

Cromwood Housing Group

2021 – 2024 BUSINESS PLAN

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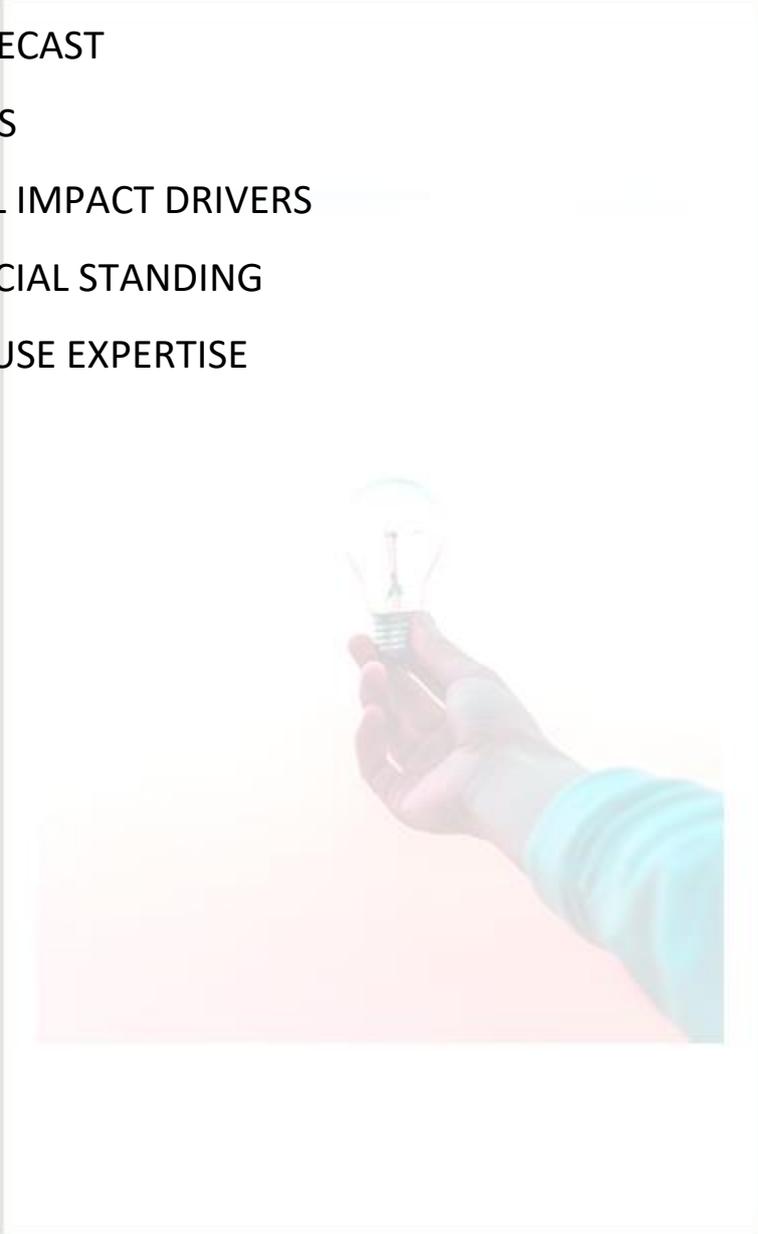
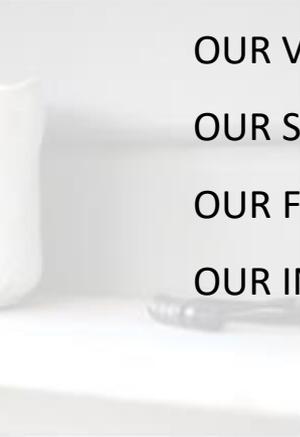
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CROMWOOD BUSINESS PLAN 2021 - 2024

EXECUTIVE SUMMARY

2020 has been a year dominated by the coronavirus pandemic which has changed the way we live, the way we interact and the way we do business. It has forced people and government to redefine the term 'normal' with respect to all aspects of human existence.

As a provider of social housing to local authorities, we tried our hardest to operate 'normally' during the pandemic in order to save the lives of people who are homeless, sleeping rough or seeking asylum. Housing was an essential tool in the fight against coronavirus.

In the '2019 – 2022 Business Plan' we detailed how we plan to increase the number of properties we own and the number of units we have under management as part of a 3-year expansion plan through organic growth and strategic partnerships.

COVID-19 had a huge impact on our expansion plans, however not all of it was bad news. The coronavirus pandemic illustrated more than ever the need for social housing and the role that providers of housing services played, in ensuring the safety of those in most need.

All the opportunities and challenges facing the UK social housing sector, mentioned previously, have not changed. Coronavirus has presented many challenges to business trying to deliver a much needed housing service in the UK, but at the same time has presented opportunities for uniquely positioned organisation to adapt to market forces and deliver services that have become essential to society.

Our ongoing work to house rough sleepers in Greater Manchester and London gained momentum as coronavirus 'forced' rough sleepers indoors and at the helm of local authorities. We built strategic partnership with the Greater London Authority (GLA) and in June 2020 we were awarded 'Investment Partner' status to enable us to deliver housing to end rough sleeping in the streets of London.

The registered provider arm of our business was awarded the highest amount of funding to provide long term, move-on, housing for those sleeping rough in London. This funding is part of an overall rough sleepers (and other vulnerable people) programmes, from the GLA, seeking to deliver 3,300 new homes across England via the availability of a £150m fund.

This backdrop of coronavirus and our partnership with the GLA has forced us to produce a new business plan. Detailed below is an executive summary of our plan for 2021 – 2024.

CROMWOOD BUSINESS PLAN 2021 - 2024

INTRODUCTION

The year 2020 will be remembered for many a reason least of all how coronavirus changed the way we live our lives, the way we interact with other and the way we work. National and local lockdowns presented many an obstacle to our normal business cycle; however, we managed these disruptions by adapting existing strategy and applying knowledge as it was available.

It would be an understatement to say that coronavirus had an impact on Cromwood Group. At the end of the year, we accounted for one of our busiest year – we provided accommodation to over 1,020 people that were sleeping rough, we housed 1,502 people seeking asylum, we housed 104 people fleeing domestic violence and we provided accommodation to 352 people registered homeless with local authorities in London & Greater Manchester. We also secured contracts with new partners such as the Greater London Authority (GLA) who awarded Cromwood Housing Ltd the highest grant allocation to provide long term accommodation to house people sleeping rough and fleeing domestic violence in London.

Coronavirus amplified the plight of those sleeping rough on our streets – a cohort group we already work with and house.

We carried out financial and operational assessments considering the risks posed by coronavirus to our staff and to people we housed, i.e. tenants. We made decisions and provided guidance to our staff that was clear, informative, and supporting.

- We were open, transparent, and reassuring to our staff with respect to our business and its continuity during the ongoing pandemic.
- We took pro-active steps to safeguard the working environment of our staff in the office and those outside in the field.
- Measures included providing PPE to all staff working outside the office, guidance and protocols on the type of work that our staff can carry out safely, the work we will not do and the circumstance under which our staff will not engage with our tenants

The key impact we felt was around engaging with cohorts that we already house or are about to house. Local and national lockdowns affected how our housing officers engaged with cohorts and how they delivered service. Some of the changes we implemented to factor in the effect of COVID has been around the following areas of work:

- Engaging with tenants
- Limited interaction to move-in vulnerable tenants
- Housing officers falling ill
- Not being able to carry out routine inspection

As the pandemic continued and Government scientists learnt more about tackling the outbreak, we were able to adapt our own service provision, build business resilience, through learning on the ground from our housing officers.

CROMWOOD BUSINESS PLAN 2021 - 2024

3 YEAR FORECAST

With over 2,000 units already under our management we are constantly exploring ideas to increase our stock of properties.

Our aim over the next 3 years is:

- To increase the number of properties we own
- To increase the number of units we manage

Our target is to:

- Increase our property ownership by 1,050 over the next 3 years
- Increase the number of units we manage by another 1,200 units

We believe we can increase our property ownership through the execution of joint ventures with central government bodies such as the Greater London Authority (GLA), social banks and fund managers who have an appetite and an agenda, based on social and environmental impact, to increase the provision of social housing in London and Manchester.

We believe we can increase the number of units we manage through a combination of existing methods of procurement which has served us well:

- Engaging with existing and new social landlords
- Resurrecting empty properties
- Purchasing properties that are already multiple self-contained units or lend themselves to be converted into self-contained units

This strategy was mobilised towards the end of 2020.

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OUR SOCIAL IMPACT DRIVERS

At Cromwood we believe social impact is the net result created (and its effects) on a person, group of people or community, which has been directly generated from the actions or activity of a programme, project, or policy.

We measure our social impact by calculating the potential saving, to the public purse, we achieve through the provision of accommodation that someone can call home, where they can rest, receive support and plan for their future.

Property Impact:	Effect on Person(s):	Effect on Community:
Call Home	Confirmation of existence, Validity, Inclusion (social & financial)	Someone not homeless or sleeping rough or begging on the street
Rest	Take stock of their life and make informed decisions	Chance to build support networks, re-connect with family, friends etc
Receive Support	Help, Support, Treatment, Training – Leading to wellbeing & independence	Community expertise can influence and shape future by intervention
Plan for Future	Start their journey to self sufficiency	Able to contribute to community e.g. working & paying tax etc..

Our social impact drivers are all housing related and concentrated around the overall number of people we house, provide accommodation, and help get support. Our current drivers are:

- People who are homeless
- People sleeping rough (or Street Homelessness)
- People seeking asylum
- People fleeing domestic violence

To calculate the potential saving to the public purse, we capture numerous data regarding the people we house, which are listed below:

- The number of people we house, accommodate and or support
- Whether they are single, couple, family, children etc
- Ethnicity & Age
- Economic activity status (i.e. unemployed, long term ill, in work etc)

We have recently started to calculate the impact created through investment from our social financial intermediaries and partners.

CROMWOOD BUSINESS PLAN 2021 - 2024

OUR VALUES

Our vision continues to be the same today, as it was when we started:

OUR VISION

“to provide a place someone can call home, where they can rest, receive support and plan for their future”

Our founding directors set up Cromwood to serve the needs of the community through the provision of housing based on these fundamental values:

OUR VALUES

“Serve the needs of the community through housing”

“We strive to provide immediate housing for the most vulnerable, today”

“We believe our intervention today, saves public money for tomorrow”

These core values have shaped how we deliver our services today, since our inception. Our mission to provide vital housing services to vulnerable people in society remains unchanged:

OUR MISSION

“Provide vital housing services”

“Reduce the vulnerability of individuals and families due to the lack of a permanent place they can call home”

“Deliver societal impact through the creation of innovative housing solutions, backed by investors, and partners that care”

The coronavirus pandemic has demonstrated the essential role that housing plays in not only providing people with a place to call home but also a place where they are safe.

National and local lockdowns have forced people to work from home and a resultant factor, reported by many charities, has seen a rise in domestic violence. It has also exposed the plight of those sleeping rough on our streets. Helping these two cohort groups are central to our business plan for the next 3 years.

CROMWOOD BUSINESS PLAN 2021 - 2024

OUR FINANCIAL STANDING

Detailed below is summary of the Group's consolidated accounts, as detailed at the time of writing this report, and the 3-year projected forecast for the year 2024.

Please note the Group consists of Cromwood Ltd and Cromwood Housing Ltd (a provider of social housing registered with Homes England).

Key Financials	2021 (£m)	2024 (£m)
Housing Assets	50	140
Loan Capital	35	70
Turnover	15	25

Units (under ownership)	2021 (Number)	2024 (Forecast)
London	200	500
Manchester	50	200
Total	250	700

Units (under management)	2021 (Number)	2024 (Forecast)
London	1,600	2,200
Manchester	500	900
Total	2,100	3,100

CROMWOOD BUSINESS PLAN 2021 - 2024

OUR IN-HOUSE EXPERTISE

In the year 2020 we experienced business growth that was both fuelled through our years of hard work and strategic planning but also through the housing demands created in the wake of the coronavirus pandemic.

We executed contractual agreements with housing and investment partners with a view to jointly deliver housing that is essential today to people who are homeless, sleeping rough, seeking asylum, and fleeing domestic violence. Housing has become an important factor in the fight against coronavirus.

As a result, we have expanded our team and recruited market leading expertise to help us deliver these unique contractual opportunities.

At the heart of this expansion is the growth of our housing acquisition team, led by Kevin Murphy, who joins us with over 25 years of housing expertise, a large percentage gained as head of housing at the London Borough of Bexley.

Our CEO recently finalised the organisational structure considering the expansion of the Cromwood Housing Group which includes Cromwood Ltd and Cromwood Housing Ltd. He established a senior management team with clear responsibilities and direction.

Both our founding directors, of the Cromwood Housing Group, are also considering the appointment of expanding the internal committee to include external members. Currently the decisions governing the Cromwood Housing Group lays with the two founding directors, aided by the senior management team as and when needed.

We believe we have the right people, the right structure, the right partners to deliver on the plans detailed in this business plan. We also believe we now have a solid foundation from which we can deliver much needed housing, help vulnerable people in our society and produce results that create amazing societal impact.

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HOUSING