

CORPORATE PLAN

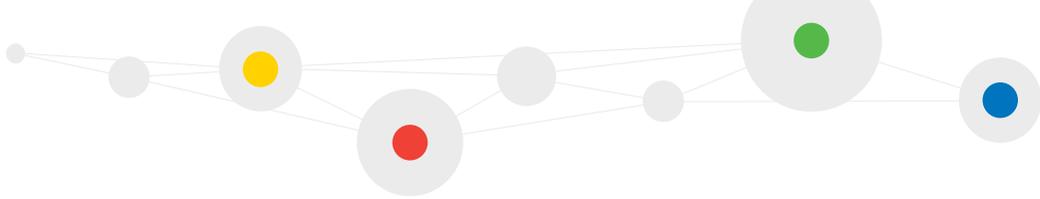
2018 – 2021



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2



1.1

Hastoe moves into this new Corporate Plan period with confidence. Recent years have been challenging for housing associations, however the new 2017 government has brought a different focus and, while still keen to increase housing supply, there is now also an understanding of the importance of developing new rented homes as well as homes for sale, building quality, considering the environment and listening to tenants. One of the legacies of the Grenfell Tower fire is a fundamentally different understanding of social housing and tenants and their value to society and the economy.

1.2

During this past period, Hastoe has held true to its values and vision. Rural communities demand quality and the environment demands thoughtful and energy efficient design.

1.3

Hastoe is a housing association with a conscience and a very clear sense of purpose. We respect and value the memory of Octavia Hill, the founder of the housing association sector (and the National Trust). She established a model that provided housing and housing management services for families living in poverty. Their homes were well maintained, tenants were respected and involved and the relationship between landlord and tenant was personal, friendly, collaborative and supportive. This is still the Hastoe model.

1.4

The Industrial Strategy, the Clean Growth Strategy and 25 year Environment Plan have recently been published and we are anticipating a Social Housing Green Paper, a New Homes Ombudsman, a review of Building Regulations and more. We will contribute as best we can as these documents are formulated, to make the case for rural communities and for the environment. Our influencing work will be carried out by Hastoe and/or Sustainable Homes, using either or both organisations to gain maximum effect.

1.5

Following the announcement by our Chief Executive of her retirement during this year, we will change Chief Executives. The Board is keen to manage the transition as well as possible, and this is a key focus for the year.

1.6

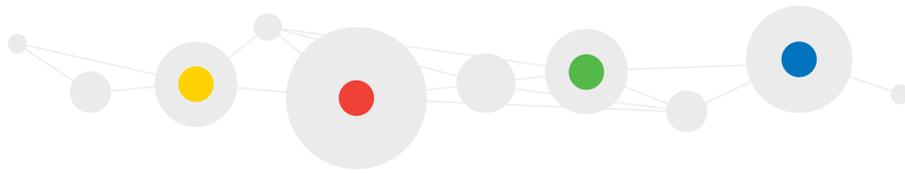
New Information and Communications Technology (ICT) Systems for housing management, purchase orders and human resources are on track for installation in the spring of 2018.

1.7

Lowen Homes will commence trading in the year as it sells the Hastoe brand of highly energy efficient and attractive homes for the sale market.

1.8

The national concern about homelessness is reflected in Hastoe's membership of the Homes for Cathy group, the development of an education pack on homelessness and our research into rural homelessness last year. With others in the group, we are encouraging all housing associations to think about their role in preventing homelessness. The issue is far deeper and solutions more complex than charities tackling rough sleeping can address alone.



OUR VISION: BUILDING SUSTAINABLE HOMES IN SUSTAINABLE COMMUNITIES

2.1

Last year we added the verb 'building' to our vision, and this emphasis on action remains the focus for this Corporate Plan. We are the leading specialist rural housing association and our aim is to retain this position as it brings opportunities to influence national policy makers and others.

2.2

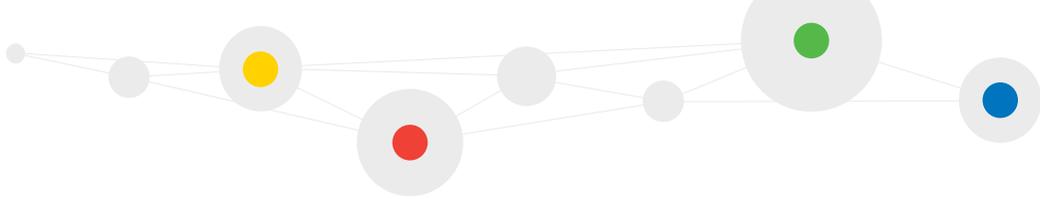
While Hastoe alone might not be able to create sustainable communities, we can work in partnership with others, nationally and locally, and build new homes with and for individual communities.

2.3

These new homes play their part in supporting the community's wish to retain younger, economically active people who are vital to keeping villages alive and thriving. In this sense, community has its widest definition and includes the softer elements such as supportive relationships and multi-generational ties that bind people together and are at risk with the rapidly ageing rural demographic.

2.4

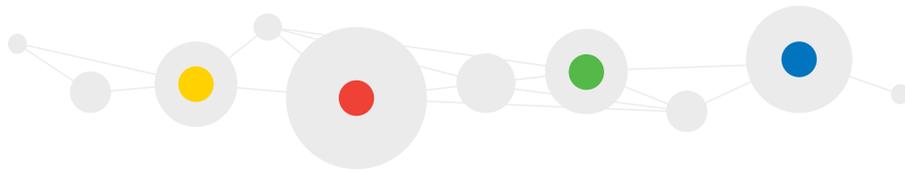
This vision can be seen driving our new company, Lowen Homes, which has been established to create profits to fund the development of more rural affordable homes. Lowen Homes will be allowed to develop anywhere, provided the homes are highly energy efficient and have a very good design and construction quality. Even our private development vehicle will remain true to the Hastoe principles and we are ambitious for it to have an impact on the whole housing sector when considering the specifications for new house building now and into the future.



3.1

Hastoe's five organisational values are fully embedded and are a vital part of our identity and style. They describe the way in which our staff team operate and relate to others.





MISSION: FIVE KEY STRATEGIC AMBITIONS (KSAs) AND ONE CORE PRINCIPLE



4.1

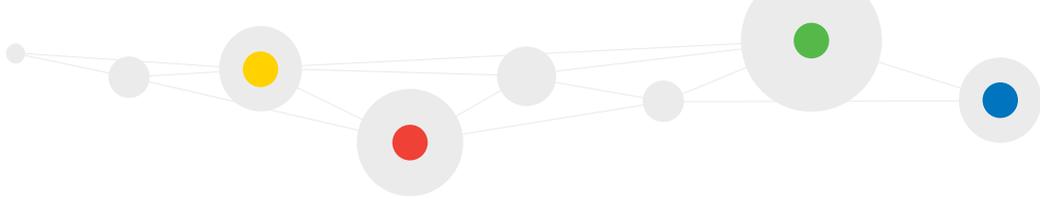
Hastoe's mission is defined through five overarching strategic ambitions and one core principle, which underpin all we do. These are:

1. To work for and with rural communities
2. To promote and to demonstrate our commitment to environmental sustainability
3. To hold a distinctive position in the sector, setting Hastoe apart in the quality of homes and services that we provide
4. To innovate and push boundaries
5. To influence national policy on housing, rural and environmental sustainability issues

Core Principle: Valuing and investing in good governance

4.2

The following section sets out the anticipated operating environment for next year, which informs how we will achieve these ambitions.



5.1

NATIONAL POLICY

5.2

The national policy context is dramatically different to that which impacted on the previous version of this Corporate Plan. Since then there have been two significant events: an unanticipated result from the 'Brexit election' and the deeply shocking fire at Grenfell Tower.

5.3

The decision to leave the European Union has yet to impact significantly and much remains unknown at the time of drafting this Plan. We do though anticipate increased construction costs, as we potentially lose EU workers and materials become more expensive.

5.4

The new government brings a welcome focus on the need to build more homes, with a mix of tenures, and there are early signs that there is recognition that quality of the homes is an important factor in gaining local community buy in. There is an understanding that simply incentivising private developers will not create the volume needed and housing associations are recognised as an important part of the solution. The Housing White paper: 'Fixing our broken housing market' had already started to address these issues (and was the

first housing paper in many years to consider rural communities) but then the Grenfell Tower fire changed approach and attitudes even further. Having said this, we have now had three Housing Ministers within a year. The previous two Ministers have listened to tenants and housing associations around the country in roundtables and roadshow events and we anticipate that there will be a new 'Social Housing Green Paper' introduced during year one of this Corporate Plan.

5.5

The Social Housing Green paper will be the first housing review for a generation or more that considers the perspective of tenants and those in housing need, more than those who, with a little financial support, can buy their own home. We have been involved at an early stage in the thinking behind this Green Paper and it will be important to stay in touch with Communities and Local Government (CLG) Department civil servants as the paper is drafted, to ensure specific attention is given to rural communities.

5.6

There are signals that there will be grant for new homes let at a social rent. In a rural context where the gap between house prices and local earnings is the widest, this is welcome and we will do what we can to ensure this is not overlooked, even perhaps a Rural Living Rent (as compared to a London Living rent).

5.7

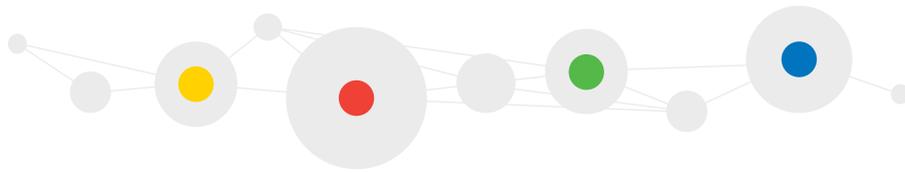
The Community Housing Fund was launched in April 2017 and this year has been re-launched with a slightly different focus. It provides £60m per annum for five years (2017 – 2022) for community led schemes in areas where there is a high incidence of second home ownership – which in nearly all cases will be areas where local values are high and the local affordability gap is high too.

5.8

The previous government's focus was almost entirely on increasing home ownership, through policies such as the voluntary Right to Buy, Help to Buy and Starter Homes. Rural Communities will benefit from the more balanced approach now: a blend of tenures and a move away from the voluntary Right to Buy and 'Starter Homes', which would have further reduced the existing low proportion and new supply of rural affordable housing.

5.9

The 'Autumn Budget' 2017 further underlined the government's focus on energising the housing market with a wide range of initiatives and funds designed to: assemble land; fund and improve the delivery of housing infrastructure; support small and medium enterprise (SME) builders; promote new purpose built private rented homes; fund and support estate regeneration;



provide education in construction skills and grant fund more social and affordable rented homes.

5.10

The government's investment in housing will be driven by Homes England, the successor to the Homes and Communities Agency (HCA), which will have a focus on facilitating and driving the building of new homes of all tenures.

5.11

There is also a commitment to ending homelessness and this fits well with our work with the Homes for Cathy Group. This group of like-minded associations was set up in 2015 to raise awareness of homelessness in 2016, 50 years after the film Cathy Come Home was shown on the BBC.

5.12

Hastoe was one of the three associations that created the group, whose membership is now more than 55 associations. It was this that led to our production of the Homes for Cathy homelessness education pack and our commissioning of IPPR to research rural homelessness.

5.13

The report: 'Right to Home? Rethinking Homelessness in Rural Communities' found that, in 2015/16, rural areas in England reported

making 12,977 decisions on homelessness approaches – 11% of local authority decisions nationally. From 2010 to 2016, mainly rural local authorities recorded a rise from 191 to 252 rough sleepers – an increase of 32% - and in largely rural areas there had been a leap of 52%, and an almost doubling in 'urban areas with significant rural' (97%).

5.14

The report attracted a good deal of media interest including the popular BBC's Countryfile. It will be vital going forward that the government's work on homelessness does not lose sight of the rural context too.

5.15

HASTOE'S PERFORMANCE IN THE PAST YEAR

5.16

The past year has been a good year, despite the worrying policy environment that was in place at the beginning of the year.

5.17

Hastoe has now converted to a charitable organisation as planned. This will allow us to achieve financial efficiencies and increased financial capacity. The new governance arrangements (decided last year) are now well bedded in and working well, for example

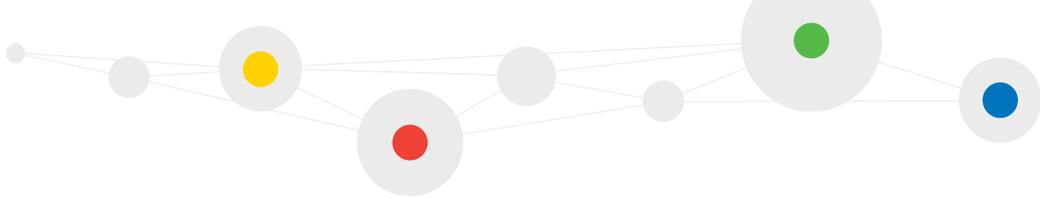
with more frequent board meetings and fewer committees. Hastoe's regulatory grades have been retained at G1 and V1, the top grades for governance and viability. Sustainable Homes' governance arrangements have improved and golden rules are in place for monitoring its performance. Lowen Homes has been launched and is already developing homes. Lowen Homes will forge a new market – highly energy efficient and attractive homes that are sold for a premium. We want to use Lowen Homes to demonstrate to private developers and other housing associations that this is possible, even if profits are a little lower at first.

5.18

The Hastoe Hub has had an excellent year and is being very well received by our customers. Our scores from customer and staff satisfaction surveys in 2017 were very good and have allowed us to proceed with our application for accreditation by the Institute of Customer Service.

5.19

The Grenfell Tower tragedy stimulated a robust review of our fire risk management practices and this will feed into this and future years' budgets, as we work to improve the fire resilience of all our homes. In this regard we also wait to see the new enhanced Building Regulations.



5.20

Our project, One Hastoe, which is introducing a new Housing Management Information Technology System along with new Human Resources and Purchase Order packages, is progressing well, to date and within budget. It will be launched during the spring of 2018 and so will be a key factor to the success of the first year of this Corporate Plan.

5.21

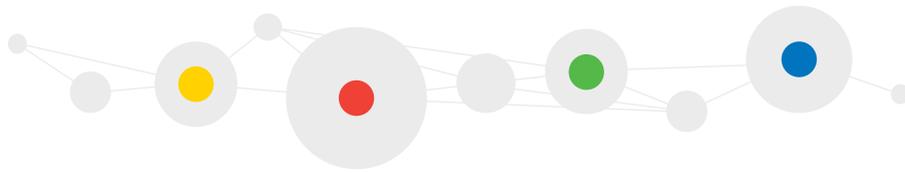
When Ed Buscall became Chair in 2015, he brought, amongst other things, a new perspective about rural landowners and the potential that they have particularly when supported by a rural association such as Hastoe. This was reinforced at a Hastoe landowners Conference in Newmarket in September 2015, then a conference run in partnership with the South Downs National Park in February 2017 and a conference in Norfolk in October 2017. Each conference was oversubscribed and led to many new opportunities for rural communities and for Hastoe. Our work with rural landowners will continue into the coming year as we raise awareness of this potential new source for new supply, at Government level, within rural landowners and rural associations.

5.22

Hastoe has been influential in a number of ways during the year – being invited to policy roundtables, sometimes with Ministers, commissioning research, giving evidence and sitting on the All Party Parliamentary Group for Housing and Older People's Inquiry into provision for rural older people.

5.23

This work has been enhanced by our ongoing relationships with national bodies, particularly including Campaign to Protect Rural England (CPRE), Country Land and Business Association (CLA), National Trust and the National Almshouse Association (NAA).



KSA ONE: TO WORK FOR AND WITH RURAL COMMUNITIES

Why and how?

Hastoe's commitment to rural communities sits above any desire to grow Hastoe. We will facilitate and build new rural homes that provide the tenures that are required by the community, always promoting Hastoe's successful community led development model as best practice.

The rural housing affordability gap is greater than in urban communities, with average prices 20% higher and local earnings 19%¹ lower (7%² excl. London). The supply of affordable homes is reducing dramatically from 24% in the 1980s to 8% today and still falling. There is net inward migration of approximately 50,000 people a year into rural communities and a dramatic shift in the demographics with younger families being priced out and the older population growing fast.

We continue to work in more than 250 villages and 70 Local Authorities in the south of England and will deliver 465 new homes over the next three years (257 affordable rented, 92 shared ownership and 116 for sale). The affordable will include rural S106 homes where they meet local need, add to the local supply of affordable housing and meet our Hastoe build standards.

Should the national housing policy environment be more positive, as anticipated, we will review our programme of Trickle Sales (selling vacant homes on urban estates). The proceeds from

these sales have been funding up to two new rural homes for each trickle sale but we would prefer not to be selling much needed social homes if funds can be found elsewhere, such as government grant. Some other housing associations are selling their rural homes and we are cautiously interested in purchasing them, if this means that they can be retained as social/affordable homes for the village. We will though wish to make the best use of our funds, so there would have to be a good argument for these purchases rather than new supply.

Lowen Homes will develop its brand as a developer of highly high energy efficient homes for sale. It will prioritise high value areas for new developments and these may include more urban areas.

We are keen to encourage and support rural estates and landowners to carry out their own development, and possibly management too, of homes for their communities. This is, we believe, an untapped source of new homes and one that provides a specifically rural solution. This development agency and/or consultancy service will bring an income to Hastoe and increase the new supply of Hastoe quality, energy efficient rural homes.

6.1

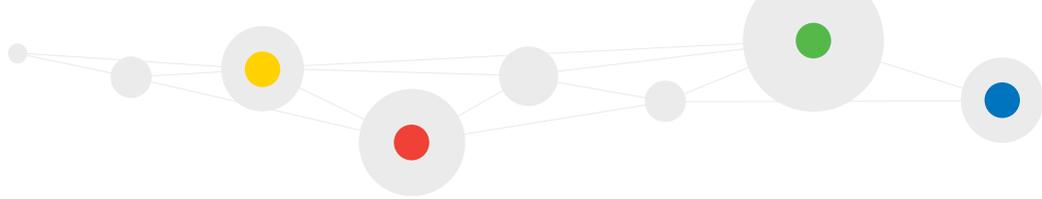
During year one of this Plan, we will:

- Start on site with 128 homes (104 affordable homes and 24 open market sales through Lowen Homes).
- Continue the programme of regional landowners' conferences.
- Bid to the Swires Foundation for a three year project to address rural homelessness, through promotion of good practice and an exemplar project.
- Have on site a scheme that addresses the needs of rural older people (probably at Martlesham, Suffolk) and continue to explore options for rural youth.
- Decide whether we want to promote a Rural Living Rent.

10

¹ Defra 2014

² Defra 2017



KSA TWO: TO PROMOTE AND TO DEMONSTRATE OUR COMMITMENT TO ENVIRONMENTAL SUSTAINABILITY

Why and how?

Housing is responsible for a quarter of the UK's greenhouse gas emissions.

Hastoe remains committed to protecting the climate in all we do and in promoting environmental sustainability in the housing sector. This has been core to Hastoe's purpose and identity for nearly 30 years.

We have always sought to lead by example and have a strong reputation for our sustainability work. This includes the work of Sustainable Homes in broadening our influence on national policy and in the housing sector. The company has successfully built a clear and strong identity in the housing sector; it is well known, trusted and respected for its specialism and expertise. For Hastoe, we know the carbon footprint of all our homes; we have established the Hastoe Green Homes Standard and are working towards all our homes achieving it. We build new homes to highly energy efficiency standards, whatever the tenure.

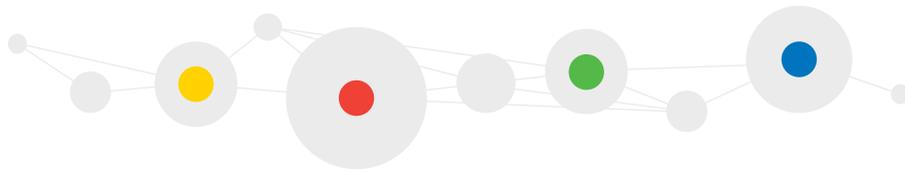
Our affordable homes and our open market sales developments are being built to AECB (Association for Environment Conscious Building) Silver standard and we always have at least one PassivHaus scheme on site at any one time. We want to show other house builders what is possible and build this niche market. We have already achieved 5% higher values on PassivHaus sales and will continue to work to increase values and reduce construction costs of energy efficient homes, so that the model can be replicable for others.

7.1

During year one of this Plan, we will:

- Carry out a fundamental review of the Group's Greening Strategy.
- Invest £360,000 in retrofitting works that will bring 60 more homes to the Hastoe Green Homes Standard.
- Develop a practical and replicable standard for highly energy efficient homes that will be our minimum requirement for all new build homes, whether built to rent or for Lowen Homes to sell (and continue with a AECB Silver as the minimum in the meantime).
- Hastoe and Sustainable Homes will work together on addressing fuel poverty, quality design and clean growth within our sector.
- Always have one PassivHaus scheme on site.

11



KSA THREE: TO HOLD A DISTINCTIVE POSITION IN THE SECTOR, SETTING HASTOE APART IN THE QUALITY OF HOMES AND SERVICES THAT WE PROVIDE

Why and how?

Hastoe has a well-recognised and unique position in the sector. It is based on our commitment to rural communities, to the environment and to quality in all we do - quality over quantity. Landowners and communities choose to work with us because they like what we build. Our running costs are no higher than our peers, despite covering such a wide geographical area, and this is most likely to be because our tenants value the quality of our/their homes.

Our Moody's credit rating is A3 and the supporting text states: "Hastoe Housing Association ... position as a niche provider of rural social housing in areas of high demand".

Quality over quantity reflects an approach that is long term. New homes can profoundly impact on a community, particularly a small one, and homes that leave a lasting legacy will incentivise communities to ask for more.

Quality over quantity is also reflected in the standards of components used in our homes and the repairs service. We will always consider the long term life cycle costs when deciding on components and we will continue to maintain our homes well – not just for our tenants but also for the communities – Hastoe's homes will continue to look good years after they have been built. We will strengthen our joint working with Sustainable Homes on this agenda.

Our older, more urban, homes are a valuable part of our portfolio. Our investment in these older homes over the years has resulted in homes that are in good condition and strengthen our financial position. We will continue to provide good quality, tailored services for all our tenants and leaseholders.

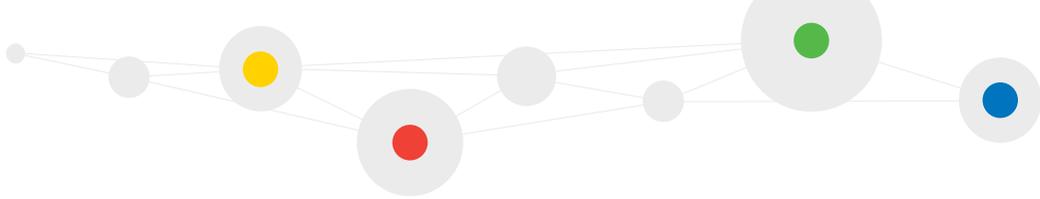
We value our tenants' opinions and are always looking to find new ways to engage with tenants so they can influence decisions about the services we provide.

8.1

During year one of this Plan, we will:

- Bed in the new housing management ICT system and review our working practices to ensure that they make best use of the investment and reflect best practice in customer service.
- Adopt any new best practice and other requirements on fire management standards.
- Review and improve our after sales service, including introducing a single point of contact for purchasers.
- Achieve accreditation from the Institute of Customer Service.
- Develop a good understanding of the impact of Universal Credit on individual tenant households and design a supportive response from Hastoe.

12



KSA FOUR: TO INNOVATE AND PUSH BOUNDARIES

Why and how?

Being innovative has been a key driver for Hastoe ever since we were established more than fifty years ago. It could be argued that innovation is an organisational value more than an ambition. However, by defining it as a KSA, the Board can monitor progress in a precise way and, as with our vision, make this a 'doing' as well as a 'behaving' ambition.

In the current financial and political climate, it is even more important to find innovative and enterprising solutions. Hastoe does things because they are right for Hastoe and for rural communities, not because others do it. This commitment is supported practically, and unusually, by a budget for funding innovation and research.

We will continue to explore new ways of funding the development of more rural and/or highly energy efficient homes.

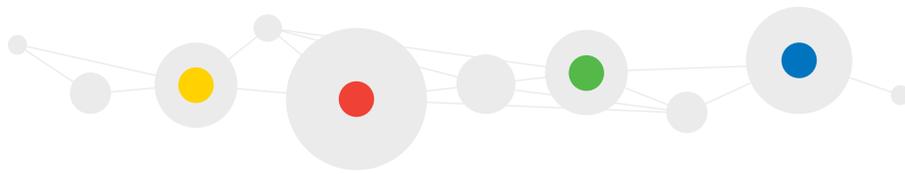
Whilst this ambition has specific action, there is also flexibility to explore new concepts and products as and when they come to light.

9.1

During year one of this Plan, we will:

- Sell Lowen Homes' first highly energy efficient homes and continue to promote the brand and the message.
- Pilot a scheme that is designed to meet the needs of rural young people.
- Progress our second gypsy and traveller site and construct it to high energy efficiency standards.
- Decide on whether to establish an internal Clerk of Works service to manage the quality of our new build homes.
- Continue our pilot project in Suffolk with an Almshouse, with a view to promoting a national partnership with other members of the National Almshouse Association.

13



Why and how?

Hastoe is a rural and environmental expert and our reputation is built on demonstrating good practice and speaking from a position of confidence and experience. This provides us with a clear and distinctive position, which we will use to ensure, as far as we can that good policy decisions are made for rural communities and for the environment.

Hastoe will coordinate its influencing work with Sustainable Homes, so that there can be mutual benefit gained from each other's work and contacts.

The coming year will bring many opportunities to influence national policy formation and, in doing so, we will continue to articulate why rural areas often need different solutions, promoting the potential of rural landowners and the maturity of many rural communities that are asking for more homes (the IMBY's). We will emphasise the vital links between housing and the rural economy, transport and connectivity.

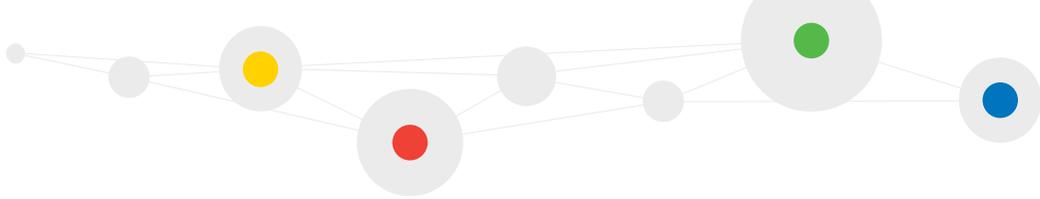
Our national partnerships are critical to gaining as much traction as possible and we will continue to invest in these.

Our messages will be that good housing development must 'Leave a Lasting Legacy'; homelessness is for all of us to address, not just specialist charities; housing associations have a clear role that is differentiated from private developers; housing is a long term investment and quality is vital if we are to turn around public resistance. We will promote and call for more Imbys!

10.1

During year one of this Plan, we will:

- Respond to national and local consultations on behalf of rural communities and the environment.
- Hastoe and Sustainable Homes will work together to promote and address environmental sustainability in new build and retrofitting standards and fuel poverty.
- Continue to invest in good working relationships with partners such as the CPRE, the CLA, the National Almshouse Association and the National Trust.
- Continue to build good working relationships that provide influencing opportunities such as with local and national media, politicians (of all the main parties), civil servants, etc. In particular, seek to raise awareness of the unaffordability of rents linked to the rural housing market and the consequences of Universal Credit in rural areas.



CORE PRINCIPLE: VALUING AND INVESTING IN GOOD GOVERNANCE

Why and how?

Hastoe's governance is strong. This can be verified by independent sources, such as our Regulatory Judgement (G1, V1), Moody's credit rating (A3), Investors in People (Gold) and the Institute of Customer Services award. Arrangements will always be kept under review though as there is always room for improvement.

In the coming year, we will be changing Chief Executives, following the retirement of Sue Chalkley. A thorough handover has been planned for the new Chief Executive, Andrew Potter, who is joining Hastoe at the end of April 2018, and his induction will be a high priority for the Board and staff team throughout the year.

Our Board members are highly competent and passionate about rural communities and the environment. Last year we carried out our triennial review of governance arrangements and made a number of changes, e.g.: Board meetings are now held more frequently; the Finance and Performance Committee has been closed down and Sustainable Homes has been brought closer into the group with a Hastoe Board Member as chair. These arrangements have now been running for a year and, although it is early days, the Board and Executive Team agree that they are working well. Now, we can have speedier decision making, Board members are better able to keep on top of issues as they develop, there is less duplication of papers and the relationship between Hastoe and Sustainable Homes is closer and more productive.

Governance for Hastoe, though, also includes having a clear organisational strategy and direction, a strong control, compliance and monitoring framework; a motivated and skilled staff team; good communications; effective risk management; well managed finances and a constant drive to improve efficiency and value for money. All these areas are the subject of ongoing attention and improvement.

The parent company Hastoe Housing Association, is now charitable and, in December 2017, the Board decided to consult tenants on a Transfer of Engagement from Hastoe Wyvern Housing Association into Hastoe Housing Association. This would simplify the arrangements and bring efficiencies to the Group.

This Corporate Plan is a key governance document. It informs and is informed by the risk map and reflects the Board's risk appetite.

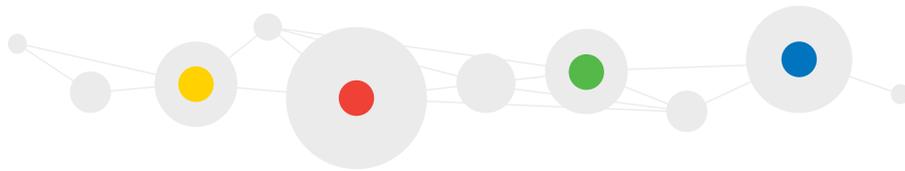
Together, the Corporate Plan, risk map, annual budget and 30 year financial plan all sit together as a suite of documents that drive the Group's strategy and direction.

11.1

During year one of this Plan, we will:

- Plan a good handover and induction for the new Chief Executive, including increased opportunities for the Board to engage with the staff team during the period (for example, regional staff to attend Board meetings).
- Maintain strong financial management and budgetary controls.
- Decide on whether to undertake a Transfer of Engagements from Hastoe Wyvern to Hastoe Housing Association.
- Invest in training and valuing the staff team, seek consistently high morale and ensure good buy-in to the Corporate Plan.

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12.1

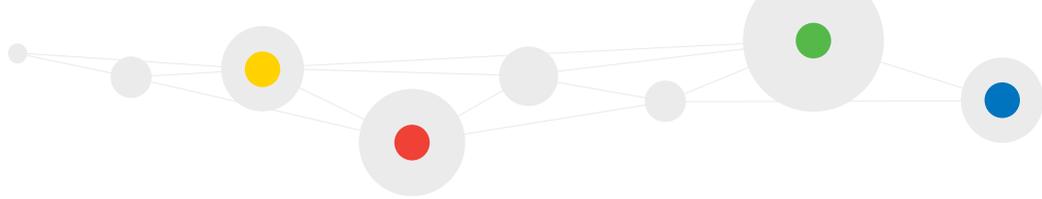
The Board's appetite for risk is shown here.

	Averse	Minimal	Cautious	Open	Hungry
Sales & Development				✓	
Financial Performance				✓	
Liquidity			✓		
Customer			✓		
Staff				✓	
Legal & Regulatory Compliance		✓			
Health & Safety		✓			

12.2

Business Significant Risks are reviewed by the Board at every meeting. Each risk is compared with the target risk, 'the Board's risk appetite', along with the management and mitigation plans. This document is necessarily dynamic and so is not included within this Plan but it is a vital component.

Category	Definition
Averse	Avoidance of risk and uncertainty is a key objective
Minimal	Preference for ultra-safe business delivery options that have a low degree of inherent risk and only potential for limited reward
Cautious	Preference for safe options that have a low degree of inherent risk and may only have limited potential for reward
Open	Willing to consider all options and choose the one that is more likely to result in successful delivery while providing an acceptable level of risk and reward
Hungry	Eager to be innovative and to choose options based on potential higher risk and reward



13.1

Hastoe is financially robust and has a sustainable financial position that gives us resilience in the long term.

13.2

This Corporate Plan is produced in tandem with the annual budget. The two documents are interlinked and should be considered together. The Board also reviews the 30 year financial plan on at least an annual basis. The financial plan is subject to robust stress testing to satisfy the Board that the Group remains viable in foreseeable adverse scenarios.

13.3

This plan assumes that the Group builds around 450 new homes over the three years in rural communities. Around 100 of these homes will be available for sale on the open market. The remaining 350 will be affordable housing. The Board has set a clear development and sales risk appetite and the Corporate Plan remains within these limits.

13.4

The increase in turnover in 2019/20 and 2020/21 relates to the additional homes being built for open market sale. The Retained Surplus includes a surplus on the disposal of properties of around £3m in each of the next three years. These trickle sales of homes on our urban estates is part of our strategic asset management and the proceeds are being reinvested in the building of new rural homes.

13.5

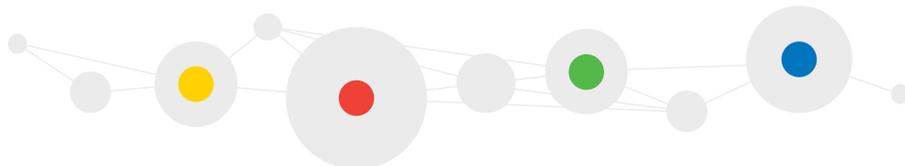
Interest costs can be comfortably met by the cash generated by the Group but the ongoing impact of the Government imposed rent reductions does reduce the level of interest cover over the next three years.

13.6

The Group expects to borrow a further £40m in the next three years to fund development and refinance existing debt.

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Summary Group Income and Expenditure	2018/19	2019/20	2020/21
	£'000	£'000	£'000
Turnover	33,512	44,037	51,458
Operating Surplus	12,370	15,223	16,689
Retained Surplus	5,518	7,203	4,497
Operating Margin	38%	35%	32%
EBITDA Interest Cover (excluding sales)	120%	116%	116%



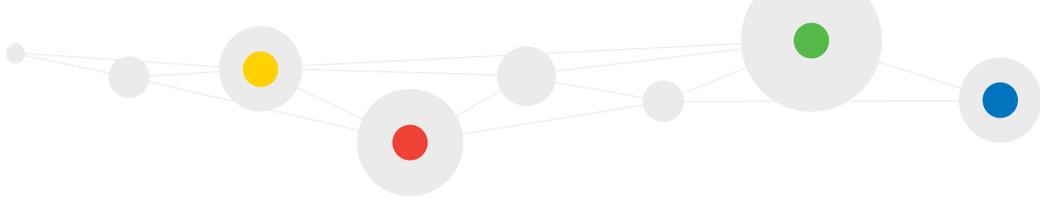
Section 13

RESOURCING THE PLAN

Summary Group Balance Sheet	2018	2019	2020	2021
	£'000	£'000	£'000	£'000
Housing Properties	406,576	431,445	448,615	456,801
Other Fixed Assets	3,361	3,241	3,725	3,678
Net Current Assets	881	4,828	7,224	7,730
Long Term Liabilities	-356,325	-379,503	-392,344	-396,487
Net Assets	54,493	60,011	67,220	71,723
Revaluation Reserve	299	299	305	311
Revenue Reserve	54,194	59,712	66,915	71,412
Total Reserves	54,493	60,011	67,220	71,723

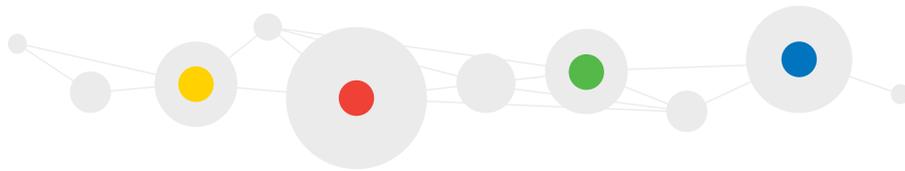
Summary Group Cashflow Forecast	2018/19	2019/20	2020/21
	£'000	£'000	£'000
Net Cash From Operating Activities	16,310	19,232	24,553
Net Cash From Investment Returns & Finance Servicing	-10,934	-11,922	-12,861
Net Cash From Investment Activities	-23,311	-19,869	-11,950
Net Cash From Financing	21,882	12,559	258
Cash Movement	3,947	0	0

18

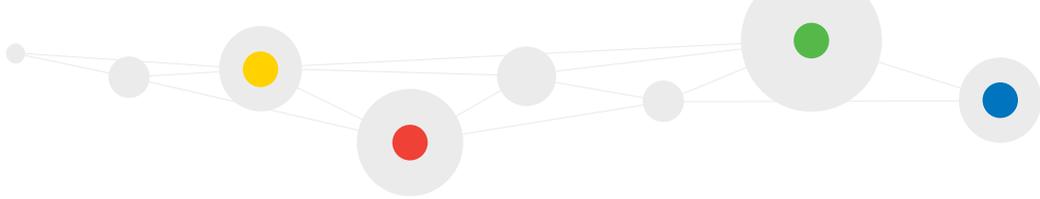


OUTCOMES TO BE ACHIEVED DURING YEAR ONE

Key Strategic Ambition	Outcome by 31 March 2019
<p>1. To work for and with rural communities</p>	<p>Start on site with 104 affordable homes plus 24 open market sale homes through Lowen Homes</p> <p>Hold a further three regional landowners' conferences</p> <p>With partners, launch a rural housing report that follows the IPPR report on rural homelessness</p> <p>Bid to the Swires Foundation for a three year project to address rural homelessness, through promotion of good practice and an exemplar project</p> <p>Have on site a scheme that addresses the needs of rural older people (probably at Martlesham, Suffolk)</p> <p>Board report on a Rural Living Rent and next steps for promotion (if approved)</p> <p>Trickle sales proceeds of £3.3 million</p> <p>Average new build sales period of 95 days</p> <p>Average trickle sales period of 170 days</p>
<p>2. To promote and to demonstrate our commitment to environmental sustainability</p>	<p>A new Group Greening Strategy approved by the Board</p> <p>Achieve year one targets for Sustainable Homes' Business Plan</p> <p>Invest £360,000 in existing homes, to bring 60 more homes to the Hastoe Green Homes Standard</p> <p>Board report on a new, practical and replicable standard for highly energy efficient homes that will be our minimum requirement for all new build homes</p> <p>One PassivHaus scheme on site at all times</p> <p>20 tenants provided with bespoke energy efficiency advice from our Green Doctors</p>

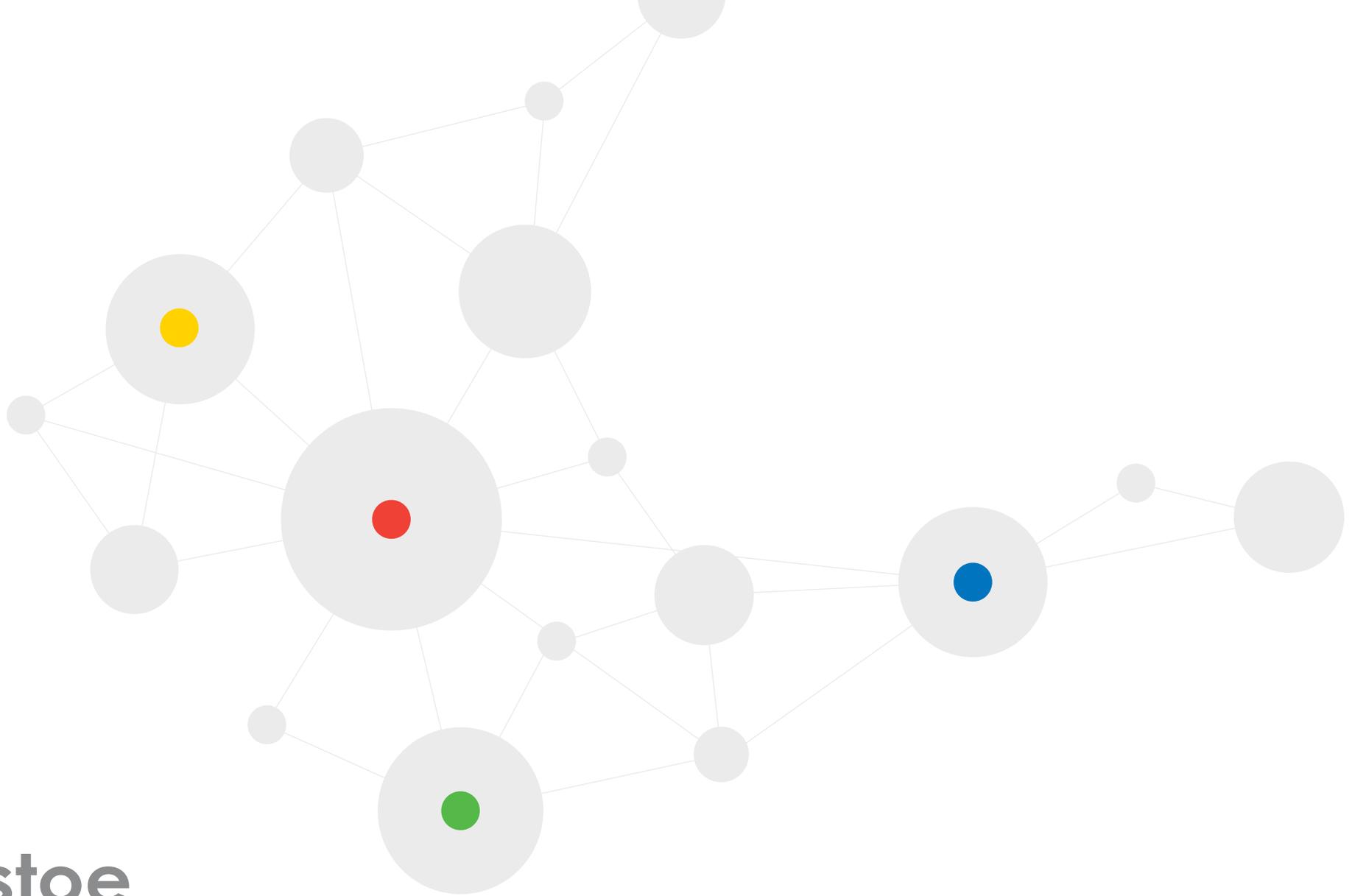


Key Strategic Ambition	Outcome by 31 March 2019
<p>3. To hold a distinctive position in the sector, setting Hastoe apart in the quality of homes and services that we provide</p>	<p>New housing management ICT system bedded in and working practices reviewed</p> <p>New best practice and other fire safety requirements adopted or Board approved planned for adoption</p> <p>Review and improve our after sales service, including introducing a single point of contact for purchasers</p> <p>Accreditation from the Institute of Customer Service</p> <p>Board report on the impact of Universal Credit on individual tenant households and a supportive response from Hastoe designed</p> <p>94% of callers to Hastoe Hub satisfied with the way their call was handled</p> <p>84% satisfaction with last responsive repair</p>
<p>4. To innovate and push boundaries</p>	<p>Lowen Homes' first sales completed and the brand and the message promoted</p> <p>Board approval for our second gypsy and traveller site, to be constructed to high energy efficiency standards</p> <p>Decision made about an internal Clerk of Works service to manage the quality of our new build homes</p> <p>Pilot Almshouse project in Suffolk on site</p>
<p>5. To influence national policy on housing, rural and environmental sustainability issues</p>	<p>Responses submitted to national and local consultations on behalf of rural communities and the environment.</p> <p>Hastoe and Sustainable Homes complementary messages about environmental sustainability in new build, retrofitting standards and fuel poverty</p> <p>Evidence of good working relationships with partners such as the CPRE, the CLA, the National Almshouse Association and the National Trust</p> <p>Report from IPPR research into rural housing solutions</p>



OUTCOMES TO BE ACHIEVED DURING YEAR ONE

Key Strategic Ambition	Outcome by 31 March 2019
<p>Core Principle: Valuing and investing in good governance</p>	The new Chief Executive fully settled in and confident in his role
	Regional staff members invited to Board meetings and engaged in discussions
	Decision made about Transfer of Engagements from Hastoe Wyvern to Hastoe Housing Association
	Staff survey trend monitored monthly through the year and results reported to Board annually
	Learning from staff training measured, linked to Corporate Plan and reported to Board annually
	EBITDA MRI cover > 120%
	Top quintile score across all management standards in staff wellbeing survey
	100% valid CP12s for Gas Servicing
	100% valid CP12s for Gas Servicing % of Valid CP12's
	100% residential blocks with valid Asbestos Risk Assessments
	100% residential buildings with valid Fire Risk Assessments
	2.55% gross rent arrears as % of annual rent debit
16 day average void period	



Hastoe

Group

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