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Improving **life** together

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## 1 INTRODUCTION

The purpose of the Business Plan is to summarise Metropolitan Home Ownership's proposals for achieving business excellence, sustainability and organisational development over the next three years.

### **The Plan has a general management role of:**

- Giving key stakeholders, customers and staff a clear statement of where the business is now, where we want to take it and how we propose to deliver our vision and objectives.
- Acting as the main driver of the appraisal system and business performance targets, helping all staff to understand their contribution to business success by cascading the business objectives.

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## 2 EXECUTIVE SUMMARY

- 2.1 Metropolitan Home Ownership (MHO) is a member organisation of the Metropolitan Housing Partnership (MHP). Set up in 1981 as a specialist non-charitable registered housing association to provide low cost home ownership (LCHO). In 2003 MHO de-registered as a non-charitable housing association and transferred its business and engagements to Metropolitan Housing Trust.
- 2.2 MHP is one of the leading charitable housing associations in England, managing over 35,000 homes. MHO is regarded as one of the most successful specialist LCHO intermediate housing providers in the country.
- 2.3 MHO's expertise is as a marketing, sales, intermediate lettings agent and as a business services intermediary for pre and post sale activities.

## **We deliver:**

- Affordable home ownership and rented housing to the intermediate market of low and moderate income households.
- Sales and marketing services to internal and external clients, creating interest and demand for affordable new and secondhand homes and giving the suppliers of affordable housing a showcase for their properties.
- Successful communities by bringing working people with buying power to the areas we work in. Our business helps to overcome the polarisation of communities into the very poor and the very wealthy.
- Marketing and investment appraisal of new build and other housing programmes so that affordable and sustainable housing costs are designed into schemes at the earliest possible stages.
- Asset management of homes and equity invested in the intermediate housing market.
- Re-sale, sale transactions services and downstream asset management to support investment portfolios.
- Support for customers who might be finding it hard to manage their finances or who are looking for help to keep their homes. We work with lenders, Government Agencies and landlords to help householders to sustain and enjoy home ownership over the long term.
- Leadership in the Intermediate Housing sector to maintain the reputation of the sector and that of MHO for performance, integrity, commercial efficiency and responsible marketing and selling.

- 2.5 With our partners, L&Q, we use the FIRST STEPS brand to serve the whole of the intermediate housing market in London.
- 2.6 MHO operates the National Homebuy Agent contract on behalf of the Homes and Communities Agency, which could be described as fund management, comprising asset management, revenue collection and equity after sales. We have just negotiated a three year extension of this contract and will be offering the service until March 2014.
- 2.7 The intermediate market has been hit exceptionally hard in public funding terms by the Government's Comprehensive Spending Review (CSR 2010). We believe our business plan will maintain MHO and MHP as the best provider of intermediate market products and services. The Plan represents our professional approach to providing commercially viable, affordable home ownership / intermediate rent choices and services at a time when public funding into new build has been drastically reduced and new funding routes are being sought for affordable provisions.
- 2.8 We will be setting up an MHO Advisory Panel that will work with the MHO Business Management Team (BMT) and link into the main MHP Board. Membership will be made up of appointed MHP Board members with invited external experts who offer the skill set and experience required to complement our plans moving forward. The panel was established in January 2011.

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## 3 OUR BUSINESS IMPERATIVES

### 3.1 VISION

Our shared objective and vision for all that we do is simple and clear:

# Improving life together

### 3.2 MISSION

- To help, match and house as many priority households as we can per year.
- To create and to market affordable housing services, products and hoices for low and moderately paid working households.
- To help the communities we serve attract and retain the essential workers and economically active households needed for a prosperous economy and a successful society.
- To manage downstream transactions that allow customers to move, refinance and acquire more equity through loan repayments / redemptions and flexible tenure.

### 3.3 VALUES

#### **Our shared values are:**

- Putting our customers first
- Being business effective
- Delivering best quality
- Having care and concern for our employees.

#### **These values will be evidenced by:**

- Good quality homes and services to customers.
- Building or offering homes which people want to live in and that contribute to the sustainability and attractiveness of the environment.
- Giving the people we serve as much involvement as they choose to have in the services we offer and in the management of the services they access in their homes and community.
- Being commercially successful so that the surpluses we generate can be efficiently reinvested to continually improve our value as a social business.
- Encouraging creative solutions from staff, customers and stakeholders to improve our business and to improve the quality of life in the communities we work in.
- Creating tolerant, culturally diverse communities and workplaces where people of all backgrounds can and will be encouraged to develop.
- Valuing and developing our staff as the key asset of the organisation and giving them the best tools we can to do the job effectively and are underpinned by our shared culture led by managers.

### 3.4 **AMBITIONS**

- We will continue to be the market leader and showcase of intermediate housing for sales, lettings and downstream asset management in England.
- We will sustain our position by offering great affordability in a reduced sales programme (impact on investment into new build likely to hit in 2013), on quality homes and with excellent service to our customers and stakeholders.
- We will keep our market share of both public and private investment and extend our reach into the after sales equity management market.

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## 4 OUR MARKET

### 4.1 **Investment into intermediate housing is being drastically reduced. Pipeline for the next 2 years is healthy with anticipated robust returns given generous grant rates. Demand for our products and services remains strong and popular, even in these turbulent times, as:**

- The outright housing market cannot satisfy the aspirations of UK households for home ownership. This is partially due to the lack of stock available and the more robust processes customers have to go through to access an affordable mortgage on the market.
- Affordability, as well as accessibility to deposits and mortgages, remains a problem, preventing households from taking advantage of reductions in house prices when buying or looking at market rent in our core areas of operation. Confidence in the economy is making many want to maintain current status quo.
- The Financial Services Authority (FSA) are also undertaking a Mortgage Market Review which will have an impact on affordability assessment processes and LTV assessments. Our processes here are robust so that the impact is likely to be minimal operationally.
- Customers continue to aspire to home ownership as their security of tenure and quality of service in the private rented sector is undermined by either higher rents or landlords defaulting and the properties being repossessed.
- Access to secure and affordable rented homes in the social housing sector remains almost unattainable to many of our working households due to their low prioritisation on Local Authority needs based criteria. The arrival of the new 'Affordable Rent' product may help meet the housing expectations of this group, where suitable sale options are not available.

**4.2 We cannot meet all of the demand because:  
Public Grant is a limited resource and more recently;**

- The supply of new homes from both the private and social housing sectors has fallen and will fall further in 2011-12 due to real or perceived higher risks and limits on business plan capacity:
- The HCA are looking for grant free models to deliver local housing solutions. There is also likely to be a move towards more family size accommodation being required.

**4.3 We are able to meet some of this demand because:**

- We have mortgages and grants to back our products, making accessibility easier than on the open market, with a strong pipeline for the next two years.
- We continue to deliver products that are about 30% lower than those on the open market, making them affordable to the majority of first time buyers who are on low or moderate incomes.
- Our record of responsible selling and accountability means some customers are more confident of buying through us than the private sector. We have never irresponsibly 'lent' to a customer. If anything, the mortgage market is following the finance assessment protocols / income multiplies we have been promoting for years backed with a clearly account evidenced audit trail.
- What we do is being treated by more and more of our customers as a conventional method of getting into home ownership, as the traditional, mainstream business model % of a highly geared mortgage has been removed from the market place.

#### **4.4 We believe the foundations of our sector are valid because:**

- Interest and demand remains higher than supply across most of the country but particularly in some of our core areas of operation: London, the South East and Eastern region.
- The Mayor's office desires higher percentage of affordable housing budget in London with a clear objective to help public sector tenants and sons and daughters move from public landlord accommodation.
- A Joseph Rowntree Report, published in October 2005, says there are an estimated 1.2 million working people in the UK who would not qualify for housing benefit and who cannot afford to buy a home within a reasonable distance of their work place. This Intermediate Housing market is particularly strong in London and the South East but has an increasingly national presence.
- A reduction in public subsidy will need more creative pricing / funding approach with those that deliver at the forefront. We have a good reputation to deliver on time and within budget.
- We have a healthy development pipeline for the next two years with a large RCGF pot funded from our shared equity and shared ownership downstream receipts.

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## 5 STRATEGY

### 5.1 Our headline strategic objectives are as follows:

#### Sustainability:

To ensure we satisfy as much need and demand in our market place as we can (within agreed financial framework for investment) and as the market will sustain as both providers and matches of service. Our success will be defined by how many priority people we house rather than how many houses we build or manage.

To expand the size of our business servicing contracts as fees generated from direct to customer products and services face greater competition and as a result of the possible effects of lower public investment. We will compete for marketing contracts and public funding in new geographical markets.

#### Improvement:

To work with public and private intermediate agencies to improve the quality, affordability and sustainability of home ownership services and products across the whole market and reinforce MHO sector leadership.

#### Simplicity:

To increase and improve customer understanding and access to intermediate housing services and products and help more customers who want to stay in the market as their household needs change. Increasingly, the market will be composed of a more targeted prioritised audience of public sector tenants and their adult children where additional benefits of voids / relieving overcrowding can be evidenced.

#### Reputation:

To promote the benefits of our sector to public policy makers and private sector investors so that affordable home ownership remains an important investment priority.

**5.2 We are committed to developing our national marketing agent, sales and after sales management services to improve the efficiency of the intermediate market, accessibility to it by customers and to increase MHO revenue.**

- We will enter the Homes and Communities Agency (HCA) Homebuy Agency competition for 2012-13 and we will seek to extend our field of operation.
- We will substantially review and deliver greater added value through our London HomeBuy Agency brand, FIRST STEPS, to ensure it remains London's pre-eminent market place and service for intermediate housing. This will add brand consistency and help increase it's reach amongst Londoners.
- We are positioning our business to offer marketing, sales and applications management services to recently emerged suppliers of affordable housing, such as house builders, private finance investors and the HCA.
- We are also increasing our capacity to market, let and manage intermediate rented homes as part of our risk management of sale programmes both initially across MHP's business platforms and for smaller RP's and Local Authorities who may find delivering these services effectively in house inefficient financially.

**5.3 Over the last 8 years the HCA, The Housing Corporation, English Partnerships and the CLG, based on our experience and successful delivery of LCHO and key worker schemes, have awarded us over £420m of grant funding. While we know we will receive much lower levels of grant in the future we are looking to develop products and services so that we will be well-placed to:**

- Receive higher percentages of public investment from the HCA and HCA London Board.

- Compete for a wider spread and greater intensity of Homebuy Agent contracts.
- Improve the recycling of Social Housing Grant (SHG) through sales receipts or the bulk trading of the assets for more investment in new housing.
- Attract new forms of private investment in our business and market that makes us less debt reliant.
- Work with Local Authorities and house builders / housing providers to meet local needs.

**5.4 We will continue to invest effort into research, PR and the influencing of policy. We expect to face increasing pressure to justify what we do because:**

- The HCA and housing associations may be persuaded that the best or only way for new build projects to proceed viably is for them to contain higher levels of rented housing at higher grant rates as cross subsidy from outright sales and LCHO declines.
- Wider economic arguments will favour the building affordable rented homes rather than investment in our traditionally large open market programmes or indeed sales products potentially. Merging of the intermediate and new 'affordable social rents' have risks and opportunities. We will need to review how best nominations can be matched, capital receipts mapped for loans and how to manage expectations of our wide customer database.

**5.5 However, we expect the evidence of demand and supply in our market place to continue to be the strongest advocate of what we do. A 2009 Audit Commission report, Building Better Lives, also advocates far more use by housing policy makers of evidence based, housing market research to drive strategy. We think this will increase opportunities to supply and service the intermediate housing market, albeit in a less financially rewarding way.**



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## 6 OPERATIONS

- 6.1 We continue to invest in operational improvement so that customers and stakeholders who work with us experience great service and benefits.
- 6.2 We anticipate the merging of the Tenants Service Authority back into the Homes & Community Agency will have little impact on regulation processes.
- 6.3 We will work closely with the GLA who will have budgetary control of housing investment in London.
- 6.4 **MHO wants to continue to be known as the place to go for the best quality product and service, and where the highest standards of integrity and accountability can be expected. To do this we will:**
  - Offer customers products and services that expand existing performance boundaries and manage expectations tightly.
  - Be creative and able to commercialise ideas quickly, listening to and using the feedback and involvement of customers.
  - Create and maintain an environment that encourages employees to bring ideas into the business.
  - Avoid bureaucracy, shorten delivery cycles.
  - React quickly to opportunity, threats and risk.
  - Operate management systems that are driven by results, measure and reward new product successes and encourage improvement over change or experimentation.
  - Have a flexible business structure.
  - Develops a mindset that wants to help to create the future market rather than follow it.

6.7 We were migrated to the MHPs complaints system by April 2011 to ensure national consistency in MHP and feedback information management and accountabilities.

6.8 We have a Diversity Plan to ensure all sections of the community have equal opportunity of access to our services, the homes we build and to us as an employer. This year and last we have made good use of marketing to widen opportunity for East European applicants and to maintain an excellent level of representation from BME customers at application and sales.

**6.9 Our commitment to the affordability and sustainability of home ownership is evidenced by:**

- A leading contribution to the development and sector wide application of the HCA's affordability calculator for new buyers.
- Participation and leadership in the development of the Mortgage Rescue programme.
- Affordable rent reviews and rent setting policies.
- Mortgage and other housing related financial advice offered through a panel of Independent Financial Advisors.
- Flexible tenure and equity release packages to help customers meet housing costs as their life or employment circumstances change.
- Leadership in influencing and working with lenders to maintain a flow of affordable and accessible mortgage finance.
- Free money management and credit management advice.

- 6.10 We will review our staffing structure to ensure we are fit for purpose and operating in an efficient manner to meet aims of MHP and to ensure costs are controlled against our reduced income lines.
- 6.11 Our focus will primarily be as a marketing, sales, intermediate lettings and after sales management business unit.

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## 7 OPERATIONS

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ACTION	WHEN - YEAR END UNLESS STATED	WHO - MHO BMT MEMBERS UNLESS STATED. TO BE ASSIGNED AND CASCADED VIA ANNUAL REVIEWS
<p><b>7.1 MHO Advisory Panel</b> A panel to assist MHO Business Management Team (BMT) and to link into MHP Board will be set up in January 2011. Christine Turner, an MHP Board Member and Chair of Clapham Park Homes will chair the panel.</p>	January 2011	<b>Bernie Conroy to lead and facilitate with BMT support</b>
<p><b>7.2 Local HomeBuy Agency Service (LHBA)</b> <b>7.2.1</b> Our contract with the Homes &amp; Communities Agency (HCA) has been extended until March 2012. There is a reduction of fees (6%). Fees cover MHO costs but there is an issue about central costs and recharges that need to be addressed. The Greater London Authority (GLA) wish to rebrand the service as FIRST STEPS in 2011 and this is likely to happen.</p>	Rebrand to First Steps in April 2011	<p><b>Colin McLennon will lead the London Homebuy Agency</b></p> <p><b>Operational Team to complete this activity</b></p>
<p><b>2012-14</b> MHO, with L&amp;Q, will bid to offer a national intermediate housing One Stop Shop service (OSS) for application processing, property matching and marketing. LHBA providers have been reduced from 23 to 15 and, with reduced funding, a move toward the appointment of one national agent will make commercial sense. We will work to influence this approach.</p>	December 2011	<b>Bernie Conroy to lead with Colin McLennon</b>

2011 ACTION PLAN		
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<p><b>7.2.2</b> Extend service to private developers / private landlords - purpose is to generate revenue from private developers with the need to match sales / lettings to more non-grant funded schemes. Strong possibility - we could match new "Affordable Rents" as more our client than traditional Local Authority (LA) client. Investigation work needed here - would look to undercut existing choice based lettings providers.</p> <p><b>7.2.3 Westminster Council OSS 2011-14</b> We are currently shortlisted for the service with the outcome known in March 2011. It is a possible 3 year contract.</p> <p><b>Overall Justifications:</b></p> <ul style="list-style-type: none"> <li>• Sector leading service</li> <li>• Enhances MHP reputation to continue offering it</li> <li>• Income covers cost.</li> </ul>	<p><b>April 2011 start new business work</b></p> <p><b>Notified January 2011 with live date April 2011</b></p>	<p><b>Colin McLennon for these activities</b></p>

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<p><b>7.3 After Sales &amp; Asset Management</b></p> <p><b>7.3.1 National HomeBuy Agents (HOP)</b> National HomeBuy Agent (NHBA) is offered under a branded service called Housing Options Plus (HOP). MHO has been the NHBA since the service was tendered 2008. HOP manages the shared equity portfolio for the HCA. This includes all sales completed under HomeBuy Direct, London Wide Initiative (LWI) and First Time Buyer's Initiative (FTBi). There will be an estimated 19,000 units under this programme (by end of March 2012). Currently we manage 12,000 completed shared equity units under this contract.</p> <p><b>The work involved is:</b></p> <ul style="list-style-type: none"> <li>• Asset Management</li> <li>• Staircasing / Redemptions</li> <li>• Deed of Postponement</li> <li>• Remortgages</li> <li>• Fee Collection</li> <li>• Customer Enquiry Management</li> <li>• All other legal transactions post sale.</li> </ul>	<p>MHO has negotiated a contract extension for this core service</p> <p>Until March 31st, 2014 with a combination of fixed and variable income lines.</p>	

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<p><b>7.3.2 MHP National After Sales Processes for Shared Ownership / Right to Buy / Right to Acquire / PRTB</b></p> <p>It was agreed in principle at Operational Directors Group (ODG) that MHO would offer this service nationally, subject to evidencing efficiencies and improved customer service.</p> <p><b>The work involved is:</b></p> <ul style="list-style-type: none"> <li>• Asset Management</li> <li>• Staircasing / Redemptions</li> <li>• Deed of Postponement</li> <li>• Remortgages</li> <li>• Fee Collection</li> <li>• Customer Enquiry Management</li> <li>- RTB / A / PRTB</li> <li>- All other urgent property transactions post sale.</li> </ul> <p>A centralised processing approach will offer efficiencies, improved customer service and delivery of one standard process. It will also duplicate the direction services are taking across the Partnership.</p>	<p>We are looking at a national approach from April 2011</p>	

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<p><b>Interdependencies / Impact:</b> The centralising of this service with impact on Member Organisations who currently offer part or all of these services locally. Specifically this impacts on Clapham Park Homes, MHO Staff, MHT London and Spirita. MHO anticipate absorbing the work with no additional headcount plus deletion of posts in MHO.</p> <p><b>7.3.3 New Market Opportunities</b> We manage the largest shared equity and shared ownership portfolio nationally of any Registered Provider through a combination of MHO stock and as a result of our HOP contract (where the programme volume sits). Our performance on fee collection is excellent and sector leading. We want to launch and market this service externally. Initially, our target market would be private developers who have used shared equity to sell homes in difficult market conditions but who do not have the skill set or appetite for long term stock management and who wish to release trapped equity through pro-active campaigning. We would extend the promotional reach to smaller RP's and Local Authorities who have limited stock.</p>	<p>Business promotion of service in January 2011</p>	<p>Bernie Conroy/Colin McLennon and Darren Fisher will lead on this.</p>

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<p><b>7.3.4 Fee Collection and Credit Control</b></p> <p>MHO manages over 2,000 MCHB shared equity properties where we collect a fee on the unsold equity. Our performance is excellent - current arrears are 0.74% and have been reducing against market averages when arrears are increasing. In addition, we have a portfolio of 12,000 HCA shared equity units (rising to 19,000 by end of March 2012). We feel we could add value to MHP and wonder if there is a role for MHO to undertake fee collection for all LCHO stock with an MHP investment.</p> <p><b>Interdependencies / Impact:</b></p> <p>To develop this service, and to rely less on manual and excel counts, we need to invest further in the existing database online. A specific resources requirement which impacts on ISD is listed at Appendix 1.</p> <p>It also potentially impacts on the Customer Services Development Module (CSDM) fee collection work being undertaken with impact potentially on Clapham Park Homes, Granta, MHT London and Spiritia.</p>	<p>We are looking at a national approach from April 2011</p>	

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<p><b>Overall Justification for developing these services:</b></p> <ul style="list-style-type: none"> <li>• Excellent fee collection rates in difficult times</li> <li>• National service development to go to market units</li> <li>• Subsidises economies of scale for wide external new business direction</li> <li>• Improved customer services with Spirita after sales work moving to MHO line management.</li> </ul> <p><b>7.4 National Sales Team</b></p> <p><b>7.4.1 MHP Service Offerings - National Sales / Resale's / Intermediate Lettings</b></p> <p>It was agreed at ODG in October 2010 that MHO would offer a national initial sale / lettings and subsequent secondary new service for all affordable and private sale units across MHP, in principle subject to evidencing benefits. Work is happening on this with Member Organisations.</p>		

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<p><b>7.3.1 The benefits of one national approach are:</b></p> <ul style="list-style-type: none"> <li>• Improved Performance &amp; Innovation Management - standardised national KPI's reporting and consistent approach all reporting into the team</li> <li>• Improved Customer Service - one clear access point and process for all enquiries, processing and information with localised IFA panel</li> <li>• Improved IFA Management - MHO has agreed SLAs with IFAs to manage robust affordability to monitor quality and pricing of services. To use national volume to improve local offerings</li> <li>• Improved Efficiency - the MHO After Sales &amp; Asset Management team has been set up to optimise processes and procedures management. Member Organisations have staff duplicating this role part or full time. Salary savings can be made.</li> </ul>	<p>The aim is to have an integrated service by April 2012</p>	<p>James Chatt-Collins to lead</p>

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<p><b>Interdependencies / Impact:</b> This service is currently offered for Granta in full and partially for MHT London. Clapham Park Homes and Spirita. The integration will impact on MHT London (half a post), Spirita (one post plus management time) and potentially Clapham Park Homes. MHO will absorb this work with no additional head count and are looking at deleting one sales post in London. Overall there will be savings in MHO, MHT London and Spirita.</p> <p><b>7.4.3 External Sale / Resale's Agency</b> The development pipeline is shrinking. To accommodate this MHO are proposing a secondary restructure of the sales team. Details will appear later in this paper.</p> <p>Small RP's are going to have to look at reducing team sizes that currently undertake this sales / lettings function. We plan on launching this service for sales in 2011. Our target audience will be initially less experienced RP's. We are delivering a pilot with IDS of 20 units now which will inform the detailed launch moving forward.</p>		

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<p><b>2012-14</b> Moving forward the audience will be LA's and developers with sales stock. LA's are increasingly looking to develop their own land but do not have in-house property marketing and sales expertise.</p> <p><b>Benefits of this Work Stream</b></p> <ul style="list-style-type: none"> <li>• Increased revenue stream particularly beneficial in 2 years time when development pipeline takes impact of CSR cuts.</li> <li>• Enhances MHP's reputation if service is good.</li> <li>• National extension of service with economies of scale.</li> </ul>	February 2011	James Chatt-Collins
<p><b>7.4.4 Commercial Units &amp; Garages Lettings</b> Currently we are not involved in delivery of commercial units. We believe we could add value by taking over marketing and matching of 'tenants/ buyers' for these with, MHP managing the ongoing relationship.</p> <p><b>Interdependencies / Impact:</b> This work is currently managed locally. To centrally merge it impacts potentially on Clapham Park Homes, Granta, MHT London and Spiritia. The CSDM map will detail localised impact.</p>	April 2011	James Chatt-Collins to lead

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<p><b>7.5 OMHB Programme</b></p> <p><b>7.5.1</b> Newham Council will be tendering an Open Market Home Buy (OMHB) programme in 2013. We have worked with them on detail for scoping and should be well placed to bid for this work and hope to get IAP approval when the submission is released.</p> <p><b>7.5.2</b> We are also proposing an RCGF funded OMHB style product of 200 units in 2011-12. The exact detail may slightly vary to reflect the HCA and GLA's FIRST STEPS Family Projects (FSFP). As FSFP working group members, we know that the FFSP is a top priority and we will be targeting families, PST's and those households, particularly PST households who are living in overcrowded conditions.</p> <p><b>Interdependencies / Impact:</b> This will have an impact on available RCGF but will offer the cheapest route to provide affordable family homes for sale. Depending on the map of geographical delivery the impact will contribute towards MHPS total offer through national MHP delivering units. Impacts on Metropolitan Development Services, Recycled Capital Grant Fund (MDS) plans potentially.</p>	2012/13	<b>Bernie Conroy to lead (possible combination of shared equity/ shared ownership)</b>

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<p><b>7.6 Mortgage Rescue &amp; Flexible Tenure</b></p> <p><b>7.6.1</b> The Mortgage Rescue (MR) programme has not been successful in 2011 in processing terms financially. Grant rates have been generous - initially 55% with a processing fee of £3900 - and then increased to 65% in Sept 2009 with processing fees of £4,500 per processed case.</p> <p>The grant rate was reduced back to 55% for new cases received from 07 July 2010. The admin fee remains at £4500. There is a refusal/dropout rate of approximately 50% and no fee for abortive cases. Approximately a third of refusals have been due to the condition of the property with repairs of over £20,000 needed.</p> <p>MHO receive a fee minus costs (approx £2,000) for each case we invest in or syndicate out to investment partners that completes.</p> <p><b>7.6.2</b> The HCA have just announced new new grant rates and have linked the provision of Mortgage Rescue with the new wider 4 year Affordable and</p>		

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<p>Sale aspects of the HCA funded programme for 2012 onwards.</p> <p>To enhance our total offer, we have worked our budget to provide up to a maximum of 10 Mortgage Rescue case in year 1 (2012) with a provision for up to 5 a year for the proceeding 3 years.</p> <p>The latest paper has changed the government funding to 47% with the RSL providing 53% of the funding However, the purchase price has been reduced from 97% of the value to 90% of the Market Value. We will still offer the syndicated roll and preferably direct all MR completion to others to limit our investment. Our previous flexible tenure budget was used for this.</p> <p>We anticipate small volume across the Partnership and will look to absorb this work into the Equity Loans Sales team who undertake detailed affordability checks and relationship management now. No additional MHO staff would be recruited to do this work. We would look to delete the existing Mortgage Rescue Officer post and direct line manager.</p> <p>Impact is primarily on RCGF budget but also on the dedicated officer Spirita has which was also referred too under the after sales section.</p>		

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<p><b>Interdependencies / Impact:</b> Spirita also does flexible tenure so MHP needs to decide the Partnership-wide approach for this too on which organisation should process, the protocol for national IAP approval and budget to be pre-allocated. Plus we will be offering Mortgage Rescue as a process to enhance our total HCA programme offer.</p> <p><b>7.6 Stewardship</b></p> <ul style="list-style-type: none"> <li>• HCA - Minimum satisfactory assessment with evidence of minimum above average performance against benchmarking with peers inside and outside the sector.</li> <li>• Good audit review feedback.</li> <li>• Invest in relationship management and marketing teams to maintain high levels of stakeholder satisfaction - above 90%.</li> <li>• Improve external performance reports and market analysis to offer added value to partners. Offer more value than Savills's and other private offerings.</li> </ul>		

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<ul style="list-style-type: none"> <li>Use Home Ownership Advisory Panel (HOAP) and London Home Ownership Group (LHOG) to improve benchmarking in the sector and to help us to compare and to improve performance to best in sector levels. Use benchmarking with non-sector businesses where useful on customer service and people management.</li> </ul> <p><b>Diversity:</b> The MHO diversity plan is in addition to the MHP Single Equality Scheme; a single document that outlines the Partnership's mission to helping the most vulnerable people.</p> <p>To keep management team and staff briefed on how we deliver to the communities we serve.</p> <p>To ensure the business and staff are aware of current delivery issues, targets and progress.</p>	Ongoing	Mark Harrison / Diversity Champion

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<p>At MHO, we want our equality and diversity plan to:</p> <ul style="list-style-type: none"> <li>• Offer all sections of the community equal opportunity of access to our services, the homes we build and to us as an employer.</li> <li>• Make sure all our potential and existing customers have equal access to our products and services.</li> <li>• Ensure the diversity of staff, talent and experience we have is used by us make us a better business and one that is appealing and relevant to the diverse customers we work with.</li> <li>• Ensure all potential employees and current employees have equal opportunity for career development.</li> </ul>	<p><b>Annually</b></p>	<p><b>Diversity Champion</b></p>
<p>Our sustained commitment to meeting the diverse needs of our customers and staff could not be more important. As well as making good business sense, helping to achieve growth because of excellent customer service, our ongoing success and strong demand for our products and services helps underline the importance of intermediate housing both to the community and the economy.</p>	<p><b>Ongoing</b></p>	<p><b>Mark Harrison / Diversity Champion</b></p>

To see the full MHO diversity plan, please contact the marketing team.

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<p><b>7.8 Reputation and Influence</b></p> <ul style="list-style-type: none"> <li>• MHO to be a Member of HOAP</li> <li>• MHO Chair / LHOOG</li> <li>• MHO membership of GLA Housing Forum / LHBA Strategy Group</li> <li>• Maintain attendance at HCA, and CLG meetings</li> <li>• Maintain position as a Mortgage Rescue provider (while delivering)</li> <li>• Hold 1 x Stakeholder PR event for MHO and link with wider MHP</li> <li>• Increase use of Homebuy Agent shows to forge links with politicians and policy makers.</li> <li>• Use marketing and relationship management teams, MHP Comms to increase positive media coverage of MHO activity and successes. Participate in HOAP and LHOOG</li> </ul> <p><b>7.9 Community Investment</b></p> <ul style="list-style-type: none"> <li>• Ascension Eagles - to continue to build proper young person's employment, skills training and housing programme with club. Use 2009 Citizenship Foundation survey to assist young people with housing and financial training.</li> </ul>		

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<p><b>7.10 Customer Service and Engagement</b> CMS migration</p> <p>Hold annual conference with customer service as theme with a key specialist guest speaker starting renewed programme of customer service.</p> <p>Conduct annual customer survey.</p> <p>Conduct and improve results from Sales &amp; Equity Loan team satisfaction surveys and interviews and end of term reports.</p> <p>Hold two customer survey panels and use online panel for feedback from new and existing Homebuy customers to inform business planning and service development.</p> <p>Use complaints and compliments to inform our operational improvements. Run quarterly staff sessions.</p> <p>Use the monthly MHO staff mystery shopping reports to maintain and improve standards and performance.</p> <p>Develop an annual 'Keeping in Touch' shared equity owners newsletter.</p>	<p><b>April 2011</b></p> <p><b>Summer 2011</b></p> <p><b>February 2011</b></p> <p><b>Monthly</b></p> <p><b>Bi-annual</b></p>	<p><b>Jennifer Lowe to lead</b></p> <p><b>Jim Munson to lead outputs</b></p> <p><b>Jennifer Lowe</b></p> <p><b>New Homes Team until role absorbed into CSDM work</b></p> <p><b>Jennifer Lowe to lead</b></p>

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<p><b>7.11 Human Resources</b></p> <ul style="list-style-type: none"> <li>• Reduce teams to core of experience and expertise so we are leaner and able to survive and re-grow market share in 2011/12.</li> <li>• Conduct routine market and housing presentations at additional staff meetings in year to increase awareness among staff of trends, new business and policy changes.</li> <li>• Include MHP member organisation / central services in educating staff knowledge of the wider MHP business.</li> <li>• Use the HR devised training plan for all MHO staff so that annual reviews are informed and include key themes for each team and each member of staff, with specific technical and general training.</li> <li>• Staff efficiency competition and reward and recognition for savings to promote lean and efficient culture.</li> <li>• BMT members to use 2009 coaching training in order to develop up to 5 staff for future management and leadership roles.</li> </ul>		

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<p><b>7.12 Finance</b></p> <ul style="list-style-type: none"> <li>• MHO to review internal income accountability as there are unresolved issues on income for activities</li> <li>• MHO operating surplus at XX% before asset sales and before interest (to be discussed at budgetary stage).</li> <li>• All business streams to aim for target of 20% margin.</li> <li>• Reduce office costs per head, relocate staff April 2011 from the 2nd floor to the 3rd floor (to reduce costs and assist in MHPs wider office strategy objections).</li> <li>• Move MHO staff from MHT House to Clapham Park Homes Marketing suites.</li> <li>• Direct staff costs to be reduced through restructure review.</li> <li>• Capitalised staff costs to be reduced by New Homes Team review of services and merging of roles with the Customer Service Delivery Model unless latter can expand service charge and effects services across MHP.</li> </ul>		

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<ul style="list-style-type: none"> <li>• Marketing team to be restructured to adapt to changing market and to generate growth of MHO services. Budget neutral for staff costs.</li> <li>• Overall capitalised marketing costs reduced in line with smaller new build programme and to ensure better targeted spend on scheme specific sales and less on indirect corporate marketing.</li> <li>• Sales team to be reviewed given pipeline and reduced programme size. Average sales periods for schemes described with sales to priority customers to be accountable and designed to reduce interest holding costs.</li> </ul>		

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