are not expecting demand for housing in London to change, except at the high end where Arhag is not competing. Recent figures confirm that housing demand will remain high and land and house prices will continue to rise above wages. Unfortunately this will mean fewer opportunities for Arhag to add to its affordable housing property portfolio in London. Even though the agenda of both the Government and the Mayor of London to build more affordable homes for rent is welcomed, it is almost certain the beneficiaries of these initiatives will be exclusively the large Associations who can develop with minimal (or no grant) and have the advantage of huge economies of scale. Our best chance of acquiring affordable housing in London is through transfers and s106 agreements; however we can expect these opportunities to become progressively more competitive.

5.4 Migrants and refugees

The government has recently changed strategy to give more support to strife-riven countries in African to create safe havens and reduce the risk of population expulsion. Similarly the deal done between the EU and border countries like turkey seem to have slowed down the number of refugees arriving in Western Europe. We hope these initiatives will be successful, but it is almost certainly too late to prevent another season of migrants and refugees risking life and limb to escape to Europe. 2016 saw a larger number of refugees arriving and settling in Europe because of ongoing conflicts in Syria, Eritrea, Sudan and Afghanistan. We expect the flow to continue in 2017 at least.

5.5 Government policies

The May government has signalled an encouraging change of emphasis which might see Housing associations becoming part of the solution to the housing, care and inequality crises. The Autumn Statement announced an injection of £4bn for more housing and the reduced emphasis on home ownership, which will in due course take some pressure off housing need in London.

Pay to stay has been abandoned and Voluntary RTB has been pushed back to 2018 at the earliest. The exact detail of the VRTB regime remains unclear and we are not even sure if it will proceed in its current form. But there is little doubt it will pose quite a challenge to us. It will add to our administrative costs and there is no guarantee we will be fully compensated for disposals. Worst of all is the challenge of making portable discounts work both for our customers and our business. Any deficiencies here will frustrate the aspiration of our customers and this may damage our relationship with them.

It is now acknowledged by government that the care sector is seriously under-funded and is nearing meltdown. This is a positive development as many of our customers rely on care services, though providing care is not a potential business opportunity for Arhag at the current time.

5.7 Regulation

The Government, as part of its objective to change the status of Registered Providers from public to private organisations, is proposing easing some aspects of regulation. This will allow RPs more freedom to acquire and dispose of property, which will help them to use their assets more effectively.

For Arhag the most important regulatory issue is that if our growth plans come to fruition we will hit the 1000 property threshold and become fully regulated for the first time. We have been preparing for this by mirroring compliance with the main regulatory requirements. Once we past the threshold we will need to take a more formal and structured approach.

6. Our business strategy

The specific actions and initiatives we will undertake under this business plan, and the targets and objectives we will achieve, are set out in our Corporate Plan, which is attached. The purpose of this section is to explain the business strategy that embraces them.

6.1 Background

Arhag began in 1979 to campaign for improvements to the housing conditions endured by migrants and refugees (M&R) in London. The transition to a Housing Association (HA) came ten years later and we have operated principally as a HA since then. Our core business is providing permanent housing to those in need and supported move-on accommodation to M&R. Our social purpose is to facilitate the successful integration of M&Rs in London and to develop their potential.

6.1.1 The plight of migrants and refugees around the world has become front page news. There is no apparent end in sight to the conflicts and disasters propelling people to leave their home countries. Many of them seek to come to Britain for refuge, where in some instances the treatment they receive is more of a concern than in the 1980s. Overall the sympathy and support for M&Rs settling in the UK is declining at the same time that demand is increasing.

6.1.2 At the Arhag away day in November 2016 the Board considered what Arhag should do in response to the M&R situation. It felt that Arhag can and should do more to support M&R. More than any other housing association, the imperative is in our constitution, history and track record. Consequently the Board agreed to face the challenge and aim to become the “go to” organisation for migrants and refugees in London.

6.1.3 In adopting this agenda we are moving away from the traditional housing association model, and putting non-housing services alongside our mainstream business, not as add-ons, and providing those services to non tenants across London. Simultaneously the organisation is committed to growth and needs to grow in order to sustain this new agenda. We will also not neglect our core business as this is the foundation upon which the organization will flourish and become a more diverse business.

6.1.4 However our starting place is as a small organisation with insufficient funds to sustain a “go to” organisation at the current time. This means we have to progress in phases, and only as and when our resources allow. Our strategy has three phases, three themes and nine strategic objectives summarised below:

The Arhag strategy

Themes	Phases		
	Phase 1 2017-2020	Phase 2 2020-2025	Phase 3 2025-2027
Growth and efficiency	Organic growth		
	Adding New business streams		
	Efficiency and VFM		
Becoming the “go to” organisation	Become Significant provider of accommodation to M&R		
		Diverse service provider	
			Awareness raiser
A strong and vibrant core business	Quality customer services		
	Top quartile business performance		
	Good governance		

The outcome we envisage from the first phase is that we increase our capacity to support a more diverse business through organic growth and efficiency. Concurrently we will strengthen service and business performance and invest more in the services we are already providing for our tenants, and migrants and refugees.

In the second phase we will diversify our activities, especially looking to work in partnership with external organisations to provide an enhanced and sustainable range of services for migrants and refugees in London. The emphasis will be on initiatives that ease the integration of M&Rs into their community. We believe that raising awareness of the problems encountered by M&Rs will encourage others to make a positive impact. So the final phase will see Arhag become an organisation others consult on migrant and refugee issues and a campaigner for social justice.

6.2 The three concurrent themes are interdependent and will be the main drivers for the business over the next five years. They are;

1. Growth and efficiency. We want to continue making the maximum possible contribution to providing new homes to meet housing need in London. We also need to increase our operating surplus to have the capacity to fund our social purpose
2. Becoming the “go to” organisation for migrants and refugees in London by 2027.
3. A strong and vibrant core business. We will strengthen our core business as a prerequisite to pursuing our social purpose

6.2.1 Strengthening the core business

The three strategic objectives under this theme are

1. Providing quality services
2. Achieving top quartile business performance
3. Maintaining good governance of the organisation

Providing quality services

We are aiming for quality services because we want very high customer satisfaction. Apart from being our first obligation we want to call on the talent and experience of customers to deliver the “go to” agenda. Many of them have made the transition from refugee to successful member of their community and can therefore help others to do the same. Our ability to access this talent and have it at our disposal is linked to our performance as their landlord. We want residents to be proud of us as their landlord and willingly commit to helping us achieve our social purpose.

Top quartile performance

Our core business is being a landlord. The main activities are rent collection and arrears management, carrying out repairs and maintenance, keeping estates clean and tidy and managing void properties. We want to be known for doing this better than others because it helps us to grow, saves resources that can be ploughed back into the business and enhances our reputation as a service provider.

Good governance

To reach our ambitious goals over the next five years our organisation must be fit for purpose. Good governance will ensure that our organisation remains strong and effectively governed for the future and will enable us to focus on delivering our strategy. Our new ventures will expose us to additional risks and good governance will make sure we manage these effectively. In 2017 we will be reviewing our whole approach to risk management following the adoption of this business plan.

Our recent IT investment will help us use information technology to create an adaptable and streamlined business. Employees will have a single view of the customer, enabling them to respond effectively to resident requests and freeing up time for what matters most. Residents will notice the difference as their interactions with us become convenient and better informed.

Arhag's employees make our business and will be driving improvements over the next four

years. We'll continue investing in our people, helping them to achieve more for the organisation and themselves. This means investing in learning, leadership and development as well as ensuring employees have the opportunity to shape the organisation they work in.

We will ensure we remain financially viable. Interest cover will not be less than 110% (177%-current), gearing will not be greater than 65% (20%-current), debt operating margin will be maintained at 20%.

6.2.2 Growth and efficiency

This is all about maximising the surplus from the use of our assets and resources in order to fund our social purpose. Our surplus last year was £0.9m and the target is to increase that by 50% during the live of this plan. The three strategic objectives associated with this theme are:

1. Efficiency and VFM
2. Using our development capacity to pursuing organic growth
3. Developing new business streams

Efficiency and VFM

Improving operational efficiency to optimise resources to invest in new supply is a topical refrain of the current government. This has extra resonance for Arhag because our investment in IT was predicated on producing revenue savings. Our existing VFM strategy has become moribund but the aim is to breathe new life into it by encouraging managers to exploit the capability of the new IT system to make operational savings, and taking advantage of opportunities to procure new services and renegotiate existing loans.

New Income Streams

We are providing a repairs and maintenance service to one housing association that is producing an annual income of £30k. If this continues to go well we will be able to market the service to other small housing associations.

There is a better prospect for new income streams using our assets. We have already identified some potential areas of growth. The most favourable is that we can let out the roof space on a number of high rise blocks.

Organic growth will not generate the level of surplus required to meet the cost of our social purpose over the next ten years. In any event if everything goes to plan organic growth schemes in the pipeline will use up our development capacity within the next two years. There will be no capacity to development organically for at least five years after that. . In this situation the best option to generate income from development to contribute to the cost of our "go to" agenda is commercial developments. This means developing properties principally for sale shared equity or market renting to make a profit.

Organic growth

Our best opportunities for growth are stock transfers and s106 agreements. Both of these are becoming more competitive and we need to raise the level of our competitiveness to secure

them.

We will assess whether Arhag can collaborate to undertake cost effective developments. There are a number of potential hurdles to the effectiveness of collaborative arrangements, including competitive relationships between members, and extra procedures and issues around control and priorities. Nevertheless, the existence of some flourishing development consortia suggests that this is a real option for Arhag.

Finding land in the right place at the right price is a key issue if we wish to develop. This makes London a very challenging area for a small association. The higher land values here, and greater competition for land favours the large associations that are able to cross subsidise their bids. Often the smaller associations will be outbid and incur abortive costs. A different future for Arhag may be to look to develop to the north of London where there are a growing number of opportunities and land values, though rising, have not reached their peak and are

Significantly below London level. This will require us to reappraise our business, perhaps divest ourselves of our South London portfolio and making a spatial move of the business north.

We are open to the possibility of a merger with another organisation but not at any price. A merger would be the quickest way of increasing our financial capacity without reducing our development potential. However the majority of mergers are unsuccessful. Moreover the idea that there will be major merger activity among smaller associations seems fanciful given the range of diversity between organisations and the time and effort that would be required. Mergers can lead to a diversion of resources necessary to achieve the business plan objectives and unless there is an absolutely cultural fit between the two organisations there could be a loss of consensus or focus on the strategic objectives.

6.2.3 “Go to” organisation strategy

We will be the “go to” organisation when this is how other organisations perceive us. Our strategy is to set out our notion of what the “go to” organisation will do and look like, and plan to transform Arhag into that ideal over a period of time as resources allow.

Our blueprint of the “go to organisation” for M&R is summarised below:

Business Goals	
<ul style="list-style-type: none"> • National recognition • Making a major contribution to meeting needs • Well known for the work it does • Respected by peers as ahead of its field • Does work that is Innovative and/or cutting edge • Regarded as the organisation to consult 	
Critical Success Factors	
1.	Significant provider of accommodation to M&R Resettlement hostels Accommodation for NRTPF Bespoke shared ownership package for M&R
2.	Support services for both M&R not just own tenants Welfare advice Advice of accessing local services Independent living support Employment Training Education Community integration support Community/social hubs Facilitating social activity and interaction
3.	Staff has above average knowledge and understanding of M&R issues
4.	Facilitates access to information and advice about M&R Legal advice Research and thought leadership Consultancy
5.	Is a campaigning organisation for rights of and fairness to M&R

Significant provider of accommodation to M&R

We will increase the number and range of accommodation options we make available to M&R. we aim to be thinking ahead and looking beyond the basic needs of M&Rs and planning to meet their aspirations as well as their needs.

Support services

A good quality home gives people a firm foundation to build a more successful life for themselves and their family. We are seeking to develop the potential of M&R by providing a range of related services to enable M&R to settle and live independently in their new community. We will seek to make available the following services:

Level	Category	Services
1	Housing Resettlement	<ul style="list-style-type: none"> • welfare benefits • access to local services • independent living
2	Financial independence	<ul style="list-style-type: none"> • finding employment • training opportunities • entering education
3	Community integration	<ul style="list-style-type: none"> • community hubs • facilitating social activity and interaction • providing access to information and communication <ul style="list-style-type: none"> • Encouraging and supporting participation in the wider community • Developing leadership

Skills and Knowledge

We want our expertise in migrant and refugee issues to be more than skin deep. The skills and knowledge of the workforce in general will be characterised as “strength in depth”. There are three areas of skills and knowledge that we regarded as “must haves”:

1. Understanding the needs, circumstances, and aspirations of migrant and refugees.
2. Articulating the ethnic, cultural, political and geographic backgrounds of M&R. Probably in demand by local and national governments charged with designing medium to long term strategies for integrating M&R communities.
3. Giving basic advice on immigration, human rights law and other areas of law where migration is in play (these are currently expanding significantly due to government policy). The primary recipients will be individual M&Rs who are trying to establish their rights as against an institution or the state.

In many instances we will prefer to work with organisations that have this expertise already and help them to extend and enhance what they do rather than seeking to develop these services from scratch ourselves.

To be a campaigning organisation for social justice for M&Rs

Arhag began as a campaigning organisation for the rights and fair treatment in housing of African migrants and refugees. With time and resources it can return to its roots, although in this instance we will prefer to work through and with other organisations that are established specialist in the field.

. The main elements will be:

- Developing knowledge and speaking out about the unfair treatment of M&R in housing, health, education and employment

- Commissioning research and organising conferences
- working with others to secure changes to unfair practices
- Supporting organisations operating on the global stage to support M&R.

Be regarded as someone to consult on M&R issues

We want to be used by others as someone to consult on migrant and refugee issues. While there is no market for selling this service at present we will work to develop one. In the mean time we envisage providing a free service to other organisations justified on the basis of spreading awareness of M&R needs and helping to build our reputation as the “go to” organisation

7.0 Our Corporate Plan

Our Corporate plan is the mechanism we will use to ensure delivery of our business strategy. It consists of targets and objectives to be delivered against specific timescales. The addition of performance indicators and measures allow us to assess progress and the merit of what is being achieved. Each year targets and objectives in the Corporate Plan are used to create an annual plan. This consists of the targets and objectives that must be achieved in the financial year, and by achieving them we stay on track with the Corporate Plan.

Theme/Goal: GROWTH AND EFFICIENCY	Objective/target	Performance Indicator/Measure	Delivery Timescale
TO GROW THE BUSINESS ORGANICALLY	To reach 1000 properties owned or managed	To grow by adding 40 new units per year	2019/20
	To undertake new build developments	Successfully project manage two separate developments	2018/19
	To extend Arhag's influence in Haringey and Enfield, and develop new relationships with Barking and Dagenham and Redbridge	We have implemented a joint initiative on either housing or M&Rs in partnership with each borough	2019/20
	To be developing homes north of London	To have completed at least one housing development outside London	2019/20
	Concentrate properties in the North of London	100% of south London properties replaced with properties in the North	2020/21
TO ADD NEW INCOME STREAMS			
	To develop several new long term income streams	There are new income streams worth £100k per annum	2019/20
	To be undertaking commercial	Arhag has generated a surplus in excess of £100k	2018/19

	developments	from commercial developments	
	To sell services to other organisations	The turnover from selling services is more than 50K per annum	2019
GREATER EFFICIENCY AND VFM			
	To own Arhag's head office	Saving at least £77k per annum in rental payments	2019
	To reduce tax liability and risk to core business from commercial developments	To set up a development subsidiary with a pipeline of 3 schemes or more	2017/18
	Pro-active VFM strategy	Efficiency savings of £100k per annum using 2015/16 as the baseline	2018/19

Theme/Goal: A strong and vibrant core business	Objective/target	Performance Indicator/Measure	Timescale
QUALITY CUSTOMER SERVICES			
	High level of contact with customers	20% above 2016/17 benchmark	2018/19
	To be providing services that respond to customer needs	100% data profiling	2018/19
	High level of customer satisfaction	85% customer satisfaction; 85 estates and 98% repairs satisfaction	2019/20
	Accredited service to vulnerable residents	50 agreed support packages in place	2018/19

Top quartile business performance			
	Top quartile performance in housing services	Achieving top quartile in 6/9 main indicators	2020
	Award winning service	To win one major service award	2018
Good Governance			
	A reputation for good governance	Three consecutive strong annual appraisals	2018-20
	High level of resident engagement	20% above the comparative baseline	2018
	Establish a good reputation as an employer	Retain IIP silver progress to within 10% of IIP gold	2018/19

Theme/Goal: To become the “go to” organisation for migrants and refugees	Objective/target	Performance Indicator/Measure	Timescale
BECOME A SIGNIFICANT PROVIDER OF ACCOMMODATION FOR M&Rs			
	To become a significant provider of accommodation to refugees	Providing at least 50 bed spaces	2019/20
	To facilitate the provision of accommodation to people with no recourse to public funds	Facilitating 10 bed spaces	2019/20
	Enabling M&Rs to become home owners	10 applicants	2019/20
A DIVERSE SERVICE PROVIDER			
	To become specialist in providing services to M&R who are not tenants	100 non tenant clients a year accessing Arhag facilitated services	2020
	To operate a London-wide RISE programme	Turnover of £90k and 90 places per annum	2019/20
	To provide a high level of immigration advice	At least 6 staff accredited to provide level 1-3 advice	2018/19
	To establish a vibrant community hub	200 customers attending hub each month	2018/19
	Establish formal partnerships with three M&R service providers	To be Jointly providing services with three other M&R organisations	2019/20

AWARENESS RAISER			
	Providing a M&R consultancy service to other organisations	£10k turnover	2024/25
	Arhag Vision and Mission well known	100% increase in media (including social media) footprint	2019
	Residents are fully contributing to achieving Arhag vision	At least 50 residents directly providing services to other M&Rs	2019

8.0 Risk Management

There is new risk associated with this new business strategy.

Below is a summary of the key risks associated with the “go to” agenda and proposed measures to mitigate them:

Type of risk	Description	Mitigation
Financial	<ul style="list-style-type: none"> • Cost of committed activity drains Arhag funds • Match and grant funding may not be available to extent required 	<p>The contribution to M&R services is linked to the continued success and growth of the HA.</p> <p>The risk can be contained by flexing “go to” expenditure on annual basis as a fixed % of surplus</p>
Regulatory	<ul style="list-style-type: none"> • HCA unhappy with application of core funds to ‘non-core’ activities 	<p>Linking expenditure on non-core services to match funding.</p>
Delivery	<ul style="list-style-type: none"> • Failure to secure supply of new hostels • Inadequate marketing, or fulfilment of service promises, means that Arhag is not recognised as the “go to “ • Lack of capacity and Insufficient skills 	<p>Action plan with smart targets and objectives that is reviewed regularly by the board throughout the year.</p> <p>Marketing strategy with clear targets and objectives reviewed frequently</p> <p>Enhanced staff training and development strategy</p>
Governance	<ul style="list-style-type: none"> • New M&R activity opportunity cost distracts from current BP objectives • Arhag governance made complex by working with M&R partner agency – 	<p>Clear articulation of return on investment via KPIs.</p> <p>We will need to examine a new governance model that recognises M&R as a separate business stream</p>
Legal	<ul style="list-style-type: none"> • Risk of legal challenge/compensation claims if welfare/legal advice to M&R’s is wrong 	<p>Facilitating advice from professional advice organisations.</p>