

The Wrekin
Housing Trust

OUR VISION
TO PROVIDE
EXCELLENT
HOMES
AND SERVICES

(BIGGER) (BETTER) (STRONGER)
PROVIDING EXCELLENT HOMES AND SERVICES

The Wrekin
Housing Trust

Wrekin Focus 2020

Strategic plan 2015-2020

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BETTER
STRONGER**

Section 1

Executive Summary

The housing sector has continued to operate in a climate of change and uncertainty over the last four years since the previous strategic plan was drawn up in 2010.

The general economic environment is still challenging. Growth remains slow and there continues to be pressure on the personal finances of many people, with inflation remaining higher than the government's long term target and wage increases failing to keep pace, at a time when the welfare benefits system is still in the middle of a fundamental period of reform and local authorities and other agencies are still striving to deliver material reductions in their expenditure budgets. Although the under-occupancy provisions (commonly referred to as the "bedroom tax") contained in the welfare benefit reform package have now been implemented, along with the overall benefit cap, Universal Credit is yet to be implemented and this could have the most significant impact of all the reforms.

Regulation

The new regulatory regime, and the concept of co-regulation, under the auspices of the Homes and Communities Agency (HCA) is now finalised, but it is clear that the focus on financial viability, governance and, in particular, value for money is only going to increase over the coming years. Central government and the HCA have already widely broadcast their dissatisfaction with the sector's response to the value for money standard and the required value for money self-assessments. Enforcement action against those not measuring up to the required standards will only become more punitive in future through HCA on site in-depth assessments

Operating environment

HAs are still in a strong position in comparison to commercial organisations with funding, including through bonds, available at reasonable rates. The Comprehensive Spending Review 2015 has given housing associations certainty that social and affordable rents will be cut for the next four years to 2019 to rise by CPI +1% p.a. after 2019 with rents in future being linked to the Local Housing allowance. This is part of a new conservative government manifesto geared towards the provision of home ownership, with subsidy funding from the HCA to be totally focused on home ownership development post 2016. The sector has responded to the Government drive for home ownership by brokering a voluntary right to buy deal with Government based on the registered provider selling a home under the VRTB receiving full market value so to replace the lost home.

Meanwhile, in a local context, the newer partners who have joined the Trust in The Wrekin Housing Group - Choices Housing Association, Shropshire Housing Alliance and, more recently South Shropshire Furniture Scheme and Reviive – are now becoming full integrated into the group, with many collaborative initiatives already underway, in areas such as the provision of extra care accommodation, supported housing for people with specific needs (e.g. learning disabilities), dementia care, recycling and reuse, housing support and advice and training and social enterprise. The board's hope that, in joining with the other group partners, the Trust would be able to work over a wider geographical area and across more diverse areas of business than it could on its own is already becoming a reality.

The board has once again led a review of the impact of these changes on the business and have taken appropriate steps to manage and mitigate the risks arising from them. The Board believes that the Trust is still well-positioned to respond to both the uncertainties and the

opportunities that the current climate will bring, developing a strategy that sets the parameters that empower the organisation to deliver

ORGANISATIONAL RISK APPETITE

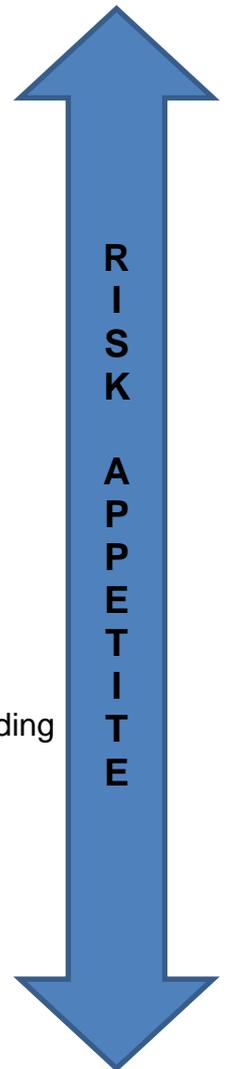
Strategy is about risk appetite, choices for what we won't do as well as what we will do
What won't we do?

What Won't we do ?

- Merge with another large national/ major housing association
- Develop in Wales
- Develop in highly urbanised cities
- Develop for outright home ownership
- Expand without meeting purpose
- Compromise financial covenants
- Disregard Regulatory requirements
- Grow at the expense of quality (service and product)

What will we do?

- Provide continually improving services and increasing the number of homes meeting tenants changing aspirations for housing
- Optimise the capacity of the business plan to provide more development funding
- Provide social / community value through delivery of our core activities
- Maximise and protect income streams
- Control costs without reducing quality or standards
- Attract, nurture and develop good staff and board members



Killer Risks , PEST/ SWOT analysis (Appendix 1)

A 2016 completed PEST and SWOT analysis is at Appendix 1. The analysis is quite detailed as it covers all operational areas represented from the senior management team.

The main show stopper threats and risk can be summarised as

1. A reduced income stream.
2. Inability to continue with asset renewal strategy.

SECTION 2 STRATEGIC OBJECTIVES



OUR STRATEGIC OBJECTIVES

The Wrekin
Housing Trust

(BIGGER)

Increase the number and quality of homes across Shropshire, Telford & Wrekin, Staffordshire, Herefordshire and Wolverhampton.

(BETTER)

Deliver improved services, defined as excellent by our customers.

(STRONGER)

Maintain a strong business model, delivering in the present, prepared for the future.

Wrekin Focus 2020

Purpose

To provide and maintain affordable housing for those in housing need.

Vision

To provide excellent homes and services.

Strategic objectives and deliverables

- 1. BIGGER - To increase the number and quality of rented homes available for customers across Shropshire, Telford and Wrekin, Staffordshire, Herefordshire and Wolverhampton:-**
 - Invest in the existing performing homes
 - Increase the number of new homes in the Shropshire, Telford and Wrekin, Staffordshire, Herefordshire, and Wolverhampton area
 - Identify and take action on non- performing assets that cannot meet customer expectations
 - To contribute positively by our activities, to the employment, community, environment and economy in those areas in which we operate.

- 2. BETTER - To deliver improved services, defined as excellent by our customers:-**
 - Enable customers to define, monitor, scrutinise and drive quality and standards of service delivery
 - Deliver our current services and use tenant information and intelligence to change, improve and deliver our current services, and design the future services we will provide

- 3. STRONGER - To maintain a strong business model, delivering in the present and prepared for the future**
 - Maintain a sound financial base to optimise our opportunities
 - Ensure we have a governance, executive, leadership and organisational structure with the capacity and capability to deliver
 - Create the opportunity and environment so to drive value for money and efficiencies across the organisation
 - To be recognised as an employer of choice that attracts, develops and retains highly skilled talented people, offering a career path for people entering the housing sector

Our Strategic Objectives are supported by a set of organisational values

OUR VALUES

The Wrekin
Housing Trust

**A 'CAN DO'
APPROACH**

We have a 'can-do' approach to our work. We focus on finding solutions that will give outstanding results and never pass on a problem.

**PUTTING OUR
CUSTOMERS
FIRST**

We only exist to provide services for our customers. We always try to do the right thing.

**WORKING
TOGETHER AS
ONE TEAM**

Working as a team is key to the Trust's success. Together everyone achieves more.

**GETTING IT
RIGHT
FIRST TIME**

We always try to deliver outstanding customer service. We create a culture that genuinely puts the customer first.

**VALUING
EACH OTHER**

As a team, we respect, support and trust each other. We also respect our customers. We're honest and open, and go the extra mile.

Section 3

Board Assurance Framework (Appendix 2)

We have set ourselves 3 key objectives:

1. BIGGER - To Increase the number and quality of rented homes available for customers across Shropshire, Telford and Wrekin, Staffordshire, Herefordshire and Wolverhampton
2. BETTER - To deliver improved services defined as excellent by our customers
3. STRONGER - To maintain a strong business model, delivering in the present and prepared for the future.

Each objective is complemented with a series of sub objectives that produce the activity detail, and captured in a Strategic Board Assurance Framework so to monitor delivery of strategic objectives over the five year period. (Appendix 2)

The strategic aims and objectives, through the Board assurance framework structure Board meeting agendas and formalise the handshake between committees and the Board. The framework identifies clearly risk, controls, assurance, board and committee responsibility for monitoring delivery.

2016/17 Key Deliverables

(BIGGER)

Complete 583 new homes by March 2017

(BETTER)

Invest £ 10.39 Million on existing stock completing 3397 improvements by March 2017

(STRONGER)

Reduce operating costs by 1% Deliver a financial surplus of £ 3.9 million by March 2017

Appendix 1

STRATEGIC AND ENVIRONMENTAL ANALYSIS

Once again, the last few years have seen significant changes affecting our business and the environment in which we operate. We have been able to adapt to these because we recognise our strengths and weaknesses and have the agility and flexibility to respond in a timely manner. A key part of this process is the robust approach taken to the management of risk. In order to ensure that the plan takes account of all our known risks we have updated our PEST and SWOT analysis.

PEST Analysis

The PEST analysis helps organisations to identify the key political, economic, sociological and technological factors that are likely to affect their operation. The key factors are set out below:

Political	Economic
Government deficit reduction measures	Continuing recession/slow growth but inflationary pressure on some sectors. For example, construction as it emerges from recession and demand outstrips supply
Increased burden of personal and corporate taxation	Continuing high inflation at the same time as benefit cuts/pay freezes
Welfare benefit reform programme uncertainty- forecast that the Benefit Cap will be reduced meaning more tenants will be captured by it	Availability/price of corporate and personal finance
Negative government perception of the social housing sector and increasing focus on value for money	Impact of public sector expenditure cuts, particularly on areas such as adult social care
General election within 6 months	Rising fuel costs impacting on both businesses and individual households (fuel poverty issue)
Local Council elections next year	Working 'poor' – more on HB but in work
Change in approach to regulation including 'Forensic' inspection – impact of Cosmopolitan Housing Association failure	Increase in interest rates inevitable - risk of housing bubble bursting which would impact on our sales and asset value
Immigration key issue for public	Increase in interest rates would lead to reduction in inflation – CPI rent increase reduction – impact on predicted income
Policies to encourage RTB – more generous discount provisions	Health care in crisis – Labour proposal to combine health & social care budgets. Aim to keep people in their homes – more pressure on support and adaptations of properties and greater expectations from housing and landlords
'Building for Britain' campaign – influencing politics and the public to move housing up the political agenda	
Uncertainty surrounding Eurozone – impact on banks and lending risk	The growing construction economy

	<p>could result in the lack of skilled labour and the increase of construction costs.</p> <p>Potential increase in pension liabilities – potential increase in contributions to manage the deficit gap.</p>
Sociological	Technological
<p>Demographic changes - growing care and support needs of an ageing population, extension of EU immigration eligibility to more eastern European countries</p> <p>Environmental/sustainability pressures</p> <p>Potential rise in repossessions if interest rates rise and/or house price bubble materialise</p> <p>Worklessness/skills shortage</p> <p>Rise in private renting and reduction in owner occupation</p> <p>Continuing rise of single person households combined with bedroom tax and lack of smaller accommodation</p>	<p>Speed of change of technology and reliance on potentially outdated systems</p> <p>Business continuity/data security</p> <p>Developments in energy efficiency/retrofit technologies</p> <p>Higher expectations from some customers in an increasingly digital age whilst some are digitally excluded</p> <p>Large increase in the use of smart phones and tablets as opposed to computers and laptops</p> <p>Increasing use of social media as a marketing tool or preferred communication method</p> <p>Use of Big Data – use of larger data systems to support analysis and customer insight</p> <p>Is Trust ready ‘digitally’ for taking rent payments and accessing systems through mobile devices?</p>

SWOT ANALYSIS

Even in the climate outlined above, the Trust has ambitious growth plans. Therefore, it is crucial that, as part of the risk management process, the Board identifies the strengths, weaknesses, opportunities and threats that might impact on the delivery of its strategic objectives. This has been done using traditional SWOT analysis, the results of which are set out in the diagram below.

Strengths	Weaknesses
<p>Strong board and governance structure</p> <p>Strong financial performance sustained over a number of years</p> <p>Good relationships with the regulator, funders and developers</p>	<p>Although considerable progress has been made in expanding the Trust’s area of operation into Shropshire and Staffordshire, the majority of the housing stock is concentrated in a relatively small geographical area</p>

<p>High level of customer involvement in service design and delivery and well-established scrutiny arrangements</p> <p>Locally based service delivery</p> <p>Growing reputation for innovation, performance and sale of services to third party organisations</p> <p>Strong record of efficiency gains and increased value for money</p> <p>Strong track record of training and developing staff</p> <p>Loan finance in place and successful bids made for all current grant funding programmes (AHP, Dept of Health, AHGP)</p> <p>Partners in group add diversity to service delivery</p> <p>Stock getting stronger in terms of performance via asset renewal strategy – disposing of negative costly properties</p> <p>Reducing number of ‘high risk’ tenants through new lettings process</p> <p>Leading voice in Shropshire due to our rapid growth. Other RPs and Local Authority now see us as a much more influential strategic partner regionally and look to increasingly include us in Regional Strategy.</p>	<p>Higher than average operating costs for some service areas, although the Trust benchmarks highly for quality of service and performance (e.g. arrears collection, voids and relets)</p> <p>Age profile of workforce with a large number of people due to retire in the next 10 years</p> <p>Slow to identify and engage with the digital demand</p> <p>Increase in number of private sector lets and high rents in some of our 2 bed properties put them in line with private sector. Some 2 bed properties now difficult to let</p> <p>With regard to security of tenure, the introduction of fixed term tenancies may arguably make our properties less attractive than they were</p>
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Opportunities	Threats
Strong pipeline of potential development opportunities	Cost, availability and term of new loan funding
Bid for grant funding in next HCA bidding round	Increased competition for new contracts or developments, particularly on price
New contracts for services being brought to market by other organisations	Continuing economic recession/slow growth and recovery, but inflationary pressure in some sectors, particularly construction-related
Increased flexibility on tenure type (e.g. fixed term tenancies) and rent levels (e.g. affordable rents)	Lack of available grant funding in longer term, beyond next round of HCA funding
Work with other group members to gain foothold in new geographical areas or new areas of business	Further and ongoing impact of welfare benefit reform
Use of systems thinking to generate further efficiencies and savings	External expectations that the Trust will take on responsibility for activities no longer delivered by other publicly funded agencies as a result of reductions in their budgets
Generation of social enterprises through group partnerships	Current operating structure may not be fit for the future
Opportunity to develop a wider range of services and products for our ageing population from general needs, Retirement Living, Shire Living and Choices	Private sector rental growth and rents closer to Trust rents now than ever before
To further develop locally based delivery model shops to be ready for welfare reform changes, in particular, Universal Credit – take payments locally?	Asset disposal/renewal strategy gathering pace and publicity – need to manage perception and promote reality
With regard to the ageing profile of the workforce and the increased number of people due to retire – implement an employee talent development strategy to aid skills development and succession planning	Council could decide to cancel the Sheltered Housing Support contract after 3 years.
Partnership with BHEMB opens up a new supply route for development ion the Black Country, an area previously thought to be too competitive	Advancement of social media means our reputation is now more widely exposed. Move away from one to one / face-face in dealing with complaints. Now one posted complaint can go to an immeasurable audience and will spread far wider and quicker
Growth in development and size brings opportunities for the Group partners in those areas through Social Enterprise, Reviive, Choices and for the Trust to provide new services to new organisations	Increased governance and financial complexity of the Group structures requiring greater degrees of risk management until partner organisations management controls and Board arrangements mature

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