



Business Review
And Outline Future Business Strategy

2010 - 2013

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1. BACKGROUND AND INTRODUCTION

Commonweal Housing is a registered charity which creates housing projects that incorporate bespoke services for occupiers enduring social injustice in order to demonstrate how these social injustices can be resolved. We provide the housing for such projects, usually from existing housing stock. Since 2007, we have allocated around £3½million for such projects.

We work with specialist partners to define, provide and evaluate the bespoke services. When the methodologies have been proven, we encourage others to replicate the projects throughout the UK as well as lobbying to change public policy to eradicate injustices.

Commonweal Housing Limited took the decision in 2009 to recruit and appoint their first full-time Chief Executive, Ashley Horsey (AH), who joined the charity in January 2010.

2. COMMONWEAL HOUSING'S MISSION, ETHOS, VISION AND STRATEGIC TARGETS

2.1 Mission

'A housing charity established to continue a family philanthropic legacy that aims to work in partnership with others as a test bed, innovator, researcher and campaigner for new models and new ways of working to find housing based solutions to different forms of social injustice.'

This is summarised succinctly in the **STRAP-LINE** of:
'Housing solutions to social injustice'

2.2 What is our 'unique selling point' (USP) that distinguishes Commonweal Housing from other charitable funders?

Role model principles – Working at the *new ideas* end of the spectrum.

Partner – Active not passive in testing and delivering projects but very much part of trying to make them work.

Contacts and contracts . A well connected organisation that puts great store by contracts . in essence doing what you say you are going to do, i.e. honesty and delivery.

Evaluation – Maximising and constantly pushing for the learning points and especially the input of service users. Even if a project does not deliver as hoped (on whatever measure that might be) Commonweal Housing will still deem it a success if lessons are learnt, if *faults* or *pitfalls* are clearly understood so they can be avoided in other schemes in the future.

Open Source – Commonweal Housing is determined to ensure that learning is shared and maximised to aid and facilitate replication and further advancements by others and the organisation where appropriate.

Campaigning – The comfort for partners (who are likely to be primarily service providers) that the initial burden of promotion, lobbying or campaigning will not fall to them alone . keeping momentum going is key to Commonweal Housing's thinking.

Of these, the key to the future of Commonweal Housing are the **evaluation** and **campaigning** elements. This demonstrates our desire to be associated with schemes and projects going forward, not to be merely a relatively distant funder working with a range of projects. Maximising credibility by commissioning leading experts widely recognised as such in the area of operation to undertake evaluations. Commonweal Housing recognises that this may have cost implications and therefore, whilst always seeking to achieve demonstrable value for money, in this area Commonweal Housing will not restrict funds unnecessarily or unreasonably.

2.3 This effectively sets out the **ETHOS** for Commonweal Housing as *'An innovative, rigorous, learning and campaigning organisation.'*

2.4 What do we offer as a charity?

Housing . The flexibility to target and acquire housing options specifically for projects rather than trying to fit new housing schemes and projects in to an existing property portfolio.

Passion . A genuine sense of an organisation and a Board of Trustees that demonstrably want to do good and are determined to do just that.

Focus . Small portfolio of projects to date. Commonwealth Housing will establish priorities of project areas on an annual basis to seek wherever possible to maintain a balanced portfolio of projects.

Innovation and Ideas . A willingness to identify and accept new and challenging ideas where it is felt they can deliver real solutions.

Independence . The charity does not seek to deliver the solutions or replication itself and can therefore lobby and campaign for policy change or future replication funding from a position that does not impact upon (or could be seen as conflicted by) its own future business plans or income streams.

Money* . The real ability to do things.

** Note – Although adequate to meet the requirements of this initial strategy, the amount of funding available to the charity is limited. This is especially true in terms of the scale of resources potentially needed to fully address some of the problems and social injustices identified by Commonwealth Housing and partners. To this end the charity will target its funding through the role-model project principle to test new ways of working to enable others to learn from such efforts. Others will need to supply the resources for replication of models shown by Commonwealth Housing and its partners to be effective.*

Commonwealth Housing will also limit its investment in any particular project to a level that provides appropriate critical mass to enable meaningful testing and evaluation, but also allows the charity to support a range of projects simultaneously.

Core funding assumptions are set out in section 4.

2.5 Recognising key weaknesses

A key identified weakness at this stage is **capacity** and the need for Commonwealth Housing not to overstretch in terms of financial or human resources. The risk of raising expectations which cannot be delivered would thus impact on credibility.

Building and maintaining relationships with fellow Third Sector organisations is key to addressing some of the concerns about capacity. We aim to enhance these relationships further and increase our empathy with and understanding of effective operating styles to secure delivery of our desired outcomes for projects and the individuals within them.

2.6 Vision for the future

'To deliver tangible results and the replication of learning from Commonwealth Housing supported projects'

- We believe this means that within 5 years:
Commonwealth Housing's Solutions are being delivered more widely by others, enabling (actually *demanding*) and achieving replication by others to address needs and tackle injustices. Not holding on to learning or seeking to always deliver replication ourselves.

- In achieving this primary vision we believe this also means that Commonwealth Housing will be:
 - Visible** . More people will know and understand who we are, what we aim to do, how we do it and what our successes have been.
 - Recognised brand 1** - As a kite mark for quality tested / evaluated project . as previously, regardless as to whether the project per se is perceived to have been successful or not people will recognise that Commonwealth Housing played a vital part in enabling it to be tested and key learning points identified and promoted.
 - Recognised brand 2** - As a charity per se Commonwealth Housing has adopted appropriate standards and (where appropriate) secured relevant accreditation as a role model outfit, e.g. PQASSO, Investors in People, Social Return on Investment (SRoI) etc.
 - Cutting edge** . An organisation that is willing to try something new and whilst not being reckless with limited resources is willing, as part of effective risk management, to absorb costs or limited success of projects if necessary, capture the learning from such events and certainly to tackle orthodoxy.

- There are three immediate follow-on questions:
 - How is this vision to be achieved?*** . There is no need to move away from the principle of Commonwealth Housing achieving excellence (and delivering this vision) as a test bed for **role model projects**. Not just limited to *projects* but, wherever possible, realistic solutions to issues of social injustice. [Year on year activities set out in more detail later].
 - What sort of projects?*** - At this stage of the charity's development it is too early to start focusing too closely on one particular area of housing need or social injustice. The Charitable aims do not require this and neither is there a strong desire for specialisation from Trustees or others at this stage.
 Therefore there is a strong preference to try and secure the immediate next tranche of projects (i.e. beyond Re-Unite and Chrysalis) to be non-gender specific and, if at all possible, not directly associated with the criminal justice system.
 - What does success in delivering the vision look like?*** - Key success measure can be summarised as:
 - **Profile**
 - **Positive evaluations**
 - **Policy changes**
 And, most importantly
 - **People helped.**

2.7 Role model test bed and innovator

The notion of Commonweal Housing as a test bed for innovation and role model projects is broadly welcomed and understood by the outside world . it is the right place for Commonweal Housing to be.

This role carries certain expectations and requirements if Commonweal Housing is to achieve credibility and become a known and **recognised brand**.

Constant pipeline . New projects on a regular basis but always going back to the coal face and seeking the next challenge, the next area of unaddressed social injustice.

Partnerships . Need to be seen as an organisation that people can work with and will want to work with . partnership principles will aid replication. Commonweal Housing is to operate future projects as an equal partner as a minimum, with the potential to run projects completely and buy-in, on a contractual basis, service delivery (*horses for courses*).

Project phases . Aim to have 5 / 6 projects running at any one time at different stages of development and requiring different input from Commonweal Housing:

1. **Idea Sourcing** - To date experience has suggested a ratio of circa 30:1 in terms of ideas considered through to more detailed consideration and ultimate adoption.
2. **Detailed feasibility / due diligence stage**. Including business plan review and demand analysis up to contract negotiations.
3. **Project initiation stage** . Signing of contracts and fundraising if necessary.
4. **Project implementation stage** . Including process learning, constant internal evaluation and review and learning cycle.
5. **Evaluation stage** . Actual evaluation arrangements to be established at stages 3 and 4. Expert external evaluation to be a review of the project in full swing
6. **Promotion stage** . Campaigning and lobbying on the outcomes of the project and evaluation, seeking policy change / expansion.
7. **Replication stage** . Depending upon the nature of the project and view of Trustees at the time, may be defined period / outcome based on longer term interest for Commonweal Housing (*horses for courses*).

Does Commonweal Housing originate ideas or propagate others'?

At this stage there does need to be a definitive exclusive answer. The reality is it will do both. However, the priority for the next couple of years will be for Commonweal Housing to identify key areas and projects of interest to Trustees and meeting the aim of having a balanced portfolio of projects. In addition these will be project areas where Commonweal Housing is certain a demonstrable need / injustice exists. Commonweal Housing with then, through an iterative process, seek to identify relevant partners and specific, fundable / deliverable projects to then put into the pipeline outlined above.

2.8 Strategic targets

Commonweal Housing have the ability (in terms of charitable objectives) and the willingness (on the part of Trustees) to consider potential projects across a broad range of different housing needs or areas of social injustice.

However, the limited resources mean it cannot do everything. The revised mission, vision, strap-line and ethos of the charity can effectively be summed up in the phrase

- *achieving real change* -

This has been summarised as '*deep penetration in to the subject rather than less fundamental impact across a broader front*'.

In other words, Commonweal Housing will have a wide range of target areas to choose from but, once one has been selected, we aim to go in deep and have a real impact.

Trustees have set a strategic target or expectation that projects supported by Commonweal Housing will be:

- ***Filling a gap in existing provision***
- ***Challenging a social injustice***
- ***Providing a housing solution***

Commonweal Housing will then consider potential projects in relation to:

- a) The current list of *preference* areas to achieve a balanced portfolio (NB these will be ~~preferences~~ rather than exclusive unequivocal lists).
- b) The revised *10 point criteria* for accepting or rejecting projects.

2.9 New project preference areas 2010/11

When considering new projects, Commonweal Housing puts a premium on new and innovative solutions.

With limited staff and other resources, Commonweal Housing seeks to focus its efforts and also wishes to maintain, wherever possible, a balanced portfolio of projects seeking solutions across a range of different social injustices. Therefore, on a regular basis (no less than every two years), the Trustees will review and publicise its project preference areas. It is stressed that these are preferences rather than exclusive unequivocal lists.

Commonweal Housing is interested in receiving proposals that may not fall neatly in to the areas noted below but which can demonstrate that they meet the Trustees overall target of filling a gap in existing provision.

As an illustration of potential areas of interest for the coming 12 to 24 months, Commonweal Housing has identified the following as areas of social injustice and therefore possible areas for future projects:

- The housing needs of **ex-Service personnel**, especially those with issues around alcohol misuse and / or other support needs relating to physical or mental trauma;
- Housing needs of severely **overcrowded multi-generational households**, especially with adult children;
- **Care leavers** and their preparation for adult and / or independent living;
- **Trial tenancies** linked in with apprenticeships or other structured employment or training programmes;
- Single homeless people **moving on successfully from hostel accommodation**;
- Medium term **leasehold options and equity build-up** opportunities;
- The **affordability** of housing.

Timetable:

Subject to Trustees indicating a willingness to consider such initiatives, more detailed proposals are to be brought forward for the June and September meetings with an aim to have at least one project more fully developed for formal approval in December, with the intention to enable commencement in 2011.

2.10 The criteria for accepting or rejecting potential projects

These were restated in the 2006/7 strategic review. Having looked at these anew, they remain fundamentally sound. However, as part of a simplified message it is proposed to reduce them slightly to a 10 point plan:

1. The project must serve a **housing need in London** or in those locations designated for easing housing stress in London, such as Thames Gateway or Milton Keynes.
2. The project must either solve a housing **need that is not currently being solved**, or endeavour to solve a need in a more significant and measurable way than is being achieved by current solutions.
3. The project must be supported by demonstrating a clear **understanding of the details of the housing need** being experienced by people with that need.
4. The project will be operated in a spirit of **openness** to offer learning and help for those who would want to replicate the prototype on a larger scale.
5. The project must be suitable for being developed as a **prototype role model**, striving for best practice at all stages.
6. The prototype project, when proven, should be **suitable for being replicated** on a larger scale by other organisations.
7. The medium to long term performance of the project must be assessed according to the **criteria set by third party experts**, who will measure and report on performance at pre-determined frequencies.
8. Commonweal Housing will principally provide the housing or the **finance for the housing element** of the project, but will work with partners on securing revenue funding where necessary.
9. The project must go through rigorous levels of **scrutiny and due diligence** to test viability.
10. The project must, within a **7 to 12 year period**, **return Commonweal Housing's initial housing investment** according to agreed terms so that it can be recycled in other housing projects.

3. ORGANISATIONAL STRUCTURE

3.1 Role of Trustees

Currently Commonweal Housing has four Trustees. The description of the role and responsibilities of Trustees as set out by the Charity Commission is:

Role of the trustees

Charity trustees are the people who serve on the governing body of a charity. They may be known as trustees, directors, board members, governors or committee members. Charity trustees are responsible for the general control and management of the administration of a charity.

Trustees have, and must accept, ultimate responsibility for directing the affairs of a charity, and ensuring that it is solvent, well-run, and meeting the needs for which it has been set up.

*The Essential Trustee: What you need to know
(Charity Commission - February 2008)*

The overall Governance role of the charity is appropriately undertaken via the current structure. However, Trustees will during 2010 actively consider governance arrangements, in particular the current arrangements and skills represented by Trustees. Trustees recognize the changing needs and skills required as the charity grows in to the future and becomes more diverse in its operations as existing projects move on to their next phase of campaigning and replication whilst new projects come on stream.

3.2 Chief Executive's *Advisory Panel*

Commonweal Housing is a small charity with limited staff resources. Therefore, for the Chief Executive, there is a lack of internal sounding boards as often found in larger staff teams to help bounce ideas and thoughts around before needing to take them to Trustees.

Trustees' time is precious and needs to be best used for the good of the organisation. It is felt that primarily, this should be in undertaking the formal Governance role of the charity and in making the key strategic decisions.

To this end the Chief Executive is establishing an informal '**Advisory Panel**' of external contacts and associates who are willing to provide some time and support to the Chief Executive. The panel will include leading figures in the charity sector, housing, legal and academic fields although it will tend to be a fluid membership. Primarily this will be to aid policy and project development and identify opportunities, enabling more fully-formed ideas and options to be presented to Trustees for approval.

The Advisory Panel will be an informal arrangement with no role at all in the governance of the charity. There will be no remuneration offered for anyone joining the panel, although Commonweal Housing would cover reasonable travel expenses. Ultimately such an Advisory Panel is growing a body of *friends and supporters* for the work of Commonweal Housing, as well as providing support and aid the Chief Executive in addition to that received from Trustees directly.

Although it is hoped that the Advisory Panel as a whole may meet up once or twice a year, a range of one-to-one or smaller group discussions will be had with the Chief Executive on a more frequent basis.

It is hoped that some of these, as appropriate or convenient, could also be attended by Trustees.

3.3 Meetings

Board meetings currently take place every quarter with the June quarter meeting also operating as the AGM. This frequency is considered appropriate for the effective Governance of the charity.

4. Assumptions

4.1 In making the proposals set out in this outline plan, the following assumptions have been made:

- Grove End Housing Association, for the duration of this strategy, will continue to be the principle funder for the activities of Commonweal Housing in terms of direct operational and revenue costs for the charity's core operation (as opposed to project revenue costs) and capital finance for new property acquisitions.
- Continued transfer of unencumbered freehold / long leasehold title to acquired properties from GEHA allowing potential borrowing by Commonweal Housing against this asset if appropriate and if specifically approved at some point in the future by Trustees.
- Commonweal Housing will seek to identify new core income streams, where viable and appropriate, which may include, over the terms of this plan, options such as (but not necessarily specifically or exclusively):
 - Market renting of residential property not allocated to specific charitable projects (up to Charity Commission income limits);
 - Revenue return on invested project capital via rental income where this can be accommodated in individual project business plans;
 - Return on intellectual capital invested in role model projects, possibly via replication by franchise or license, but also including potential consultancy activity where fees may be charged by Commonweal Housing, focused upon the learning and unique business operations of the organisation.

5. OUTLINE THREE-YEAR ACTION PLAN PRIORITIES

2010

- To successfully establish an independent office for Commonweal Housing by the end of April 2010;
- To recruit a permanent PA by the end of May 2010;
- Successful handover of project lead from DJP to AH . by April 2010;
- Maintain fundraising push for Re-Unite and aim to secure necessary funding for 2010/11 by June;
- To maximise the promotional opportunity from a Re-Unite evaluation report:
 - Publication of main evaluation report on website and early press release and distribution to key recipients and contacts (notably funders) March 2010;
 - Produce short campaigning summary document (to be approved by Institute of Criminology - IoC) for wider circulation in Summer;
 - Seek to secure feature coverage in trade press;
 - Re-Unite Federation conference involving Commonweal Housing, H4W and participants in Re-Unite Worcester. June 2010;
 - Seminar in September of invited leading figures to publicise learning from Re-Unite phase 1 and promote replication. Primarily aimed at criminal justice system policy and decision makers;
 - Seek opportunities to engage with social housing providers to promote the housing element of the Re-unite model across the country (e.g. CloH annual conference . June or NHF Annual Conference September) and / or other opportunities.
- Establish and commission as appropriate Phase 2 evaluation of Re-Unite (South London & Worcester);
- Complete purchase of remaining properties for the Chrysalis project - May 2010;
- Formally commission evaluation on Chrysalis by June 2010;
- Communications Strategy in place . by April 2010:
 - Website renewed and enhanced;
 - Website updated regularly (no less than twice pcm);
 - Regular press releases and conference speaking, promoting Commonweal Housing;
 - Regular (as appropriate) communications and updates to funders.
- Further develop links with the FOR-HOME study lead by Sheffield University to be published in 2010 to identify potential project areas;
- Next new role model project approved by Trustees - September 2010;

- Joint Trustees / Advisory Panel Strategic Away Day session . September / October 2010;
- Formal review of strategy / business plan by Trustees . December 2010.

2011

- Involvement and promotion of Re-Unite at IoC international conference . January 2011;
- Successful PQASSO accreditation (if not achieved already in 2010);
- Ongoing fundraising requirement for Re-Unite South London?
- Identification and progress towards further replication of Re-Unite elsewhere;
- Commencement of next project:
 - Possible fundraising requirement;
- Identification and approval by Trustees of further new project for commencement in either 2011 or 2012;
- Ongoing delivery of communications strategy to maintain profile of Commonwealth Housing:
 - Early findings from Chrysalis evaluation;
 - Promotion of new project;
 - Ongoing findings and lobbying promotion of Re-Unite.

2012

- Establish clear, ongoing funding package for Re-Unite South London and / or establish with H4W clear exit strategy for Commonwealth Housing to ensure return of investment for re-use with other projects;
- Aim to have portfolio of 5 or 6 projects in hand;
- Ongoing delivery of communications strategy:
 - Chrysalis final evaluation;
 - Major promotion of learning points and (if appropriate) push towards replication;
 - Promotion of new project.
- Commence development of a project for at least 25 homes that generate a return of investment that will eventually lead to the self-sufficiency of Commonwealth Housing by the end of the project;
- Commonwealth Housing regarded as a major force in leading the thinking on solving housing need in London.

2013

- Implementation of new three year business plan and strategy as agreed by Board December 2012.