Thames Gateway Group

YMCA Romford

YMCA Dartford

YMCA Greenwich

**Business Plan**

**2014-2019**

**September 2014**
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Executive Summary

Set against the background of a tough economic climate, with cuts to funding and increased demands on our services, and in the context of YMCA England’s Movement strategy, YMCA Thames Gateway Group 2014-2019 business plan represents an ambitious but achievable strategy for sustainable growth, and one that marks a step change in the charity’s development.

**Background**
Spanning five boroughs, three of which are the country’s most deprived, we work across five core areas: health and wellbeing; training and education; children and families; accommodation; and support and advice. From our childcare and youth provisions, our state of the art fitness facilities to our accommodation service, we support thousands of young people and their communities in the London Boroughs of Barking & Dagenham, Greenwich, Havering, 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 so that all our work is seen through their lens.

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.

There’s also the wider YMCA picture to consider: this plan is informed by YMCA England’s whole Movement strategy, which seeks to unify our purpose. But it, in turn, will inform their strategy, as they share our strengths with other YMCAs across the country.

**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. Increase our impact, both in terms of number of people we work with and the difference we make to their lives
2. Be recognised as a leading youth and community charity locally
3. Prioritise the development and health of young people
4. Have a sustainable business model in place that supports our continued growth
5. Work with the national and global YMCA Movement to deliver our shared vision
Each aim has clear objectives, priority activities and success indicators, ensuring that, while our plans are ambitious, they are achievable.

**Measuring success**
Our performance measurement will link to the national YMCA performance measurement framework so that we can all see what and how we’re doing, and the overall change we’re making as a Movement. 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 Group. 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 Group’s 2014-2019 business plan is an ambitious strategy for sustainable growth that marks a step change in the charity’s development, offering:

- A new 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 five years, driven by social need and the competitive external environment.
- Strong operational 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. It pays particular attention to the new Movement strategy, considering the bigger picture of what the YMCA in England is endeavouring to achieve, and, in turn, informs that through our local experience and expertise.
2. About YMCA Thames Gateway Group

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 five boroughs, three of which are the countries most deprived. In the North is Romford, on the borders of Barking & Dagenham and Havering and Dartford is the main centre for the South serving Kent and Greenwich. In the future we are aiming to expand further into parts of Kent and Essex, 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 performance
YMCA Thames Gateway Group has been formed via a merger of 2 local YMCA’s Romford YMCA and Thames Gateway YMCA. As this is the first year that the newly merged YMCA has been trading there is no past financial performance relating to the new charity.

Prior to merger, over the past five years, with the exception of 2011-12, Romford YMCA achieved operating surpluses before interest and movements in investments. Romford’s revenue reserve rose from £510k to £1.24m, with cash reserves increasing from £125k to £750k.

Over the same period Thames Gateway YMCA, prior to the merger, struggled financially, due to high levels of investment in the refurbishment of the Roundhouse. Over the five year period the reserves of Thames Gateway YMCA were eroded and the charity agreed loans with YMCA England to continue
trading. The merger of the 2 YMCAs to create YMCA Thames Gateway Group allowed the new entity to consolidate these debts and purchase back the long term lease on the Roundhouse building ensuring the long term future of the outstanding work south of the river.

Thames Gateway YMCA now has around 57 per cent of turnover, generated by rental or grant income from accommodation, 13 per cent from health and wellbeing programmes, and 18 per cent from Childcare and family work. The remaining twelve 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 26 schools and colleges, 10 more than in 2010, with a nine per cent 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 was up by over 15 per cent to 1035 in June 2014 compared to 877 in June 2013. Our total fitness membership is 3,200. 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 228 families used our children’s services. 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 Romford and other areas, 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, 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 give us the skills to take the charity to the next level, but must be harnessed effectively.
- **Lack of strategic clarity:** planning to date has been based on an annual, operational model. Our new plan will provide 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:**
  - An enjoyable job
  - Good relationships with family and friends
  - Financial security
  - To be fitter and healthier
  - To have somewhere nice to live

- **Main obstacles to achieving goals:**
  - The economy and competition for jobs
  - Affordability of housing
  - Lack of confidence
  - 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

1. **Ashford**
   Ashford is ranked* the 192th 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.

2. **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 per cent, 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.

3. **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.

4. **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)

5. **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
- YMCA across Essex are strong and there is interest in exploring a YMCA SE regional model.
- The potential to run key local youth provision in the London Borough of Havering.
- The Rush Green site masterplan and tower refurbishment.
- A new 80 bed residential unit in the London Borough of Greenwich
- Potential new housing in Dartford & Ashford
3.4 National YMCA Movement

The YMCA in England is going through a period of significant change, uniting for the first time behind a national Movement strategy and brand. Resources will focus on positioning the YMCA as a leader in society and a voice for young people and their communities, highlighting our five work areas.

The Movement strategy has created a strategic framework with a set of common aims, designed to help local and sector YMCAs with their planning, to encourage consistency, cohesion and collaborative working, and to facilitate an emphasis on the bigger picture. Our new, national aims are:

- Increasing our impact
- Extending our influence
- Working together better
- Shaping our future
## 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 created a new planning model that provides a direct line of sight from our mission to individual staff action plans.

![Diagram showing the strategic planning model]

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<th>STRATEGIC PLANNING MODEL</th>
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<tr>
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4.2 YMCA Movement Integration

YMCA Thames Gateway Group's 2014-2019 business plan marks a step change in our ambition, not only in terms of the positive difference we will make locally, but also our contribution to the work of the YMCA Movement in England. Our plan fully reflects the aims of the national Movement:

- **Increasing our impact**: we will increase the number of people we work with, while also targeting those most in need, especially young people.
- **Extending our influence**: we aim to be recognised as a leading charity for youth and community provision locally.
- **Working together better**: we will seek opportunities to work with other YMCAs and support the Movement strategy.
- **Shaping our future**: we will create a sustainable business model and invest in the leadership of our staff, trustees and volunteers.

4.3 Aims and objectives

To achieve these ambitions, our aims and objectives for the next five years are to:

1. **Increase our impact, both in terms of number of people we work with and the difference we make to their lives**
   - Increase our reach from 5900 to 10700.
   - Increase the difference we make to our beneficiaries (with measured outcomes and SMART objectives to be developed over the next three years).
   - Expand into other geographical areas where there is a clear need, through mergers, acquisitions and partnerships.

2. **Be recognised as a leading youth and community charity locally**
   - Increase and sustain representation and relationships in place with all key, local decision-making bodies operating within our sectors.
   - Increase brand awareness

3. **Prioritise the development and health of young people**
   - See 100 per cent of our work through the lens of young people.
   - Develop a full youth offer in Romford in year 1.
   - Ensure that young people are represented at all leadership and decision making levels within the organisation.

4. **Have a sustainable business model in place that supports our continued growth**
Leaders and staff are motivated and equipped with the necessary skills to enable the Association to grow.
Site master-planning complete and work in progress.
Increase turnover by 50 per cent to £7 million by 2019.
Increase surplus to five per cent of turnover by 2019.
Diversify our income model (80 per cent earned income, 15 per cent contracts, five per cent voluntary income) by 2019.

5. Work with the national and global YMCA Movement to deliver our shared vision
   - Adopt the agreed brand.
   - Participate in the development and delivery of at least two national signature programmes.
   - Influence the national debate on the position and articulation of the YMCA as a faith based Movement.
   - Engage with the global movement through the implementation of our international strategy.

5. Financial Plan

5.1 Business Plan Financial Summary

Revenue Projections

The revenue projections have been produced by combining the 3 year budgets of both YMCAs and then making adjustments where appropriate for items which make a material difference to the figures.
The table above gives a summary position of the revenue budget projections for the combined merged entity over the next 3 year period.

There have been some assumptions made in the production of these budgets.

In terms of income it is assumed that the Greenwich housing scheme will be operational in the 16-17 financial year. This additional income however is partly offset by a reduction in Romford YMCA hostel income as a result of plans to refurbish the main hostel. We are in the process of commissioning an options appraisal which will help the Board make informed decisions on the extent and scope of the refurbishment for the Romford tower. It is likely that there will be a drop in revenue as a result of the refurbishment which at this point is unknown but we have factored in an annual revenue reduction of £100k from 2016-17 onwards.
All other income areas have been kept broadly in line with original budgets with the exception of assuming there will be increases in rent levels at the Roundhouse and Church View following a planned rent review once the new YMCA is out of the managed scheme arrangement with Y England (£40k p.a), as well as increases to nursery income on the Kent nursery sites (£35k p.a) due to increases in occupancy levels; indeed it appears that improvements in occupancy at nursery provisions are already happening.

From an expenditure point of view we have assumed that the new YMCA will be out of a managed scheme arrangement on their housing stock and so would save around £90k per year on management fees to YMCA England (this is less in 14-15 due to the expected merger not being expected to happen until the last quarter of the financial year). The original TGYMCA South budget did not allow for depreciation charges totalling £130k so these charges have been added into the revenue budgets as additional costs.

With regards to employment costs, we would envisage there being some savings on specific posts (for example TGYMCA South have £35k in for a part time CEO), however investment will be needed in a new staffing structure to support the combined group and so we would expect employment costs to remain on a similar level to what they are budgeted for, save for additional spend on staffing in 16/17 onwards due to the Greenwich housing scheme. Although there are likely to be some savings on overheads as a result of merging these are not yet known and so the combined budget above is a reflection of the current overheads budgeted for by both organisations.

Overall, taking into account the additional depreciation costs of TGYMCA South, the merged entity would be expected to make an operational loss in 14-15, with significant surpluses expected from 2015-16 onwards even with an assumption of reduced hostel income from the Romford site.

A more detailed budget sheet is attached as an appendix to this report.
The table above gives a summary of the expected capital needs of both YMCAs, and the combined entity over the next 7 years, 2014-15 shows the requirements of the 2 separate YMCAs as well as the combined entity.

With regards to capital receipts we know that RYMCA are currently in the process of selling a housing asset and will receive a receipt of around £220k if the sale goes through. TGYMCA currently have the Undercroft units up for sale for £200k so we have factored in the sale of those into the figures. There are possibilities for selling 2 additional houses that Romford own without affecting programme delivery, valued at a combined total of around £500k, however the potential sales of these assets are not included within this projection.

From an expenditure point of view, in 14/15 we have factored in the requirement to invest in the Greenwich Housing Scheme (c.£300k) as well as around £300k of additional capital expenditure contained within the capital budget of Romford Y as well as additional investments in TGYMCA assets, particularly the Woolwich Dockyard youth club. This £300k investment across both YMCAs is in line with Romford YMCA’s Capital Investment Policy which seeks to reinvest in capital buildings and equipment at the same level as the depreciation charge to ensure that assets are not being under invested in over time.

In 15/16 and 16/17 there is additional investment in asset replacement and improvements as well as a total of £1m additional capital expenditure which has been factored in as the contribution Romford would need to make to the refurbishment of their hostel. The total cost of the Hostel redevelopment is not known at this stage but is likely to be far in excess of £1m and so there is an assumption that a significant level of HCA grant will be secured, it is also likely that the contribution RYMCA will have to make to any HCA funded scheme will be in excess of £1m, and there will be the requirement to finance a drop in income as a result of occupancy dropping during the works, and therefore borrowing may be required to finance any scheme.

The years 2019/20 and 2020/21 factor in the start of repayments to YMCA England at a rate of £100k per year. It is felt that this would be around the level of repayment that would be necessary over a 20 year period to cover the loan and associated interest.
Cash Flow Projections

As a combined entity YMCA Thames Gateway Group have cash reserves of around £750k and investment reserves of around £1.2m.

The cashflow predictions have been calculated by taking the expecting trading income and expenditure, adjusting for non-cash items and then taking into account capital receipts and expenditure over a 5 year period. We have assumed that the combined entity would require £500k working capital at all times and would therefore draw on investment reserves where necessary to maintain this balance.

Attached in the appendix to this report is a cashflow model.

Looking at the cashflow projections the merged YMCA could afford to pay an upfront payment of £250k to YMCA England, with further annual payments of £65k (the total of both the capital repayment and interest charges) from 2015-16 onwards whilst still being able to finance the capital requirements and retain a workable level of working capital. The projections suggest that even with investment in the Romford Hostel in 2016-17 reserve levels will recover to 2014-15 levels by 2020-21.

It should be noted that the merged YMCA may still have to borrow money should there be a requirement to fund more than £1m for the Romford hostel refurb.

Based on these figures we can assume that a deferred repayment scheme for the loan is affordable for the new combined YMCA.

5.2 Performance measurement

Our performance measurement will link to the national YMCA performance measurement framework so that we can all the overall change we’re making as a Movement. The detail of the framework is still being worked on and will be presented to the Board in full at their meeting later in 2014. However, it has two basic dimensions:

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

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

The longer-term results of all our activity will be improved outcomes for young people and communities.
Work on developing common approaches has been piloted across the YMCA and is ready to be developed and rolled out further. The approach will involve each YMCA identifying between four and six priority outcomes from the menu summarised below. The outcomes are grouped to show how they link to the overall vision of helping young people and communities to belong, contribute and thrive. For each outcome there is a ‘key transition’. This is a stage where it is possible to recognise value – generally by linking to some form of external validation such as research or government guidance.

In addition to more quantitative measures, a process of gathering and sharing stories will help the movement focus on outcomes more effectively. A process developed by Oxfam called ‘Most Significant Change’ works in this way, gathering short stories of achieving outcomes “at the frontline”. The stories are then reviewed at a team meeting and one selected as being particularly illustrative of the outcome. In the case of the YMCA the stories can focus on results in terms of changes for young people and communities. But they can also focus on results for the Movement strategy and YMCA England by focusing on improvements in YMCA functioning or national profile and so on.

**Reporting format**

All measurements will be reported in a dashboard which summarises at a high level both outcome and efficiency information can be summarised. Figures below are shown for indicative purposes only.

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5.3 Assumptions and risk

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

- **Completion of the Romford site master plan**: two risks are associated with this. Firstly, there is a risk that our desire for growth takes resources away from the essential need to refurbish and sustain existing accommodation. Regular monitoring of the 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 raise the necessary capital funding to realise this plan. A full capital campaign strategy will be developed, taking into account the current economic climate, and the threats this poses and opportunities it opens up to charities.

- **Shift to a stronger young people focus**: the main risk associated with this is that staff fail to “buy in” to the notion of repositioning work through a youth lens, and that the shift in focus has a negative impact on finances (as youth work is traditionally quite a drain on resources). The development of a clear position and messaging around our shift to young people will take place in year 1, and this will include staff consultation and an internal communications plan. The funding mix is suitably broad to safeguard against a negative impact on finances, and a new youth programme will only be developed if funding can be found.

- **Speed of growth**: 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.

- **Accommodation revenue**: housing financial targets have been based on an assumption that government housing reforms will not affect revenue. If this is not the case then targets will require review.

- **Branding**: the new brand roll-out is dependent on the national brand implementation plan, and any lag in this will need to be adjusted for within our plan.

- **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 development of relationships.
6. Conclusion

Set against the background of a tough economic climate, with cuts to funding and increased demands on our services, and in the context of YMCA England’s Movement strategy, YMCA Thames Gateway Group’s 2014-2019 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.

Appendix 1 – Detailed Combined Budget
<table>
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<tr>
<th>Year</th>
<th>TGYMCA Romford</th>
<th>YMCA 14/15</th>
<th>Adjustments 14/15</th>
<th>Combined Budget</th>
<th>TGYMCA Romford</th>
<th>YMCA 15/16</th>
<th>Adjustments 15/16</th>
<th>Combined Budget</th>
<th>TGYMCA Romford</th>
<th>YMCA 16/17</th>
<th>Adjustments 16/17</th>
<th>Combined Budget</th>
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<tbody>
<tr>
<td>2014-15</td>
<td>540,461</td>
<td>2,149,812</td>
<td>0</td>
<td>2,690,273</td>
<td>2,192,808</td>
<td>560,050</td>
<td>-40,000</td>
<td>2,792,808</td>
<td>2,232,429</td>
<td>571,251</td>
<td>471,000</td>
<td>3,274,682</td>
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<tr>
<td>2015-16</td>
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<td>842,629</td>
<td>315,002</td>
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<td>321,359</td>
<td>563,656</td>
<td>36,000</td>
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<td>2015-16</td>
<td>600,385</td>
<td>600,385</td>
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<td>1,200,770</td>
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<td>0</td>
<td>632,945</td>
<td>654,593</td>
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<tr>
<td>2015-16</td>
<td>142,500</td>
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<td>285,000</td>
<td>146,063</td>
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<td>149,714</td>
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<tr>
<td>2015-16</td>
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<td>0</td>
<td>198,697</td>
<td>202,670</td>
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<td>0</td>
<td>202,670</td>
<td>206,723</td>
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<tr>
<td>2015-16</td>
<td>132,106</td>
<td>135,105</td>
<td>0</td>
<td>247,216</td>
<td>137,852</td>
<td>114,364</td>
<td>12,000</td>
<td>264,201</td>
<td>140,610</td>
<td>116,635</td>
<td>12,000</td>
<td>269,245</td>
</tr>
</tbody>
</table>

**Total Income**

2014-15: 1,388,065
2015-16: 3,333,674
2016-17: 0
2015-16: 4,721,739
2016-17: 1,429,974
2016-17: 3,508,655

**Expenditure**

Direct Costs

- Housing: 135,288
- Childcare: 31,850
- Fitness: 0
- Catering: 0
- Youthwork: 25,743
- Other/Central: 115,775

**Total Direct Costs**

2014-15: 308,680
2015-16: 289,486
2016-17: 0
2015-16: 573,166
2016-17: 295,276
2016-17: 315,357
2016-17: -90,000
2016-17: 520,633
2016-17: 302,950
2016-17: 321,664
2016-17: -20,000
2016-17: 604,614

Staffing Costs

- Housing: 173,256
- Childcare: 360,762
- Fitness: 0
- Catering: 0
- Youthwork: 79,850
- Other/Central: 182,032

**Total Staffing Cost**

2014-15: 795,500
2015-16: 2,113,954
2015-16: 0
2015-16: 2,009,854
2016-17: 2,135,299
2016-17: 807,838
2016-17: -25,000
2016-17: 2,916,127
2016-17: 2,181,005
2016-17: 819,956
2016-17: 132,000
2016-17: 3,152,961

Overheads

- Premises: 165,594
- O/Heads: 117,688
- Total Overheads: 283,192

**Total Overhead Expenditure**

2014-15: 3,299,576
2015-16: 105,000
2015-16: 4,792,347
2015-16: 3,347,350
2015-16: 1,412,878
2015-16: 8,000
2015-16: 4,769,228
2015-16: 3,419,172
2015-16: 1,437,945
2015-16: 454,000
2015-16: 5,311,117

Profit / Loss Before Investment

2014-15: 2,232,429
2015-16: 571,251
2015-16: 471,000
2015-16: 3,274,682
2016-17: 2,232,429
2016-17: 571,251
2016-17: 471,000
2016-17: 3,274,682
2016-17: 571,251
2016-17: 471,000
2016-17: 3,274,682

**Notes**

1. A rent restructure in 15-16 should yield around £40k additional income - Year 2016/17 has the figures for income related to Greenwich at £333k
2. Income from Romford hostel drops by £100k in 2016-17 due to refurb of building
3. TGYMCA plan to open a Dartford Chanty shop - this should increase income by around £12k
4. TGYMCA will not have to pay YMCA England for the Managed Scheme - saving £90k (Apporx £25k in 14-15) - 16-17 onwards includes additional direct costs associated with Greenwich (£70k)
5. Housing Staff costs increase in 16-17 due to additional costs of Greenwich scheme
6. Assumed Staffing levels will remain broadly similar in cost terms if not structure - expected that there will be some savings (£25k) as a result of the merger
7. Assumed IT savings as a result of merger
8. TGYMCA has a depreciation charge of £130k which in not included in their budget - from 15-16 we expect overhead savings on areas such as insurance (£13k) but additional costs relating to interest repayments on the loan (£14k p a)
9. Depending on how the asset purchase is financed from YMCA England, there may be financing costs
10. RYMCA has a capital budget, TGYMCA does not. It will need to be established what capital requirements TGYMCA have
### YMCA Thames Gateway Cashflow model 2014-15 to 2018-19

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening Cash Balance</strong></td>
<td>650,000</td>
<td>100,000</td>
<td>750,000</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Revenue Income</strong></td>
<td>3,333,674</td>
<td>1,388,065</td>
<td>4,721,739</td>
<td>4,941,645</td>
<td>5,486,276</td>
<td>5,623,435</td>
<td>5,764,021</td>
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<tr>
<td><strong>Revenue Expenditure</strong></td>
<td>3,299,576</td>
<td>1,492,771</td>
<td>4,792,347</td>
<td>4,769,228</td>
<td>5,311,117</td>
<td>5,417,339</td>
<td>5,525,686</td>
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<tr>
<td><strong>Depreciation</strong></td>
<td>-140,000</td>
<td>-130,000</td>
<td>-270,000</td>
<td>-280,000</td>
<td>-290,000</td>
<td>-297,250</td>
<td>-304,681</td>
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<tr>
<td><strong>Capital Projects</strong></td>
<td>220,000</td>
<td>200,000</td>
<td>420,000</td>
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<td>0</td>
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<tr>
<td><strong>Capital Receipts</strong></td>
<td>220,000</td>
<td>200,000</td>
<td>420,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Capital Expenditure</strong></td>
<td>140,700</td>
<td>140,700</td>
<td>150,529</td>
<td>157,134</td>
<td>161,062</td>
<td>165,089</td>
<td>165,089</td>
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<tr>
<td><strong>Investment In Greenwich Housing</strong></td>
<td>300,000</td>
<td>300,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td><strong>Total Capital Expenditure</strong></td>
<td>140,700</td>
<td>410,000</td>
<td>550,700</td>
<td>510,529</td>
<td>1,017,134</td>
<td>273,812</td>
<td>280,656</td>
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<tr>
<td><strong>Capital Loan Repayments</strong></td>
<td>250,000</td>
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<td>250,000</td>
<td>53,000</td>
<td>53,000</td>
<td>53,000</td>
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</tr>
<tr>
<td><strong>Cash Inflow</strong></td>
<td>3,553,674</td>
<td>1,588,065</td>
<td>5,141,739</td>
<td>4,941,645</td>
<td>5,486,278</td>
<td>5,623,435</td>
<td>5,764,021</td>
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<tr>
<td><strong>Cash Outflow</strong></td>
<td>3,550,276</td>
<td>1,772,771</td>
<td>5,323,047</td>
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<tr>
<td><strong>Increase/Decrease in Cash</strong></td>
<td>3,398</td>
<td>-184,706</td>
<td>-181,112</td>
<td>-111,112</td>
<td>-604,973</td>
<td>176,533</td>
<td>209,358</td>
</tr>
<tr>
<td><strong>Closing Cash Balance</strong></td>
<td>653,398</td>
<td>-84,706</td>
<td>568,692</td>
<td>388,888</td>
<td>-104,973</td>
<td>676,533</td>
<td>709,358</td>
</tr>
<tr>
<td><strong>Transfer from Investments to fund working capital</strong></td>
<td>-68,692</td>
<td>111,112</td>
<td>604,973</td>
<td>-176,533</td>
<td>-209,358</td>
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<td></td>
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<tr>
<td><strong>Closing Cash Balance post transfer</strong></td>
<td>653,398</td>
<td>-84,706</td>
<td>568,692</td>
<td>388,888</td>
<td>-104,973</td>
<td>676,533</td>
<td>709,358</td>
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<tr>
<td><strong>RYMCA Investment funds</strong></td>
<td>1,200,000</td>
<td>1,200,000</td>
<td>1,268,692</td>
<td>1,157,580</td>
<td>552,607</td>
<td>729,140</td>
<td>729,140</td>
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<tr>
<td><strong>Increase/reduction in funds</strong></td>
<td>0</td>
<td>68,692</td>
<td>-111,112</td>
<td>-604,973</td>
<td>176,533</td>
<td>209,358</td>
<td></td>
</tr>
<tr>
<td><strong>Closing investment funds</strong></td>
<td>1,200,000</td>
<td>1,268,692</td>
<td>1,157,580</td>
<td>552,607</td>
<td>729,140</td>
<td>938,499</td>
<td></td>
</tr>
</tbody>
</table>

**Notes**

- RYMCA requirement to invest in hostel - est capital cost of £1m over 2 years - knock on revenue drop of £250k in 2016-17
- Assumes income grows at 2.5% & expenditure grow at 2% from 2017/18 onwards. Cap ex expenditure grows at 2.5% matched by depreciation increases at same rate
- £500k working capital requirement at all times - draw down on reserves where necessary
- YMCA England payment of £250,000 in 14-15 - repayments of £53k capital each year from 2015-16 onwards for 20 years (£14k interest charge included in revenue expenditure)