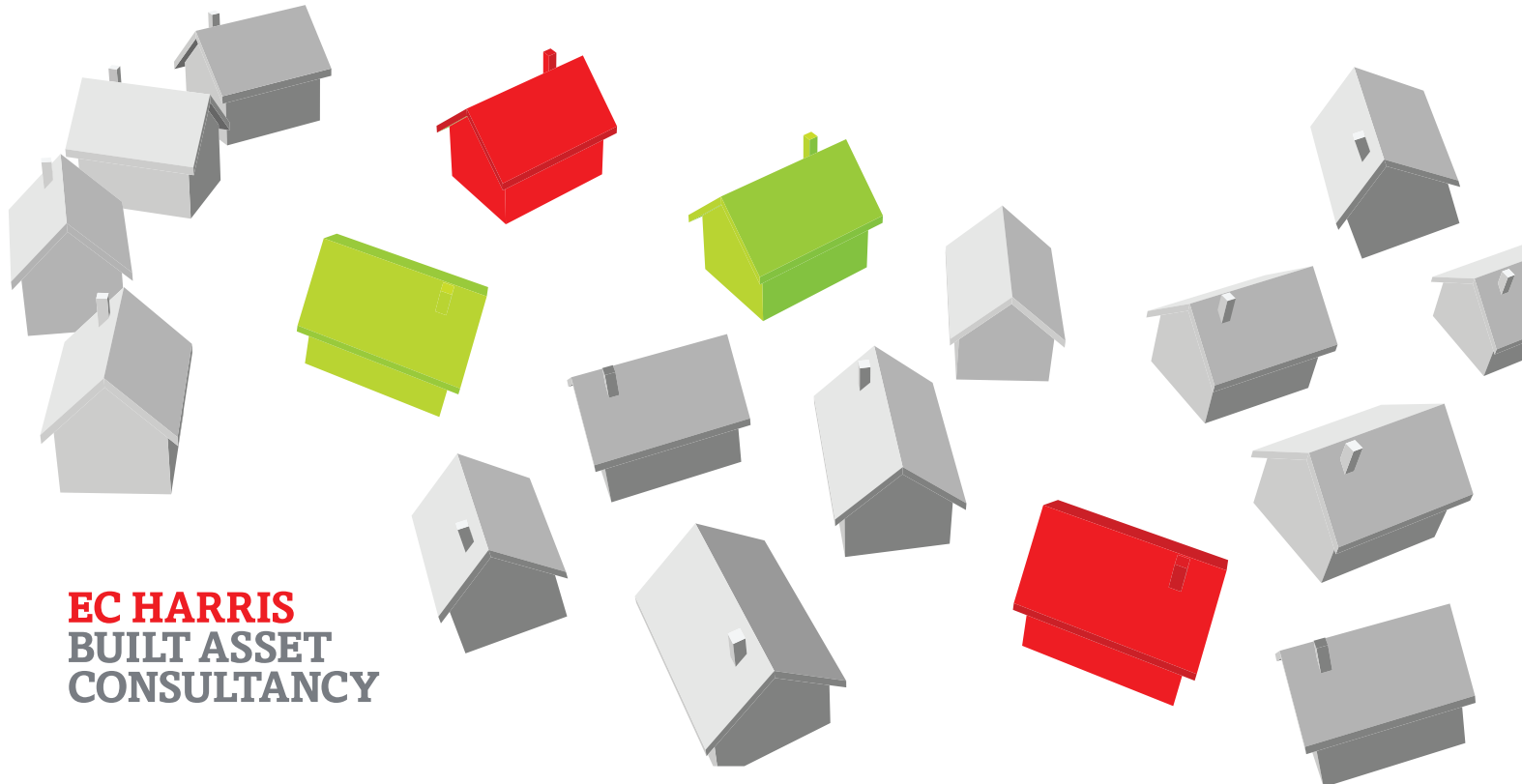
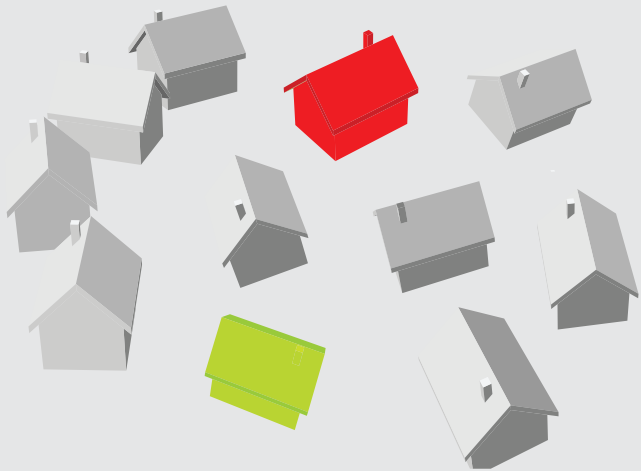


# CREATING FINANCIAL CAPACITY AND MAKING EVERY POUND OF IT COUNT



**EC HARRIS**  
BUILT ASSET  
CONSULTANCY

# ABOUT US...



**With the housing market not even close to full recovery and the ongoing affordability issues for people accessing good quality housing and support; the business of providing and managing affordable housing remains tough.**

The top five issues for the sector are: financial capacity; seriously constrained housing supply; achieving operational efficiency; affording and implementing changes in legislation; and environmental sustainability.

The goal posts keep moving and smarter solutions are required to ensure that the supply of new affordable housing is sustained, the investment in existing supply is optimised and providers' businesses are as efficient as possible. **Making every pound count will be of paramount importance to smart providers.**

We work with industry leading clients providing strategy, transformation and delivery focused services in response to market drivers, which:

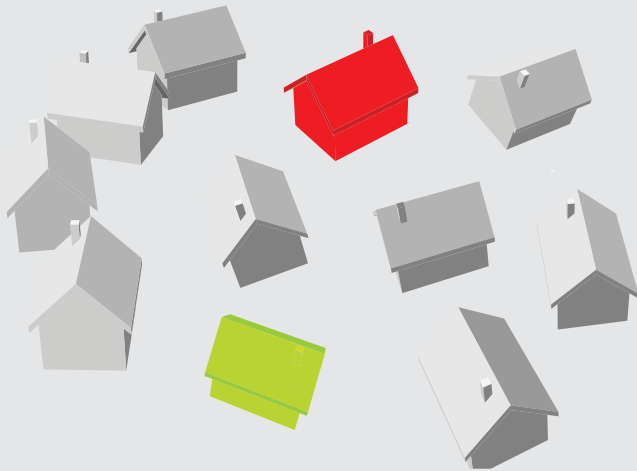
- Transform organisational performance
- Create capacity and viability to sustain thriving neighbourhoods and maximise supply
- Optimise operational efficiency
- Deliver better outcomes for tenants, providers and the environment
- Inspire investment and improve commercial returns

Ultimately, we help deliver affordable, high quality and sustainable homes that can be efficiently and effectively managed and maintained...



***“The goal posts keep moving and smarter solutions are required to ensure that the supply of new affordable housing is sustained.”***

# TRANSFORMING ORGANISATIONAL PERFORMANCE



**Creating financial capacity to sustain the quality of existing stock, provide the number of new homes and deliver the support services required, is the most significant challenge facing affordable housing providers currently. Some service delivery models are inefficient, but the last Spending Review created a driver for change.**

The coalition Government wishes to see improved choice, competition and innovation. Indeed, innovation is key to optimising the sector's investment capacity and to developing a broader product offer with different service models and cost structures. However, such innovation must not be at the expense of being business assured and the trick will be to reinvent providers' businesses, whilst being smarter with compliance and governance processes and procedures.

EC Harris develops integrated solutions for these challenges, based on deep sector knowledge, management consulting methodology, industry leading asset strategy capability and our broader built asset expertise.

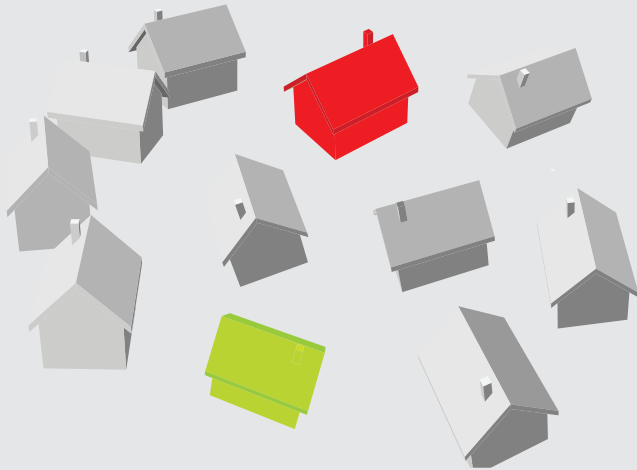
We deliver: excellent governance; tenant and stakeholder empowerment and accountability; innovative finance strategies; contemporary service delivery models supported by high quality and cost effective property solutions; and embedded cultural change to drive improved quality and innovation.

We are on a number of significant sector frameworks, including three of the four lots on the Tenant Services Authority's Professional Advisors' framework.



***“We develop integrated solutions based on deep sector knowledge and our industry leading asset strategy capability.”***

# CREATING FINANCIAL CAPACITY AND VIABILITY TO MAXIMISE SUPPLY



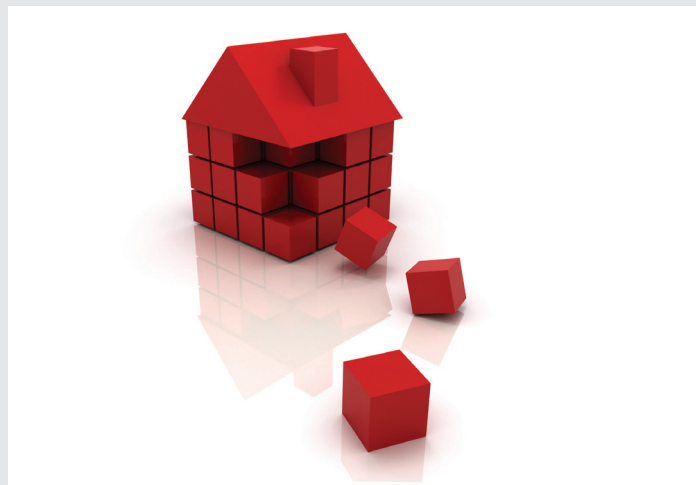
**The UK housing market remains in distress and the affordability gap has widened even further. Housing waiting lists are at an all time high whilst starts on site are at an all time low.**

With a climate of much reduced grant rates, the introduction of the affordable rent regime, benefit reform and increased regulatory burden (not least relating to carbon reduction), there is an expectation to provide much more for less. Providers need to develop unique strategies to maintain competitive advantage, whilst ensuring they sustain the interest of private lenders.

EC Harris combines its residential technical expertise and sector insight to create financial capacity, unlock schemes and deliver increased value to development programmes. Our innovative Neighbourhood Investment Toolkit helps determine where to invest through strategic asset management techniques; whilst identifying where value can be created to unlock capacity. Its financial modelling capability identifies options to apportion risk and reward fairly between stakeholders; increasing transparency and creating viability. Its web enabled programme management capability promotes efficiency from inception through to procurement and delivery.

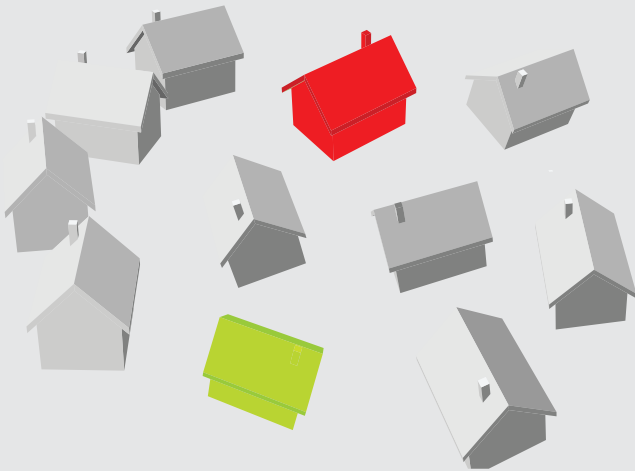
We work directly with the sector's key influencers, including DCLG, the HCA and the Housing Forum, developing best practice solutions to maximise housing supply.

We are on the HCA's Multidisciplinary and Property Partner Panel frameworks, the OGC's Buying Solutions framework and over 40 individual client frameworks throughout the UK.



***“We combine technical expertise with sector insight to unlock schemes and deliver increased value to development programmes.”***

# OPTIMISING OPERATIONAL EFFICIENCY THROUGH RESIDENT FOCUSED DELIVERY



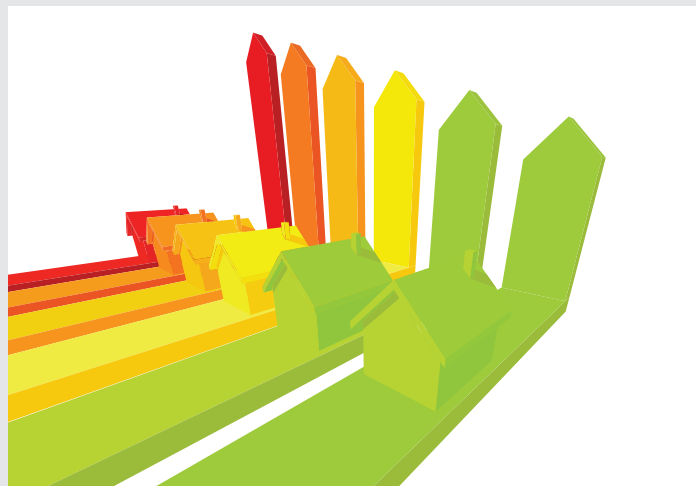
**Decent homes/housing quality standard led programmes are now completed or in their final stages. In return for meeting decency standards, providers should be seeing ROI reflected in reduced repairs and maintenance costs; moving to a planned maintenance to responsive repairs ratio of 70:30.**

With the rise in VAT to 20% and more caution on risk management being adopted, budgets are being squeezed and in-sourced delivery models are making a come back.

EC Harris takes a holistic approach to asset management, helping providers drive efficiency; manage risk; reduce costs; increase value for money; comply with procurement rules; and improve asset performance and tenant satisfaction by:

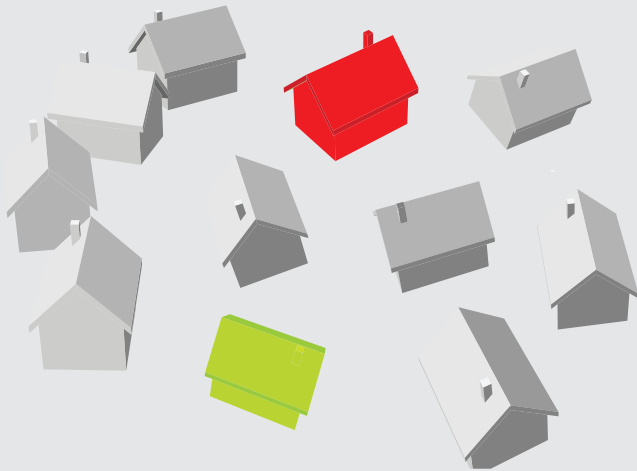
- Redesigning working processes to improve customer experience and minimise back office costs
- Reviewing and redesigning the service offer ('in' versus 'out' sourcing) to optimise value for money and improve tenant satisfaction
- Helping to determine future investment needs to achieve the provider's property quality threshold
- Factoring the costs of agreed reinvestment proposals into business whilst using cost assurance techniques to ensure consistent performance.

We do this by combining our building and quantity surveying expertise with sophisticated supply-chain, procurement, contract and organisation design solutions. Our teams are also supported by accurate benchmarking data.



***“We take an integrated and holistic approach to asset management.”***

# DELIVERING BETTER OUTCOMES FOR TENANTS, PROVIDERS AND THE ENVIRONMENT



Capital improvement works and planned maintenance will take on a new dimension as details of the Government's Green Deal unfold. Affordable housing providers will no doubt be pioneers of this important initiative; leading the way in conserving energy by delivering programmes of thermal improvement works and adopting sustainable sources of energy to existing homes; financial capacity permitting.

Providers should aim to mobilise quickly to take advantage of the most beneficial partnership arrangements and to secure a share of any early funding streams. Capacity can be generated by adopting renewable technology backed by financial incentives; for example photovoltaics and the feed-in tariff. EC Harris has developed an approach that efficiently mitigates both common risks in delivery and maintenance and the potential unfair advantage to a proportion of providers' tenants.

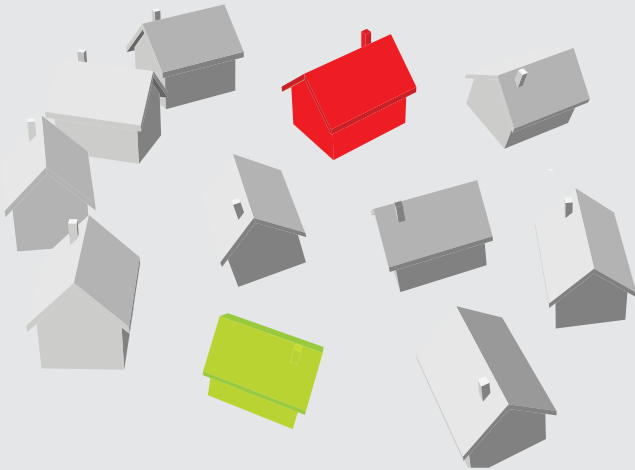
Our experts can advise on all aspects of this process, working with providers to develop an in depth understanding of the current condition of their stock and best technologies suited to improve its performance. This includes up-front and whole life costs and cost-in-use estimates for the benefit of residents; making every pound of investment count.

Using our Neighbourhood Investment Toolkit local investment plans can then be integrated with other capital and revenue programmes to drive efficiency and minimise disruption to occupants whilst generating value.



***“We help drive efficiency from improvement plans and minimise disruption to tenants.”***

# INSPIRING INVESTMENT AND IMPROVING COMMERCIAL RETURNS



The domestic funding market appears to be shrinking with fewer lenders looking to lend to providers. The reduction in competition makes access to money more difficult, whilst increasing the cost of borrowing. Meanwhile, profit distributing companies are being encouraged to enter the sector, bringing new funding, ownership and service delivery models with them.

EC Harris understands the market drivers and potential returns and assists providers with sourcing and undertaking transactions. We design and implement the target operating models necessary to protect providers against ongoing investment risk.

We have developed sophisticated financial modeling tools to undertake investment case appraisals that flex both tenure mix, operational strategies and funding source assumptions. These models look at both project returns and overall owner business returns. We seek to mitigate unfavourable planning policies and embrace environmental sustainability as an opportunity; using our knowledge of financial incentives and environmental policy.

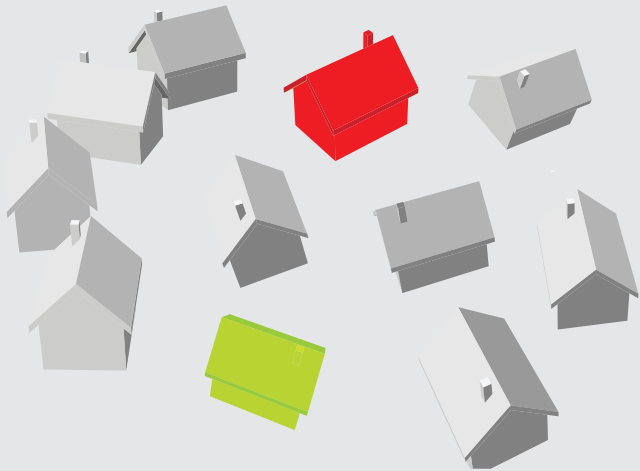
We are working with a growing number of new lenders and investors interested in moving into this sector, but who need assistance in understanding risk and in structuring their investments to give exit flexibility. We find they are often willing to work with existing funders/owners; the development and management of JV structures is a growing area of expertise as a result.

We provide robust and well informed treasury advice underpinned with effective policies, processes and procedures to manage associated risks.



***“As an international consultancy, we can look within and beyond the mainstream domestic markets to deliver competitive, practical and innovative funding solutions.”***

**CONTACT US...**



## TO FIND OUT MORE CONTACT OUR EXPERTS...



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