

Business Plan 2016



Look Ahead
CARE, SUPPORT AND HOUSING

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Introduction

Look Ahead is a specialist provider of care, support and accommodation services. We support thousands of people across London and the South East with a diverse range of needs, helping them to make individual choices, achieve goals and take control of their own lives by providing tailor-made support, care and accommodation services.

With the right support, we know that our customers can realise their dreams and aspirations. By encouraging individuals to identify and develop their own unique skills and abilities, we can support them to bring about positive change in both their lives and the people around them.

Who do we work with?

With over forty years in social care under our belt, we are experts by experience. Today, we are proud to be the trusted partner of many local authorities and health organisations, providing specialist support and care services for over 6,500 people each year with a wide range of needs, including:

- Mental health
- Learning disabilities
- Homelessness and complex needs
- Young people and care leavers

We support these individuals through a range of different services including supported housing, registered care, floating and visiting support and specialist crisis and rehabilitation services.

Whether it's working with someone to achieve a positive change or providing specialist care, Look Ahead's experienced and passionate teams are committed to delivering high quality services they would be proud for their loved ones to receive.

Over 2015/16 we worked with our staff, customers and their carers and families to develop a new vision and mission for Look Ahead, and agree new organisational values that will guide how we behave as an organisation.

Through the business planning process, we drive this vision, mission and values forward through the delivery of our strategic objectives, reinforcing our commitment to supporting more customers to move forwards with their lives.

Our mission, vision and values

Our mission

Working with people to make choices, achieve goals and take control of their lives through high quality care, support and housing.

Our vision

By working in partnership with our customers, we will become a leader in social care. Our passionate and dedicated staff will work with customers to make decisions and help develop their diverse skills, talents and ambitions. Their insights will always inform, challenge and change what we do. This will help us provide high quality and innovative services we'd be proud for our loved ones to receive.

Our values

Excellence

We are committed to excellence in everything we do. The success of our organisation and, crucially, the successes and outcomes of the people who use our services, depends on our ability to deliver consistently excellent services that exceed expectations.

Aspiration

We are aspirational – for our customers, staff and organisation. We aim high, seek out opportunities and do not shy away from the challenges we face. We believe in identifying, nurturing and developing potential and creating a culture of recognition and celebration across the organisation.

Partnership

We know our organisation is stronger when we work together; partnership with our customers is crucial as well as with our stakeholders and commissioners. Partnership between staff and individuals who use our services informs and influences everything we do. Through working together at every level, customers and staff design and deliver flexible, personalised and better services.

Trust

We will be an organisation with a strong social purpose that people trust. We will be trusted by our commissioners and funders to deliver the services we say we will. We will trust each other to behave with integrity and transparency. We will be trusted by our customers to deliver on our promises and by their loved ones to deliver safe and consistently high quality services.

Strategic objectives 2016-19

In order to continuously improve our service delivery and manage the organisation over the next three years, Look Ahead's management team has established the following strategic objectives.

These have informed the annual business planning process for all Look Ahead services and teams.

Strategic Objective 2016-19

Provide excellent services that deliver positive outcomes for all customers

Achieve sustainable growth, maximising social and economic returns on investment

Enhance our financial strength and viability

Design and deliver innovative services in partnership with our customers

Recruit, develop and retain a high performing workforce through strong local leadership

The delivery of each strategic objective is underpinned by a detailed work programme, linked to and evidenced within our core business strategies.

Key Performance Indicators for 2016/17

Performance Indicator	2016/17 Target
% of all services achieving outstanding or good in internal quality management audits	80%
Number of CQC locations rated “overall” as inadequate by CQC	0
% of new operational staff who have completed at least 80% of mandatory training within their probation period	90%
Number of units without a valid Landlord Gas Safety Record	0
% rent lost through voids	5.5%
Net rent and service charge arrears of current tenants	5.5%
Gross value of business development	£6m
% of contract income retained	90%
Surplus	1.6%
% of reactive repairs completed within target times	85%
% of customers satisfied with Look Ahead overall	87%
Voluntary staff turnover	28%
Agency staff spend	5%

Look Ahead’s performance monitoring framework measures business plan delivery against these key indicators. Performance is monitored throughout the year at all management levels at Performance Review Committee and Board and via the half yearly business review process.

Financial strategy

The financial plan fully supports Look Ahead's mission and financial strategy.

The financial strategy states that:

'We will effectively deploy Look Ahead's financial strength, its asset base and income streams, to grow our services and transform the lives of even greater numbers of vulnerable people'

Financial strength and viability

Our ability to deliver this is dependent on our continued long term financial strength and viability.

Financial objectives

Over the next five years we will effectively deploy our financial strength to:

- Pursue a strategy for sustainable and managed growth
- Re-invest surplus funds in developing and marketing new, innovative and high value personalised services that promote customer choice and independence and achieve the best outcomes for our customers
- Maximise the social and economic returns on our property assets by remodelling and leveraging them to deliver higher value quality care and support services
- Achieve value for money by driving an agenda for improving customer service and efficiency across our services and central support functions
- Proactively seek merger opportunities that strengthen Look Ahead's financial position, increase our social impact and enhance the outcomes for our customers
- Implement an investment strategy that maximises returns on cash invested within acceptable levels of risk
- Continue to employ a robust risk management strategy to secure long term financial viability and strength

Five year financial forecast

The financial forecasts for the next five years, based on Look Ahead's organisational objectives and corporate priorities, are set out in the following pages:

The key financial assumptions underlying the projections are as follows:

	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000
Consumer Price Index	(0.1%)	1.6%	2.0%	2.0%	2.0%
Rent inflation	0.9%	2.6%	3.0%	3.0%	3.0%
Average void rate	5.5%	5.3%	5.0%	5.0%	5.0%
Average bad debt rate	3.9%	3.7%	3.5%	3.5%	3.5%
Maintenance inflation	0.0%	1.6%	2.0%	2.0%	2.0%
Contract inflation rate	0.0%	0.0%	2.0%	2.0%	2.0%
Contract growth (net)		£2.0m	£3.5m	£4.5m	£6.0m
BOE base rate	0.5%	0.9%	1.6%	2.1%	2.1%
LIBOR rate	1.0%	1.4%	2.1%	2.6%	2.6%
Average cost of borrowing	1.4%	2.4%	3.1%	3.7%	3.7%
Interest rate on deposits	0.5%	1.0%	1.0%	1.0%	1.0%
Investment return	3.1%	3.5%	3.5%	3.5%	3.5%

Forecast income and expenditure for the years ending 31 March

	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000
Rents and service charges	20,143	20,585	21,117	21,701	22,227
Less rent losses (bad debts/voids)	(1,887)	(1,853)	(1,795)	(1,845)	(1,889)
Net rents	18,256	18,732	19,322	19,856	20,338
Care and support contracts	30,352	32,352	36,459	41,578	48,210
Other income	2,600	2,628	2,664	2,700	2,736
Turnover	51,208	53,712	58,445	64,134	71,284
Operating costs - salaries	21,154	21,427	21,836	22,403	22,851
Other direct costs	21,506	23,525	27,093	31,671	37,867
Central support costs	7,637	7,637	7,790	7,946	8,104
Operating costs	50,297	52,589	56,719	62,020	68,822
Operating surplus	911	1,123	1,726	2,114	2,462
<i>Operating surplus as % of Turnover</i>	1.8%	2.1%	3.0%	3.3%	3.5%
Net interest and other finance costs	(108)	(94)	(113)	(107)	(77)
Surplus for the year after interest	803	1,029	1,613	2,007	2,385
<i>Surplus after interest as % of Turnover</i>	1.6%	1.9%	2.8%	3.1%	3.3%
Surplus on sale of properties	-	-	-	-	-
Unrealised investment gains	1,528	1,142	1,177	1,214	1,251
Surplus for the year after exceptional items	2,331	2,171	2,790	3,221	3,636
<i>Surplus as % of Turnover</i>	4.6%	4.0%	4.8%	5.0%	5.1%

Forecast balance sheet as at 31 March

	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000
Fixed assets					
Housing properties at cost	127,587	128,886	130,186	131,486	132,786
Less: Depreciation	(13,398)	(14,438)	(15,524)	(16,658)	(17,839)
Net property costs	114,189	114,448	114,662	114,828	114,947
Other fixed assets	4,375	4,638	5,089	5,417	5,574
Investment properties	3,178	3,178	3,178	3,178	3,178
Financial investments	36,961	38,104	39,280	40,494	41,746
Total fixed assets	158,703	160,368	162,209	163,917	165,445
Current assets					
Debtors	4,842	4,842	4,842	4,842	4,842
Cash at bank and in hand	11,494	9,500	8,062	6,054	5,806
	16,336	14,342	12,904	10,896	10,648
Creditors					
Amounts falling due within one year	(7,399)	(7,399)	(7,399)	(7,399)	(7,399)
Net current assets	8,937	6,943	5,505	3,497	3,249
Total net assets	167,640	167,311	167,714	167,414	168,694
Creditors					
RCGF	1,241	1,029	1,029	-	-
Unamortised Grant	75,391	74,531	73,672	72,813	71,954
Pension Past Deficit Liability	8,882	7,814	6,667	5,438	4,376
Other amounts falling due after more than one year (includes loans)	6,398	6,037	5,656	5,251	4,816
Capital and reserves					
Restricted reserves	195	195	195	195	195
Revenue reserve	75,533	77,705	80,495	83,717	87,353
Total financing and reserves	167,640	167,311	167,714	167,414	168,694

Forecast cash flows for the years ending 31 March

	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000
Net cash inflow from operating activities	495	843	1,275	1,803	2,586
Interest received	225	255	241	233	221
Interest paid	(91)	(144)	(176)	(192)	(179)
Net cash flow after interest	629	954	1,340	1,844	2,628
Fixed assets expenditure	(2,358)	(2,375)	(2,397)	(2,418)	(2,441)
Cash transferred from Investments	14,000	-	-	-	-
RCGF repayments	(3,632)	(212)	-	(1,029)	-
Net cash outflow from financing	(347)	(361)	(381)	(405)	(435)
Increase/ (Decrease) in cash	8,292	(1,994)	(1,438)	(2,008)	(248)
Cash balance brought forward	3,202	11,494	9,500	8,062	6,054
Cash balance carried forward	11,494	9,500	8,062	6,054	5,806

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Services we would be proud
for our loved ones to receive



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