

Business Plan 2017-2022

Strategy

Contents

Executive Summary	3
1. Introduction	4
2. About YMCA Thames Gateway	4
3. Strategic context	6
3.1 Organisational context	6
3.2 External context	8
3.3 Significant opportunities	10
4. Strategy	10
4.1 Planning model	10
4.2 Aims and objectives	11
5. Delivery	13
5.1 Structure	13
6. Financial Plan	14
6.1 Business plan financial summary	14
6.2 Performance measurement	15
6.3 Assumptions and risk	16
7. Conclusion	16
8. Appendix	16

Executive Summary

Set against the background of a tough economic climate, with cuts to funding and increased demands on our services, YMCA Thames Gateway 2017-2022 business plan represents an ambitious but achievable strategy for sustainable growth.

Background

Spanning 6 boroughs, three of which are the country's most deprived, we work across five core areas: health & wellbeing; accommodation; training & education; children & families; support & advice. From our childcare and youth provisions, our fitness facilities to our accommodation service, we support thousands of young people and their communities in the London Boroughs of Barking & Dagenham, Greenwich, Havering, Bexley and Ashford & Dartford in Kent.

Strategic context

Our Board has identified key priority areas for the coming years: growing our impact and achieving greater clarity of purpose; creating a sustainable and diverse business model; developing our leaders and future leaders; and key, increasing our focus on young people. This needs to be set against a difficult economic climate, with welfare cuts and decreased resources for charities resulting in an increase in demand for our services.

Aims and objectives

Our mission is to transform the communities in which we work, enabling more young people to truly belong, contribute and thrive. To achieve that, we have set five clear, strategic aims:

1. **Our Finances** – We will grow turnover, increase surpluses, significantly increase direct debit payers, fundraise £1.2 million and reduce our overhead costs.
2. **Our People** – We will introduce a new performance management framework and a new staff development programme including increasing our training. We will improve our employee experience.
3. **Our Opportunities** – We will have a new process to appraise and commit to opportunities, develop new housing, develop new community branches, firstly considering Thamesmead. We will sweat our land assets.
4. **Our Quality** – We will introduce new impact measurement frameworks, define our quality standards, improve our customer experience, complete a "journey to excellence" programme in Housing, and ensure we listen to the voices of young people.
5. **Our Risk** – We will approach risk with creativity and innovation and all new opportunities will be fully risk assessed. We will plan to generate a minimum of an extra 300k of surplus by 2022. We will mitigate against the risk of losing rental income through government changes.

Each aim has clear objectives, priority activities and success indicators, ensuring that, while our plans are ambitious, they are achievable.

Measuring success

Performance measures will be renewed so that we can better see what and how we're doing, and the overall change we're making as a Charity. In addition to more quantitative measures, we will introduce an outcomes measurements framework to allow us to measure our impact.

Conclusion

This plan makes a step change for YMCA Thames Gateway. Over the next five years we will see our impact and influence grow both locally and nationally as part of the Movement. We will extend our reach into new geographical areas, build on our provision across all five work areas, and, most importantly, transform more communities, enabling more young people to truly belong, contribute and thrive.

1. Introduction

YMCA Thames Gateway 2017-2022 business plan is an ambitious strategy for sustainable growth that marks a step change in the charity's development, offering:

- A strategic model that creates a direct line of sight from our mission and values through to individual staff plans.
- A set of strategic aims and measurable objectives for the next three years, driven by social need and the competitive external environment.
- Strong service delivery plans to deliver our aims and objectives.
- Impact-oriented performance measurement that will ensure we focus on the positive difference we make in our areas of work.

The plan articulates who we are and how we deliver our work in the context of the YMCA locally, regionally and nationally.

2. About YMCA Thames Gateway

Who we are

As part of the YMCA Movement, our mission is to transform communities to enable all young people to truly belong, contribute and thrive. We've been doing just that in the Thames Gateway area for more than 130 years, driven by our core values:

- **We seek out:** we actively look for opportunities to make a transformative impact on young lives in the communities where we work, and believe that every person is of equal value.
- **We welcome:** we offer people the space they need to feel secure, respected, heard and valued, and we always protect, trust, hope and persevere.
- **We inspire:** we strive to inspire each person we meet to nurture their body, mind and spirit, and to realise their full potential in all they do.
- **We speak out:** we stand up for young people, speak out on issues that affect their lives, and help them to find confidence in their own voices.
- **We serve others:** we are committed to the wellbeing of the communities we serve and believe in the positive benefit of participation, locally and in the wider world.

What we do

Our services are delivered through five work areas:

- **Health and wellbeing:** wide-ranging, friendly and inclusive health and fitness facilities.
- **Training and education:** programmes for schools and colleges, those with individual and additional needs, and older people.
- **Children and Family Work:** a range of childcare provisions and activities and youth provisions
- **Accommodation:** housing young people in our hostel and flats, providing support and accommodation
- **Support and advice:** on benefits, education and employment, and health and wellbeing.

As part of the Global YMCA Movement, international work interweaves with all these areas.

Who we work with

We work with all members of the community, in the belief that everyone should be able to reach their full potential, regardless of their background. Our focus, however, is on young people, with targeted work for those with a specific need.

Where we work

We work in six boroughs, Havering, Dartford, Barking & Dagenham, Greenwich, Ashford and Bexley, three of which are the countries most deprived. In the future we are aiming to expand further into parts of Kent, Essex and East London, where we believe we can make a difference.

How we do it

We believe in joined-up working to maximise our reach and impact. Our provision is fully integrated, so that, no matter what the reason for initial contact, young people have the opportunity to access all the services we provide, giving them the best all-round chance to improve their lives and be part of the wider community.

Why we do it

Our concern for the welfare of young people and their communities is motivated by our Christian faith, which drives us to place equal value on every individual, welcoming people of all faiths and none, to serve those who face disadvantage or exclusion, and to challenge discrimination and social injustice.

3. Strategic context

3.1 Organisational context

Board direction

In December 2012, the board of trustees outlined the following priorities for the charity:

- **Growth of impact:** expanding existing programmes and identifying new business opportunities.
- **Greater clarity of purpose:** improving focus and increasing charitable impact.
- **Measurable impact of our charitable work:** determining how to demonstrate substantively the positive difference we make.
- **Sustainable and diverse business model:** diversifying income streams, increasing income from fundraising and commissioning, as well as maintaining and expanding trading income.
- **Leadership development:** investing in existing and emerging leaders.
- **Increased focus on young people:** shifting the rudder so there is a clearer focus on young people throughout all work areas.

Financial context

YMCA Thames Gateway was formed by a merger of 2 local YMCA's - Romford YMCA and YMCA Thames Gateway (South). In the first full year of trading the newly formed charity the charities turnover was £4.75m and it achieved a surplus on operating activities of £15k.

Prior to merger Romford YMCA regularly achieved modest operating surpluses. And over a 5 year period Romford's free reserves from £510k to £1.24m, with cash reserves increasing from £125k to £750k. Over the same 5 year period leading up to the merger YMCA Thames Gateway (South) struggled financially, mainly as a result of high levels of investment in the refurbishment of the Roundhouse. Over this period the reserves of YMCA Thames Gateway (South) were eroded and the charity agreed loans with YMCA England to continue trading. The merger allowed the new entity to consolidate these debts and secure the unencumbered freehold over the Housing units at the Roundhouse, helping to secure the long term viability of YMCA work south of the river.

YMCA TG is now projecting turnover to reach £5.35m in 2017-18, with the majority of the growth in turnover coming from the opening of new housing units in Woolwich. YMCA TG now has around 62% per cent of turnover generated by rental or grant income from accommodation services, 19% from childcare and family work, and 11% from health and wellbeing programmes. The remaining eight per cent of income comes from a mix of youth work, catering, rentals, investments and fundraising.

Product and services

As the economic climate becomes more challenging, so too does our work. Funds are harder to come by, while demand is unremitting.

1. Accommodation

Welfare reform and a tougher sanctions regime mean that managing arrears is challenging. This is coupled with a growing waiting list and greater need for benefit advice, informal education and resettlement for individuals.

2. Training and education

There's increased demand for our education programmes too. We're now working with 20 schools and colleges, with rise in our work with special populations, for which we've accessed additional funding.

3. Health and wellbeing

At a time when people are reviewing their expenditure, our direct debit membership remained up by over 15 per cent to 1031 in June 2016 compared to 877 in June 2013. Our total fitness membership is 2,800. The challenge to maintain income will continue and may increase given the growth in competition, specifically the emerging "budget gym" market locally.

4. Children and Family work

A total of 530 families used our children's services (excluding parties). Some of our children's services have faced challenges in occupancy due to high numbers of parents facing work insecurities and increased provision in schools. We continue to explore the possibility of opening further day nurseries, replicating the Kent model in East London and Romford, and will develop services to ensure we remain relevant and sustainable. Our birthday party provision has grown steadily in Romford over the last year and we plan to replicate this service across other sites

5. Support and advice

Members accessing the fitness and wellbeing services receive support and advice on healthy lifestyle and safe training. Our resident members receive life skills training and personal development opportunities and advice about such things as Universal Credit and welfare reform. Families accessing the children's services receive help concerning childcare vouchers, tax relief and similar benefits. We also offer additional services include bereavement support, and faith-based courses.

Strengths and weaknesses

- **Infrastructure:** the leadership team and broader infrastructure are strong, with a positive, can-do attitude. Development is needed in IT/digital, quality, sales and marketing and business development.
- **Holistic approach as a USP:** our breadth and depth of services and our geographical spread and flexibility are key strengths, allowing us to bring together issues and sectors through the development of a holistic model.
- **Governance:** new recruits to the board including a new Chair, give us the skills to take the charity to the next level, but must be harnessed effectively.

- **Lack of strategic clarity:** historically planning has been based on an annual, operational model. Our new plan provides a framework for longer-term business development and decision-making.
- **Lack of local profile/influence:** we are influential within the Movement; we have developed a network of relationships in Dartford and Greenwich and have a good model of partnership working to deliver services. We are also building strong and sustainable local relationships north of the river.

3.2 External context

Young people

While we will continue to work with everyone in society, there is a strong consensus, backed by compelling social need, that we should increase our focus on young people. A survey of 500 young people across England, conducted by YMCA England in June 2013, identified the areas in which they most require our help:

- Top five goals:
 - o An enjoyable job
 - o Good relationships with family and friends
 - o Financial security
 - o To be fitter and healthier
 - o To have somewhere nice to live
- Main obstacles to achieving goals:
 - o The economy and competition for jobs
 - o Affordability of housing
 - o Lack of confidence
 - o Low motivation

In addition to the online survey, further research was conducted with young people who currently use YMCA services. They were exceptionally positive about their experience, but wanted to see the YMCA:

- Improve practical support, advice and guidance, especially in the areas of career choices, employment, financial issues and management and real world survival.
- Lobby government and become a strong voice for young people.
- Successfully help to protect critical services for marginalised and disadvantaged young people.
- Engage young YMCA users as volunteers or mentors for their peers.

Our communities

Ashford

Ashford is ranked* the 192nd most deprived local authority in England. Its population is predicted to rise by 34.7% by 2021 (from 2011). Ashford is 89.48% white British.

Although 83% of residents describe their health as good (2011 census), the health priorities are focused on smoking cessation for pregnant women (22% smoke) and to increase breastfeeding rates.

Barking and Dagenham

Barking and Dagenham is one of the country's most deprived local authorities (ranked* 8th out of 326). Its pre-school population has increased by 49.1%, while the proportion of its white population has fallen more than anywhere else in the country, due to an influx of Black African and Asian communities from London's East End.

Residents of Barking and Dagenham have a lower than average life expectancy with key health issues identified as obesity (children and adults); alcohol and smoking and teenage pregnancy. Twenty eight per cent of residents have no qualifications and unemployment is high at 42% of the population.

Bexley

Bexley is ranked the 181st most deprived local authority in England. It's population is mostly white British 77.3% with its largest other ethnic group being black and black Caribbean at 8.5%. Health priorities are for the high rates of obesity in both adults and children (adults 26.4% against England's 24.1% and 22.9% of children in year 6 are obese, higher than the average of 19%).

Dartford

Dartford is ranked* the 168 the most deprived local authority in England. Its population is mostly white British 83.77%. The population is projected to increase by 5% over the next 5 years and 11% over the next 10 years. The biggest population growth is in the 65+ (13%) and the 85+ (26%) age groups. Health priorities are for the high rates of obesity in both adults and children (adults 28.2% against England's 24.2% and 22.7% of children in year 6 are obese, significantly higher than England average 18.7%). 73.4% deaths are from Circulatory disease, cancer and respiratory disease.

Greenwich

Greenwich is ranked* the 19th most deprived local authority in England. The largest ethnic group other than white (2011 Census) is black and black British (19.1 per cent), followed by Asian or Asian British (11.7 per cent). Life expectancy in Greenwich is substantially shorter than the national average. This is true at birth and at age 75, and is true for both males and females. Coronary heart disease, stroke, lung cancer, chronic obstructive airways disease and mental disorders account for 55% of the life expectancy gap between Greenwich males and the London average, and 47% for females. (NHS 2013-14)

Havering

Havering is ranked the 177th most deprived local authority in England. Its population is predicted to rise by 13 per cent, the majority the 65+ age group (the fastest rate increase in England). It has the highest percentage increase in BME groups, although remains largely White British in make-up. On the whole, and relative to Barking and Dagenham, residents of Havering are in good health, although there are local variations. Priorities include child and adult obesity, dementia and teenage pregnancy.

3.3 Significant opportunities

- The potential to develop our work in South East London and Kent
- The Rush Green site masterplan and tower refurbishment
- YMCA England is selling their managed housing schemes. We may be one of the better places YMCAs to purchase and run these
- The potential for a new branch in Thamesmead incorporating sports, housing, youth work and children's services
- To partner the London Borough of Havering in the development of new housing schemes
- To develop a new housing scheme on the Rush Green Road site

4. Strategy

4.1 Planning model

In order to ensure that all the charity's activity contributes directly to transforming communities to enable all young people to truly belong, contribute and thrive, we have a planning model that provides a direct line of sight from our mission to individual staff action plans.



STRATEGIC PLANNING MODEL	
MISSION	Our purpose and the outcome of all our work ...
VALUES	Driven by our strong guiding principles ...
AIMS	Achieved through our aims ...
OBJECTIVES	Delivered through measurable objectives ...
PRIORITIES	Realised by the priority activities detailed in our organisational service delivery plans ...
STAFF PLANS	Executed by our people

4.2 Aims and Objectives

During this business cycle YMCATG recruited a new Chair, who commenced work in September 2016 and has been working with the Board and the Chief Executive on a Board performance review as well as a review of our strategic objectives.

The following strategic objectives emerged as a result of discussions with the Board, the Chair and the CEO. It is anticipated that all subsequent annual and department plans will align with these objectives although we do not expect this fully to happen until the end of the 2017-18 financial year.

Our Finances – We are aware that notwithstanding any changes in the social housing environment that the Association will need to generate somewhere in the region of £300,000 of additional surpluses by 2021. Our financial plan for the next 3 years is designed to generate the momentum to achieve this objective. We set about this in two ways. Firstly, by maximising the revenue and surpluses from our current work and secondly by ensuring we have effective mechanisms to determine which future opportunities will benefit the Association's aspirations and Business Plan.

1. At the end of March 2020 we will have fundraised £1m of capital monies and £250k of revenue monies.
2. At the end of 2020 we will have a budget surplus of 3% of turnover.
3. At the end of March 2020 we will have seen a net growth of direct debits in our health & wellbeing club of 400.
4. At the end of 2020 we will see percentage departmental contributions (as a percentage of turnover) of the following:
 - Housing 45% of turnover (currently 43%)
 - Children's and Families work 21% of turnover (Currently 18%)
 - Health & Wellbeing 50% of turnover (Currently 46%)
 - Central Support costs to reduce to 32% of organisational spend (currently 37%)

Our People – Our people are our most important asset, our aspiration and intention is to have a highly skilled and motivated workforce, with this in mind we set the following objectives.

1. We will implement a new performance management framework during 2017-18. 100% of staff at supervisor level and above to have clear SMART objectives and have received an annual appraisal in 2018-19.
2. A new staff development programme in place by 2019-20
3. 2% of organisational spend to be spent on staff training and development by 2019-20 in order to achieve and maintain a highly skilled workforce
4. Review and improvement of employee benefits, including pension provisions, to aid employee retention and motivation. 50% increase in expenditure on employee benefits by 2019-20
5. Increase in volunteering hours by 20% per annum between 2017 and 2020
6. Increase in number of apprentices working for us so that we have at least 6 apprentices working for us by 2020

Our Opportunities – Although recent years have offered significant challenges, there is no doubt the immediate landscape offers significant opportunities to grow impact and to secure

our future. Our approach will enable us to assess all opportunities against our key strategic objectives to both prioritise and plan delivery

1. We will set up an appraisal group with Board and staff to consider and prioritise new opportunities
2. We will appraise the potential of a new 80 unit housing development on our Rush Green site and if appropriate plan for delivery 2018
3. We will complete pre-planning for the re-cladding of the Romford tower including designing and cost planning 2018
4. We will complete an appraisal for a pilot housing scheme on our Upper Brentwood Road land including appraising GLA appetite for capital funding 2018
5. We will complete business planning (funded by the National Lottery) for the Thamesmead branch opportunities including the Link, Sporting Club Thamesmead, Y Aspire Housing Project and 50 place nursery options. 2018-19
6. We will appraise options for collaborations with other London YMCA's 2018

Our Quality - By 2020 all services offered by YMCA Thames Gateway will be able to identify the impact they have on members. Using a clear frameworks of what 'good looks like', enabling statistic development to inform continuous improvements.

1. By the end of 2019 all service delivery areas will have an impact measurement framework in place
2. By the end of 2019 all services will have defined their quality standards of what 'good' looks like
3. By the end of 2018 Our customer care standards will be embedded across all services and we will have a framework in place to obtain customer feedback and improve customer experience scores year on year
4. By the end 2020 the "Journey to Excellence" Housing Framework will be fully implemented.
5. We will ensure that we are putting young people's voice at the heart of service delivery by adopting the Hear by Right. This participation strategy will enable best practice on the safe, sound and sustainable participation of children and young people in the services and activities they take part in. 2017-20
6. We will embed a participation and engagement strategy across all services that maps how services users provide feedback, support delivery and contribute to strategy and governance. 2017-20

Our Risk - We aim to operate in a culture of creativity and innovation, in which risks are identified in all areas of the business, and are evaluated and proactively controlled rather than avoided.

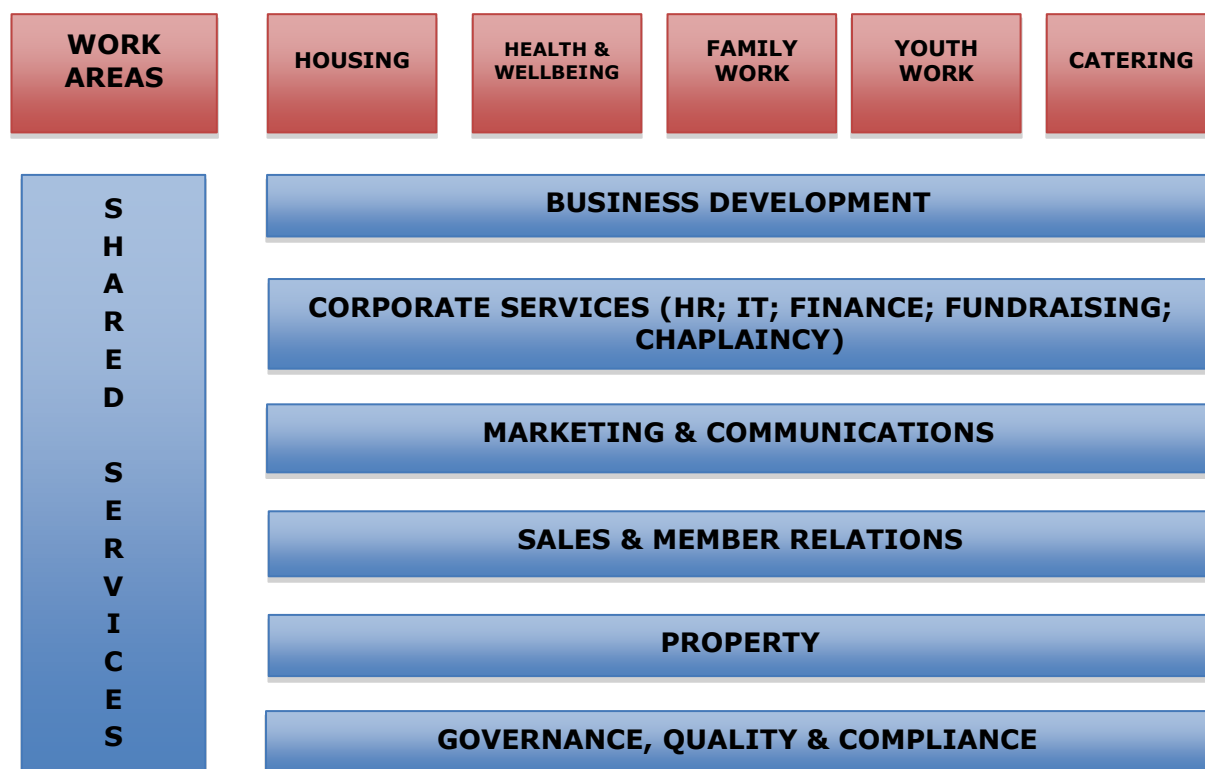
1. We will have effective structures and processes in place to ensure the risks and opportunities of daily activities are identified, evaluated and controlled in a standard way. 2017-20
2. Risk management is incorporated into business planning of new opportunities and developments. 2017-20
3. There is a risk that we could lose up to a maximum of £700k of housing revenues due to government rent changes. We will ensure we have a robust and thorough plan to ensure this risk is not realised. 2017-19

4. We anticipate that we shall need to generate an addition 300k or surplus by 2022. We shall ensure we achieve this by seizing upon opportunities in a planned and focussed manner that meet mission and contribute to overheads and surplus. 2017-2020

5. Delivery

5.1 Structure

Our structure reflects our broader sector focus, combining market-facing departments with shared services that promote a holistic view and a synergistic approach.



6. Financial Plan

6.1 Business Plan Financial Summary

A 3 year financial plan is attached to the Business Plan as an appendix, however below is a top level summary of the budget

Income & Expenditure

The financial plan shows income rising from a forecast £4.9m in 2016/17 to £5.7m 2019/20, and with projected surpluses rising from a projected £20k in 2016/17 to £88k in 2019/20. Income growth is projected across Housing, Children's Services and Fitness and Wellbeing over the 3 year period.

YMCA Thames Gateway 3 Year Budget P&L 2017/18						
				2017/18 FY Budget	2018/19 FY Budget	2019/20 FY Budget
INCOME						
Housing				3,305,495	3,428,788	3,375,201
Fitness & Wellbeing				555,412	625,749	675,925
Children's Services				1,012,002	1,070,314	1,131,505
Youth Services				29,816	50,000	50,000
Catering				142,200	149,310	156,776
Other Income				297,657	315,635	333,984
Total Income				5,342,582	5,639,796	5,723,391
EXPENDITURE						
Direct Programme Costs				(331,334)	(345,767)	(353,558)
Employment Costs				(3,228,309)	(3,315,392)	(3,391,146)
Premises Costs				(688,904)	(738,335)	(766,969)
Overheads				(1,079,918)	(1,101,516)	(1,123,547)
Total Costs				(5,328,465)	(5,501,009)	(5,635,219)
Net Profit/(Loss)				14,117	138,786	88,173

Cashflow

Despite an expected reduction in cash over the 3 year period we still have a healthy cash balance which gives us sufficient working capital. The higher cash surpluses expected in 2018-19 and 2019-20 bring us to close to being cash positive. We could also opt to start taking investment income direct into our bank account, rather than it being re-invested, which would improve our cash position by £180k over the 3 year period assuming that investment income stays at the same levels.

Cashflow Summary		2017-18	2018-19	2019-20
		£(000)s	£(000)s	£(000)s
Year End Forecast		455	323	316
Budgeted surplus		14	139	88
Add back depreciation		324	330	337
Investment income reinvested		-60	-60	-60
Pension deficit payment		-120	-150	-150
Investment in Capital		-290	-266	-243
Cash surplus/deficit for year		-132	-7	-28
Year End forecast		323	316	288

Capital Budget

A capital plan is also included showing the expected expenditure on capital items over the same period, however you should note that this does not include projected capital spend on large scale developments or refurbishments, which will have to be funded outside of our general operational budget.

YMCA THAMES GATEWAY CAPITAL BUDGET 2017-2020				
	2017/18	2018/19	2019/20	
Site Ops	194,500	175,700	178,000	
IT	49,800	37,340	40,000	
Fitness	31,950	44,500	25,000	
Childrens Services	3,000	0	0	
Marketing & Comms	11,000	8,500	0	
Total	290,250	266,040	243,000	

A full commentary accompanying the budget is included in the appendix.

6.2 Performance Measurement

Our performance measurement will be undertaken through regular reporting and our KPI Dashboard system.

Each Dashboard has two basic dimensions:

- Tracking progress towards meeting our objectives (efficiency and competence); and
- Measuring our charitable impact (effectiveness).

The longer-term results of all our activity will be improved outcomes for young people and our communities.

We have set clear indicators and targets for each of our objectives, and we will measure progress against these in a variety of ways.

The dashboard has been developed at a high level for the Board and work has begun to develop these at a more detailed departmental level. In addition to the more quantitative measures, a process of gathering and sharing stories will help the organisation focus on outcomes more effectively. The stories will be identified through Departmental meetings and one selected as being particularly illustrative of the outcome. The stories will focus on results in terms of changes for young people and communities.

6.3 Assumptions and Risk

The key risks for delivery of the strategy have been identified as:

- **Growth:** two risks are associated with this. Firstly, this is an ambitious strategy for growth, but there is a risk that growth occurs too quickly and the infrastructure can't cope with the change. A regular review and evaluation cycle will be put in place for all plans, allowing managed growth and identification of potential infrastructure issues. Secondly, there is a risk that we cannot grow sufficiently to raise additional surpluses to support future liabilities, i.e. repaying of YMCA England loan; increasing pension liabilities; potential future borrowing.
- **Accommodation revenue:** housing financial targets have been based on an assumption that government housing reforms will affect revenue; specifically during financial years 2017-2022 the 1% imposed reduction in social housing rents. A housing benefit rent cap will be introduced in 2019 with a locally managed top up fund. Full details of this are not yet known and will require regular monitoring and review as details are released.
- **Essential needs to refurbish and sustain existing building assets:** two risks are associated with this. Firstly, there is a risk that our desire for growth takes resources away from the essential needs to refurbish and sustain existing building assets. Regular monitoring of the capital plan will allow early identification of areas that are at risk of non-completion, and re-prioritisation may be required. Secondly, there is a risk that we cannot release the necessary capital funding to realise the plan. A capital fundraising appeal strategy will need to be developed; taking into account the current economic climate and the threats this poses and opportunities it opens up to charities.
- **Commissions:** there is a risk that local authorities don't buy in to our plan and don't engage with us politically or through commissioning our work. This will be minimised by careful analysis of their priorities and the continued development of relationships.

7. Conclusion

Set against the background of a tough economic climate, with cuts to funding and increased demands on our services, YMCA Thames Gateway 2017-2022 business plan represents an ambitious but achievable strategy for sustainable growth, and one that marks a step change

in the charity’s development. Over the next five years we will see our impact and influence grow both locally and nationally as part of the Movement.

We will extend our reach into new geographical areas, build on our provision across all five work areas, and, most importantly, transform more communities, enabling more young people to truly belong, contribute and thrive.