

THE WREKIN HOUSING TRUST

STRATEGIC BUSINESS PLAN 2013-2015

EXECUTIVE SUMMARY

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

The general economic environment is still challenging, with growth remaining sluggish at best, and the economy slipping back into recession during that period. The coalition government is implementing the most wide-ranging reform of the welfare benefits system in a generation, with the introduction of universal credit, the benefits cap, direct payment of housing benefit to tenants and the under-occupancy provisions (commonly referred to as the “bedroom tax”) all set to have a major impact on tenants and therefore on registered providers over the next few years.

There have been further changes to the regulatory system, with the abolition of the Tenant Services Authority (TSA) and the regulatory function being subsumed within the Homes and Communities Agency (HCA), who have announced their intention to further develop the concept of co-regulation, with the HCA only actively regulating providers with regard to the governance, financial viability and value for money standards.

Meanwhile in a local context the Trust has now been joined in The Wrekin Housing Group by Choices Housing Association, Shropshire Housing Alliance and South Shropshire Furniture Scheme. The board believe that, over the coming years, the Trust will be able to work collaboratively with its new partners across a wider geographical area and across more diverse areas of business than it could on its own.

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.

This plan covers the period from 2013-2015. The Board has made a conscious decision to choose this time frame, rather than the five year period that it has used in the past, to ensure that the business continues to be able to respond to the rapidly changing environment. It will also ensure that the strategic planning process is aligned to what is likely to be another significant year for housing in that the current HCA Affordable Homes grant funding period will come to an end and most of the welfare benefit reforms will have been a reality for a couple of years by that point, and it will be a general election year.

The plan has been developed with the involvement of a wide range of contributors in a number of different activities:

- Board members and staff
 - Strategy sessions
 - Workshops
 - “Away days”
- Residents
 - Conferences
 - Focus groups
 - Local and Central Tenants’ Panels
 - Customer Assurance Panel
 - Tenant Auditor and Quality Inspector programmes
 - Surveys

The plan is a high level framework. It will be delivered through a series of annual major project, operational and service improvement plans. It will be monitored on an on-going basis by the board, residents and the executive team.

OUR VISION, VALUES AND GUIDING PRINCIPLES

The Trust last reviewed its vision and values statements in 2010. At that point a new vision statement and a set of values were developed, underpinned by some guiding principles which set out how the Trust would work. They were developed with the aim of being simple, clear and easy to understand and it is felt that they still express the board's and customers' ambitions for the Trust. The view of the Board is that the current vision and values statements are still fit for purpose and adequately express the aspirations of the Trust.

VISION

The Trust's vision is:

“To provide excellent homes and services”

The way in which the Trust will deliver its vision is expressed in its values.

VALUES

The Trust has set out five key values:

Integrity – to make sure we always do the right thing

Respect – for each other and the environment

Quality – in everything we do, embracing new ideas that help deliver excellent services

Focus – on solutions and outstanding results

Helpful – working as one team that listens, keeps promises and honours commitments made to others.

GUIDING PRINCIPLES

The vision and values are underpinned by five guiding principles, which govern the way we will work with each other and with customers – “how we do things”:

- Putting our customers first
- Getting it right first time
- Working together as one team
- Valuing each other
- A ‘can do’ approach

STRATEGIC OBJECTIVES – What we want to achieve

The Board has agreed four strategic objectives for the Trust to focus on over the period of this plan.

These are:

1. **To deliver an ambitious, but sustainable, growth agenda** - by means of a development programme that continues to increase the supply and improve the quality of affordable housing across the Trust's area of operation, and by increasing the amount and range of services sold to external organisations.
2. **To continue to develop the partnerships** - with Choices Housing Association, Shropshire Housing Alliance and South Shropshire Furniture Scheme, integrating systems and processes where possible, to deliver greater value for money for customers, whilst working collaboratively to enhance the group brand across diverse business streams.
3. **To manage the impact of welfare benefit reform** - to ensure that the long term financial viability of the Trust is maintained, whilst providing support to customers to enable them to maintain their tenancies effectively.
4. **To continue to improve existing services** - making use of systems thinking principles to deliver increased value for money and respond to changing customer requirements.

Operational Plans – the detail

The strategic objectives will be delivered through a series of annual operational plans which are agreed, reviewed and monitored by the Board. The next section of this plan sets out the operating context and key information about our customers and is followed by the strategic and environmental analysis.

ORGANISATIONAL BACKGROUND AND CONTEXT

The Wrekin Housing Trust is a registered provider of social housing, established in 1999 when over 13,000 homes were transferred from Telford and Wrekin Council – the country’s largest transfer of homes at the time.

The Trust operates in Telford, Shropshire and Staffordshire, close to the West Midlands conurbation. Services are delivered by some 500 employees operating from the company’s headquarters in Telford, its network of 13 local offices, 11 within the borough of Telford and Wrekin and one each in Shrewsbury and Stafford.

In 2004/05 The Wrekin Housing Trust formed a group structure, The Wrekin Housing Group, to facilitate future growth and diversification of the business. In April 2011 Choices Housing Association, based in Newcastle-under-Lyme in Staffordshire, became the first additional member of the group. Choices specialise in the provision of housing and care services particularly to customers with learning disabilities. The group was further expanded in October 2012, when Shropshire Housing Alliance (“SHA”) joined. SHA specialise in the provision of housing support and advice to enable some of the most vulnerable people in the community to access affordable housing and are one of the two partners involved in the “Reviive” furniture recycling and resale joint venture. The other partner in that joint venture, the South Shropshire Furniture Project, will join the group in April 2013.

The Wrekin Housing Trust is led by a Board of Management, which meets on a quarterly basis, consisting of an independent chair, five other independent members, four tenant members and one local authority representative.

The Homes and Communities Agency now regulates all registered providers and the Trust achieved the highest straplines for governance and viability based on the most recent regulatory assessments. As a charitable organisation, The Wrekin Housing Trust is also regulated by the Charities Commission.

The majority of our income comes from rents and service charges. Through our Asset Renewal Strategy we sell vacant homes that are either of high capital value or need significant expenditure to meet the Decent Homes standard. The income from the sale of these properties provides funding for new properties, so that with the addition of grant funding, where available, and private finance we have been able to replace each property that we have sold with two new homes. It is our intention to continue with the Asset Renewal Strategy over the life of this plan with the aim of continuing to deliver a net increase in overall property numbers.

CUSTOMERS

Almost 50% of the Trust's tenants have been with us for over 13 years. Over 70% of our tenants receive some housing benefit.

During 2011/12 66.5% of the Trust's income (£30.8 million) was paid directly to the Trust in housing benefit. Of that amount 61% (around £18.8 million) was paid to working age tenants who are most affected by the welfare benefit changes.

Approximately 2,000 tenants will be considered to be 'under-occupying' their home under the new rules. Benefit will be reduced for these tenants from April 2013. Our latest figures indicate that this reduction will amount to about £2m. The biggest impact will fall on around 1,500 single people and couples.

4,000 tenants who previously had their housing benefit paid directly to the Trust to pay some or all of their rent will, from October 2013, begin to receive their benefits direct. It is then their responsibility to pay the Trust. A smaller number of tenants will be affected by the overall benefit cap and changes to council tax benefits, although in some cases quite severely.

Customer Priorities

From the results of current surveys, customer experience mapping and ongoing resident involvement activity it is clear that the five key priorities for residents continue to be:

- A high quality and responsive repairs service
- The quality of their home
- An effective response in dealing with ASB
- Keeping them informed and taking real account of their views
- The quality of the neighbourhoods they live in

The Trust regularly surveys a random sample of customers, using a short list of key questions from the STARS survey questionnaire. The results for the current year to date are displayed in the table below.

| | | YTD satisfied |
|-------------------|---|----------------------|
| Question 1 | Overall satisfaction with the services provided by the Trust | 97% |
| Question 2 | Satisfaction with how the Trust deals with repairs and maintenance | 92% |
| Question 3 | Satisfaction with your views being listened to and taken into account | 88% |
| Question 4 | Satisfaction with being treated fairly and with respect | 98% |

STRATEGIC AND ENVIRONMENTAL ANALYSIS

Once again, the last three years have seen significant changes affecting our business and the environment in which we operate. We have been able to adapt to the differing situations we have encountered because we recognise our strengths and weaknesses and have the agility and flexibility to respond in a timely manner. A key part of this is because of the robust approach taken to the management of risk. In order to ensure that the plan takes account of all our know 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 |
| Increased burden of personal and corporate taxation | Continuing high inflation at the same time as benefit cuts/pay freezes |
| Welfare benefit reform | Availability/price of corporate and personal finance |
| Bedding in of new regulatory regime in the changeover from TSA to HCA | Impact of public sector expenditure cuts |
| Sociological | Technological |
| Demographic changes | Speed of change of technology |
| Growing care and support needs of an ageing population | Reliance on potentially outdated systems |
| Environmental/sustainability pressures | Business continuity/data security |
| Rising repossessions | Developments in energy efficiency/retrofit technologies |
| Worklessness | |

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>High level of customer involvement in service design and delivery</p> <p>Locally based service delivery</p> <p>Growing reputation for innovation, performance and sale of services to third party organisations</p> <p>Loan finance in place</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>Higher than average operating costs for some service areas</p> |
| Opportunities | Threats |
| <p>Strong pipeline of potential development opportunities</p> <p>Bids for other funding (e.g. Department of Health) or reallocation of funding from other organisations (e.g. NAHP programme)</p> <p>New contracts for services being brought to market by other organisations</p> <p>Increased flexibility on tenure type (e.g. fixed term tenancies) and rent levels (e.g. affordable rents)</p> <p>Work with other group members to gain foothold in new geographical areas or new areas of business</p> | <p>Cost, availability and term of new loan funding</p> <p>Tendering of Supporting People contracts by local authority</p> <p>Increased competition for new contracts or developments particularly on price</p> <p>Continuing economic recession/slow growth and recovery</p> <p>Lack of available grant funding beyond 2015</p> <p>Impact of welfare benefit reform</p> <p>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</p> |

STRATEGIC PLAN

This plan sets out the Trust's strategic direction, key focus areas and ambitions for the next two years. It takes into account and seeks to address the risks and opportunities identified above. A summary of the key tasks and projects for each of the four objectives is set out below.

1. **To deliver an ambitious, but sustainable, growth agenda** - by means of a development programme that continues to increase the supply and improve the quality of affordable housing across the Trust's area of operation, and by increasing the amount and range of services sold to external organisations.
 - Complete the delivery of the agreed 322 units under the HCA grant-funded programme by March 2015
 - Complete the delivery of the wider development programme, consisting of 1,456 units, by March 2016 by means of a combination of traditional developments, Section 106 acquisitions, larger scale acquisitions from other providers and schemes developed in partnership with Choices. In delivering this programme efforts will be made to maximise grant funding from the Department of Health and the HCA and to use different models and tenure types to reduce the reliance on grant funding
 - Maximise the return on the Trust's current market-rented scheme and convert In Reach properties to shared ownership to generate funds that can be reinvested in further new developments
 - Successfully deliver the services under the new repairs and maintenance contracts with Bushbury EMB, Equity HA and Shropshire Council and the existing contract with Black Country Housing Group
 - Begin the disposal, demolition, development and investment strategies for the identified blocks under the area investment strategy
 - Review the model for delivery of housing support services to ensure that this strong and valued service to our customers is maintained, ensuring that the Trust's strategy addresses the aspirations of a generally ageing population and can respond to the personalisation agenda

2. **To continue to develop the partnerships** - with Choices Housing Association, Shropshire Housing Alliance and South Shropshire Furniture Scheme, integrating systems and processes where possible, to deliver greater value for money for customers, whilst working collaboratively to enhance the group brand across diverse business streams.

- Complete the migration of Choices Housing Association to the Trust's finance systems and begin the same process for Shropshire Housing Alliance and South Shropshire Furniture Scheme
- Review, update and integrate the websites and intranet sites for all group members onto the same infrastructure
- Work with Shropshire Housing Alliance and South Shropshire Furniture Scheme to develop a more cost effective means of managing waste and furniture from void properties through Reviive, as part of a wider review of the empty property management process, using systems thinking
- As part of the development programme outlined above, in partnership with Choices Housing Association, complete the delivery of the respite care facility and the four extra care schemes already bid for successfully and investigate further opportunities, dependent on the outcome of funding bids to the Department of Health
- Again, as part of the development programme, in partnership with Shropshire Housing Alliance, complete the conversion of the commercial property at High Street Market Drayton into flats for rental and the conversion of a commercial property in Telford into the new Reviive depot
- Building on the new partnership with South Shropshire Furniture Scheme, ensure that there is greater emphasis on expansion and development in South Shropshire to broaden and strengthen the Trust's area of operation.

3. **To manage the impact of welfare benefit reform** - to ensure that the long term financial viability of the Trust is maintained, whilst providing support to customers to enable them to maintain their tenancies effectively.
- Deliver the detailed actions in the Welfare Benefit Reform action plan, focussing on:
 - Maximising the options available to customers to pay their rent on time (e.g. weekly, fortnightly or monthly direct debits, payment cards etc.)
 - Investigating new methods of payment (e.g. phone apps, “jam jar” accounts etc.)
 - Providing effective and timely communication to customers about the changes that will affect them
 - Providing effective and timely training to staff
 - Reviewing policies and systems (e.g. allocations, Choose Your Home) and implementing any changes to ensure that customers have access to properties that best suit their circumstances as far as we are able
 - Establishing the Money Matters Team as the Trust’s primary vehicle for getting the right advice to customers at the right time
 - Working with external partners to address financial inclusion and worklessness issues

 - Continue to develop the Tenancy Management Initiative to ensure that it is aligned with other responses to the impact of the welfare benefit reform changes and that it continues to improve the sustainability of tenancies, reduce the number of failed tenancies and the number of interventions required

 - Apply systems thinking principles and techniques to the management of the Choose Your Home system and incorporate any policy amendments deemed necessary as a response to welfare benefit reform

 - Complete the Direct Payment Demonstration Project in Shropshire and evaluate its results, assessing the likely impact on rent collection and transaction costs across the wider organisation

4. **To continue to improve existing services** - making use of systems thinking principles to deliver increased value for money and respond to changing customer requirements.

- Continue the major IT project to review and modernise our core business systems, using the principles of systems thinking, to further improve all aspects of contact with our customers, with a particular focus on the repairs service
- Devise and implement an Eco Strategy for our housing stock, looking at how we deliver grant funded projects to improve the energy efficiency of our properties where it is financially viable to do so and reviewing the viability of inefficient stock
- Carry out a review of the end to end process of empty property management including void repairs work and waste management/clearance of void properties to deliver greater value for money through reductions in costs and an improved quality of service to the customer
- Continue the implementation of the organisational development strategy to ensure that the Trust has a flexible and motivated workforce with the appropriate skills, knowledge and behaviours to enable it to achieve its other objectives.
- Implement the recommendations of the resident involvement review to ensure that resident involvement activity delivers tangible outcomes, greater value for money and improved customer satisfaction with the resident involvement process and supports the principles of co-regulation.
- Continue to develop the “Wrekin Way,” the organisation’s approach to service improvement and problem solving, based on the principles of systems thinking as a tool for delivering increased value for money.
- Continue with the process of improving the service to the Trust’s leaseholders, which will include completing the review of all the current leases in use, seeking variations to those leases where it is felt necessary, to ensure that processes around leaseholder consultation and recovery of eligible charges are as robust, streamlined and transparent as possible.

There are three corporate projects which do not directly link into one of the above objectives, but which need to be completed in order for the Trust to comply with legal, regulatory or other obligations, and therefore indirectly support the delivery of all its main objectives.

- Put in place the necessary arrangements for the Trust to be able comply with the provisions of the pension auto-enrolment regulations in time for its designated compliance date of October 2013
- Engage an external specialist firm to carry out the five-yearly stock condition survey, which demonstrates that the delivery of the repairs and major works programmes over the five years since the last survey has protected the value of the Trust's assets. This external validation is required as a condition of the organisation's loan agreement with its funding syndicate
- Review and revise, as necessary, the Trust's accounting systems and processes to ensure that it is in a position to comply with the relevant requirements of International Financial Reporting Standards for the accounting year beginning on 1 April 2015.

MONITORING AND IMPLEMENTATION – making sure it happens

Key stakeholders have been involved in the preparation of this plan. It is delivered in detail via a series of major project and team operational plans which contain deliverable action points and specific outcomes for residents. Overall delivery of the Strategic Plan is monitored by the Board and the Executive Management Group. The Service Committee of the Board and the Executive Management Group are responsible for monitoring progress against the individual project and operational plans.