



# Business plan 2021-2024

Quality affordable homes  
co-operatively owned  
run for tenant members  
by tenant members

Belgrave Neighbourhood Co-operative Housing Association  
131 Loughborough Road  
Leicester LE4 5LQ

BNCHA is registered as a Co-operative Housing Society with the Financial Conduct Authority No. 21590R and as a Co-operative Housing Association with the Homes and Communities Agency No. C1810

## 1 Introduction

- 1.1 Belgrave Neighbourhood Co-operative Housing Association (BNCHA) is a Registered Provider Housing Co-operative operating in the Belgrave area of Leicester, North-East of the city centre. With 480 shareholding members, BNCHA is the largest fully mutual housing co-op in the UK.
- 1.2 Working without a business plan since 2019, this business plan is designed to set out the co-op's plans over the next three years. It defines the purpose of the co-op, its objectives and strategies; considers the resources needed to achieve them and the risks that might prevent the co-op from achieving its objectives.

## 2 Background

- 2.1 BNCHA was established in 1976 to provide much needed homes for people in housing need in the area. It owns and manages 378 homes, 254 of them street properties (houses), 115 of them flats (including the 21 flat Loughborough Cottages sheltered scheme), 3 maisonettes and 6 Bedsits.
- 2.2 The community BNCHA serves is filled with diversity and cultures - one of the largest Asian communities in the UK with a strong local identity, but also with new cultural and ethnic groups moving into the area – from Sri Lanka, from Eastern Europe and elsewhere.
- 2.3 Belgrave, world renowned for its Golden Mile walk famous for its Indian food, fashion and spices and jewellery shops and its annual Diwali celebrations (the largest outside of India) has a community rich in harmonious diversity and cultures. BNCHA strives to be an integral part of the local community, not just by providing houses but by helping to create homes and a sense of belonging to be proud of, creating unity, respect and support for one another, in a safe, flourishing community.
- 2.4 BNCHA operates from offices it owns (with another co-op) at 131 Loughborough Road. BNCHA has employed the services of the Pinnacle Group as a managing agent since 2017 who have staff based at the Loughborough Road offices.
- 2.5 BNCHA is governed by a management committee elected annually by its membership. In 2012, a longstanding chair of the co-op passed away. Since that time, membership and leadership of the committee has fluctuated until a new committee was elected in September 2020 with Jaimini Bharakhada as Chair.

- 2.6 The management committee now currently consists of 8 members but there are places available on the committee for up to 12 people, with vacancies facilitated in the management committee by recent changes.
- 2.7 BNCHA has recently updated its original 1981 rules to CCH model housing co-op rules (2017). This involved significant engagement with the membership with 87 voting (many by proxy) in favour of the rule changes (with none against). Whilst this number is less than a quarter of the total membership, it was a comparatively high number participating in a BNCHA general meeting.
- 2.8 In April 2021, BNCHA appointed Nic Bliss, the Head of Policy for the Confederation of Co-operative Housing (the UK's national representative body for housing co-ops) to act as its Chief Officer for a period of one year to strengthen BNCHA's governance.
- 2.9 These recent developments have come about following a period where BNCHA's governance can best be described as turbulent. An internal audit report into BNCHA's governance published in June 2021 concluded that whilst there have been recent improvements to the governance framework, "the previous committee had failed to oversee BNCHA's operations in accordance with the principles of good governance".
- 2.10 The report goes on to identify 2 high risks and 10 medium risks to BNCHA's governance, stating that "the co-operative's governance arrangements fail to support fair, informed and transparent decision making, acting wholly in the co-operative's best interests and in line with ethical and legal standards."
- 2.11 A programme is being implemented to address these problems and these issues inform significant parts of the objectives and strategies in this business plan.

### 3 The purpose of BNCHA

- 3.1 BNCHA's mission statement sums up its purpose:

Quality affordable homes  
co-operatively owned  
run for tenant members by tenant members

- 3.2 BNCHA's vision is to provide safe high-quality homes fit for the future as a vibrant part of the Belgrave community in Leicester. Built on a culture of family and community where people work together and get things done, BNCHA aims to provide a high-quality housing and repairs service.
- 3.3 The values that underpin what BNCHA stands for include:
- **democracy** – encouraging members to participate democratically in developing the co-operative.
  - **family, community and diversity** – valuing all BNCHA members, encourage fairness and equality of opportunity and welcoming the community's diversity. BNCHA aims to eliminate discrimination from all our activities.
  - **empowerment** – encouraging members to take responsibility, in the spirit of common ownership at the heart of the co-operative.
  - **accountability** – being accountable to the membership and to the wider community.
  - **honesty and openness** – being open and transparent about decision-making. All decisions are based on what is best for the BNCHA community.
  - **quality** – aiming to provide quality in everything BNCHA does.
  - **social responsibility and caring for others** – being a socially responsible co-operative, set up to provide homes and services for people in housing need. BNCHA aims to go the extra mile to meet members' needs and aspirations.

## 4 Objectives and strategies

- 4.1 BNCHA's objectives and strategies over the period include:

### Objective One – building an active membership

BNCHA aims to build an active membership, providing a range of opportunities for members to participate in decision-making, developing strong communications, supporting our membership in the post Covid environment, and understanding more about members views on services. Objectives and strategies may particularly be updated to take account of views expressed by members.

#### Strategies to deliver on this objective:

- BNCHA will develop an Active Membership Strategy, initially recruiting specialists to develop and initiate the strategy. The strategy will include:
- Consideration of how members are allocated homes and are inducted into the co-op.
- Consideration of how BNCHA understands the wishes and needs of

its members.

- Consideration of how BNCHA communicates and has dialogue with its members in written and digital formats.
- Consideration of how BNCHA captures service issues – including through how members raise service issues and how complaints are managed and learnt from.
- Surveying the BNCHA membership.
- Service-related workshops for members.
- Encouragement to participate in governance.
- Encouragement to participate in the Annual General Meeting.
- Consideration of how to involve younger people in the co-op.

## **Objective Two – excellence in governance**

BNCHA aims to develop stable and effective governance that complies fully with governance expectations and excels in decisions that benefit our community. BNCHA will ensure that its committee members are professionally trained to understand their responsibilities and to deliver on them – particularly in relation to the co-op's finances and health and safety and other compliance issues.

### **Strategies to deliver on this objective:**

- Full implementation of BNCHA's new rules, including in relation to nominations and elections to the committee.
- An ongoing training and development programme for committee members, including an annual appraisal system.
- Consideration of the internal audit report pertaining to governance and implementing recommendations made.
- Working with the administration worker as Secretary to streamline committee management and compliance with the rules.

## **Objective three – quality homes**

BNCHA will particularly focus on improvements to the quality of its homes, making them fit for the future and ensure that it has a first-class value for money high satisfaction repairs service.

### **Strategies to deliver on this objective:**

- A full asset management programme will be developed and implemented where key elements of each home will be scheduled and costed for replacement and modernisation.
- The co-op will investigate methods to determine the satisfaction members have in the repairs service.
- The co-op will consider its contractor list to ensure it has sufficient quality contractors and will seek to benchmark repairs costs.
- Consideration of emerging best practice and new regulatory requirements pertaining to the Decent Homes Standard and repairs provisions that may emerge from Government and the regulator.

## **Objective four – quality services**

BNCHA will ensure that the relationship with Pinnacle delivers the best possible quality of services and value for money. BNCHA will ensure an effective performance reporting system to enable the committee to ensure quality service delivery.

### **Strategies to deliver on this objective:**

- Establishment of an Operations Sub-Group to monitor operational service delivery.
- Establishment of formal liaison structures between BNCHA and Pinnacle.
- Development of an effective performance monitoring system.
- Development of appropriate internal audits relating to service delivery and implementation of recommendations.
- Consideration of new regulatory requirements pertaining to services that may emerge from Government and the regulator.

## **Objective five – supporting members with mental health challenges**

BNCHA will investigate how best it can support BNCHA members who have mental health difficulties.

### **Strategies to deliver on this objective:**

- Engagement with specialist service providers and with appropriate local agencies to investigate how BNCHA can provide appropriate service providers to meet the needs of those with mental health difficulties.

## **Objective six – strengthening BNCHA's position in the Belgrave area**

As the largest Registered Provider landlord offering homes for people in housing need in the Belgrave area, BNCHA will ensure that it has a greater presence in the local area.

### **Strategies to deliver on this objective:**

- Development of a strategy to engage locally, potentially including:
- Engagement with the local councillors
- Engagement with local businesses and community organisations
- Engagement with statutory organisations and others regarding tackling anti-social behaviour issues in the local area
- Consideration of how BNCHA supports local activities that may be used by BNCHA members.

## **Objective seven – 131 Loughborough Road**

BNCHA will explore the potential to make better use of 131 Loughborough Road. This may include purchase of the full ownership

of the building and consideration of how best to use the premises, or some other approach.

**Strategies to deliver on this objective:**

- Negotiate the future of 131 Loughborough Road
- Carry out options appraisal for use of 131 Loughborough Road.

Objectives and strategies will be reviewed on an annual basis and may be updated – particularly in the light of feedback from BNCHA's membership.

An action plan will be developed and agreed with the committee to deliver the strategies that will achieve the objectives.

## 5 Resources to deliver the business plan

5.1 BNCHA's 30 year finance plan to support the business plan is summarised as follows.

Years	2021-22	2022-23	2023-24	2024-25	2025-26	2026-31	2031-36	2036-41	2041-46	2046-51
Rents	1667.80	1692.81	1718.20	1743.98	1770.14	9257.02	9972.44	10743.15	11573.43	9899.49
Service charges	139.85	141.95	144.08	146.24	148.43	776.25	836.24	900.87	970.49	830.12
Less voids/bad debts	-36.15	-31.24	-31.75	-32.27	-32.80	-172.20	-186.70	-202.36	-219.27	-188.50
<b>Total rents &amp; service charge</b>	<b>1771.50</b>	<b>1803.53</b>	<b>1830.54</b>	<b>1857.95</b>	<b>1885.78</b>	<b>9861.07</b>	<b>10621.98</b>	<b>11441.66</b>	<b>12324.64</b>	<b>10541.11</b>
Less taxation	-7.23	-7.28	-7.34	-7.39	-7.44	-37.98	-39.33	-40.73	-42.17	-34.81
Less depreciation	-267.34	-267.34	-267.34	-267.34	-267.34	-1336.68	-1336.68	-1336.68	-1336.68	-1069.34
Other income	185.19	185.25	185.32	185.38	185.45	928.25	929.96	931.74	933.58	748.24
<b>Income</b>	<b>1682.11</b>	<b>1714.16</b>	<b>1741.18</b>	<b>1768.61</b>	<b>1796.45</b>	<b>9414.65</b>	<b>10175.94</b>	<b>10996.00</b>	<b>11879.37</b>	<b>10185.19</b>
<b>Management costs</b>	<b>524.19</b>	<b>530.86</b>	<b>537.70</b>	<b>544.64</b>	<b>551.68</b>	<b>2867.38</b>	<b>3058.53</b>	<b>3263.38</b>	<b>3482.93</b>	<b>2955.01</b>
Staffing	438.32	444.47	450.71	457.04	463.46	2416.95	2592.11	2780.40	2982.81	2542.16
Office related costs	47.84	48.17	48.51	48.85	49.19	251.17	260.09	269.32	278.88	230.21
Governance & membership	38.03	38.22	38.48	38.75	39.02	199.26	206.33	213.65	221.24	182.63
<b>Maintenance costs</b>	<b>1394.45</b>	<b>1491.83</b>	<b>1438.69</b>	<b>1747.68</b>	<b>1882.49</b>	<b>6395.91</b>	<b>4477.23</b>	<b>4888.23</b>	<b>3889.33</b>	<b>3803.74</b>
Day to day repairs	249.50	254.49	259.58	264.78	270.07	1433.57	1582.78	1747.52	1929.40	1687.13
Void works	204.00	208.08	212.24	216.49	220.82	1172.12	1294.11	1428.81	1577.52	1379.43
Planned maintenance	940.94	1029.26	966.87	1266.42	1391.60	2790.22	2600.33	1711.91	382.41	737.17
<b>Services</b>	<b>97.67</b>	<b>98.36</b>	<b>99.05</b>	<b>99.74</b>	<b>100.44</b>	<b>512.84</b>	<b>531.04</b>	<b>549.89</b>	<b>569.41</b>	<b>470.04</b>
<b>Professional costs</b>	<b>98.67</b>	<b>94.92</b>	<b>87.36</b>	<b>87.78</b>	<b>81.98</b>	<b>430.64</b>	<b>443.76</b>	<b>458.22</b>	<b>472.08</b>	<b>388.08</b>
<b>Expenditure</b>	<b>2114.98</b>	<b>2215.97</b>	<b>2162.80</b>	<b>2479.84</b>	<b>2616.59</b>	<b>9206.77</b>	<b>9510.56</b>	<b>9159.72</b>	<b>8413.75</b>	<b>7616.87</b>
<b>Balance</b>	<b>2807.13</b>	<b>2305.32</b>	<b>1883.70</b>	<b>1172.46</b>	<b>352.33</b>	<b>560.22</b>	<b>1225.59</b>	<b>3061.87</b>	<b>6527.49</b>	<b>9095.81</b>

All figures are £000s.

- 5.2 Assumptions made are that build cost inflation will be 2%; rent inflation will be 1.5%; general inflation will be 0.7% and void and bad debt loss will be 2%.
- 5.3 Whilst this finance plan results in a surplus of some £9m by 2051, the most significant part of the business plan is the need for BNCHA to inject significant resources into its asset management programme from now until 2026.

## 6 Risks that might prevent delivery of the business plan

The following issues have been identified as potential risks to delivery of the objectives in this business plan with actions identified to manage or mitigate risks.

Internal risks are things that happen internally in the co-op. External risks are things done by people, organisations, the Government or others outside of the co-op. Risks are categorised as green risks if the RAG rating is between 0 and 8; as amber if the RAG rating is between 9 and 16; and as red if the RAG rating is between 17 and 25.

Internal risks	External risks	Likelihood	Level of risk	RAG rating	Action
<b>Objective 1 – building an active membership</b>					
Good quality tenants not interested in joining committee		3	4	12	Develop Active Membership Strategy Ensure effective Communications Strategy
Unwillingness of members to participate in Active Membership Strategy		2	4	8	Ensure effective engagement activities and Communications Strategy
Lack of knowledge about the co-op amongst members		4	5	20	Ensure effective engagement activities and Communications Strategy
Conflict amongst members		4	5	20	Ensure all involved in engagement and communications fully aware of BNCHA conflict management methodology

Internal risks	External risks	Likelihood	Level of risk	RAG rating	Action
<b>Objective 2 – excellence in governance</b>					
Unwillingness of committee members to participate		3	5	15	HDN programme Use different ways of working with the committee
Conflict within the committee		2	5	10	Monitor to ensure it doesn't happen Develop team building activities
Lack of understanding of roles and responsibilities		4	5	20	HDN programme Develop team building activities
Committee members not having sufficient knowledge & experience		4	5	20	HDN programme Build confidence and skills in the committee
Lack of understanding of finance issues		4	5	20	HDN programme Ensure financial issues well presented
Non-compliance with rules, policies and due process		2	5	10	Monitor to ensure it doesn't happen Statement of committee responsibilities Protocol for dealing with problems
	Loss of Chief Officer	2	5	10	Review ongoing approach to professional and staff support
	Staffing difficulties	3	3	9	Work with HR company and comply with their recommendations
<b>Objective 3 – quality homes</b>					
Problems getting contractors to deal with the volume of work		2	4	8	Ensure Pinnacle sourcing contractors

Internal risks	External risks	Likelihood	Level of risk	RAG rating	Action
Not checking contractors properly		2	4	8	Ensure Pinnacle checking contractors
Planned maintenance programme delivery		2	4	8	Monitor through Improvements Working Group
Erratic committee decision making on planned maintenance		2	5	10	Monitor to ensure it doesn't happen Statement of committee responsibilities Protocol for dealing with problems
	Quality and availability of materials	3	4	12	Consider alternatives available Pinnacle widening network of manufacturers
Poor workmanship		2	4	8	Pinnacle undertaking post inspections
	Escalating costs of contractors and materials	3	4	12	Monitor and reschedule budget as necessary
Lack of financial resources		1	3	3	Monitor and reschedule budget as necessary
	Changing Government requirements	3	3	9	Monitor Government requirements
<b>Objective 4 – quality services</b>					
Erratic committee decision-making regarding compliance issues		2	5	10	Monitor to ensure it doesn't happen Statement of committee responsibilities Protocol for dealing with problems
Poor relationship with Pinnacle		1	5	5	Establish formal liaison arrangements with Pinnacle and formal methods to deal with problem issues

Internal risks	External risks	Likelihood	Level of risk	RAG rating	Action
Availability of financial resources		1	3	3	Monitor and reschedule budget as necessary
Committee poorly monitoring Pinnacle's delivery of services		3	3	9	Develop effective and committee friendly monitoring systems
Committee lacking knowledge of services		4	4	16	HDN programme
	Changing legal & regulatory requirements	3	3	9	Monitor Government requirements
Poor value for money		2	3	6	Establish benchmarking systems
<b>Objective 5 – supporting members with mental health challenges</b>					
Lack of appropriate connections		3	4	12	Develop relationships with the local authority and other partners
Lack of appropriate expertise		3	4	12	Engage with personnel with skills in this area
Inappropriate or under-resourced strategy		2	5	10	Be advised by personnel with skills regarding resources required
<b>Objective 6 – strengthening BNCHA's position in the Belgrave area</b>					
Lack of relationship with community		2	4	8	Develop appropriate engagement strategy
	Lack of response from local councillors	2	4	8	Develop appropriate engagement strategy
	Lack of response from the police, local businesses and local groups	2	4	8	Develop appropriate engagement strategy

Internal risks	External risks	Likelihood	Level of risk	RAG rating	Action
<b>Objective 7 – 131 Loughborough Road</b>					
	Lack of response from partner owner of building	5	5	25	Monitor and engage if possible Otherwise - do not proceed on this objective
Poor use of building; wasting the space		5	3	15	Propose better uses of the building as appropriate
Not getting works done that need to be done		3	2	6	Propose works that need doing