

Housing Associations – The Financial future

Ben Taylor
Head of Finance
Merlin Housing Society

About Merlin

Largest Registered Provider in South Gloucestershire

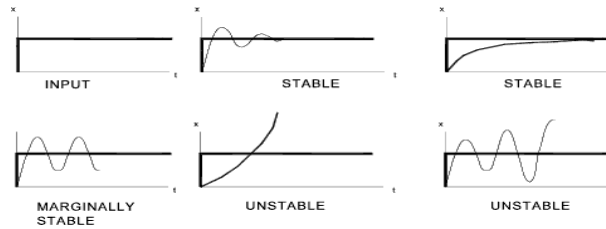
- c8,000 units under management (7,800 in South Gloucestershire).
- Additional c500 leaseholder properties.
- 68% of all social housing in the area.



Financial framework

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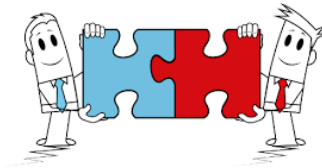
- Welfare reform
- Subsidy
- Rent
- Right to buy
- Reclassification



Sectors are the same?

• Outcomes

- Language
- Treasury
- Asset management
- Development
- Regulation
- Proximity to politics



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Change	HA	LA
Welfare reform	Negative	Negative
Rent formula	Negative	Negative
Asset management - RTB	Mixed	Negative
Availability of financing	Mixed	Neutral
Developing new homes - type/tenure	Mixed	Negative
Regulation and deregulation	Mixed	Neutral
Customers (existing)	Positive	Positive

The risks have increased markedly – the impact needs to be modelled, stressed and remodelled

Impact on Merlin and response

- Our goals
 - Increase margin (efficiency)
 - Increase customer satisfaction (effectiveness)
 - Build more homes (demand)
- More difficult?
- Achievable?



