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SPECIAL EDITION

Greg Campbell Campbell Tickell
The 3% Challenge

"This is a difficult time for housing providers, facing tough economic, social and political demands.

The issue has come more sharply into focus in the wake of the National Housing Federation's recent publication 'An ambition to deliver - housing associations unbounded' and continued close scrutiny from the Homes and Communities Agency of landlords' performance in delivering value for money.

With the general election now just a year away, discussion has been growing on how housing providers can capture the wider agenda for housing and beyond.

Housing supply is a significant and growing problem across much of the country. On page 2 you will find a piece from Grahame Hindes, chief executive of Octavia Housing, presenting a challenge for social landlords to help set the agenda and embark on a major new initiative that directly addresses housing need.

Grahame proposes that each organisation should commit to increasing its housing stock by 3% a year, through building new homes or bringing empty homes back into use.

Campbell Tickell believes that this is a positive challenge and our sector should respond.

We know a number of social landlords will be able to meet, or indeed exceed, a 3% annual target. At the same time, we recognise that some will not find this achievable, for instance because of insufficient financial capacity or because of a lack of housing demand in their areas. We recognise that for some, a significant gearing increase could breach their funding covenants. By the same token, others may feel they should balance an increase in output with an increase in employment and training work with residents or wider community support.

We are not therefore suggesting 'one size for all'. But we do believe this is a time to be creative and, where landlords are not able to meet a 3% annual increase in supply, we hope they will identify similarly challenging alternatives that address the needs of their communities. This is about setting the agenda, saying 'we can make a difference. It is a stretch, but the responsibility is ours, using the tools in our own hands'.

We asked a number of chief executives for their thoughts on Grahame's 3% Challenge and whether and how their organisations could respond. We publish in this issue - our first new issue of CT Brief - the responses received so far.

The housing sector already does fantastic work in helping meet the needs of communities across the UK. Isn't it time it demonstrated this and showed it is more than the sum of its parts?

Tell us what you think and what your organisation can do.

Comment at -
campbelltickell.com/3percent
#3percentchallenge

"This is about setting the agenda, saying 'we can make a difference. It is a stretch, but the responsibility is ours, using the tools in our own hands."
Greg Campbell, Director, Campbell Tickell

THIS ISSUE

'How can housing providers meet the growing needs of communities for quality homes and support? - How can we take the initiative and set our own agenda?'

Grahame Hindes Chief Executive, Octavia Housing

3 is the magic number

"Sometimes the best ideas are so simple we miss them. With the National Housing Federation talking about what the sector should be like in 10-20 years and the regulator looking for ways to test if we are stretching ourselves, perhaps we need a simple statement to tell our story. I am sure there are lots of contenders but here is my pebble for the pool.

With 2.3 million social housing units in England owned by registered providers, then if we could score a compound annual growth rate of just 3%, that would mean that in over 10 years the sector would add a cool 800,000 extra homes to the nation's housing stock. You need a rate of 3.65% if you want to make the glory land of one cool million extra homes but I suspect that is unrealistic so, for the sake of simplicity, how about we get behind a '3% campaign'?

"800,000 new homes would allow the sector to explain to the non-housing world why we need to be taken seriously"

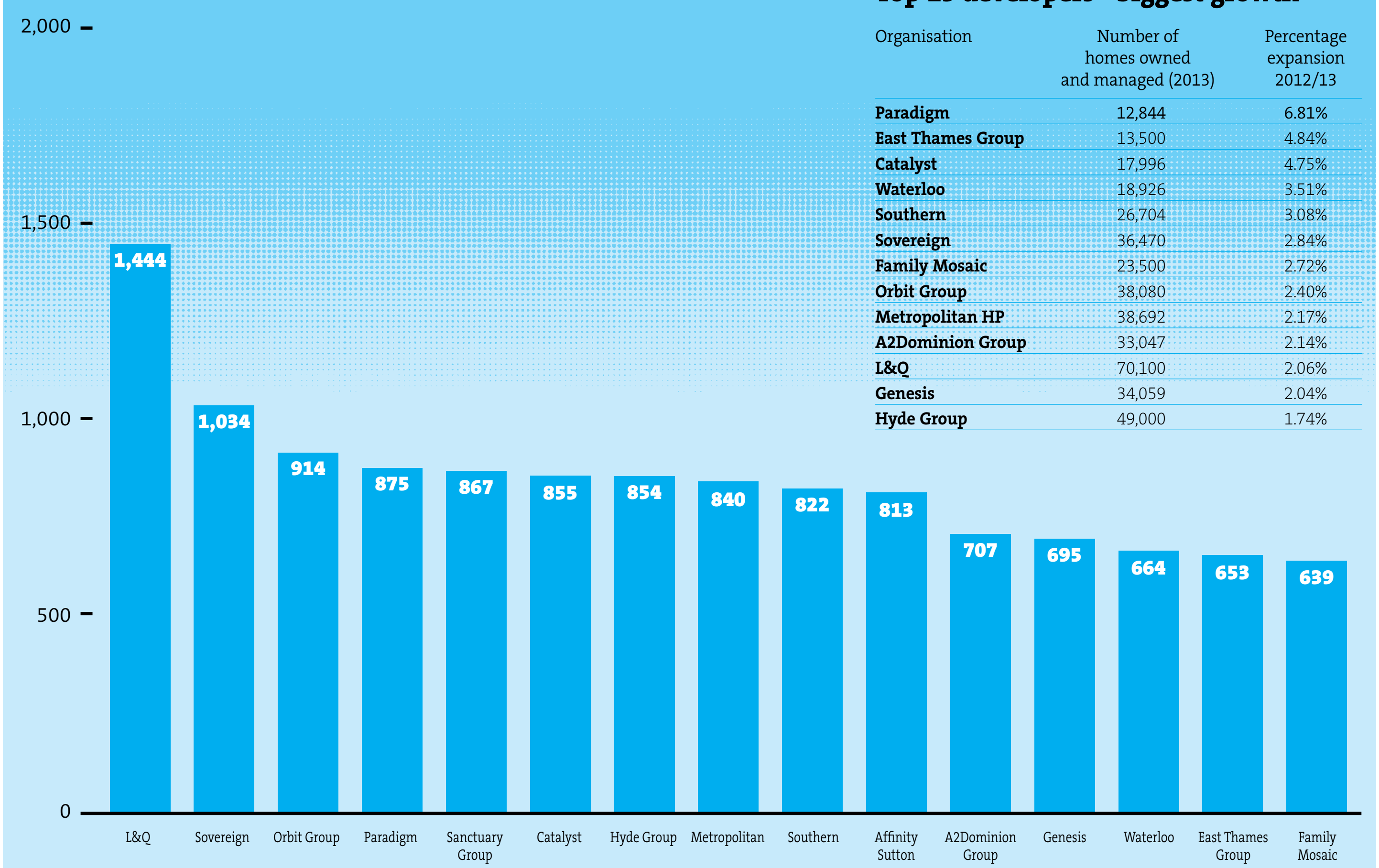
It's a simple target, applicable for all. I would suggest it is not too scary for boards that are above the detail, although for anyone with day-to-day practical experience, it is genuinely a stretch for many, whether large or small.

If all providers achieved a 3% growth rate, we would add 75,000 homes a year. How this compares with completions at present is not clear. The stats show affordable housing completions of 36,000 in 2012/13 and 52,000 in the previous year, but there is already a significant group of housing associations that are developing homes that are not in the Homes and Communities Agency statistics and so not counted here.

A clear, simple target (who can forget 4% voids?) would give boards something definite to go for as one of the standard industry key performance indicators and it would allow the sector to explain to the non-housing world why we need to be taken seriously – 800,000 new homes.

Of course there will be dozens of reasons not to do it: low demand areas, "we only want to manage", "we haven't got the resources" and so on, but what's life for if not a challenge?"

NUMBER OF HOMES COMPLETED IN ENGLAND BY TOP 15 HOUSING ASSOCIATIONS IN 2012/13



Top 15 developers - biggest growth

Organisation	Number of homes owned and managed (2013)	Percentage expansion 2012/13
Paradigm	12,844	6.81%
East Thames Group	13,500	4.84%
Catalyst	17,996	4.75%
Waterloo	18,926	3.51%
Southern	26,704	3.08%
Sovereign	36,470	2.84%
Family Mosaic	23,500	2.72%
Orbit Group	38,080	2.40%
Metropolitan HP	38,692	2.17%
A2Dominion Group	33,047	2.14%
L&Q	70,100	2.06%
Genesis	34,059	2.04%
Hyde Group	49,000	1.74%

Source: Inside Housing Top 50 Developers 2013

David Montague Chief Executive, L&Q

"It may be that L&Q just celebrated its fiftieth anniversary or it may be that I am getting old, but I am thinking a lot about history these days.

What will the history books say about this generation of housing people? What contribution did we make to the nation's housing needs? Did we make the place where we live a better place?

Talking to L&Q's founding chair and chief executive recently they are very proud of what they achieved. Along with Shelter and Notting Hill Housing Trust and a host of others they were part of the 'Cathy Come Home' generation; they created a lasting legacy with little more than a bucket load of determination.

What about the generation that built the sixties and seventies tower blocks which we are now taking down? How do they feel about their legacy?

And the founders of the Garden City movement – how do they feel now that their vision is being rekindled?

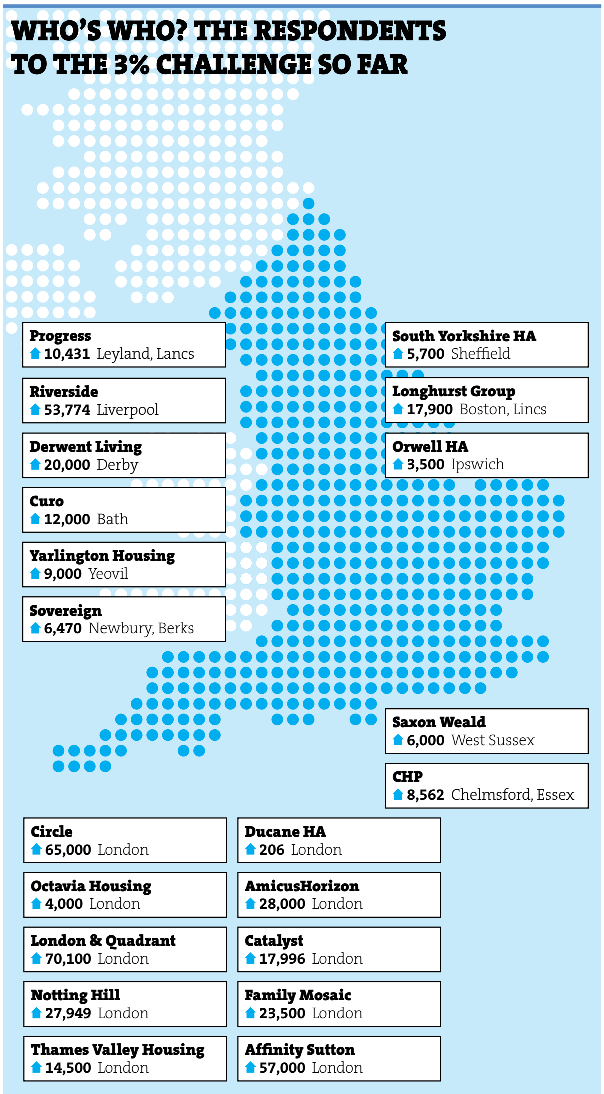
It might sometimes feel like we are pushing a pen, or a pig up a ladder, or nailing jelly to a wall or even beating our heads against it, but we are writing history. Do we want the history books to say "it was too difficult" or do we want them to say "against all odds they performed miracles"?

I have enormous faith in housing associations and I am very proud to be part of this sector. I want the history books to say "they collected the rent, they fixed the tap, they laid the bricks and they changed the world". I believe we can.

Grahame Hindes calls for all of us to grow by 3% per year. The National Housing Federation calls for us to double supply. I believe we can.

I sign up as a minimum to Graham's magic number. I sign up to the NHF vision. Maybe this generation of housing people, if we work together, can achieve another Cathy Come Home moment. Wouldn't that be great?"

"Do we want the history books to say 'it was too difficult' or 'they performed miracles'?"



Figures represent numbers of homes

Stuart Stackhouse Chief Executive, CHP

"**CHP supports the principle you have proposed and has funding and the energy to increase our stock by about 3.6% by 2018.**

I like a quote from the physicist and futurologist, Michio Kaku, talking about the future and DARPA (America's Defence Advanced Research Projects Agency, the body normally credited with creating, among other things, the internet). He said: 'The only justification for its (DARPA's) existence is to accelerate the future into being.'

Kaku's is a catchy phrase and though the future will arrive at its own pace no matter how hard we press the accelerator, we can relate to what he means. Technological projects from smartphones to missiles can, unlike the future, be accelerated and in Kaku's opinion such projects are the future.

So how does this relate to The 3% Challenge? Its relevance is that registered providers exist, in their own environment, to 'accelerate some of the future into being' and that's just what CHP wants to do.

Riverside

Hugh Owen Director of Policy and Communication, Riverside

"Thanks to Grahame Hindes for throwing his 3% challenge 'pebble in the pool' (or was that a large rock?) and Campbell Tickell for turning the ensuing ripples into waves. And it certainly is a challenge: at least doubling, if not tripling the sector's output over recent years (depending upon which set of stats you believe), at a time when housing associations are already investing £7 in new homes for every £1 of government subsidy. I wonder how long we could keep it up for?

But let's not be too literal. I guess the point of Grahame's challenge is more symbolic. It is a value for money message to stretch ourselves, and to be seen to be doing so. Doing more with our resources for our tenants, future tenants and communities, whilst keeping a firm eye on our viability as long-term businesses.

For some that will mean building substantially more homes, by exploiting current market conditions. For others it may be building new homes for the very first time. However, for most I suspect the response will be broader, as we look to use our capacity to do more, balancing investment in new homes, with the modernisation of existing stock and the development of extra services to help sustain tenancies and underpin successful communities.

"we must hold firm in the face of government pressure, whilst being crystal clear about the range of economic and social returns we deliver"

Ultimately our responses will depend on the purposes and objectives of our individual organisations, and the contexts within which they operate. This means that a single measure of value for money, however beguiling, will remain elusive and we must hold firm in the face of government pressure, whilst being crystal clear about the range of economic and social returns we deliver. When considering the 'v' in 'value for money', new homes aren't the sole currency! We all have our own versions of 3%.

But I digress. Grahame's pebble was ostensibly about supply, and how we address the scandalous housing crisis that the country finds itself in after years of underinvestment by successive governments. So whilst as a sector we must do more to demonstrate that we stand ready, what about a reciprocal challenge to government? If we maximise our returns and provide greater transparency, could we have a fundamental re-examination of the system of subsidy that would enable us to deliver 3% a year, at least until as a nation we hit that elusive national target of 200,000-plus new homes a year?"

THEDIARY

CIH Housing 2014 Conference & Exhibition
24-26th June 2014
Manchester Central

Join CT along with more than 1000 delegates and 100 expert speakers challenging the key issues affecting the sector in a series of interactive panel discussions, debates and workshops.

Visit our stand 'F34'

www.cihhousing.com

NHF Annual Conference and Social Housing Exhibition 2014
17-19th September 2014
ICC, Birmingham

The Annual Conference and Social Exhibition 2014 is a platform for great ideas. It will be a conference which will look at the future and the way that we think, work, live and operate.

Visit our stand 'A2'

www. annual.housing.org.uk

PlaceShapers

Tony Stacey Chief Executive, South Yorkshire Housing Association - Chair, PlaceShapers

"PlaceShapers associations built 40,000 homes over the last four years. Developing new homes is in our DNA.

We continuously look for ways of overcoming the varied and multifarious hurdles that are put in our way – welfare reform, gearing ratios, planning issues, etc. Maximising our impact locally is what PlaceShapers are all about.

But it is local solutions that we deliver and our contributions will vary depending on the local housing market and the financial structure of the association itself. Most of our members are likely to aim for the 3% challenge and many will overshoot. There will be others for whom this would be the wrong solution. Some PlaceShapers work in areas where new house building is not needed. Others have prioritised community investment above new house building. While still others have risk profiles that would make developing at such historically low grant rates the wrong thing to do. PlaceShapers support the vision outlined by the National Housing Federation in its Hothouse project of dramatically boosting housing delivery – but our commitment to local solutions remains."

Victor da Cunha Chief Executive, Curo

"At Curo, we welcome the idea of a 3% challenge – setting ambitions high can only be a good thing for the sector. At a time when the country is starting to gear up for a general election, and housing is reported as one of the key issues being raised on the doorstep, we should be looking to set the agenda and get our messages out there, loud and clear.

The idea of an aspirational target is eminently sensible - what gets measured gets done. We know that building new affordable homes is inarguably a good thing, because we know that the system is broken; as things stand, families are not being served, and communities not held together. A target gives something to aim for collectively, and something we can use to demonstrate our contribution at a national level.

"let's decide to be the doers, not the done-tos"

That said, for us a 3% annual rate of growth is certainly an aspirational target and would require a revision of our financial plan. Currently, we're committed to creating 250 new homes for rent, and 250 for sale, every year to 2026. This is a growth rate of 4%, but with a plan to retain 2% and to sell the other 2% in order to cross-subsidise our provision of affordable housing. It's an ambitious plan, but one that we believe works for us in our region, with our current stock profile and capacity for growth.

However, I think it's true to say that not everyone shares this sense of ambition. I'd suggest that some parts of the sector are not making a sufficient contribution – and perhaps an overall target would be the way to galvanise those organisations into action.

The potency of working in partnership with our peers is understood by our sector more than most; we're already good at it. Let's use our collective strength smartly, get ourselves heard and proactively put ourselves at the centre of the housing debate – let's decide to be the doers, not the done-tos.

Setting a target of 3% annual growth in affordable, or sub-market, homes is a laudable proposal. It's one of the ways in which housing associations can showcase our contribution, raise the bar and stretch ourselves. We're up for it, and would relish the opportunity to really shout about the difference we can make."

Mike Wilkins Chief Executive, Ducane Housing Association

"Grahame's proposal makes a lot of sense. 3% represents just over six new homes for us. We are on track to provide 31 new homes in 2015 and in the 4 years from 2010 we have provided 44 new homes. So in the period 2010 to 2015 we provided 75 new homes - making an average of 15 per year or 7.28 % per year.

My view is that we are as a sector pretty unfocused in getting a better public awareness of what we do and I support this move wholeheartedly as there is a big gap in our collective communications approach. This is a step towards filling this gap.

The g320 is working hard to set up advice and support to smaller London housing associations to develop on their own or in conjunction with others. We also have access to grant to assist in London too, for the first time in a number of years.

At Ducane we are keen to explore options on how we might pay down our existing bank lending in order to free up resources to allow us to develop more effectively in future."

Jacqui De-Rose Group Chief Executive, Progress Housing Group

"In common with other many housing organisations, we have a strong commitment to delivering more and more new homes in our communities. Our target is agreed each year having considered a number of items. This list includes everything from how much we want to invest in community facilities, training opportunities and job creation, to the strength of our surplus to subsidise the cost of new housing provision. Each year we balance this challenging number of priorities with a determination to increase the number of homes for rent and each year we have been able to deliver an average of 300 new homes.

We are now 20 years old and aim to continue to deliver new homes over our next 20 years. How we do that in the future will probably be quite different to how we have done so in the past, nevertheless our commitment to continue to find the right balance between growth and community investment will continue. We strongly believe everyone has the right to a decent home. Decency includes both the place and the individual dwelling. It also includes quality of life and life chances."

Mark Rogers Chief Executive, Circle Group

"Circle supports anything that helps to increase the provision of affordable housing. Our development aspirations are to build up to around 1,250 affordable homes per annum - just under a 2% annual increase in our total unit numbers.

While we have the financial capacity and necessary headroom in our banking covenants to build more than this, the reductions in grant, coupled with the increased risk of greater cross-subsidy (for example through more units developed for sale), mean that this is the level of development with which we are comfortable. It balances the needs of delivering new supply, while limiting the downside risk to the organisation and continuing to deliver and increase the level of 'social dividend' work that we provide to our customers, including financial inclusion and work support programmes.

"Innovation and the drive towards more efficient ways of delivering services are also of real importance to us"

Reducing the investment in what we view as critical social dividend activities might increase our financial capacity to develop, but that would take us beyond what we would consider prudent. This would expose the organisation to a level of risk for which we would have no appetite. Some of the things that might encourage us to develop more are increased levels of capital grant, greater access to affordable land and further flexibility around our existing stock, allowing us to fully utilise the billions of pounds of value locked-up in our existing assets.

Innovation and the drive towards more efficient ways of delivering services are also of real importance to us and Circle is embarking on a major programme of change that will see even more of our resources directed towards front line delivery. We will always be keen to work with other like-minded organisations that are willing to challenge conventional thinking and explore new ideas."

Peter McCormack Chief Executive, Derwent Living

"The National housing Federation's Ambition to Deliver sets out what our sector could look like in 20 years. It's an exciting vision and one that Derwent Living fully endorses.

The clear message throughout the Ambition is that we must not rely on others; we must be the ones to take the initiative. It is no secret that Derwent has positioned itself as a private business with a social purpose; generating profits through commercial activity to support further growth in our core social affordable business. More new homes for those that need them is a driving force for our organisation with the chair and the leadership team fully committed to doing as much as possible to further this aim. Grahame's 3% challenge is a good example of how we might translate the vision set out in An Ambition to Deliver into action, it won't be for everyone for very valid reasons but those that can, should.

At Derwent Living we have consistently sought to maximise the level of new homes we can bring into the sector, increasingly with very little government subsidy. 2014 will see the end of our current three-year business plan. During this period we have increased the number of new homes available for social housing by 4% year-on-year. The 3% benchmark is a good place to start; Graham is right to say that getting behind a number can really concentrate the mind. I recognise that this target will be a stretch for a lot of organisations but I would also urge those providers with a strong growth agenda to look beyond this potential benchmark and identify what level of growth represents an equivalent stretch for them?

"We will achieve 3% comfortably and will be looking for that extra stretch."

This is the challenge I have laid down for the leadership team at Derwent and, as our board work with us to set the agenda for our 2015-17 business plan, we will be seeking to build on our achievements to date. We will achieve 3% comfortably and will be looking for that extra stretch."

Gary Orr Chief Executive, Yarlington Housing Group

'What then?' sang Plato's ghost: 'what then?'

"I am very happy to sign up to Grahame's 3% challenge.

A little under three years ago, the Yarlington board adopted our 'Building Communities' strategy. It signalled our intention to broaden our service offer and at the same time, to increase the number of new homes that we provide. It has served us extremely well, resulting in a further 1,000 new homes and a range of service offers that far exceed what we did before. Employment, training, education and well-being now firmly sit alongside our commitment to outstanding landlord and customer service. And I'll let you into a secret - staff really buy into the fact that we are helping to deal with some deep-rooted and longstanding challenges that our communities have faced. But like many organisations, we recently found it useful to look to the horizon again and asked ourselves, in the words of my literary hero WB Yeats, 'what then?'.

Out we went, back into our communities, and asked the people on the door step, 'what then for you?' and 'what then for Yarlington?'. We then repeated the exercise with our staff and stakeholders.

And here is the result, Yarlington's 20 Pledges for the Year 2020:

1. Provide brilliant service
2. Work tirelessly to eradicate fuel poverty within our communities
3. Ensure all of our households have digital access
4. Work to reduce the social and economic gaps that exist within our communities
5. Build a further 1,500 new homes by 2020
6. Be the best employer
7. Support community leaders
8. Have a thorough understanding of our costs and value
9. Be financially stronger than we are today
10. Exercise outstanding governance and leadership
11. Have continuous improvement and innovation running through all of our key processes
12. Maximise social value opportunities in everything we do
13. Support and enable the vulnerable
14. Be a partner of choice and set the agenda
15. Be environmentally aware and act accordingly
16. Be a creator and supporter of community assets
17. Be ready for the next generation of customers
18. Provide a work environment and culture that enables employees to thrive
19. Bring new, added value businesses into the group
20. Have a portfolio of properties that people want, can afford and add to our bottom line

"Build a further 1,500 new homes by 2020"

The Yarlington pathway is now set for the next six years.

But louder sang Plato's ghost: 'What then?'

we can

Brendan Sarsfield Chief Executive, Family Mosaic

"As a father of four young adults, I'm concerned about the world I'm helping create for them, especially around housing.

Previous generations did some brilliant things, and Homes for Heroes after World War 1, the Welfare State and the massive post World War 2 housing building programme were inspirational.

I now see a huge housing problem in London and the South East and a need for us to step up and deliver more homes.

To hit the 3% growth target Family Mosaic needs to build 1000 homes a year compared to the 600 homes we build now. We used to build 1000 per annum but what has stopped us building more now has been the cuts in funding and the increased risks of a cross-subsidy model.

"Family Mosaic will be aiming to get back to the 3% target and can do even more if the government helps."

But I bet at the end of the two World Wars people in our position didn't worry about the risks of doing something, I think they were more worried about the risk of doing nothing.

Family Mosaic will be aiming to get back to the 3% target and can do even more if the government helps."

Longhurst Group

Bob Walder Chief Executive, Longhurst Group

"Longhurst Group has long been committed to tackling the country's worsening housing crisis through the provision of new homes. As a leading housing provider operating in the Midlands and East of England we've witnessed a sharp rise in homelessness as a result of the rising cost of mortgages and private rents. The National Housing Federation's 2012 Home Truths report predicted that the number of households in the East Midlands is likely to increase by 22,000 each year until 2033 while the region is only building 45% of the homes needed to meet demand.

The current state of the housing market means that it's not just social housing that's in high demand; more and more people are struggling to find affordable homeownership options or suitable market rent options too. We provide homes for all who need them so have diversified the range of size and tenures we build to meet the demands of the communities we work in. We've set ourselves an ambitious target to deliver 2,500 new homes over the next five years, taking the number of homes under our management to over 20,500. As a result our projected growth placed us in the top 10 developing housing associations for pipeline plans in 2013 and our member companies are actively seeking opportunities to develop in new places, explore new partnerships and deliver new products that suit the needs of the local market.

The economy is showing encouraging signs of growth but the shortage of housing in the UK will continue to cripple our communities without greater support for home building. Housing associations are well placed to lead the charge and we're proud to be playing our part in bringing quality homes to the marketplace. "

"Who is it – apart from government which now has no money to put where its mouth is – who says that registered providers should be concerned exclusively about housing supply? Frankly, I'd settle for 3% more people having a chance of a decent job that paid at least the living wage.."

Housing association Chief Executive based in the north of England.

Halton Housing Trust

Paul Mullane Director of Development & Investment, Halton Housing Trust

"Halton Housing Trust has worked hard over the last four years to meet our ambitious target of becoming a strong local developer of new homes within the borough, working closely with key partners such as the Homes and Communities Agency, and Halton Borough Council.

To make these ambitions to become a reality, at the end of last year, the Trust completed a refinancing package that will enable us to deliver 900 additional affordable homes. A number of these homes are already coming to reality as a number of schemes have now commenced on site or are currently being worked up and the search continues for new and exciting opportunities.

The Trust has a good understanding of what is required within our neighbourhoods to meet the demands of current and future customers and have clear Business Plan targets for the number of new homes we want to develop. However, it can be difficult to realistically benchmark our performance against others within the sector in a way that is proportionate to the size of each organisation.

The 3% Development Challenge is not only an interesting and progressive approach but also one that provides structure which can be applied across the sector, identifying ng a relevant and comparative target for the number of new homes to be developed by individual housing providers.

We strongly believe that more than ever both the sector and individual Registered Providers (RP's), need to be able to demonstrate how we are helping to deliver against the Government's key objectives of providing a variety of high quality affordable and market priced housing.

Over recent years there has been a decrease in the number of new affordable homes provided across England and even though the Homes & Communities Agency has a target of delivering 170,000 new affordable homes by 2015, this target has proved problematic to deliver due to changing environment which the RP's and the sector which have a direct impact on out Business Plans.

While the Trust is looking to continue to develop new homes we have to take account of the continuing and increasing pressure on RP's to ensure our Business Plans are robust and take account of the impact of Welfare Reform on income while continuing to deliver Value for Money. Therefore, although we see the benefit of incorporating the 3% Development Challenge within the Trusts development ambitions, we will need to continually review in response to both internal and external factors that will undoubtedly change over the coming months and years.

So let the Challenge begin and lets work together to try to make a real impact on the lives of our customers and neighborhoods, whilst also helping to realise wider national housing and economic benefits."

SECTOR RESPONSE ROUND-UP

"Notting Hill is willing to support the challenge, set by Grahame Hindes, to add to its stock by at least 3% a year. We believe we have a mission to continue to meet housing need in London, where it remains most acute and this must mean adding to supply as turnover of occupants is now lower than ever. We hope to exceed this target ourselves and are happy to provide support to smaller associations who wish to meet the challenge but lack development, finance or other resources."
Kate Davies, Chief Executive, Notting Hill Housing.

"I agree with the principle that we should all do more and need to. I don't feel 3% is enough - in the markets in which we operate in the south east, we should be able to do more. The solution is for innovation in order to do that. The knock-on effects for those in work and cost savings for those in housing need are immense. The statistics show that for every £1 spent on housing, much more is created in the wider economy. What's not to like!"
Geeta Nanda, Chief Executive, Thames Valley Housing.

"I certainly support Grahame's argument, and the principle. The 3% growth target is one that we normally beat, sometimes significantly so, and we will do our best to maintain and improve on that track record."
David Standfast, Chief Executive, Saxon Weald.

"We're currently achieving the 3%, but recognise that it will be increasingly difficult to deliver at this level. However we're up for the 'aspirational' challenge."
Ann Santry, Chief Executive, Sovereign Housing Association.

"The 3% Challenge is an excellent aspiration. We will be something like 2%, but we will be looking to grow in other ways than just directly funded development, which may take us considerably beyond 3%."
Stephen Javes, Chief Executive, Orwell Housing Association.

"Laudable as we find The 3% Challenge, it's going to be a difficult one for us to meet. That's because it would involve us providing around 1,700 new homes every year and I don't think that's deliverable. Affinity Sutton is already one of the biggest providers of new homes - our target is 1,000–1,200 per annum and generally we get close to that (circa 1,100 this year, with around 10,000 in our pipeline). With grant for affordable homes dropping like a stone and with our regeneration and other stock investment commitments, I don't think we could easily increase production by circa 40%. But we will certainly be doing all we can to build as many new homes as we can."
Keith Exford, Group Chief Executive, Affinity Sutton.

"I think it's an interesting challenge. 3% of the total housing association stock would be 60,000 homes per annum, rising to 120,000 if local authorities are included.

This is many multiples of current output. It's not particularly ambitious for bigger providers (600 for us, which we regard as our minimum target) but very ambitious for smaller ones or bigger ones without the capacity. Perhaps the underlying challenge is the sharing of capacity and wealth to maximise supply. The only current models for this are mergers or consortia, neither of which seem to have been widely adopted. Should they be? Is there another way?"
Rod Cahill, Chief Executive, Catalyst.

"Like some other housing associations you've spoken to, AmicusHorizon is subject to covenant restrictions which, at present, wouldn't enable us to commit to 3% growth each year. The key issue for us is using resources as efficiently as we can to deliver a mix of:

- Best in sector customer satisfaction and key performance indicators
- Employment, training and community development investment
- New homes for a range of needs groups

We have an ambitious efficiency programme aimed at increasing capacity, so we can do as much good as possible in the communities in which we work."
Paul Hackett, Chief Executive AmicusHorizon."

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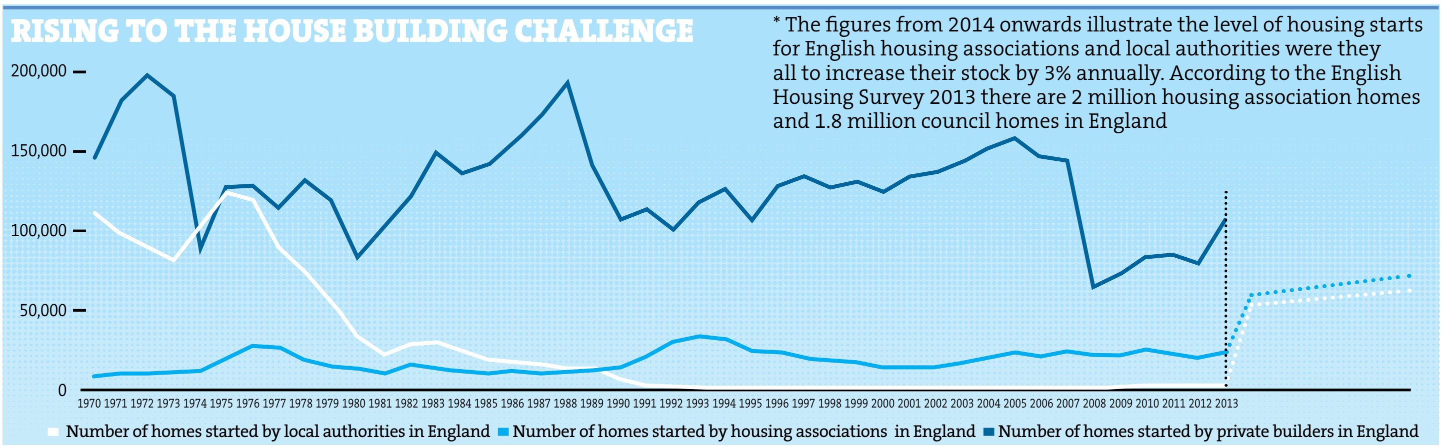
#3percentchallenge



Source: Communities and Local Government