



Business Development Plan 2018-22

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1. Introduction & purpose

In an environment of rent reductions, welfare reform and a diminishing housing stock, it is vital that we adapt as a company in order to remain financially sustainable and protect the core services we deliver. All of the company's core income streams are under pressure or already reducing, and therefore the need to develop new business opportunities that will deliver additional income is pressing.

This business development plan sets out our approach to achieving the **increased income** which we have identified as an important factor in achieving our mission of delivering **great value services that make a difference**.

2. Strategic aims

CBH's overall ambition as set out in our Strategic Plan 2017-22 is to be the **trusted choice for local housing, property and community services**.

We plan to do this by **delivering services that are valued by our customers** and **servicing our communities**. Our headline measures of value for money, customer satisfaction and positive outcomes in the community will only be deliverable if we manage to achieve both savings and new income to invest in our services.

The aims of this plan are therefore:

- **To protect services by looking after the future of the business**
- **To bring in extra income to invest in our services and our communities.**

3. Our ambition by 2022

Over the last few years we have secured a number of fee-generating projects and new income streams, and currently around £450,000 of additional income comes from outside the management fee we receive from the Council for the delivery of core services. Our aim is that by focusing on business development we will be generating **£420K additional revenue from trading** by 2022.

To deliver this we will need to demonstrate that:

- **We have a social enterprise mindset and skill base**
- **We are able to create capacity to invest in business development**
- **We have new income streams.**

4. How we will achieve our aim

We plan to achieve our aim of generating **£420K additional revenue from trading** by 2022 by:

- **Ensuring the company has access to the required commercial skills**
- **Developing a clear product offering, market appraisal and pricing strategy**
- **Developing a flexible resourcing strategy to ensure availability of key skills**
- **Developing our marketing and sales capability**

This will be supported by the projects and workstreams in the Business Development Action Plan which accompanies this document.

5. How we will measure progress

We will monitor the following indicators to ensure we are on track over the course of the plan. All of the indicators measure performance relating to income which does not come from the management fee paid to us by the Council for the delivery of core services:

- **£ per annum additional revenue**
- **£ profit per annum**

6. Consultation

The following were consulted during the drafting of this plan, and input incorporated:

- Directors Management Team
- Senior Management Team

The following were consulted as part of the strategic plan consultation which informed this plan:

- CBH Board
- Staff forum
- All CBH staff (via roadshows & survey)
- Colchester Borough Council – Housing Portfolio Holder & senior officers
- CBH customers (via focus group & survey)
- Mondrem UK (external consultant).

7. Related documents

The CBH Strategic Plan 2017-22 gives overall direction to this plan.

The CBH Business plan will guide how much additional income we need to raise to support business sustainability and the level of investment required into new income generation to create revenue which we can reinvest in the business.

The CBH Value for Money, Technology and Investment plan will help us supplement additional trading revenue and will set out investment priorities for any additional income and savings generated.

The CBH Medium Term Delivery Plan 2018-22 sets out how we will deliver services on behalf of Colchester Borough Council to fulfil our management agreement obligations. This plan will guide us and help us to demonstrate how we are able to continue to deliver our obligations as a low-cost, high value provider.

The CBH Customer Plan will guide the levels of investment need to improve our services for customers.

The CBH People Plan sets out how our staff are supported to develop the business.

The CBH Community Plan sets out how we will invest in delivering our services to make a difference in the community in line with our social purpose using additional income.

The CBH Leadership Plan sets out how the Board and management of the company will be supported ensure good risk management and prudent business development decisions.

Business development action plan

	2018/19 Outturn	2019/20 Outturn	2020/21 Outturn	2021/22 Target
£'s net additional revenue per annum (net of direct costs)	£384k	£525k	£1368k	£499k
£'s DCM Team delivery costs	£(486k)	£(438k)	£(1,009k)	£(377k)
£'s General Fund Deficit	£(75k)	£(147k)	£(240k)	£(156k)
£'s profit per annum (after GF deficit is deducted and minor projects added)	£(152k)	£(37)k	£130k	£0*
Highlights <ul style="list-style-type: none"> • Practical completion of the Mercury Theatre in April 2021. • Elfreda House contractor appointed (Kier), work on site starting July 2021, completion January 2023. • Military Road – completion due February 2022. • Competed year with profit of £359k (£130k after GF deficit). Team outperformed 5 year forecast and reserves at healthy level. • Minor projects profit of £11k continues to consistently perform well. • Note* - The current profit per annum figure is £(21k) but expect increased revenue throughout the year will bring to target of £0k 		Forward look <ul style="list-style-type: none"> • Garage Development P3 – approx. 30 homes across 5 sites. • Sheltered Refurbishment programme to be discussed in June following an options appraisal of the next 5 sites. • ZeroCarbon programme • Further roles commissioned from CBC – possible Employers Agent role. • Further work commissioned from CBC such as 100 homes, supplementary projects and carbon reduction programme. 		
Key risks & issues <ul style="list-style-type: none"> • RISK: Not enough work commissioned from CBC to cover team costs. Garage development and Sheltered refurbishment work not been guaranteed by CBC for future years. • RISK: Delayed payments due to project timelines cause big 'swing' effect on financial year end. • RISK: Increasing cost in redundancy and pension strain if DCM team was closed. 		Support/resources required <ul style="list-style-type: none"> • Retro-fit Coordinator role - specialist in energy efficient surveying, product specifying, procurement and contract management. 		

<ul style="list-style-type: none"> • RISK: Increased cost in materials and sub-contracted specialisms put profit margins and project losses at risk. 	
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- Completed 
- In progress/on target 
- Cancelled / on hold 
- Unlikely to achieve target 
- Not started/behind schedule/below target 

Focus	Actions/projects/workstreams	Lead	Due by	Success measure	Progress	Notes
Developing a flexible resourcing strategy to ensure availability of key professional skills	Establish project team resources to drive the business development plan forward	DMT leads	January 2018	Project team is established so that the Business Development plan is appropriately resourced to deliver actions on time and budget.		
	Restructure the property services directorate to meet the anticipated business development needs for the Strategic Plan period.	Director of Property Services	March 2018	A structure with inbuilt capacity to flex at minimal cost so that risks can be contained wherever possible within forecast budgets		

Focus	Actions/projects/workstreams	Lead	Due by	Success measure	Progress	Notes
Developing our product offering, pricing strategy and market appraisal	Deliver a product and pricing strategy for relevant services and assess the market opportunity.	Project team	March 2018	Agreement on profitable product offering and confidence about market opportunity		BDP decision in 2018 to only accept CBC commissions
	Review framework and basis for assessing and prioritising business opportunities	Project team	May 2020	Improved confidence in targeting appropriate opportunities and in bidding process		Part of DCM Service Review
	Use existing procurement channels to test product and pricing strategy and generate market insight	Service lead	Ongoing	Business development plan assumptions are validated and learning is generated for the business		Framework and scopes of Service amended to generate profit but benchmark market rate.

Developing our marketing and sales capability	Develop sales and marketing plan driven by the outcomes of product and pricing strategy.	Project team with external support	April 2018	Clarity on product offering and our approach to the market		BDP decision in 2018 to only
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						accept CBC commissions
	Proactively target potential customers and tender/bid for business opportunities.	Service lead	July 2018	Increased level of bidding activity and learnings generated for future opportunities		BDP decision in 2018 to only accept CBC commissions
Ensuring the company has access to the required commercial skills	Agree skills plan to support business development	Project team/HR	Oct 2019	Clarity on skills gaps and agreed approach to meet needs		
	Design/select and deliver internal skills development programme	Project team/HR	Dec 2020	Key staff members increasingly confident and competent at exploiting new business opportunities		
	Source required external skills	Project team	Dec 2020	Company has access to commercial skills that are not suitable for internal development		Architect, structural engineer, fire specialist and energy efficiency specialist

Document control sheet

Title:	Business Development Plan
Electronic File Name & location:	https://colchbh.sharepoint.com/sites/fnc/corpdoc/PolDevLib/CBH Business Development plan 2018-22.docx
Consultation with stakeholders:	<p>The following were consulted during the drafting of this plan, and input incorporated:</p> <ul style="list-style-type: none"> • Directors Management Team • Senior Management Team <p>The following were consulted as part of the strategic plan consultation which informed this plan:</p> <ul style="list-style-type: none"> • CBH Board • Staff forum • All CBH staff (via roadshows & survey) • Colchester Borough Council – Housing Portfolio Holder & senior officers • CBH customers (via focus group & survey) • Mondrem UK (external consultant).
Approved:	Business Development Panel September 2020 CBH Board July 2021
Next Review date:	July 2022
Circulation method:	SharePoint
Equality Impact Assessment:	January 2018

Document amendment history

Version	Type	Date	Notes
1.0	New	February 2018	New plan approved by Board (pending agreement of overall target)
1.1	Minor	June 2018	Target agreed by Board June 2018
1.2	Minor	July 2019	Annual review of Plan
1.3	Minor	Sept 2020	Review of plan taken to Business Development Panel
1.4	Minor	June 2021	Review of plan taken to Board