

**Jigsaw Homes Group Ltd.**

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## Welcome from Chair of Jigsaw Homes Group

Dear Applicant,

### Chair of North Board

Thank you for your interest in the position of Chair of the North Board of Jigsaw Homes Group. The North Board is responsible for five of the six landlord members of the Group - Adactus Housing Association, Beech Housing Association, Chorley Community Housing, Aksa Housing Association and New Charter Homes - which together they manage almost 30,000 homes across the North West of England.

The North Board will come into being in May 2019 and bring together our West (Adactus, Beech and CCH) and East (Aksa and New Charter Homes) boards in an overlapped model. We are therefore looking for someone who can help develop the board as a cohesive team whilst acknowledging the individual landlord entities.

As Chair of North Board and a member of the Group board, you have the opportunity to help me shape the strategic direction of the Group's landlord activities and support the Executive Management team to deliver the Group's vision. The Group's handbook for board members (available as part of the recruitment pack) explains the role of the Non-Executive Director.

**We are looking for applicants with the following skills/expertise, but particularly working in communities:**

Working in Communities

Business / Financial Planning

Contractual Arrangements

Customer Care

Data and IT

Governance and Regulation

Health and Safety

Housing Development

Housing Management

Human Resources

We particularly welcome applications from female and BAME applicants who are currently underrepresented at Non-Executive Director level across the Group. More details of the work of the Group are provided in the Corporate Plan included in the recruitment pack and you can also find information on our website at [www.jigsawhomes.org.uk](http://www.jigsawhomes.org.uk).

We look forward to receiving your application.

Yours Sincerely

**Fay Selvan**

Chair, Jigsaw Homes Group

**Jigsaw Homes Group Ltd.**

Regulated by the Regulator of Social Housing. Registered No. LH 4345.  
Registered under the Co-operative and Community Benefit Societies Act 2014. Registered No. 29433R.  
Registered Office: Cavendish 249, Cavendish Street, Ashton-under-Lyne OL6 7AT.





Jigsaw Homes Group

Chair of North Board

Non-Executive Director Vacancy February 2019

## Recruitment Process

To apply please download, complete and return the application form. We also request that you complete an Equal Opportunities Monitoring Form which is available to download. Completed application forms should be returned by:

5pm on Monday 18 February 2019

by post to: *Group Company Secretary, Cavendish 249, Cavendish Street, Ashton-under-Lyne, OL6 7AT*

or email: [governance@jigsawhomes.org.uk](mailto:governance@jigsawhomes.org.uk) with 'Chair of North Board - NED Vacancy' in the subject line.

## Competency Profile

The Group believes Non-Executive Directors should demonstrate the following competencies:

<b>Analysing and Scrutinising</b>	Demonstrates the ability to analyse and scrutinise data to determine key issues.
<b>Applying Specialist Knowledge</b>	Applies specialist knowledge appropriately in a range of contexts.
<b>Directing Strategy</b>	Takes a strategic outlook and shows willingness to take calculated risks by identifying new opportunities and any associated long-term implications.
<b>Group Decision Making</b>	Makes reasoned appropriate, constructive contributions and listens to the views and contributions of others, ensuring decisions are taken with integrity and in good faith.
<b>Leading and Motivating</b>	Demonstrates commitment to the values of the organisation by setting and maintaining high standards and developing positive working relationships.
<b>Personal Development</b>	Demonstrates and retains learning and is in touch and up-to-date with relevant issues.
<b>Representing</b>	Creates or maintains a good image of the organisation both internally and externally when attending events and communicating with others.
<b>Self-Management</b>	Attends and prepares for meetings demonstrating enthusiasm and commitment to the work of the Group and shows respect for others.
<b>Team Working</b>	Supports the Board's aims and goals whilst developing respectful, constructive, relationships. Does not dominate discussion and debate.



## Skills and Attributes

All Board Members are expected to have the following essential skills and abilities:

1. To work as part of an effective team.
2. An understanding of the needs and aspirations of our Customers and the wider community.
3. An understanding of the external factors which influence the Group's work; such as financial markets and political agendas.
4. Strategic business, finance and/or management skills.
5. In addition to those highlighted in the Welcome from the Chair, other relevant or specialist skills, such as commercial operations, specialist finance, investment, risk management, legal, change management, social services and/or business development; which may assist you in your role.
6. Effective communication skills and the ability to focus on the key issues facing the organisation.
7. The ability to foster a culture that enhances commitment, enthusiasm and excellent performance from those employees working on behalf of the Commercial Board.
8. A commitment to inclusion and diversity.

Board Members are also expected to uphold the following seven principles of public life, which underpin good governance:

**Selflessness:** You should make decisions based on the Group's best interests and not in order to gain financial or other benefits personally or for your family or friends.

**Integrity:** You should not place yourself or the Group under any obligation, financial or non-financial, to outside individuals or organisations that might seek to influence you or the Group in the performance of official duties.

**Objectivity:** You should ensure impartiality in the delivery of services including the appointment of staff, the awarding of benefits or the awarding of contracts. Choices should be made on merit alone.

**Accountability:** You must be accountable to the Group's stakeholders for the Board's decisions and actions.

**Openness:** You should be as open as possible about the decisions and actions you take and the reasons for your decisions. Information should only be restricted where commercially sensitive or where it may infringe on a person's right to confidentiality.

**Honesty:** You have a duty to declare any private interests relating to your duties and to take steps to resolve any conflicts arising in a way that protects the Group's reputation and values.

**Leadership:** You should promote and support these principles through leadership and example.



## Assessment and Selection Process

All applications will be considered and assessed against the current skill requirements and competency profile in order to select an initial short list of candidates. If you have been successful at this stage, we will contact you via telephone / email.

If you don't hear from us it means that whilst we appreciated your interest, your application was unsuccessful. Unfortunately we are unable to give feedback on applications.

## Recruitment Timetable





Stage	Date
Closing date for applications	5pm on 18 February 2019
Shortlisting	Week commencing 25 February 2019
Anticipated date for interviews	12 March 2019 (morning)

## Pay and Expenses

The Group compensates Non-Executive Directors for the services they provide and the time they commit to their role and reimburses Board Members for reasonable out of pocket expenses incurred in connection with their role. The current payment level for the Chair of the North Board, who is also a member of the Group Board, is £11,500 per annum.

## Further Information

To access the contents of the recruitment pack, please follow the links below.

-  Board Member Handbook
-  Governance Structure
-  Corporate Plan
-  Terms of Reference

If you have any queries about the position or the selection process please contact the Group Company Secretary on 0300 111 1133 or via [governance@jigsawhomes.org.uk](mailto:governance@jigsawhomes.org.uk)





# Non-Executives' Handbook

# Contents

<b>1</b>	<b>Introduction</b>	<b>1</b>
<b>2</b>	<b>Jigsaw Homes Group</b>	<b>2</b>
2.1	Governance Structure . . . . .	2
2.2	The Group's Activities . . . . .	3
2.3	Vision, Mission and Corporate Values . . . . .	3
2.4	Constitutional Documents . . . . .	4
<b>3</b>	<b>Sector Institutions</b>	<b>4</b>
3.1	The Regulator of Social Housing . . . . .	4
3.2	Charities Commission . . . . .	5
3.3	Local authorities . . . . .	5
3.4	Homes England . . . . .	6
3.5	Banks and Institutional Investors . . . . .	6
3.6	The National Housing Federation . . . . .	6
<b>4</b>	<b>Roles and Responsibilities</b>	<b>6</b>
4.1	Code of Conduct . . . . .	6
4.2	Non-Executive Responsibilities . . . . .	7
4.3	The Chair . . . . .	8
4.4	The Group Chief Executive . . . . .	9
4.5	The Group Company Secretary . . . . .	9
4.6	The Executive Management Team . . . . .	10
4.7	Shareholders . . . . .	11
<b>5</b>	<b>Performance, Delegation and Control</b>	<b>13</b>
5.1	Corporate Plan . . . . .	13
5.2	Risk Management . . . . .	13
5.3	Scheme of Delegation . . . . .	13
5.4	Terms of Reference . . . . .	14
5.5	Financial Regulations . . . . .	14
5.6	Forward Plan . . . . .	14
5.7	Annual Governance Review . . . . .	14

<b>6</b>	<b>What You Can Expect</b>	<b>14</b>
6.1	Induction . . . . .	14
6.2	Appraisal . . . . .	15
6.3	Training . . . . .	16
6.4	Equipment . . . . .	16
6.5	Pay and Expenses . . . . .	16
6.6	Communication . . . . .	16
6.7	Production of Agendas . . . . .	17
6.8	Recruitment and Succession . . . . .	17
<b>7</b>	<b>Useful Contacts</b>	<b>18</b>
7.1	Key Contacts . . . . .	18
7.2	General Enquiries . . . . .	19
<b>8</b>	<b>Document Control</b>	<b>19</b>

# 1 Introduction

1. I would like to take this opportunity to welcome you as a non-executive board member, trustee, or director within Jigsaw Homes Group. I hope that this handbook will assist you in your role.
2. This handbook has been prepared to help you understand how governance within Jigsaw Homes Group works.
3. The word 'governance' has its origins in the Greek verb meaning to steer a ship. My role and by extension the role of our governance team, is to provide you with everything you will need to help steer our organisation well.
4. To extend the ship metaphor, we can consider some of the key aspects of the non-executive role to comprise:
  - Planning a route for the organisation, being mindful – and guarding against – potentially challenging waters.
  - Knowing where we are on our journey, regularly checking on the progress of our voyage.
  - Making sure that good relations with the crew are maintained and that they are set clear duties.
5. We believe that the constitutional and administrative arrangements set out in this handbook will achieve these objectives. You should only ever need a light hand on the tiller.
6. Throughout this document we signpost useful resources with light text, like this:

Please read our [Corporate Plan](#).
7. This highlights a document that can be accessed through your iPad by using the BoardPacks app and navigating to:

Knowledge>Library>Key documents
8. If you need any further help or advice on the information explained or signposted in this document please do not hesitate to contact either myself or any other member of the governance team. Our contact details are provided at the end of this document.
9. I look forward to working with you over the coming years.



**Brian Moran**

Deputy Chief Executive and Group Company Secretary



## 2 Jigsaw Homes Group

10. Jigsaw Homes Group was formed in 2018 through the merger of two of the housing sector’s leading organisations: Adactus Housing Group and New Charter Housing Trust. Our new Group brings together 13 organisations working in unison to tackle inequality throughout the North West and East Midlands.
11. The principal members of the Group are shown in Table 1 on this page.

Company Name	Company Type	Principal Regulator
Jigsaw Homes Group Ltd.	Community Benefit Society	Regulator of Social Housing
Adactus Housing Association Ltd.	Community Benefit Society	Regulator of Social Housing
Aksa Housing Association Ltd.	Community Benefit Society	Regulator of Social Housing
Beech Housing Association Ltd.	Community Benefit Society	Regulator of Social Housing
Chorley Community Housing Ltd.	Community Benefit Society	Regulator of Social Housing
Gedling Homes	Company Limited by Guarantee	Regulator of Social Housing
New Charter Building Company Ltd.	Community Benefit Society	N/A
New Charter Homes Ltd.	Company Limited by Guarantee	Regulator of Social Housing
Threshold Housing Project Ltd.	Company Limited by Guarantee	Charities Commission

**Table 1:** Principal Group Members.

### 2.1. Governance Structure

12. The Group’s current corporate and governance structure is shown in Figure 1 on the current page. Figure 1 highlights how the Group uses overlapped boards to simplify its governance arrangements and to make the best use of the shared skill-set of our board members, trustees, and directors.



**Figure 1:** Corporate and governance structure — board meetings for organisations below the bold headings are held contemporaneously using overlapped meetings.

## 2.2. The Group's Activities

13. Our members build, renovate and manage low-cost housing for rent and sale. We work to help regenerate neighbourhoods and increase life opportunities for disadvantaged individuals and communities.
14. We also provide a range of charitable and supported housing services to help people live independently and to successfully maintain their tenancies. This work is often funded through external contracts awarded to the Group's members, and delivered on a commercial basis.
15. Our core work is supported by a prudent level of non-social housing commercial activity, undertaken by the New Charter Building Company.
16. Our largest members — and Jigsaw Homes Group itself — are housing associations, regulated by the Regulator of Social Housing (RSH) and legally known as Registered Providers. This gives the governance of our Group a distinctly housing association flavour: whether you serve on the board of a housing association, a charity, or a limited company within the Group you will find that our approach to governance is heavily influenced by both housing regulation and accepted good practice in the housing sector.
17. To underline this point, we subscribe to the 2015 edition of the National Housing Federation's *Code of Governance* and this has provided the framework for much of the information presented in this handbook.

## 2.3. Vision, Mission and Corporate Values

18. The following statements of Corporate Vision, Mission and Values, provide the bedrock for the Group's *Corporate Plan*.

### Vision

19. Our Vision is:

"We want everyone to live successfully in a home they can afford."

### Mission

20. We will do this by:

"Creating homes. Building lives."

### Corporate Values

21. We will ensure that the following values are evident through our work:

- Empowerment

- Social Impact
- Efficiency
- Collaboration
- Innovation

## 2.4. Constitutional Documents

22. The following constitutional documents provide the foundation for the governance of our Group.

### Rules / Memorandum and Articles of Association

23. Each company's *powers* are established within a constitutional document. For some members of the Group this is known as the *Memorandum and Articles of Association*, for others the key document is known as the *Rules*. The Group Company Secretary or their designate will provide advice to ensure that board activities and decisions are undertaken in accordance with the constitution.

### Intragroup Agreement

24. The *Intragroup Agreement* defines the nature of the relationship between the parent and its subsidiaries. Crucially, it ensures that Jigsaw Homes Group, as the parent body, is able to set strategies and policies for the entire Group. Through the *Intragroup Agreement* the parent is also granted powers to step-in to control the other members of the Group in the very rare circumstances that this might prove necessary<sup>1</sup>.

## 3 Sector Institutions

25. There are a number of key sector institutions that influence our activities and you should therefore be familiar with.

### 3.1. The Regulator of Social Housing

26. Housing associations are regulated by the Regulator of Social Housing (RSH).
27. The RSH sets out its approach to regulation and assessment in its publication, *Regulating the Standards*, and the standards that housing associations must comply with in a series of *Regulatory Standards*.
28. The latest *Regulatory Judgement* by the RSH confirms that our Group is fully compliant with the *Regulatory Standards* — our published ratings for governance and viability are 'G1' and 'V1' respectively.

---

<sup>1</sup>The non-housing association members of the Group are not signatories to the *Intragroup Agreement*. This is because the parent has stronger rights over these organisations granted directly through their constitutions and through company law.

### 3.2. Charities Commission

29. Threshold, Great Neighbourhoods and Family Support Charity are regulated directly by the Charities Commission. The Commission's publication, *The essential trustee: what you need to know, what you need to do* is a useful supplementary resource for members of these organisations.

#### Exempt Charities

30. Some of the charitable housing associations in the Group are, by virtue of their legal form as Community Benefit Societies, *exempt charities*. This means that they are exempt from registration with and oversight by the Charities Commission.

31. **Exempt charitable housing associations**

- Adactus Housing Association
- Aksa
- Chorley Community Homes

32. **Non-exempt charitable housing associations**

- Gedling Homes
- New Charter Homes

33. The Charities Commission places additional requirements on the housing associations that fall under its remit. Most notably these relate to the disposal of land and property as reflected in the Group's *Disposal Policy*.

34.

### 3.3. Local Authorities

35. The Group is active in 25 local authority areas but has particularly large concentrations of housing in Tameside, Chorley and in Gedling. In these areas the local authorities transferred their council housing to members of our Group some years ago. The boards of Chorley Community Housing, Gedling Homes and New Charter Homes therefore each reserve a place on their boards for a nominated member from the local authority.
36. Local authorities are key partners in much of what we do. They are especially important in our work to provide new housing (particularly through their strategy and planning functions) and often provide funding for care and support services.

### **3.4. Homes England**

37. Homes England provides grant funding to members of the Group to help support the development of new housing. In the last five years this funding has amounted to £61.4m, supporting the development of 2,934 homes across the Group.
38. Homes England place requirements on how grant monies are to be spent and audit the development process after schemes are completed.

### **3.5. Banks and Institutional Investors**

39. The grants provided by Homes England fund a fraction of the cost of new development. The Group's members fund the remainder through their financial surpluses and loans from banks and institutional investors secured against their assets.
40. Loan agreements contain *covenants* which place a further series of checks and balances on a borrowing organisation, acting to restrict what it is able to do.

### **3.6. The National Housing Federation**

41. The National Housing Federation (NHF) is the sector's trade association.
42. The NHF provides many useful resources to its members including model documents and good practice advice. It lobbies the government to ensure that the sector influences housing and social policy.
43. The Group is a member and actively participates in the NHF's activities.

## **4 Roles and Responsibilities**

### **4.1. Code of Conduct**

44. The Companies Act 2006 places fundamental general duties on all non-executive board members, trustees and directors:
  - To act within powers.
  - To promote the success of the company.
  - To exercise independent judgement.
  - To exercise reasonable care, skill and diligence.
  - To avoid conflicts of interest.
  - To not accept benefits from third parties.
  - To declare interest in a proposed transaction or arrangement.
45. Our adopted code of conduct is the 2012 edition of the NHF Code of Conduct. This provides further amplification on many of these points and clarifies the Group's behavioural expectations. All non-executives are required to comply with the Code.

## Whistleblowing

46. The Group is committed to the highest standards of probity, openness and accountability in all of our affairs. We take a zero tolerance approach to fraud in all its forms.
47. If you have a concern that has not or cannot be resolved at a board or committee meeting then you should raise the matter with the Group Company Secretary.
48. If you do not feel confident that the Group Company Secretary will address the issue then you should contact the Group Chair, Chair of Risk and Audit Committee or Group Chief Executive for support.
49. Should this prove unsatisfactory, please contact the Group's internal auditors:
50. KPMG, 1 St. Peter's Square, Manchester, M2 3AE / Telephone: 0161 246 4000.
51. Full details of the Group's approach is outlined in the [Probity and Anti-Fraud Policy](#).
- 52.

## 4.2. Non-Executive Responsibilities

53. As part of the work of your board you will have the following general responsibilities as a non-executive member:
  - Set a positive culture, with a strong customer focus.
  - Ensure that the organisation operates effectively, efficiently and economically.
  - Provide oversight, direction and constructive challenge to the Group Chief Executive and executives.
  - Contribute to setting the long-term strategic vision, objectives and values of the Group.
  - Ensure that your organisation helps to deliver Group-wide objectives established through the [Corporate Plan](#) and other group strategies and policies.
  - Approve each year the budget and financial plan for your organisation.
  - Approve each year the [Financial Statements](#) for your organisation and satisfy yourself of the integrity of financial monitoring information.
  - Oversee frameworks of delegation and risk management along with systems of internal control set by the Group Board which safeguard the assets of your organisation whilst allowing business to be effectively discharged.
  - Scrutinise and evaluate performance management information.
  - Be proactive, continually seeking to improve and develop your own skills, knowledge and performance and that of the board as a whole.



## Attendance

54. You are expected to attend all scheduled board and committee meetings of which you are a member and board events which will be held from time to time.
55. If you are unable to attend a meeting you should submit apologies in advance and your reason for non-attendance to the governance team and to your Chair.
- 56.

### 4.3. The Chair

57. Each company within Jigsaw has a chair of its board. The Chair is responsible for leadership of the board, and ensuring its effectiveness. The specific responsibilities of the Chair are to ensure:
  - The board's business and meetings are conducted efficiently.
  - All board members are given the opportunity to express their views.
  - In the case of the Group Chair, a constructive working relationship is established with, and support provided to, the Group Chief Executive.
  - In the case of other Chairs, that a similar relationship is established with the *lead executive* for their meeting.
  - The board delegates sufficient authority to enable business to be carried on effectively between board meetings.
  - The board receives professional advice when needed.
  - The company is represented as required.
  - The company's affairs are conducted in accordance with generally accepted codes of performance and propriety.
  - There is a clear division of responsibilities between the board and paid staff.
  - In the case of the Group Chair, to appraise the Group Chief Executive.

## Lead Executive

58. Some members of the Executive Team have a role to act as a key link with the Chair. The lead executives are as follows:
  - Group board — Hilary Roberts
  - Chair's Committee — Brian Moran
  - Risk & Audit Committee — Brian Moran

- Remuneration & Nominations Committee — Brian Moran
- Commercial board — Tony Powell
- Landlord boards — Emma Wilson

59.

#### **4.4. The Group Chief Executive**

60. Hilary Roberts is the Group Chief Executive, her essential duties are to:

- Act in the best interests of the organisation.
- Assist and advise the board in determining policies and strategy.
- Manage the affairs of the association in accordance with the values and objectives of the organisation, and the general policies and specific decisions of the board.
- Draw the board's attention to matters that it should consider and decide.
- Ensure that the board is given the information necessary to perform its duties and, in particular, that it receives advice on matters concerning compliance with its governing instrument, the law and the need to remain solvent.
- Ensure that proper systems of control, risk assessment and risk management are established and maintained, and that regular reports on these are provided, at least annually, to the board.
- Supervise, with the guidance of the chair, the preparation of documents for consideration by the board.
- Help the chair ensure that the business of the board is properly conducted.
- Lead and manage the Group's staff and ensure that their performance is appraised.
- Represent the Group as appropriate.
- Act within the scope of the responsibilities delegated to them.

#### **4.5. The Group Company Secretary**

61. The Group board have appointed Brian Moran, Deputy Chief Executive as Group Company Secretary, acting as company secretary for all members of the Group.

62. The role of the Group Company Secretary is to:

- Summon and attend meetings of the company and the board and keep the minutes of those meetings.

- Keep the registers and other books determined by the board.
- Make regulatory returns on behalf of the company to the regulator and registrar.
- Have charge of company seals.
- Advise the board on compliance with the organisation's constitution, its code of governance and other statutory or regulatory requirements.
- Advise the board on matters arising from its *Intragroup Agreement* with other group members.
- Arrange for independent legal advice if requested by the board.

63. The Group board has appointed two deputy / alternate company secretaries to act in circumstances where the Group Company Secretary is unavailable:

- Richard Houghton, Director of Operations
- Chris Smith, Director of Corporate Services

64. Both members of staff report directly to the Group Company Secretary.

#### **4.6. The Executive Management Team**

65. Under the leadership of the Group Chief Executive, the Group's Executive Directors work together to deliver our *Corporate Plan* and ensure the smooth running of the Group. Details of each member of the Executive Management Team and their specific roles as executive board members and lead executives are provided in Figure 2 on page 12.

##### Officers of the Board

66. For the avoidance of doubt, the members of the Executive Team are considered to be the Officers of the Board and are authorised to act on behalf of the boards of all members of the Group.

##### Executive Members of the Board

67. Executive board members share the same legal status and responsibilities as non-executive members.

68. Executive board members are not permitted to chair the group board or the board of a subsidiary housing association.

69. Executive board members are not permitted to be members of, or chair, Risk & Audit Committee or Remuneration & Nominations Committee but may attend to advise the non-executive members of these committees.

70. Executive board members are not permitted to vote on the membership of Remuneration & Nominations Committee.

71.



#### **4.7. Shareholders**

72. The Group's shareholding policy is to limit new shares to current members of the board.



**Hilary Roberts**  
Group Chief Executive

- Executive board member for
- Jigsaw Homes Group
  - Adactus Housing Association
- Lead executive for:
- Group board



**Tony Powell**  
Deputy Chief Executive

- Executive board member for
- Jigsaw Homes Group
  - Commercial board
  - Great Neighbourhoods
- Lead executive for:
- Commercial board
  - Great Neighbourhoods



**Brian Moran**  
Deputy Chief Executive and Group Company Secretary

- Executive board member for
- N/A
- Lead executive for:
- Chair's Committee
  - Risk & Audit Committee
  - Remuneration & Nominations Committee



**Paul Chisnell**  
Executive Director Finance

- Executive board member for
- Jigsaw Homes Group
  - Beech Housing Association
- Lead executive for:
- N/A



**Andy Marshall**  
Group Director of Asset Management

- Executive board member for
- N/A
- Lead executive for:
- N/A



**Katie Marshall**  
Group Director of Development

- Executive board member for
- N/A
- Lead executive for:
- N/A



**Emma Wilson**  
Group Director of Neighbourhoods

- Executive board member for
- Gedling Homes
- Lead executive for:
- East board
  - South board

**Figure 2:** The Executive Team and their membership of boards / lead executive roles.

## 5 Performance, Delegation and Control

73. This section outlines the key elements of the Group's performance, delegation and control mechanisms.

### 5.1. Corporate Plan

74. The Group's Corporate Plan sets out our medium term plans. It is reviewed annually by the Jigsaw Homes Group board and builds on the work of the executive and non-executive from across the Group which takes place at strategy events held twice each year.

#### Board Strategy Events

75. Two strategy events are held each year. These bring together non-executives from across the Group to consider together matters which may influence future group strategy – particularly relating to the Corporate Plan.
- 76.
77. By virtue of the Intragroup Agreement, the Corporate Plan applies to all of the Group's members and sets out the fundamental milestones and performance targets that should be achieved each year.
78. It provides the basis for much of the performance monitoring which is reported to the board and to committees.

### 5.2. Risk Management

79. A core element of the Group's governance arrangements is a robust approach to risk management and internal controls assurance.
80. This is outlined within the Group's Risk Management Policy, which is supported by the Group's approaches to business planning, treasury management, health and safety, business continuity and disaster recovery.
81. The Group's internal controls are regularly tested through a programme of internal audit and reported to Risk and Audit Committee. This is provided via a co-sourced service which draws upon the knowledge and skills of an in-house internal audit service, supported by KPMG.

### 5.3. Scheme of Delegation

82. The Group's Scheme of Delegation sets out which matters are reserved for board decision and which are delegated to committees or to the executive team. It applies to all members of the Group.



## **5.4. Terms of Reference**

83. Terms of Reference clearly describe the remit of each board and committee in the Group's governance structure.

## **5.5. Financial Regulations**

84. Financial control of the Group is achieved through Financial Regulations. This document applies to all members of the Group.

## **5.6. Forward Plan**

85. A Forward Plan containing the dates of future meetings is published electronically and made available to all non-executives via BoardPacks. Meeting dates and their proposed content are updated on a rolling basis to provide at least twelve months advance notice to members of planned meetings.

## **5.7. Annual Governance Review**

86. Each year your board or committee will set aside time to review its governance arrangements to ensure they remain fit for purpose. Outcomes of the review will be reported to Risk and Audit Committee, who will scrutinise common themes and report to the Group Board.

# **6 What You Can Expect**

87. We look to provide a range of support which will enable you to conduct your role efficiently and effectively. Some key areas of support are detailed below.

## **6.1. Induction**

88. Induction is an important step in helping you to quickly feel at home to maximise your contribution from your first day in the role.
89. This handbook and the documents it signposts are the key sources of information provided to new members. We will ensure that the following items are highlighted to new members:

- Relevant Rules or Memorandum and Articles of Association
- Previous board agendas and reports
- Corporate Plan
- Financial Regulations
- Scheme of Delegation

- Key Policies (e.g. Probity and Anti-Fraud)
- NHF publications:
  - Excellence in Governance
  - Code of Conduct

90. In addition, induction will include:

- Meeting with the relevant Chair/s and a member of the Executive Management Team to provide an overview of the Group, explain the role of non-executives and to establish any training needs.
- As required, observation of a board or committee meeting.
- Training in the use of the IT equipment used to distribute board agendas/papers (iPad / BoardPacks).
- The option of spending time with each member of the Executive Management Team, who will explain their role and the nature of their work.

## 6.2. Appraisal

91. The Regulator of Social Housing expects that the requisite skills and capabilities of a board should centre on them having the “right competencies, experience and technical knowledge appropriate to the size, scale and risk profile of the organisation”.
92. The Group’s assessment of board skills therefore focuses on the ability of members to adequately understand and contribute to the control of the risks faced by the body they govern.
93. All our non-executives are subject to annual appraisal. This provides opportunity to reflect back on your contribution during the year. Performance and training needs are also assessed.
94. The appraisal process is externally moderated and will provide you with an overall score. Of this:
- 60% will be based on your understanding and expertise relating to the Group’s key risks.
  - 40% will be based on your demonstrable behaviours. This focuses on *attendance, contribution and conduct*.
95. The Remuneration and Nominations Committee has oversight of the appraisal process. On completion of the appraisal process, the committee will consider the appraisal results and determine whether changes to board composition are required. Should the committee determine that a change in board composition is required, members may be asked to step down to enable new recruitment to take place.
96. Full details of the Group’s approach are outlined in the [Appraisal Policy](#).

### **6.3. Training**

97. Output from the appraisal process will be used to develop an annual programme of non-executive training. Additional training may also be programmed from time to time to raise awareness and knowledge around key corporate objectives or where there are significant changes within the Group's operating environment.
98. To support the training programme, training events may be held and where appropriate presentations and videos will be provided electronically via BoardPacks.
99. You may also be asked to undertake online training from time to time to demonstrate your knowledge of a particular policy area or to confirm that you have read and understand a policy. Where non-executives consider that they already have the requisite knowledge in a subject, they may be required to provide documentary evidence to support this in order not to be required to undertake the training.

### **6.4. Equipment**

100. In undertaking your role, you will be provided with an iPad which includes the BoardPacks app. Training will be provided so you can navigate BoardPacks; particularly with respect to accessing agendas / board reports and the Knowledge area of the app where key documents are stored.
101. Each iPad is 4G enabled and non-executives may use their iPads for non-Group use. Usage must be in accordance with the mobile device agreement which members sign when equipment is issued. This includes accepting liability to pay for any data usage in excess of the defined amounts so please be careful – particularly when traveling abroad.

### **6.5. Pay and Expenses**

102. You will be compensated for your services as a non-executive. It is also the Group's policy to reimburse you for reasonable out of pocket expenses incurred in connection with your official duties.
103. Payment levels are set by the Remuneration and Nominations Committee. It is important to note that as the non-executive role is undertaken in a personal capacity, payment will only be made directly to individuals and not via companies or other bodies.
104. Receipt of payment in no way constitutes employment by the Group and you are not eligible for auto-enrolment in any of the Group's pension schemes.
105. It is your responsibility to ensure you declare any payment you receive or are entitled to receive to the relevant authorities / agencies.

### **6.6. Communication**

106. It is important that we communicate with you on a regular basis. We use a variety of methods to ensure that you are well informed of the decisions and activities of the Group as a whole and of board and committee business.

107. Key elements are outlined below:

- Board agendas, reports and meeting minutes accessible through the BoardPacks app.
- Corporate policies and other key documents accessible through the BoardPacks app.
- Strategy events will be held each year to enable you to get together with members from across the Group and enter into joint discussion on key issues.
- You will be invited to occasional training events.
- We will keep you informed of significant developments within the Group via email.
- You can receive general news via the Group's website and social media feeds.
- The Group's Governance Team will support you with any ad hoc queries as they arise.

## **6.7. Production of Agendas**

108. We will normally publish agendas onto BoardPacks two Fridays before the respective meeting date.
109. We will endeavour to always provide written reports where practicable so that verbal items will be an exception. If additional reports are added to the agenda post publication, members will be informed by email.
110. In reviewing board reports, you will be asked to submit any simple questions or points of clarification by email to the Governance Team no later than one week prior to the meeting. This will enable a response to be provided prior to the meeting to maximise the time available in the meeting to discuss more substantive issues.

## **6.8. Recruitment and Succession**

111. We take great care to recruit members with the skills required and will endeavour to build a board composition that reflects the makeup of the communities in which we work.
112. The recruitment of new non-executives is overseen by the Remuneration and Nominations Committee.

### **Non-Executive Length of Service**

113. The Group is working to implement a policy of fixing non-executive terms to rolling, one year periods up to a maximum of nine years.
114. Following cessation of service, an individual will not be reconsidered for a vacancy on any board within the Group for a period of three calendar years from their last

day in the role.

115.

## 7 Useful Contacts

116. A key role of the Group's Governance Team is to support our non-executives in carrying out their duties. Should you require any assistance, please do not hesitate to get in touch – one of the team will be happy to help you.

### 7.1. Key Contacts



**Brian Moran**  
Deputy Chief Executive and Group Company Secretary

Email: [brian.moran@jigsawhomes.org.uk](mailto:brian.moran@jigsawhomes.org.uk)

Mobile: 07793 186781

Board coverage: All boards and committees



**Richard Houghton**  
Director of Operations

Email: [richard.houghton@jigsawhomes.org.uk](mailto:richard.houghton@jigsawhomes.org.uk)

Mobile: 07717 581435

Board coverage: All boards and committees



**Matthew Selby**  
Group Head of Governance and Risk Management

Email: [matthew.selby@jigsawhomes.org.uk](mailto:matthew.selby@jigsawhomes.org.uk)

Mobile: 07718 783 355

Board coverage: All boards and committees



**Rashida Bibi**  
Governance Officer

Email: [rashida.bibi@jigsawhomes.org.uk](mailto:rashida.bibi@jigsawhomes.org.uk)

Direct Dial: 0161 331 2171

Board coverage: Group Board /  
Remuneration and Nominations



**Pauline Gresty**  
Group Administration Manager

Email: [pauline.gresty@jigsawhomes.org.uk](mailto:pauline.gresty@jigsawhomes.org.uk)

Direct Dial: 01942 267 701

Board coverage: Group Board / Chairs  
Committee / Landlords

Please note that Pauline works on  
Wednesday and Friday only



**Ceri Smith**  
Governance and Risk Coordinator

Email: [ceri.smith@jigsawhomes.org.uk](mailto:ceri.smith@jigsawhomes.org.uk)

Direct Dial: 0161 331 2378

Board coverage: Risk and Audit  
Committee / Commercial Board / Great  
Neighbourhoods

**Figure 3:** Governance team – key contacts.

## 7.2. General Enquiries

117. Should you have any general enquiries, these can be forwarded to the Governance Team's general email address:

governance@jigsawhomes.org.uk

118. This address is monitored on a daily basis and correspondence forwarded to the member of the team best placed to deal with the enquiry.

## 8 Document Control

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Responsible Officer/s:	Brian Moran, Deputy Chief Executive and Group Company Secretary
Date of Approval:	12 September 2018
Approved by:	Jigsaw Homes Group Board
To be Reviewed Every:	Year

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Creating homes. Building lives.

Jigsaw Homes Group Ltd.

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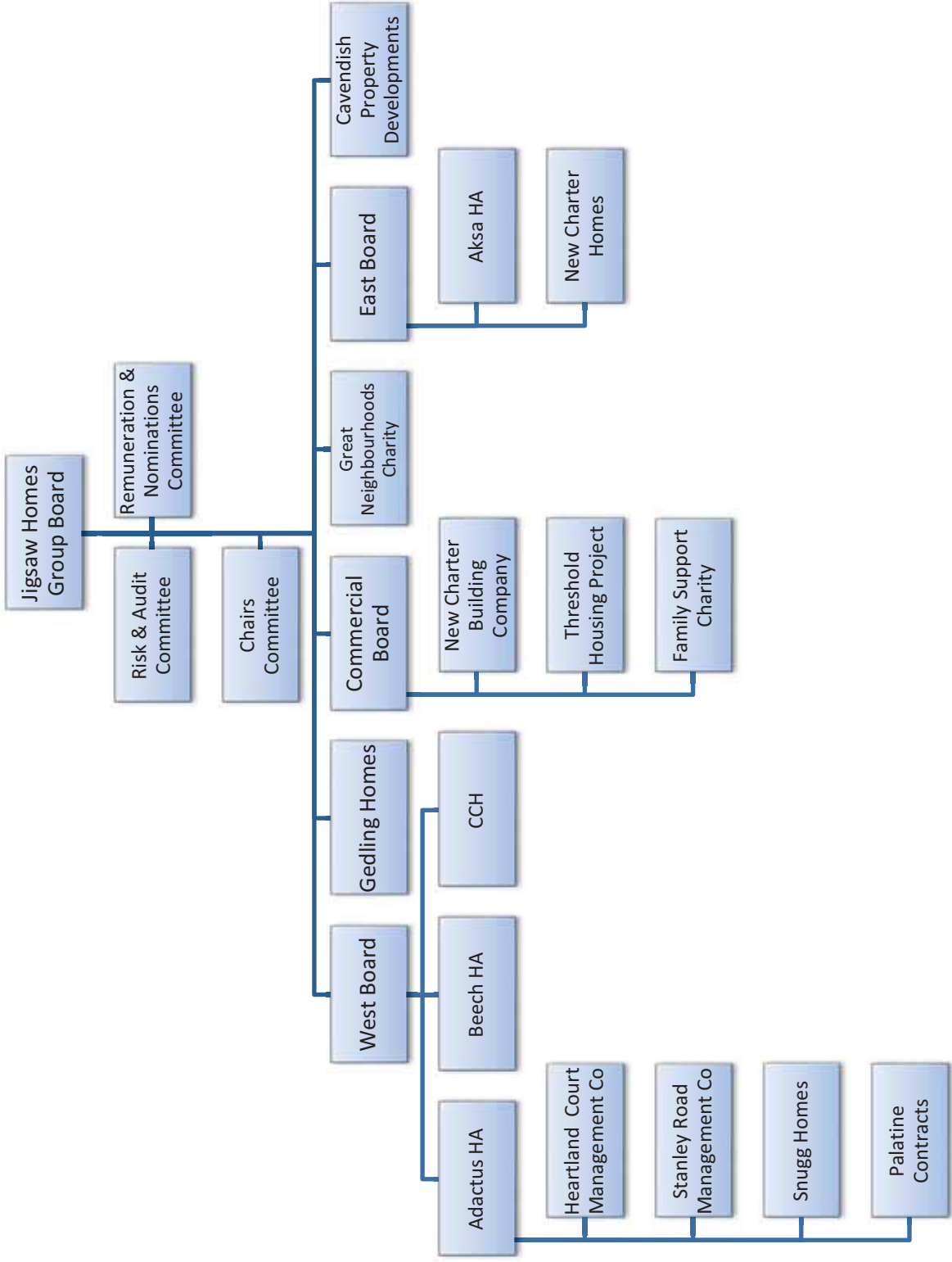
<https://www.jigsawhomes.org.uk>  
0300 111 1133  
[info@jigsawhomes.org.uk](mailto:info@jigsawhomes.org.uk)

Regulated by the Regulator of Social Housing Registration No. LH 4345

Registered under the Co-operative and Community Benefit Societies Act 2014 Registration No. 29433R

Document produced on 21 September 2018.

# JIGSAW HOMES GROUP EXISTING STRUCTURE



# Corporate Plan



Creating homes. Building lives.



## Plan on a Page

Priority	Goal	Goal Target	Project
Caring for our customers, our assets and neighbourhoods	Achieve an overall Net Promoter Score of 30	31/03/2021	Customer Contact Strategy
			Customer Insight Mechanisms
			Maintenance Delivery Model
			Neighbourhood Plan Model
	Maintain compliance with Decent Homes Standard	Throughout	Asset Management Strategy
	Launch the Jigsaw Foundation	31/03/2019	Jigsaw Foundation
Building a strong corporate foundation	Maintain G1 V1 ratings across the Group	Throughout	Data collection and analysis
			Governance review
	Deliver the business case for merger	31/03/2023	Disposals Policy
			Environmental Sustainability Strategy
			Influence and Partnerships Strategy
			IT Strategy
			Pensions review
			Procurement and stores review
Tenancy Strategy			
Valuing staff	Attain three star accreditation with Best Companies	31/03/2021	Communications Strategy
			Integrated management and pay structure
			People Strategy
Growing the business	Deliver current programmes of 2,100 homes	31/03/2021	Development Strategy
	Prepare to deliver an additional 130+ homes on current levels of output	31/03/2021	Financial Capacity Review
			Treasury Structures Option Appraisal
	Leverage external funding to deliver services to vulnerable groups	Throughout	Building Company Strategy
			Social Business Strategy

# Contents

<b>1</b>	<b>Introduction</b>	<b>1</b>
<b>2</b>	<b>About Jigsaw Homes Group</b>	<b>2</b>
2.1	The Group's Activities . . . . .	2
2.2	Corporate Structure and Governance . . . . .	2
2.3	The Business Case for Merger . . . . .	3
2.4	Vision, Mission and Corporate Values . . . . .	4
2.5	Resources . . . . .	5
<b>3</b>	<b>Our Operating Environment</b>	<b>10</b>
3.1	2018 PEST Analysis . . . . .	10
3.2	Our Customers and Neighbourhoods . . . . .	14
3.3	Corporate Risks . . . . .	15
<b>4</b>	<b>Our Plans</b>	<b>17</b>
4.1	Strategic Priorities and Goals . . . . .	17
4.2	Key Projects . . . . .	18
4.3	Tracking Performance . . . . .	19
	<b>Appendices</b>	<b>21</b>
<b>A</b>	<b>Board Members, Directors and Executive Officers</b>	<b>21</b>
<b>B</b>	<b>Stress Testing the Plan</b>	<b>25</b>
<b>C</b>	<b>Corporate Plan Projects Costs and Benefits</b>	<b>33</b>
<b>D</b>	<b>KPIs and Targets</b>	<b>36</b>

# 1 Introduction

1. I am very pleased to introduce the first Corporate Plan for Jigsaw Homes Group: a document that has been co-created by the executive and non-executive together through two workshop sessions and thorough debate at board meetings. The plan has been adopted by all of the Group's members and will be reviewed and updated as part of our annual corporate planning cycle.
2. I hope that this Corporate Plan fulfils a dual purpose: first and foremost as a working document for the Group's board members, its management and staff to understand, monitor and control the business; and secondly to summarise where Jigsaw is heading for our staff, stakeholders and partners.
3. In the following pages, we highlight the key internal and external issues affecting the Group and we explain how the Group will adapt to a changing and challenging operating environment to fulfil our Mission of:

"Creating homes. Building lives."

4. As we discuss the issues we face as a new Group, we explain why particular Corporate Plan projects will be undertaken during the coming years. Projects are highlighted within the text to sign-post this additional context and a full list of the projects we will focus on delivering is listed in section 4 (Our Plans) on page 17.
5. In this initial period post-merger, much of the plan is quite rightly focused on consolidation, but it is still ambitious: we are preparing the ground for a step-change in our output of new housing and in our capacity to do more good in the society we serve.
6. This ambition is reflected in the stretching targets we have set for ourselves on page 20 (vFM metric targets.) and in Appendix D (KPIs and Targets).
7. I look forward to delivering this Corporate Plan with my colleagues across the Jigsaw Group. Together we will make a real difference to the housing sector and for our future and current customers.



**Fay Selvan**  
Chair

## 2 About Jigsaw Homes Group

8. Jigsaw Homes Group was formed in 2018 through the merger of two of the housing sector's leading organisations: Adactus Housing Group and New Charter Housing Trust. Our new Group brings together 13 organisations working in unison to tackle inequality throughout the North West and East Midlands.
9. The principal members of the Group are:
  - Adactus Housing Association Ltd.
  - Aksa Housing Association Ltd.
  - Beech Housing Association Ltd.
  - Chorley Community Housing Ltd.
  - Gedling Homes Ltd.
  - New Charter Building Company Ltd.
  - New Charter Homes Ltd.
  - Threshold Housing Project Ltd.

### 2.1. The Group's Activities

10. Our members build, renovate and manage low-cost housing for rent and sale. We work to help regenerate neighbourhoods and increase life opportunities for disadvantaged individuals and communities. Our largest members are six housing associations, regulated by the Regulator of Social Housing (RSH) and legally known as Registered Providers. The latest *Regulatory Judgement* by the RSH confirms that Jigsaw is fully compliant with the RSH's *Regulatory Standards* – our published ratings for governance and viability are 'G1' and 'V1' respectively.
11. We also provide a range of charitable and supported housing services to help people live independently and to successfully maintain their tenancies. This work is often funded through external contracts awarded to the Group's members, and delivered on a commercial basis. As part of this plan, we will develop a new *Social Business Strategy* to provide a strategic framework for this activity.
12. Our core work is supported by a prudent level of non-social housing commercial activity, undertaken by the New Charter Building Company. The scope of this work will be determined in a *Building Company Strategy* which will be adopted early in the life of this plan.

### 2.2. Corporate Structure and Governance

13. The Group's current corporate and governance structure is shown in Figure 1 on the following page. Figure 1 highlights how the Group uses overlapped boards to simplify its governance arrangements and to make the best use of the shared skill-set of our board members and directors.





**Figure 1:** Corporate and governance structure – board meetings for organisations below the bold headings are held contemporaneously using overlapped meetings.

14. We subscribe to the 2015 edition of the National Housing Federation’s *Code of Governance*<sup>1</sup>.
15. A *Governance Review* will be undertaken during the year and in accordance with a pre-merger agreement and best practice, we will seek to simplify the corporate structure. Our aim in particular will be to ensure that responsibilities in our governance structure are clear and transparent.
16. Further details about our executive and non-executive are provided at Appendix A.

### 2.3. The Business Case for Merger

17. Our Group was formed to deliver a *Business Case for Merger* which was approved by the boards of Adactus Housing Group and New Charter Housing Trust in 2017. Necessarily, the desire to deliver on the promise of the Business Case provides the mood music for much of this Corporate Plan.
18. The anticipated outcomes from the Business Case are summarised in the box below:

**Anticipated Outcomes**

- A common strong social purpose with aligned vision and values extending beyond housing.
- Stronger services aligned to the needs of tenants and customers.
- An organisation with a highly engaged, motivated and skilled workforce.
- A step-change in influence and strategic impact within current areas of operation and nationally.

<sup>1</sup><https://www.housing.org.uk/resource-library/browse/code-of-governance/>

- Well-placed to make the most of opportunities arising from devolution, particularly in a Greater Manchester context.
- Adoption of best practice approaches to service delivery from two award-winning organisations.
- Savings of at least £3m per annum achieved within three years.
- Savings of at least £10m per annum achieved within five years.
- Additional capacity to respond to risks and opportunities arising in an uncertain environment.
- Additional capacity from efficiency savings to provide at least 130 additional new homes every year, with further capacity being generated following a future refinancing.
- Additional capacity to regenerate and invest in communities.
- A commitment to place-based working where the organisation can make a significant impact.
- An organisation with a strong community focus.

19.

20. All of the projects determined in this plan are directly related to the delivery of the *Business Case for Merger* and seek to improve the economy, efficiency and effectiveness of the newly combined businesses.

## 2.4. Vision, Mission and Corporate Values

### Vision

21. Our Vision is:

"We want everyone to live successfully in a home they can afford."

### Mission

22. We will do this by:

"Creating homes. Building lives."

### Corporate Values

23. We will ensure that the following values are evident through our work:

- Empowerment

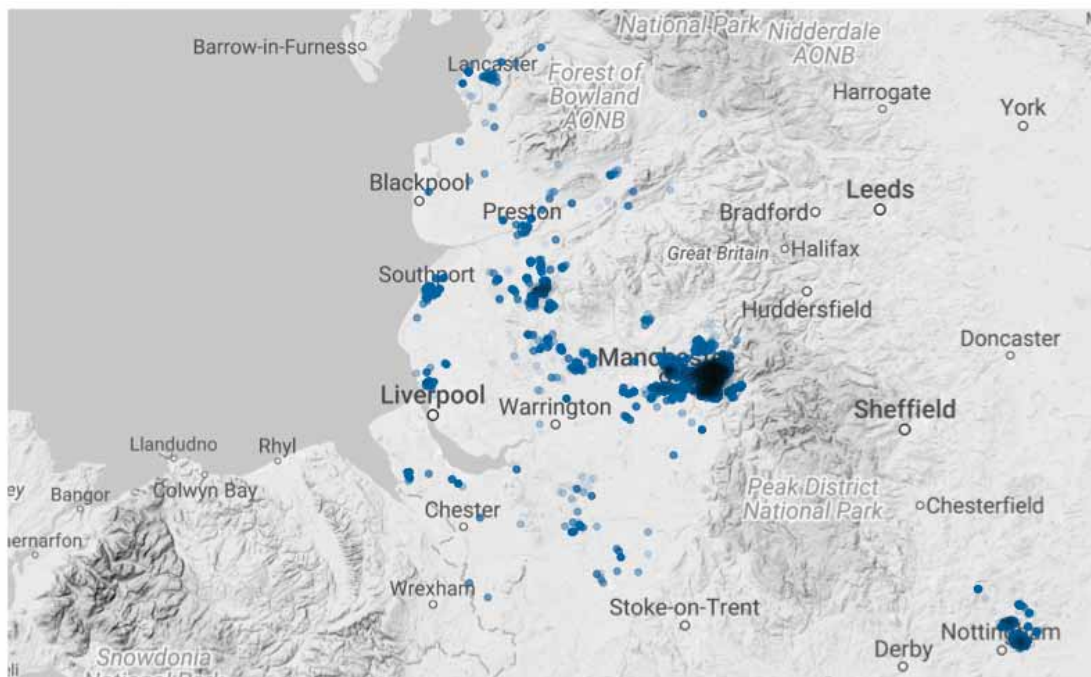
- Social Impact
- Efficiency
- Collaboration
- Innovation

## 2.5. Resources

24. We will use our combined housing assets, staffing and financial resources to deliver this plan.

### Housing Assets

25. The core of our business is centered on the management of 33,995 homes — principally social housing for rent. The location of homes managed by our members is shown in Figure 2 on the current page. The Group is active in 25 local authority areas.



**Figure 2:** Location of housing stock — darker shading shows concentrations in Greater Manchester, Lancashire and Nottinghamshire.

26. This year, our housing assets are expected to generate an income of £165.1m against anticipated costs of management, maintenance and investment of £104m. In total, the Group’s members have £956m of capital deployed in their housing assets which are expected to generate an average annual return of 6.3% over the next thirty years. This return is comfortably above the Group’s weighted average cost of loan finance of 4.92%, demonstrating that the asset portfolio as a whole generates a worthwhile financial investment.

27. As Jigsaw, we plan to build significant numbers of new homes through our [Development Strategy](#) which will continue to grow our asset base. In recognition that a small minority of our housing stock is beyond its economic life however we will also undertake a programme of active asset management within the terms of a new [Disposals Policy](#).

## Staffing

28. Together we employ 1,481 staff (1,280 full-time equivalent posts). Table 1 on this page summarises the staffing establishment. The diagram shows that 77% of employees have a front-office focus<sup>2</sup>. Notable numbers of staff are concentrated in roles that deliver our asset management, supported housing, neighbourhood management and independent living services.

<b>Business area</b>	<b>Back-office</b>	<b>Front-office</b>	<b>Total</b>
Allocation and Lettings	5	20	25
Asset Management	69	386	455
Caretaking	1	57	58
Contact Centre	6	58	64
Corporate Centre	66		66
Development	2	21	23
Finance	39	11	50
Grounds Maintenance	4	56	60
Human Resources	20		20
Income Collection	34	46	80
Independent Living	8	110	118
Information Technology	31		31
Legal	11		11
Neighbourhood Management	15	125	140
Supported Housing	34	246	280
<b>Grand Total</b>	<b>345</b>	<b>1,136</b>	<b>1,481</b>

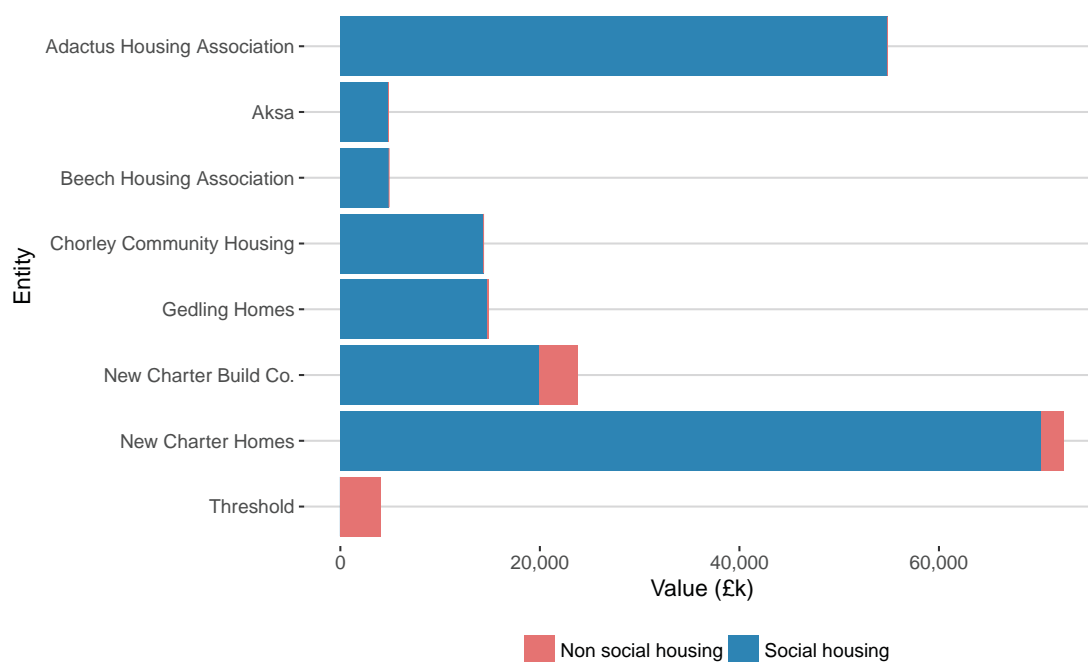
**Table 1:** Staffing establishment — the majority of staff have a front-office focus.

29. The budgeted staffing cost for 2018/19 is £47.12m.
30. A [People Strategy](#) will be adopted during the year and will seek to tackle the human resource challenges faced by the new Group alongside projects to develop a [Communications Strategy](#) an [Integrated Management and Pay Structure](#) and a [Pensions Review](#).

<sup>2</sup>i.e. are customer-facing roles.

## Finance

31. As measured by financial turnover, together we are the 30<sup>th</sup> largest housing group in the country<sup>3</sup>. The turnover of the Group's principal members is shown in Figure 3 on the current page.

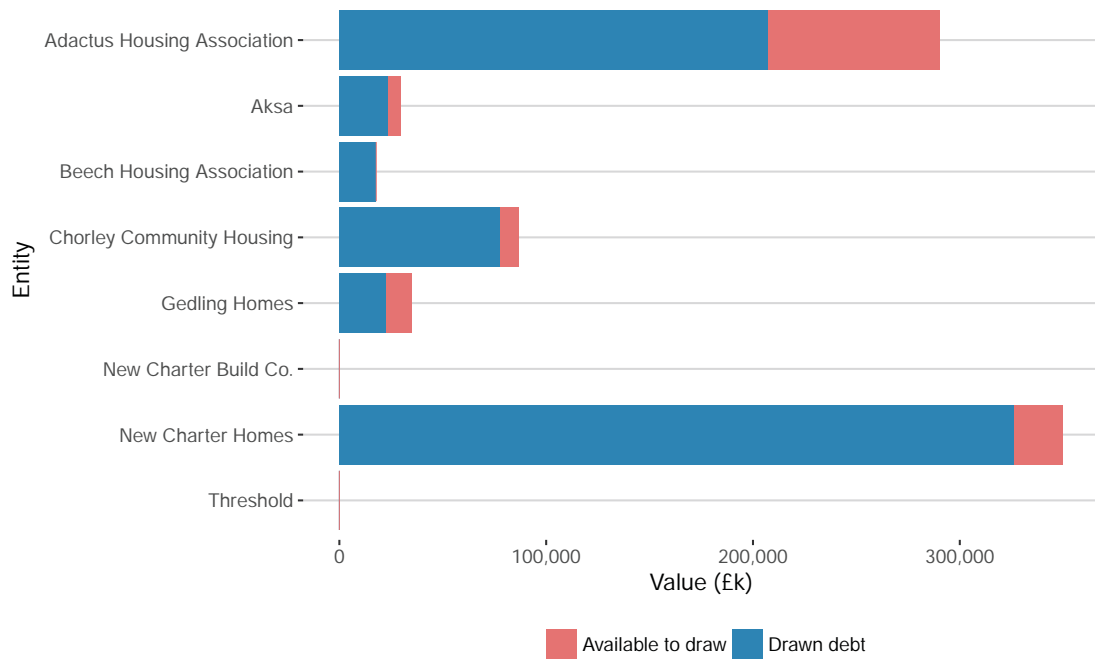


Source: Financial Statements 2016/17.

**Figure 3:** Turnover analysis – the vast majority of the Group's turnover is based on social housing activities.

32. The current levels of borrowing and the financial capacity of the Group's principal members is shown in Figure 4 on the following page.
33. Each Group member has its own financial plan. The financial plans take the income and expenditure of each association and apply business and economic assumptions to them to produce a financial forecast over a 30 year period. These financial forecasts underpin the business and help ensure that there are sufficient financial resources to achieve the Group's corporate objectives.
34. A consolidation of the financial plans is shown in Figure 5 and Figure 6.
35. The Group's financial position remains robust over the period of the *30 Year Financial Plan*. Highlights include:
- A reduction in operating costs of c. £3.4m by 31/03/2019, exceeding the requirements of the *Business Case for Merger*.
  - Asset base growth of c. £64.6m by the end of current development plans.
  - Average growth in turnover of 1.32% per annum.

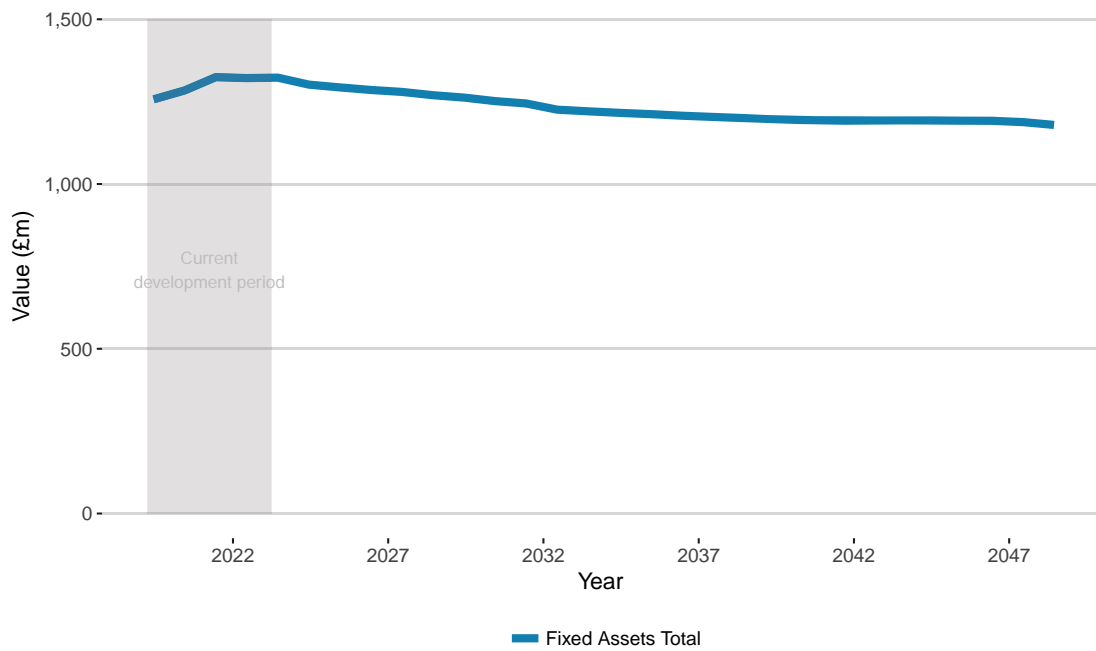
<sup>3</sup><https://www.gov.uk/government/publications/2017-global-accounts-of-private-registered-providers>



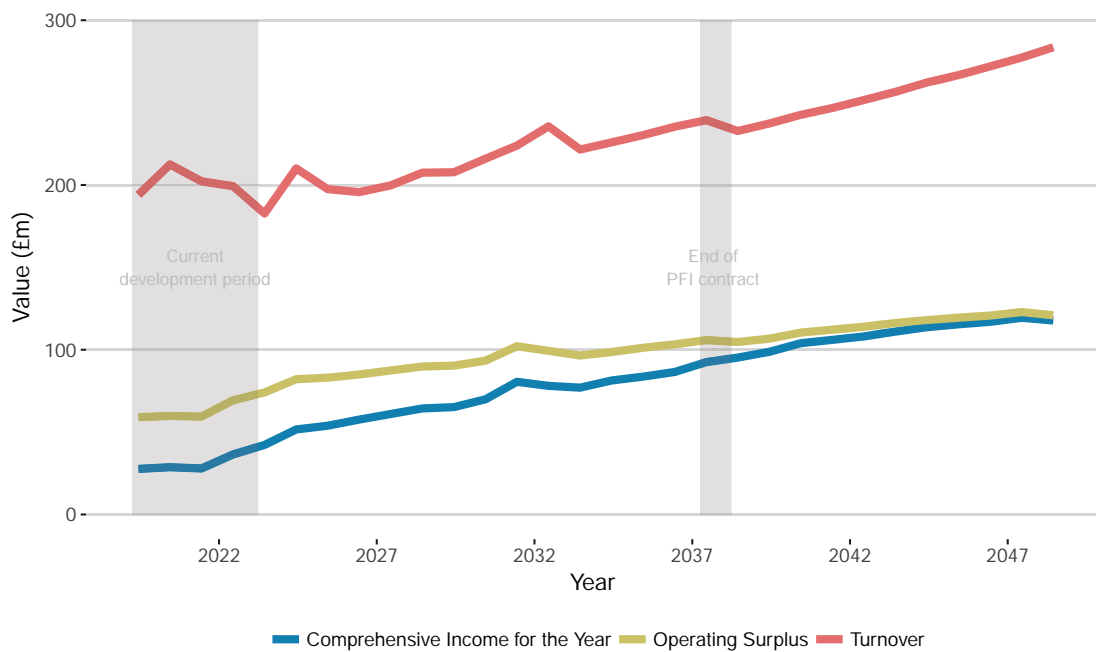
**Figure 4:** Loan finance — the Group’s members have adequate financial headroom.

- Average growth in operating surplus of 2.5% per annum.
- Average growth in total comprehensive income for each year of 5.12% per annum.

36. Stress scenarios have been modelled to test whether the business is able to continue to operate within its key loan covenants should highly unusual (but plausible) events occur. The results of the stress tests are provided at Appendix B.



**Figure 5:** Total assets – the value of assets grows during the current development period.



**Figure 6:** Operating performance – surpluses increase through the life of the plan.

### 3 Our Operating Environment

37. This section presents an analysis of our understanding of the most significant features in Jigsaw's operating environment. The Group's strengths, weaknesses, opportunities and threats are considered in the context of the following PEST Analysis<sup>4</sup>.
38. The key issues identified are *italicised* in the text below.

#### 3.1. 2018 PEST Analysis

##### Political Environment

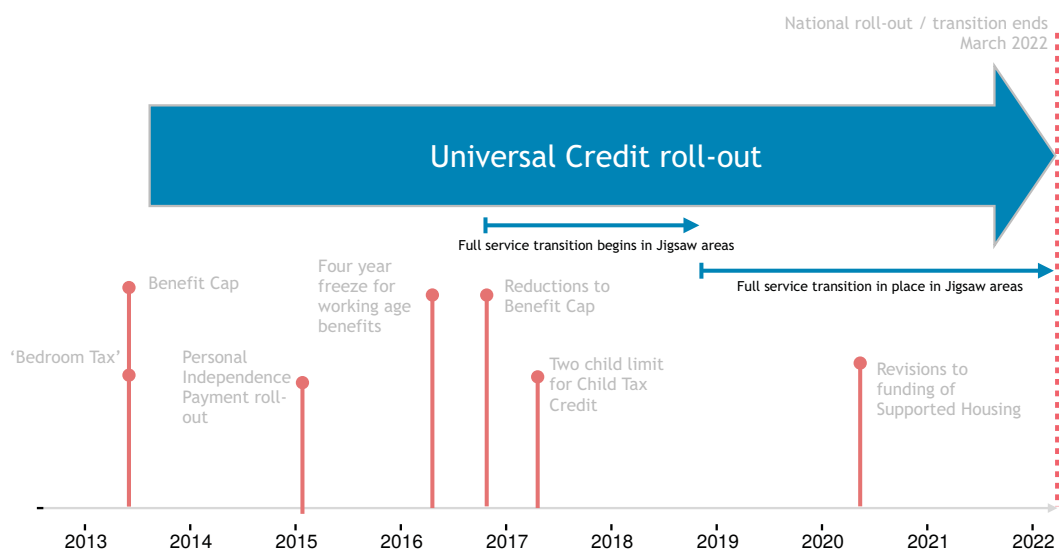
39. *Value for Money (vFM)* is defined by the National Audit Office as the "optimal use of resources to achieve the intended outcomes"<sup>5</sup>. The delivery of vFM is considered to be the most dominant theme in our political environment for three reasons:
1. Good governance should ensure that resources are effectively used to deliver objectives. Given the definition of vFM above, it logically follows that a well governed and managed organisation should achieve vFM as a normal outcome of its operations.
  2. Jigsaw Homes Group was founded on a strong desire to reduce costs, adopt better processes and produce better outcomes for its founder members. The mandate for the new Group from the outset is therefore firmly focused on the delivery of vFM and action to improve vFM is a major part of this plan.
  3. The delivery of vFM by the housing sector remains high on the government's and on the regulator's agendas.
40. The content of this Corporate Plan should be understood as the articulation of the Group's strategy for vFM. The Group's use of resources is highlighted in section 2 and our intended outcomes are set out in section 4. Reporting on the achievement of the Group's plans — the extent to which vFM will be delivered — will be published to stakeholders within the Group's annual *Financial Statements*.
41. The continuing implementation of government *Welfare Reforms* is a highly significant theme in the operating environment. The government's plans are summarised in Figure 7 on the next page. In recent months — positively — the UK government has reversed its previous decisions about limiting housing benefit payments which were expected to prove highly problematic for the sector. The 2017 autumn budget also provided welcome news in determining that social housing rent increases for five years post-2020 will exceed inflation in the economy. The impact of the roll-out of Universal Credit continues to be concerning however and its potential impact on our customers remains somewhat unclear.
42. The *Decent Homes Standard*<sup>6</sup> remains a statutory obligation of core importance to the Group's purpose as a housing provider and compliance with the standard must

<sup>4</sup>A PEST Analysis categorises the features in the operating environment as Political, Economic, Socio-cultural, Technological.

<sup>5</sup><https://www.nao.org.uk/successful-commissioning/general-principles/value-for-money/assessing-value-for-money/>

<sup>6</sup><https://www.gov.uk/government/publications/a-decent-home-definition-and-guidance>





**Figure 7:** Welfare Reform Timeline — the transition from Housing Benefit to Universal Credit is well-underway in our areas of operation.

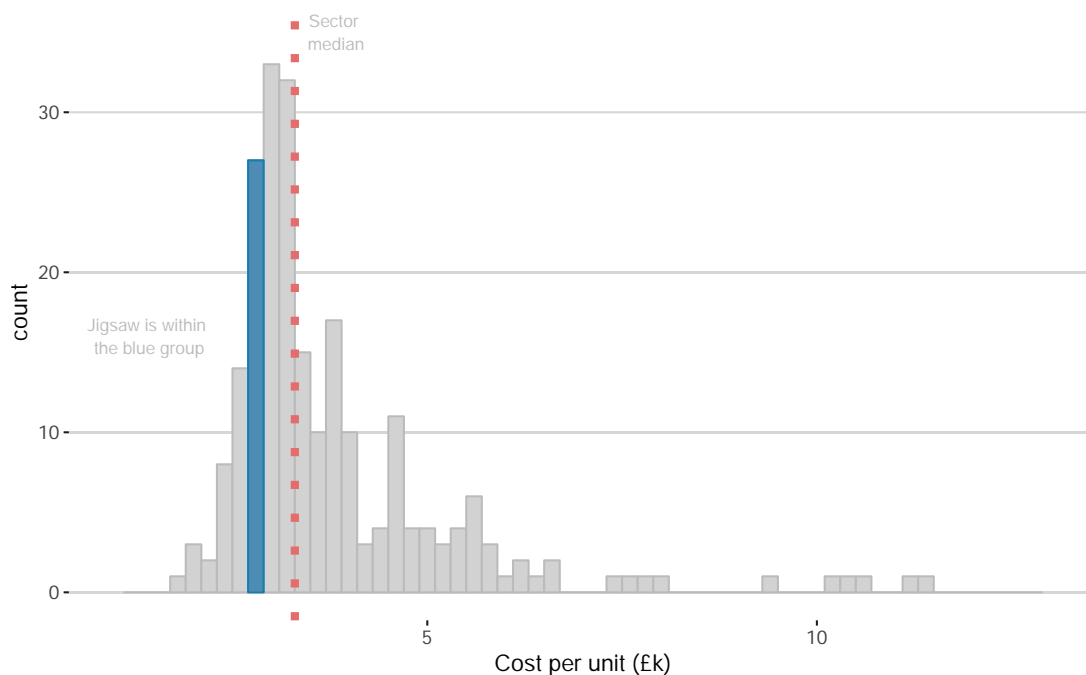
be maintained. During 2018/19 we will develop a new *Asset Management Strategy* to ensure that our obligations are delivered in an efficient and effective manner.

- 43. The extension of *Voluntary Right to Buy* to housing associations is a particular issue impacting Gedling Homes as a participant in the government’s *Voluntary Right to Buy* pilot due to begin in the Midlands during 2018.
- 44. As key strategic partners, *relationships with local authorities* are vital to the continued success of the Group. The delivery of our *Communications Strategy* will ensure that this constituency is appropriately informed about the Group’s plans and activities. We have significant stock holdings in Greater Manchester where the devolution agenda is well-advanced. We will adopt an *Influence and Partnerships Strategy* during 2018/19 to ensure that we play our role as a large organisation in helping to shape the political agenda.

### Economic Environment

- 45. The availability of, and our ability to be able to compete for, *available government funding* is the most important theme in the economic environment. Such funding is used with the Group’s surpluses to deliver wider support services and, in conjunction with borrowings, to develop new housing. Across our members, this funding has amounted to £61.4m over the last five years.
- 46. The Group will seek access to available funding through the delivery of its *Development Strategy* and *Social Business Strategy*.
- 47. The majority of government funding has been used to help deliver *new affordable housing* with 2,934 homes built or acquired during the last five years. The delivery of new housing is a core purpose of the housing association members of Jigsaw but has also been proven to provide our members with an economic advantage over

organisations with lower growth rates. In conjunction with a scalable approach to customer contact through the delivery of a contact centre operational model and the development of customer self-service options, growth has helped to reduce the Group's units costs to £2.8k per unit compared to a sector average of £3.3k per unit, as shown in Figure 8 on this page.



Source: 2017 Global Accounts and Units Cost data, HCA – legacy entities comprising Jigsaw have been consolidated.

**Figure 8:** Sector Headline Social Housing Costs per Unit – the Group has lower operating costs than the sector's average.

- 48. A new Customer Contact Strategy will be developed in 2018 to ensure that Jigsaw continues to benefit from such economies of scale.
- 49. The *interest rate environment remains favourable* with recent funding secured at a significantly lower cost than the Group's overall weighted average of 4.92%.
- 50. The nature of loan finance available to the housing sector has changed in recent years so that it is now more typical for *long-term funding to be provided by bond finance and private placements* instead of by the traditional high-street banks which dominated the market prior to the 2007 financial crisis. The *Business Case for Merger* anticipates a need to access the capital markets in the medium term. Projects during 2018-2021 to undertake a *Financial Capacity Review* and a *Treasury Structures Options Appraisal* will move this issue forward. The Group has been assigned a credit rating of "A3 with stable outlook" by Moody's.
- 51. *Bank lenders remain vital partners* with significant legacy long-term bank finance in place across the Group. Relationships with the banks will continue to be carefully managed.

## Socio-Cultural Environment

52. Overall high demand for low-cost housing is the defining feature of the sector with future supply likely to continue to be insufficient.
53. In comparison to 2014, by 2039 the government predicts<sup>7</sup> increased demand for housing in the North West and East Midlands by 433,000 and 396,000 more households respectively. A 2011 study<sup>8</sup> forecasts a need for additional rented social housing in the North West of 9,435–11,465 units per annum, and in the East Midlands 6,964–8,159 units per annum depending on different migration and economic growth scenarios. Meanwhile, the provision of new rented social housing is currently running at less than half this rate in both regions<sup>9</sup>.
54. We aim to help address this gap between supply and demand. Through our Development Strategy, Jigsaw will deliver 1,987 new homes by 2022. Projects commencing in 2018 to undertake a Financial Capacity Review and Treasury Structures Option Appraisal will provide the financial underpinning for this work into the medium term.
55. To ensure that our services remain relevant and in demand, it is vitally important to properly understand our *customer priorities and expectations*. To this end a 2018 project will review Customer Insight Mechanisms across Jigsaw. Work to date indicates that customer demands are focused on the provision of new housing and on our repairs and maintenance services. Our approach to these matters will be set out respectively in the Group's Development Strategy and Asset Management Strategy.
56. The Group's customers also demand responsive customer services and increasingly expect robust self service options to be available to them – an issue which will be addressed through the Customer Contact Strategy, alongside reviews of *office accommodation* and the Group's *Allocations & Lettings Policy*.
57. Our Group includes nine charitable organisations. We are therefore clear that we have a role to help address *inequality in society*. Our members currently work to tackle issues relating to access to housing, health, poverty, financial exclusion and street homelessness. In some cases these problems seem likely to be exacerbated by the *social consequences of welfare reform*.
58. A Neighbourhood Plan Model will be rolled-out across the Group in 2018 to provide a coordinated approach to addressing neighbourhood inequalities faced by our tenants.
59. We will adopt a Social Business Strategy in 2019 to help access additional funding to help raise equality in society. We will launch the Jigsaw Foundation in 2019 to provide access to funding for tenants and community groups working in their own neighbourhoods to address these same issues. The Foundation will be resourced from existing community expenditure across the Group which currently totals c. £500k per annum.

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<sup>7</sup>Table 425 <https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections>

<sup>8</sup>*The Good the Bad and the Ugly: Housing Demand 2025*, Institute for Public Policy Research

<sup>9</sup>Table 1008C <https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply>

## Technological Environment

60. The convergence of four interdependent technologies known by the acronym SMAC – for social, mobile, analytics and cloud – continue to offer significant opportunities to rethink business processes by creating what has come to be known as the *third platform*<sup>10</sup>.
61. To consider each aspect of this technology in turn:
62. *Social* – Our customers are communicating in ways that did not exist only a few years ago. Work to develop a *Customer Contact Strategy* during 2018 will focus in particular on the challenge of delivering services through multiple channels of communication with our customers. We will look to use digital contact methods wherever they are cost effective and enhance the customer experience. We will however remain mindful of the somewhat limited extent of digital inclusion amongst our customer-base and will ensure that our customers can access services of equivalent quality through non-digital means.
63. *Mobile* – Many of our employees already work on a mobile basis in "the field". The Group's members have gained significant advantages in particular from the mobilisation of their maintenance work forces but different hardware and software is in place to support this between members. A key issue to be addressed therefore by the *Maintenance Delivery Model*, with the support of the *IT Strategy*, is how best to harmonise this work.
64. *Analytics* – Data is a vital strategic asset to the new organisation. Perhaps most importantly, the availability of good data will be necessary to support good decision making. During 2018 a *Data Collection and Analysis* project will aim to ensure that such data is made available at board and management levels.
65. The availability of good data will also be necessary in order to gain benefits from the automation of back-office business processes and to build robust customer self-service options as envisaged in the *Business Case for Merger*.
66. *Cloud* – Cloud computing brings benefits in terms of access to systems and their speed of deployment. Threats arise however through the risk of creating fragmented systems and potential data protection vulnerabilities. The use of cloud services typically brings with it a move to a subscription payment model. In some cases this may prove to be less cost effective than more traditional outright hardware and software purchase models. Our approach to cloud services is explained in our *IT Strategy*.

### 3.2. Our Customers and Neighbourhoods

67. We provide general needs housing to rent, housing for older people, supported housing, shared ownership accommodation and a relatively small number of properties for market rent and outright sale. Our customers include families, young and older people in need of accommodation, and people with complex needs for whom the Group provides tailored support.

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<sup>10</sup> "The third platform is based on the online computing "cloud" and its interaction with all manner of devices, including wirelessly connected ones such as smartphones, machinery and sensors (known collectively as the "internet of things")." – *Tech pundits' tenuous but intriguing prognostications about 2016 and beyond*, The Economist, 2016

- 68. We work in a variety of environments including inner city areas, market towns, suburban and rural areas. Around one-half of our customers live in 71 areas where our homes are densely concentrated into clearly identifiable neighbourhoods. Each neighbourhood will receive a bespoke management focus through the application of a Neighbourhood Plan Model. *Neighbourhood Plans* will be monitored by the landlord boards.
- 69. In comparison with the general population of the regions in which we work, our tenants on average have lower incomes, a higher incidence of disability, greater ethnic diversity and are older (over one-quarter are entitled to draw the state pension). However accurate such general statements may be, they risk masking the diversity of our customers, which will be foremost in our mind when changing existing, or developing new services.

### 3.3. Corporate Risks

- 70. Figure 9 on the current page summarises the Group’s assessment of 45 risks which could impact on the delivery of this Corporate Plan.



The area of each rectangle is proportional to the assessment of Inherent Risk, darker shading indicates higher Residual Risk.

**Figure 9:** Risk analysis — the Group adequately controls its significant risks.

- 71. The diagram shows how the Group’s controls work to mitigate the likelihood or impact of risks. As a result, the residual assessment of all risks falls within the acceptable levels defined in the Group’s *Risk Management Strategy*.
- 72. Figure 9 also shows how the Group’s risk register is dominated by ‘People’ risks — predominantly Health & Safety concerns. We have adopted a comprehensive *Health & Safety Policy* to ensure that these risks are given due attention.
- 73. Our most significant residual risks are:

- Control failure leads to death or injury from fire.
- Control failure leads to death or injury from gas.
- Control failure leads to death or serious injury (staff/3rd party).
- Ineffective Safeguarding of staff, customers and third parties.

74. In accordance with the Group's *Risk Management Strategy*, the risk map is reviewed quarterly by the Group's Risk & Audit Committee and by board. The Committee presides over a programme of internal audit work which is based on the risks identified.

## 4 Our Plans

75. The following plans have been developed in the context of the preceding sections of this document which set out the Group's Vision and Mission, its available resources, and an analysis of its operating environment.

### 4.1. Strategic Priorities and Goals

76. We have adopted four Strategic Priorities to provide our work with a long-term focus:

- Caring for our customers, our assets and neighbourhoods
- Building a strong corporate foundation
- Valuing staff
- Growing the business

77. The delivery of each Strategic Priority will be tracked through medium-term Goals as shown in Table 2 on this page.

Strategic Priority	Goal	Goal Date
Caring for our customers, our assets and neighbourhoods	Achieve an overall Net Promoter Score of 30	31/03/2021
	Maintain compliance with Decent Homes Standard	Throughout
	Launch the Jigsaw Foundation	31/03/2019
Building a strong corporate foundation	Maintain G1 V1 ratings across the Group	Throughout
	Deliver the business case for merger	31/03/2023
Valuing staff	Attain three star accreditation with Best Companies	31/03/2021
Growing the business	Deliver current programmes of 2,100 homes	31/03/2021
	Prepare to deliver an additional 130+ homes on current levels of output	31/03/2021
	Leverage external funding to deliver services to vulnerable groups	Throughout

**Table 2:** Strategic Priorities and Goals.

## 4.2. Key Projects

78. We have adopted 23 short and medium-term Corporate Plan projects to help deliver our Goals. The projects are listed in the box below. Further detail about the costs and benefits of the projects is provided in Appendix C.

### Corporate Plan Projects

79. Goal: **Achieve an overall Net Promoter Score of 30**
- Customer Contact Strategy
  - Customer Insight Mechanisms
  - Maintenance Delivery Model
  - Neighbourhood Plan Model
80. Goal: **Maintain compliance with Decent Homes Standard**
- Asset Management Strategy
81. Goal: **Launch the Jigsaw Foundation**
- Jigsaw Foundation
82. Goal: **Maintain G1 V1 ratings across the Group**
- Data Collection and Analysis
  - Governance Review
83. Goal: **Deliver the business case for merger**
- Disposals Policy
  - Environmental Sustainability Strategy
  - Influence and Partnerships Strategy
  - IT Strategy
  - Pensions Review
  - Procurement and Stores Review
  - Tenancy Strategy
84. Goal: **Attain three star accreditation with Best Companies**



- Integrated Management and Pay Structure
  - People Strategy
  - Communications Strategy
85. Goal: **Deliver current programmes of 2,100 homes**
- Development Strategy
86. Goal: **Prepare to deliver an additional 130+ homes on current levels of output**
- Financial Capacity Review
  - Treasury Structures Option Appraisal
87. Goal: **Leverage external funding to deliver services to vulnerable groups**
- Building Company Strategy
  - Social Business Strategy
- 88.

### 4.3. Tracking Performance

#### Key Performance Indicators

89. A balanced scorecard of Key Performance Indicators (KPIs) has been developed to provide the board with quarterly information on business performance and the overall success of this Plan. The indicators and targets for 2018/19 are listed in Appendix D.
90. The Value for Money Metrics<sup>11</sup> introduced in 2018 by the Regulator of Social Housing comprise seven of the KPIs monitored by the board. In the case of the VFM metrics, annual targets have been established and are detailed in Table 3 on the next page.

#### Corporate Plan Delivery

91. Key milestones for each Corporate Plan Project have been established. Progress made in the achievement of milestones will be monitored by the Group's Risk & Audit Committee and reported to the Group board on a quarterly basis.

<sup>11</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/694835/Annex\\_to\\_VFM\\_Metrics\\_Technical\\_Note\\_-\\_FVA\\_lines.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/694835/Annex_to_VFM_Metrics_Technical_Note_-_FVA_lines.pdf)

<b>Metric</b>	<b>Targets</b>		
	2018/19	2019/20	2020/21
Reinvestment	5.9%	4.0%	4.8%
New supply delivered	1.0%	1.8%	0.9%
Gearing	51.5%	49.7%	49.3%
EBITDA MRI Interest Cover	174.3%	183.1%	197.6%
Headline social housing cost per unit	£3.34k	£3.22k	£3.12k
Operating Margin	29.6%	27.4%	29.0%
Return on capital employed	4.5%	4.5%	4.4%

**Table 3:** VFM metric targets.

**A. Board Members,  
Directors and  
Executive Officers**

## Jigsaw Homes Group Non-Executive



**Fay Selvan**  
Group Chair

Fay is Chief Executive of the Big Life Group which not only operates the Big Issue but also a range of social enterprises including children's centres, schools, employment services and health centres across the North.



**Jane Clayton**  
Group Vice Chair

Jane retired from work with Stockport Homes in June 2008, having had a very varied work life including a number of years as a Housing Officer. She has previously been a trustee of a national charitable organisation which works to eliminate homophobia and provides support to parents of children who are lesbian, gay or bisexual.



**Bridget Groake**  
Board Member

Bridget is Co-founder and Director of Commercial Compass Ltd, a business and management consultancy. Bridget has strong legal experience, and has previously held a number of influential roles including Head of Corporate and Legal for the Co-operative Group Ltd and Legal Counsel EMEA for Intervoice Brite Ltd.



**Ed Clivery**  
Board Member

Ed is a banking specialist having qualified with the institute of bankers and holds a BSc & BA(Hons) degree in Financial Services. He spent 17 years working for NatWest latterly as a New Business Development Director and is now with Lloyds, managing a portfolio of Manufacturing businesses.



**Dave Addy**  
Board Member

Dave has an exceptional track record at the highest level across the public sector both as an Executive (including CEO at the NHS Pensions Agency and Regional Director at the Legal Services Commission) and non-Executive (West Pennine Citizens Advice Bureau and University of Salford Students Union).



**Gill Brown**  
Board Member

Gill is the Governing Body lead for patient and public participation for Southport and Formby Clinical Commissioning Group. Prior to this role, Gill was Chief Executive for Healthwatch Lancashire, which acts as the public voice for health and social care. Gill has also had a number of years' experience of working in the NHS in a variety of clinical, research and board roles.



**Mark Dunford**  
Board Member

Mark is Executive Group Director of Resources at Together Housing Group where he has responsibility for Finance, Human Resources, OD, ICT, Risk, Vfm and Business Intelligence.



**Richard O'Connell**  
Board Member

Richard is currently the Financial Controller for Arts Council England whose annual budget is over £600m. The Arts Council provides development support and funding to the arts sector and museums across England. As a qualified accountant, he has previously worked at PricewaterhouseCoopers and as a Management Consultant with IBM and Capgemini.

## Executive Management Team



**Hilary Roberts**  
Group Chief Executive

Hilary is Group Chief Executive and has overall responsibility for all Group services.



**Tony Powell**  
Deputy Chief Executive

Tony is Group Deputy Chief Executive. He is responsible for Commercial Services including New Charter Building Company, Threshold and Supported Housing. He also leads on Partnerships and on GMCA liaison.



**Brian Moran**  
Deputy Chief Executive and Group Company Secretary

Brian is Deputy Chief Executive and Group Company Secretary. He is responsible for Governance and Regulation, Scrutiny, Business planning, Information Technology, data and reporting and the Connect contact centres.



**Paul Chisnell**  
Executive Director Finance

Paul is Executive Director Finance. He has responsibility for Finance, Treasury, Revenues, Rent, Payroll and leaseholders



**Christine Amyes**  
Executive Director Organisational Transition

Christine is Executive Director Organisational Transition and is responsible for Human Resources, Organisational Development, Legal Services, Risk and Insurance, Health and Safety, Marketing and Communications and Facilities Management.



**Katie Marshall**  
Group Director of Development

Katie is Group Director Development and is responsible for Group Development.



**Emma Wilson**  
Group Director of Neighbourhoods

Emma is Group Director of Neighbourhoods. She is responsible for Neighbourhoods, Independent/Retirement living, Community Development (including the Breathe Team), Anti-social behaviour, New Charter Group Lettings, Caretaking and Grounds Maintenance and for Gedling Homes.



**Andy Marshall**  
Group Director of Asset Management

Andy is Group Director of Asset Management. He is responsible for Asset Management and AHG Direct Labour Organisation, AHG Lettings and Grounds maintenance, AHG Miles Platting PFI and Compliance Health and Safety.

## Group Board Members

	Group	Commercial	Housing East	Housing South	Housing West	Risk & Audit Committee	Remuneration & Nominations Committee
Dave Addy	X					X	
Shoab Akhtar			X				
Olwen Baker					X		
Shalima Bibi			X				
Gill Brown	X	X					
Alan Cain					X		
Paul Chisnell	X				X		
John Clarke				X			
Jane Clayton	X				X		X
Ed Clivery	X				X		X
Mark Dunford	X	X					
Stephen Dunn							X
Geoff Durbin		X					
Lynne Garsden					X		
Carole Green		X					
Bridget Groarke	X					X	
Paul Hoey		X				X	
Bruce Jassi			X				
Melvin Kenyon				X		X	
Andrew Leah			X			X	
Paul Lees					X	X	
Roy Lees					X		
Janet Mutch			X				
Steven Normansell		X					
Richard O'Connell	X				X	X	
Tony Powell	X	X					
Michael Richmond			X				
Hilary Roberts	X			X	X		
Michelle Rudkin				X			
Tim Ryan				X			
Fay Selvan	X						X
Jane Taylor			X				
Michael Taylor		X					
Emma Wilson			X	X			
Paul Woodcock		X					

# **B. Stress Testing the Plan**



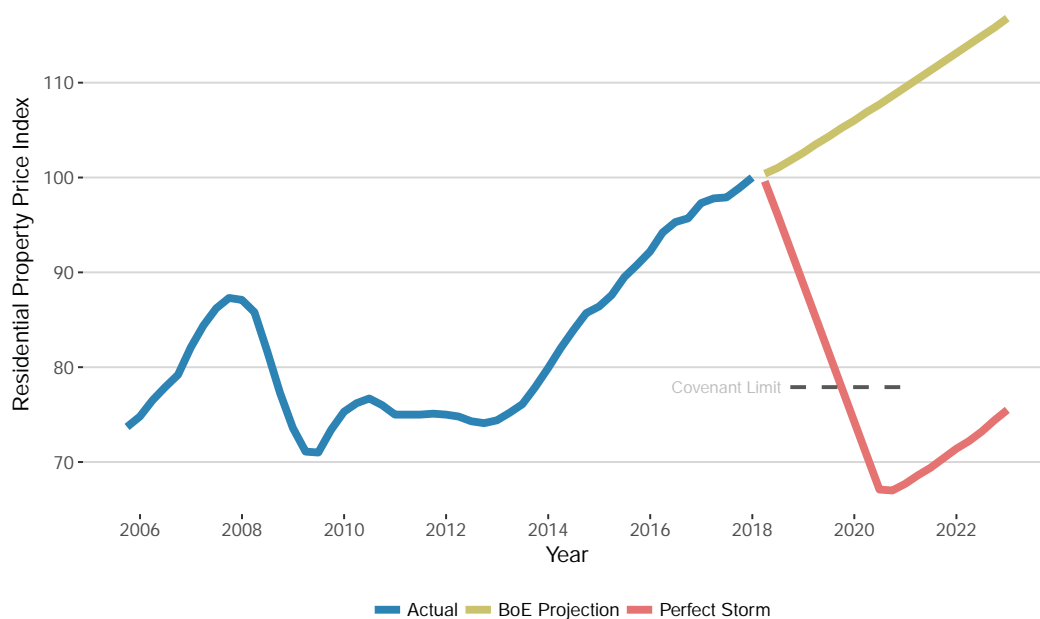


reserves and the valuation of stock secured against loans; and b) the impact of further rent cuts which reduces reserves.

- B.4. An exploration of the 'Perfect Storm' scenario has identified the tightest revenue and balance sheet loan covenants modelled under the stress scenario. These are highlighted below.

### Asset Cover

- B.5. Asset cover performance during the 'Perfect Storm' is robust. Figure B.2 on the current page shows that the collapse in the housing market envisaged in this stress scenario alongside the other aspects of the 'Perfect Storm' *would* cause a covenant breach in the Group, but only after a 22.1% fall in house prices. Although such a dramatic drop is not beyond the realms of possibility, it would require a more violent crash than the 18.7% fall in house prices experienced in the UK during seven quarters of the 2007–2009 *Great Recession*.
- B.6. The anticipated breach relates to a single loan facility held by Adactus Housing Association amounting to £6m. At the point in the scenario where house values are at their lowest under the 'Perfect Storm', the Association would need to provide an additional £582k of security to avoid the covenant breach. All other asset cover covenants are met throughout the stress scenario.
- B.7. Figure B.2 shows that the Bank of England's official projection is for house price growth to continue into the medium term.



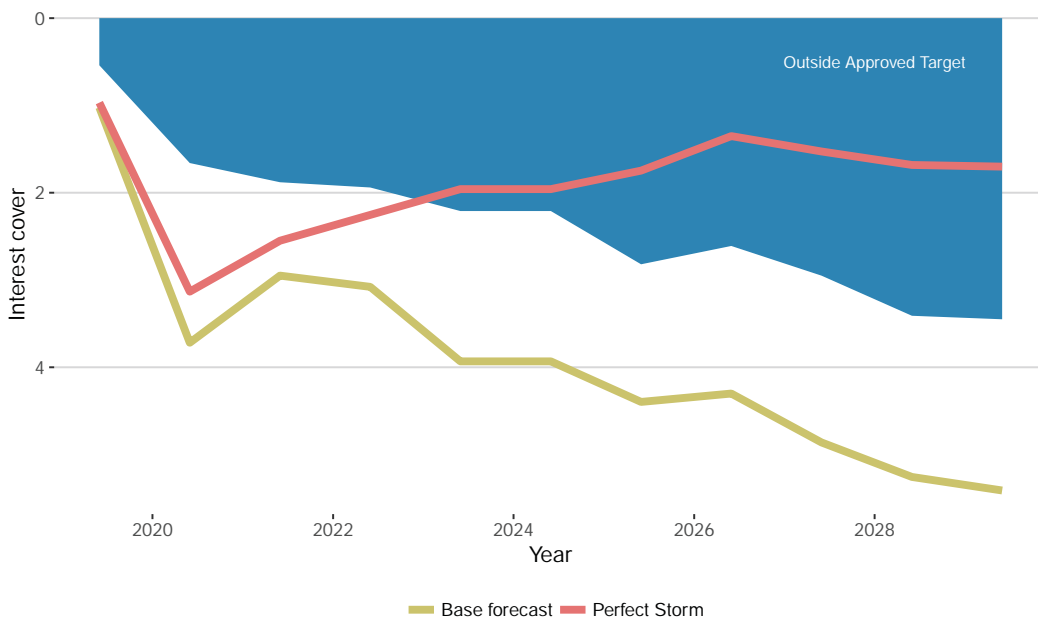
**Figure B.2:** House Prices under the 'Perfect Storm' – one asset cover loan covenant breaches following a sharp drop in house prices if corrective action is not taken.

## Gearing

- B.8. Under the 'Perfect Storm' scenario, the Group's members do not breach any loan covenants relating to gearing.

## Interest Cover

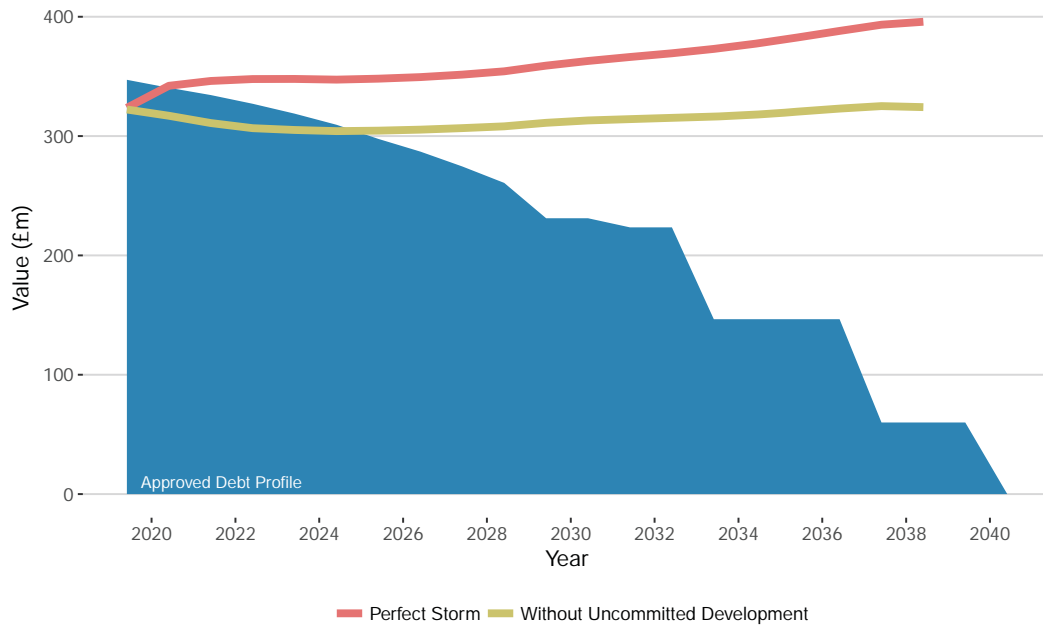
- B.9. Figure B.3 on this page shows that after several years of the 'Perfect Storm' scenario, Gedling Homes would breach its approved cash interest cover covenant. Gedling Homes is unaffected by the increase in interest rates modelled in this scenario but is found to be sensitive to relatively small increases in its cost base and reductions in its income. This issue is explored further in the second scenario presented below.



**Figure B.3:** 'Perfect Storm' impact on Gedling Homes cash interest cover – without mitigating action, Gedling would breach its covenant.

## Peak Debt

- B.10. Figure B.4 on the next page shows that New Charter Homes would be unable to remain within its approved debt profile if faced with the 'Perfect Storm' scenario. Further analysis confirms that New Charter Homes is particularly sensitive to the continued rent reductions envisaged in this scenario and would need to cut its expenditure to match a reduction in income to avoid a breach.
- B.11. Figure B.4 shows the impact of one possible mitigating action, the discontinuation of development programmes so that current uncommitted schemes are no longer progressed. It highlights that a breach would still occur under the 'Perfect Storm' but only after several years, providing sufficient time to introduce other mitigations.



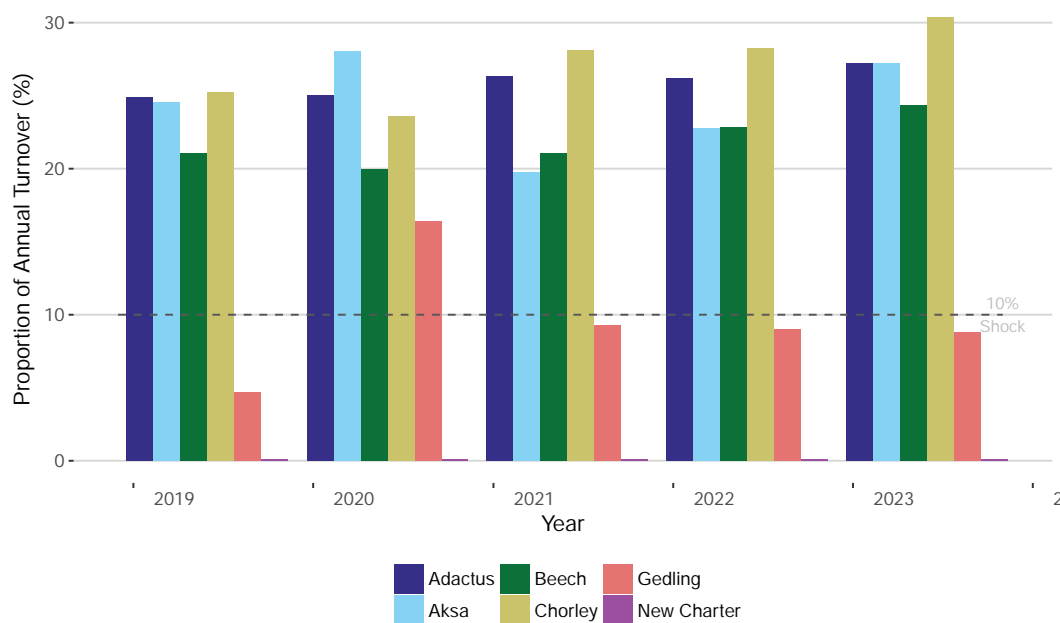
**Figure B.4:** ‘Perfect Storm’ impact on New Charter Homes debt — without mitigating action, New Charter would quickly breach its approved debt profile and would not recover. By reducing its development programme however the Association is able to remain within its approved debt profile for several years which would enable further mitigations to be taken.

## Scenario 2: Operating Activity Shock

- B.12. The second stress scenario considers the impact of an unplanned and immediate call on resources resulting from the Group’s operations. Experience from the sector would indicate that ‘operating shocks’ of this nature could arise from new government policy, unforeseen development or asset management costs, underperforming sales programmes, negative revaluations of stock, poorly performing commercial ventures, expensive contractual disputes, fraud, poor treasury management or incorrect accounting treatments. A ‘tail-risk’ unplanned shock of this nature is envisaged to be of the order of 10% or more of annual turnover.
- B.13. The likely response to such an ‘operating shock’ would be to first make use of available liquidity, but to then look to raise new finance if necessary whilst simultaneously cutting-back on uncommitted expenditure.

### Capacity to Raise Loan Finance

- B.14. Figure B.5 on the following page provides an overview of the loan covenant capacity of each Group subsidiary to borrow to help pay for a one-off operating activity shock during any one year to 2022/23.
- B.15. Figure B.5 demonstrates that New Charter Homes and Gedling Homes would be unable to remain within their loan covenants should they need to borrow additional funds to withstand an operating shock of over 10% of turnover during the period to 2022/23. Low-point capacities are:



**Figure B.5:** Potential loan covenant capacity to withstand a one-off operating activity shock.

- Adactus Housing Association – 25% of turnover (£13m) during 2018/19.
- Aksa Housing Association – 20% of turnover (£1.1m) during 2020/21.
- Beech Housing Association – 20% of turnover (£0.7m) during 2019/20.
- Chorley Community Housing – 24% of turnover (£3.9m) during 2019/20.
- Gedling Homes – 5% of turnover (£0.7m) during 2018/19.
- New Charter Homes – 0% of turnover (£0.2m) during all years tested.

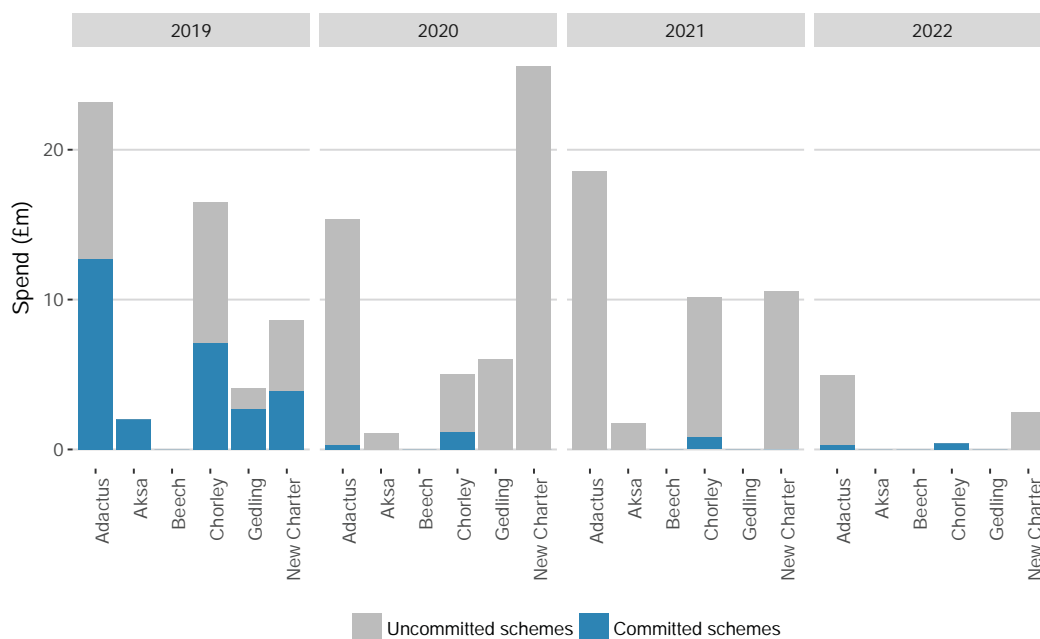
## Response to Stress

B.16. The Group would respond to a significant stress event principally by reducing expenditure and by creating liquidity through its unencumbered stock.

### Scope to Reduce Expenditure

B.17. The Group's base 30 Year Financial Plan incorporates £156.4m of expenditure to support new housing development. Figure B.6 on the next page shows the profile of this expenditure and highlights that £125m is not currently contractually committed.

B.18. The diagram shows that Beech Housing Association has no ongoing development commitments but that if other Group members were faced with a severe stress event there would be considerable scope to cut-back on uncommitted development expenditure.



**Figure B.6:** Plans for development expenditure — 80% of spend is currently uncommitted.

## Unencumbered Stock

B.19. Group-wide, there are currently 2,940 rented and shared ownership units which are unencumbered. The existing-use valuation of the unencumbered properties is conservatively estimated to be £147m which could be used to support additional finance if required.

## Recovery Plan

B.20. The following options would be reviewed by the board in the event of a crisis:

- Making use of available liquidity.
- Negotiation with funders.
- Cutting-back on annual non-core expenditure of c. £16.7m.
- Reducing planned maintenance programmes.
- Cutting back on uncommitted development expenditure of c. £125m.
- Workforce reductions.
- Intragroup lending.
- Rationalisation of the group structure.

## Conclusions from Stress Scenarios

- B.21. The stress scenarios illustrate the key financial constraints within Jigsaw Homes Group. Most notably, Gedling Homes and New Charter Homes are found to be limited in their ability to absorb a stress event by funder requirements to remain within approved covenant profiles at all times. The covenant profiles are set on a 'business as usual' basis and therefore provide little room to respond to a stress event.
- B.22. Gedling Homes and New Charter Homes are found to be particularly sensitive to cuts in rental income which were modelled in the 'Perfect Storm' scenario.
- B.23. Such covenants are normal practice for Large Scale Voluntary Transfer housing associations but other Group members benefit from fixed covenant arrangements and are found to be in a more robust position to respond to stress events. Adactus Housing Association is found however to have a limited exposure to the 'tail risk' of a sudden collapse in the housing market.
- B.24. Some wariness of exposure to rental income cuts and to falls in house prices is required across Jigsaw Homes Group due to the risk of contagion due to cross-default clauses in loan documentation. Risks will be mitigated by ensuring prudent financial planning so that a) Gedling Homes and New Charter Homes maintain adequate levels of uncommitted expenditure in their financial plans; and b) Adactus Housing Association maintains spare security should loans require it. The Group will also ensure that shared ownership and sales programmes do not over-expose the Group to a reliance on sales income.
- B.25. The board will gain assurance with regard to the Group's capacity to deal with the unknown by monitoring performance on a quarterly basis against 'golden rule' targets established within its *Treasury Management Strategy*:
- Limit total Group variable debt to no more than 30% of total Group borrowings.
  - Where allowed by funding requirements, provide a 10% excess of security against all borrowings at future loan valuation, subject to ensuring that borrowing arrangements permit maximum flexibility to release and substitute collateral assets. If borrower arrangements provide no flexibility, the Group may reduce to asset cover levels to ensure excess security is not unnecessarily tied-up with one lender.
  - Ensure that sufficient liquidity, including available facilities, is available at all times to cover two month's cashflow.
  - Retain capacity to cope with a sudden 10% increase in operating costs or stop additional development programmes.
- B.26. All members of Jigsaw Homes Group will fully comply with the these 'golden rules' by 31 March 2022.

# **C. Corporate Plan Projects Costs and Benefits**

C.1.

Goal	Project	Non-staff 2018/19 costs	Benefits / direct KPI influence
Achieve an overall Net Promoter Score of 30	Customer Contact Strategy	£220k	<p>Learn from the different existing approaches to customer contact across the Group.</p> <ul style="list-style-type: none"> <li>■ Customer NPS</li> <li>■ Enquiry resolved at first contact</li> <li>■ Lost calls</li> </ul>
	Customer Insight Mechanisms	£90k	<p>Learn from the different existing approaches to customer insight across the Group.</p>
	Maintenance Delivery Model	Nil	<p>Learn from the different existing approaches to deliver maintenance services across the Group.</p> <ul style="list-style-type: none"> <li>■ Average time for non emergency repairs</li> <li>■ Customer NPS</li> <li>■ Emergencies attended and made safe within target time (24 hours)</li> <li>■ Out of date fire risk assessments</li> <li>■ Properties with invalid gas safety certificate during reporting period</li> <li>■ Responsive and Void Cost per unit</li> <li>■ RIDOR incidents</li> <li>■ Satisfaction with repair</li> </ul>
	Neighbourhood Plan Model	Nil	<p>Improve understanding of the Group's neighbourhoods and help prioritise investment.</p> <ul style="list-style-type: none"> <li>■ ASB satisfaction</li> <li>■ Current tenant arrears</li> <li>■ Customer NPS</li> <li>■ Median void loss</li> <li>■ Income collected</li> <li>■ Total void loss</li> </ul>
Maintain compliance with Decent Homes Standard	Asset Management Strategy	£29.2m	<p>Provide a strategic framework for future investment in existing properties.</p> <ul style="list-style-type: none"> <li>■ Customer NPS</li> <li>■ EBITDA MRI</li> <li>■ Energy Efficiency</li> <li>■ Headline social housing cost per unit</li> <li>■ Operating Margin</li> <li>■ Return on Capital Employed</li> <li>■ Reinvestment</li> </ul>
Launch the Jigsaw Foundation	Jigsaw Foundation	Nil	<p>Establish a vehicle to promote charitable activity in the Group's neighbourhoods.</p>
Maintain G1 V1 ratings	Data collection and analysis	Nil	<p>Support evidence-based decision making.</p>



C.2.

across the Group	Governance review	£10k	Simplify the Group's governance arrangements.
Deliver the business case for merger	Disposals Policy	Nil	Dispose of uneconomic properties. <ul style="list-style-type: none"> <li>■ EBITDA MRI</li> <li>■ Headline social housing cost per unit</li> <li>■ Median void loss</li> <li>■ Operating Margin</li> <li>■ Return on Capital Employed</li> <li>■ Total void loss</li> </ul>
	Environmental Sustainability Strategy	Nil	Provide a strategic framework for environmental improvement work. <ul style="list-style-type: none"> <li>■ Energy efficiency</li> </ul>
	Influence and Partnerships Strategy	Nil	Participate in the devolution agenda and influence housing policy.
	IT Strategy	£3.3m	Harmonise IT systems across the Group.
	Pensions review	£15k	Ensure that the Group's pension provision is sustainable.
	Procurement and stores review	£25k	Achieve cost savings. <ul style="list-style-type: none"> <li>■ Responsive and Void Cost per Unit</li> </ul>
	Tenancy Strategy	Nil	Harmonise tenancy management across the Group.
Attain three star accreditation with Best Companies	Communications Strategy	Nil	Ensure that the Group's staff are well-informed and highly engaged. <ul style="list-style-type: none"> <li>■ Staff NPS</li> </ul>
	Integrated management and pay structure	Nil	Address disparities within the Group. <ul style="list-style-type: none"> <li>■ Staff NPS</li> </ul>
	People Strategy	£10k	Provide a strategic framework for the Group's efforts to make the most of its staffina. <ul style="list-style-type: none"> <li>■ Staff NPS</li> </ul>
Deliver current programmes of 2,100 homes	Development Strategy	£54.3m	Contractual requirement and core priority. <ul style="list-style-type: none"> <li>■ New supply delivered</li> <li>■ Reinvestment</li> <li>■ Return on Capital Employed</li> <li>■ Units delivered</li> </ul>
	Financial Capacity Review	£10k	Clarify future treasury requirements.
Prepare to deliver an additional 130+ homes on current levels of output	Treasury Structures Option Appraisal	£20k	Understand the costs and benefits of different treasury options.
	Building Company Strategy	£20k	Provide a strategic framework for the Building Company. <ul style="list-style-type: none"> <li>■ Operating Margin</li> </ul>
Leverage external funding to deliver services to vulnerable groups	Social Business Strategy	Nil	Provide a strategic framework for the Group's non-housing association charities. <ul style="list-style-type: none"> <li>■ Operating Margin</li> </ul>

# **D. KPIS and Targets**

## D.1.

Operational Area	KPI	Purpose	Importance	Target
Corporate	Customer NPS	To provide an overall measure of customer sentiment, which can be compared across time and, to some extent, with other organisations	High	40
Corporate	EBITDA MRI Interest Cover	To measure surplus generated related to interest payable. Regulator of Social Housing (RSH) value for money (VFM) metric	Very high	174.3%
Corporate	Gearing	To measure the Group's dependence on debt finance. RSH VFM metric	Very high	51.5%
Corporate	Headline social housing cost per unit	To measure the cost of delivering social housing services. RSH VFM metric	Very high	£3,336
Corporate	Operating Margin	To measure the profitability of operating assets. RSH VFM metric	Very high	30.0%
Corporate	Reinvestment	To measure the investment in properties (existing and new stock). RSH VFM metric	High	5.9%
Corporate	Return on Capital Employed	To measure the efficiency of the investment of capital resources. RSH VFM metric	High	4.5%
Corporate	Staff NPS	To gauge the sentiment of staff towards the organisation	Medium	45
Customer contact	Enquiry resolved at first contact	To measure how effectively Connect resolves customer enquiries, generating new data that will be used to improve performance	Medium	70% by 2019/20 (2018/19 target TBC)
Customer contact	Lost calls	To monitor the customer contact service (identified as a key improvement focus) and its ability to manage demand	Medium	15% by Qtr 3
Development	New supply delivered	To measure the growth of the Group's stock. RSH VFM metric	High	1.0%
Development	Units delivered	To monitor delivery of the agreed development programme	High	544
H&S	Out of date fire risk assessments	To show progress with the fire risk assessment programme	High	0
H&S	Properties with invalid gas certificates during reporting period	To monitor the number of properties without a valid gas certificate in the review period	Medium	No target
H&S	RIDOR incidents	To monitor the frequency of serious H&S incidents	Medium	No target
Income	Current tenant arrears	To show the level of debt of current tenants	Very high	2.52%
Income	Income collected	To show the level of total income due that is collected and whether the collection rate is improving (>100%) or deteriorating (<100%)	Very high	99%
Income	Total void loss	To monitor income lost through properties undergoing void works and awaiting relet/1st let	High	1%

D.2.

Lettings	Median void loss - general needs	To measure the cost in lost income reletting typical general needs properties	Medium	£300
Lettings	Median void loss - independent/retirement living	To measure the cost in lost income reletting typical independent/ retirement living properties	Medium	£400
Lettings	Median void loss - Supported Housing	To measure the cost in lost income reletting typical supported living properties	Medium	TBC
Maintenance	Progress of the planned maintenance programme	To monitor progress towards completion of the annual budgeted planned maintenance programme	Medium	98%
Maintenance	Energy efficiency	To monitor progress towards the aim of eliminating energy inefficient homes	Medium	TBC following validation exercise
Neighbourhoods	ASB satisfaction	To monitor whether the ASB service is meeting customer expectations	Medium	TBC after first month's data from NC/Aksa/GH A cases analysed
Repairs	Average time for non emergency repairs	To monitor the balance of demand and supply for this high profile customers service	Medium	13 days
Repairs	Emergencies attended and made safe within target time (24 hours)	To measure the Group's ability to fulfil its responsibility for attending and making safe emergency repairs	Medium	97%
Repairs	Responsive and Void Cost per unit	To measure the cost of the repairs service	Medium	£576
Repairs	Satisfaction with repair	To monitor whether the repairs service is meeting customer expectations	High	88%



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Registered under the Co-operative and Community Benefit Societies Act 2014 Registration No. 29433R

Document produced on 15 June 2018.

# Terms of Reference for: Landlord RP Boards

Ash Road, Liverpool



# Contents

<b>1</b>	<b>Essential Functions</b>	<b>1</b>
<b>2</b>	<b>Membership, Meetings and Quorum</b>	<b>1</b>
2.1	Housing East Board . . . . .	1
2.2	Housing South Board . . . . .	2
2.3	Housing West Board . . . . .	2
2.4	Quorum Requirements . . . . .	3
<b>3</b>	<b>ROLES &amp; RESPONSIBILITIES</b>	<b>3</b>
3.1	Vision and Leadership . . . . .	3
3.2	Accountability . . . . .	4
3.3	Legal Compliance . . . . .	4
3.4	Financial oversight . . . . .	5
3.5	Delivery of services . . . . .	5
<b>4</b>	<b>Role of the Chair</b>	<b>5</b>
4.1	General Responsibilities . . . . .	6
4.2	Conduct of Meetings . . . . .	6
4.3	Miscellaneous Duties . . . . .	7
<b>5</b>	<b>Emergency Procedures</b>	<b>7</b>
<b>6</b>	<b>Document Control</b>	<b>7</b>

# 1 Essential Functions

1. These Terms of Reference apply to the Jigsaw Homes Group's (the Group's) Registered Provider (RP) Landlords and should be read in conjunction with each organisation's Articles of Association or Rules, the Intra-Group Agreement (IGA), the Group's Financial Regulations and the Group's Scheme of Delegation. Board Members must familiarise themselves with the contents of these documents and act in accordance with their provisions at all times.
2. The essential functions of the RP boards and their board members are as a minimum, to:
  1. uphold the values and objectives of the organisation;
  2. uphold the organisation's core policies, including the code of conduct and financial regulations;
  3. ensure they understand the constitutional and legislative framework as it applies to the organisation, and act within its powers;
  4. contribute to and share responsibility for the board's decisions, including its duty to exercise reasonable care, skill and independent judgement;
  5. prepare for and attend meetings, training sessions and other events;
  6. attend and participate in reviews linked to individual performance or that of the whole board;
  7. represent the organisation as appropriate and where authorised;
  8. declare any relevant interests and avoid conflicts of interest;
  9. respect confidentiality of information; and
  10. uphold the National Housing Federation's Code of Governance or any other code of conduct as may be adopted, and the Group's code of conduct for Board Members.

## 2 Membership, Meetings and Quorum

3. The membership of the boards shall consist of:

### 2.1. Housing East Board

#### New Charter Homes:

4. 9 Board Members as follows:
  - 3 Independent Members;
  - 3 Tenant Members; and
  - 3 Local Authority Members



### Aksa Homes:

5. A maximum of 9 Board Members (including co-optees)

## 2.2. Housing South Board

### Gedling Homes:

6. 12 Board Members as follows:
  - 4 Independent Members;
  - 4 Tenant Members; and
  - 4 Local Authority Members

## 2.3. Housing West Board

### Adactus Housing Association

7. 5 - 12 Board Members as follows:
  - 5 non-executive members shared with AHG and BHA
  - 1 executive member shared with AHG
  - 2 AHA only non-executive members

### Beech Housing Association:

8. 5 - 12 Board members as follows:
  - 6 non- executive members shared with AHG and AHA
  - 1 executive member shared with AHG
  - 2 BHA only non-executive members

### Chorley Community Housing

9. 5 - 12 Board members as follows:
  - 6 non- executive members shared with AHG, AHA and BHA
  - 1 executive member shared with AHG
  - 2 CCH only non-executive members

10. The boards may also have the ability to appoint co-opted board members, subject to each organisation's Articles/Rules. Co-opted members do not have a vote.
11. The boards will meet a minimum of four times per year.
12. Board members may also be required to attend additional meetings arranged during the course of the year, including training events, workshops and board strategy events.

## 2.4. Quorum Requirements

13. The quorum for meetings is as follows:

Board	Quorum
New Charter Homes	5 members. This must include 2 Independent Members, 1 Tenant Member and 1 Local Authority Member
Aksa Homes	3 members.
Gedling Homes	5 members. This must include 2 Independent Members, 1 Tenant Member and 1 Local Authority Member
Adactus Housing Association	3 members including 1 parent appointee and at least one third of those present being neither employees, councillors or residents. Executive board members in a minority
Beech Housing Association	3 members including 1 parent appointee and at least one third of those present being neither employees, councillors or residents. Executive board members in a minority
Chorley Community Housing	3 members including 1 parent appointee and at least one third of those present being neither employees, councillors or residents. Executive board members in a minority

## 3 ROLES & RESPONSIBILITIES

14. The RP subsidiary boards are responsible for:

### 3.1. Vision and Leadership

- Contributing to the development and annual update of the Group's Corporate Plan.
- Ensuring that the strategic direction and the activities of RPs is consistent with the Group's Corporate Plan and Group approved budgets;
- Influencing the development of Group-wide strategies and policies, and requesting appropriate local variations to such documents where necessary in accordance with the Intra-Group Agreement;

- Approving subsidiary strategies and policies as set out in the Group's Scheme of Delegation;
- Approving of development schemes outside of approved development strategies;
- Monitoring the activities of the RPs to ensure they are in keeping with the agreed principles, objectives and values agreed with the board of Jigsaw Homes Group;
- Monitoring risk and ensuring that the board takes any decisions which carry a major financial risk<sup>1</sup>.

### 3.2. Accountability

15. The RP subsidiary boards will ensure it has:

- Effective systems for monitoring the performance of each RP against agreed KPIs and external benchmarking.
- A framework for ensuring compliance with Group policies (and the recommendation of variances as required) and for developing, reviewing and implementing local policies.
- A framework for the identification and management of risk.
- Effective and demonstrable ways to communicate with stakeholders.
- Systems and procedures in place for managing change.
- Mechanisms to report in a timely manner to the board of Jigsaw Homes Group on issues thought likely to have a material impact on an RP's legal / regulatory status, its reputation or its ability to comply with agreed budgets.
- Mechanisms to review its own performance as a board in accordance with the Group's adopted Code of Governance.

### 3.3. Legal Compliance

16. Ensure each RP:

- Develops, promotes and embeds its Articles of Association or Rules.
- Understands and complies with its Articles of Association or Rules, relevant legislation, Contracts and the requirements of any regulatory body.
- Fulfills all statutory requirements.

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<sup>1</sup>'Major' risk as defined in the Jigsaw Group's Risk Management Policy as carrying a financial impact of >3% of the Organisation's turnover.

### 3.4. Financial Oversight

17. Ensure each RP has effective financial stewardship in place and can demonstrate it complies with all relevant legislation and accepted good practice. In particular to ensure:
- Each RP operates in a viable and sustainable manner.
  - Assets are used to deliver the objectives of the RP.
  - The RPs operate in an accountable and transparent manner.
  - The RPs deliver value for money through the effective and efficient use of available resources.
  - The Board is provided with accurate financial information that is of quality, relevance and timely.
  - Each RPs accounts are approved prior to publication.
  - The Board evaluates and approves new funding proposals as required (also subject to Parent approval).
  - The Board approves the entry into all contracts which present a major financial risk to an RP.

### 3.5. Delivery of Services

18. Ensure each RP as relevant:
- Provides high quality services to customers, complying with the regulatory expectations of Homes England as set out in its Regulatory Standards.
  - Holds the Group accountable for the quality of provision of central services to the RPs.
  - Develops and delivers housing and neighbourhood related services including policies for aids and adaptations, allocations and neighbourhood plans.

## 4 Role of the Chair

19. The Group Board shall, following consultation with the relevant Boards, appoint a Chair for each RP Subsidiary to serve for a term of 3 years subject to satisfactory performance and unless determined otherwise by the Group Board.
20. The position of Chair must not be held by an Executive Board Member.
21. The Chair will be expected to commit adequate time to their role above and beyond that required through attendance at Board Meetings.

## 4.1. General Responsibilities

22. The Chair is responsible for:

- ensuring the efficient conduct of the board's business and of the organisation's general meetings;
- ensuring that all board members are given the opportunity to express their views and that appropriate standards of behaviour are maintained in accordance with the Group's code of conduct;
- establishing a constructive working relationship with, and providing support for, the Lead Executive and ensuring that the board acts in partnership with executive staff;
- ensuring that the Board delegates sufficient authority to the chair, the chief executive and others to enable the business of the Board to be carried on effectively between meetings of the board; and also to ensure that the board monitors the use of these delegated powers, as appropriate;
- ensuring that the board receives professional advice when it is needed, either from its senior staff or from external sources;
- ensuring that the Board follows the recommendations of the NHF Code of Governance and Code of Conduct;
- representing the organisation as appropriate;
- taking decisions delegated to the chair;
- leading on the appraisal process to ensure proper and appropriate arrangements for the overall board appraisal and that of individual board members, including the chair and vice chair;
- implementing a succession plan for future board membership;

## 4.2. Conduct of Meetings

23. In ensuring the efficient conduct of the board's business, the Chair has responsibility for the smooth running of meetings ensuring that:

- meetings are well balanced, agendas are of reasonable length and items are prioritised;
- the right level of formality is achieved to aid business efficacy;
- Members work cohesively while challenging to get the best results;
- Members are encouraged to make a unique and important contribution to the Board's work;
- the main points of discussion are summarised and recommendations are clarified prior to any decision being taken.

### 4.3. Miscellaneous Duties

24. The Chair is responsible for addressing any failings by its Board Members in consultation with the Lead Executive/Group Company Secretary.
25. Where a vacancy arises on the Board, the Chair is responsible for working with the Lead Executive and the Group Company Secretary to ensure such vacancies are filled expediently.
26. In the absence of the Chair, the board shall elect a chair from those board members present who shall take on the responsibilities of the Chair for the purpose of the meeting.

## 5 Emergency Procedures

27. Occasionally Board decisions will be required urgently between meetings necessitating the use of emergency procedures. The purpose of this is to enable such action to be taken properly demonstrating that the highest standards of governance, accountability and probity are followed whilst responding to an environment of change and risk.
28. Reports which are to be presented under the Emergency Procedures shall be prepared in the standard format and passed to the Group Company Secretary for processing. Decisions shall be presented to the first available meeting of the relevant Board for ratification.
29. Emergency decisions shall be taken by the Chair of the relevant Board. In the event that the Chair is unavailable, then the Vice Chair of the Board is authorised to take the emergency decision.
30. Where the decision to be taken under the Emergency Procedures carries a financial risk then it is essential that the authorisations required by the Financial Regulations are obtained. If decisions have any reputational associations for the Group then the Chair of the Group Board must also be informed.

## 6 Document Control

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Responsible Officer/s:	Brian Moran, Group Company Secretary
Date of Approval:	04/04/2018
Approved by:	Jigsaw Homes Group Board
To be Reviewed Every:	Year

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Document produced on 6 April 2018.