

Strategy 2020 - 2021

Summary

Selwood Housing is a social landlord, developer and a key part of the local community. We recognise that there is a housing crisis in the UK, in the south-west house prices are unaffordable for most. More generally we see the results of inequality for many of our customers. We have spent 30 years helping combat these problems, building many new homes and improving thousands more. There is still more to do, and this strategy sets out how we will continue to work to make a difference.

We will build more homes and maintain and improve the ones we already have. We will work closely with our local communities and customers to help improve their lives.

Our vision for Selwood Housing is for us to be a highly regarded local organisation, recognised for the difference we make to people's lives. Housing gives people a stable foundation to be able to build the rest of their lives, having a stable home means people can focus on their family, work and community and not have to worry about having a roof over their heads. Customers will see an efficient organisation which communicates well, delivers on its promises, provides great digital services together with other ways to access our services for those that need them. Staff will see a company that cares about them and gives them what they need to do a great job and develop their careers. Our stakeholders will see a dynamic organisation that is investing for the future.

We are living in uncertain times with local, national and international changes impacting on us. There is widespread recognition that there is a housing crisis, we have a newly elected government and we will have to wait to see how they respond. These political and economic changes combine with rapid technological innovation to give a highly uncertain environment which brings both opportunities and threats.

Technological changes bring us opportunities to deliver better, quicker and more efficient services. We are also seeing much wider recognition of the changes to the global environment and we need to be able to respond to this for the good of the planet and for our long-term sustainability as a business.

We need to be dynamic to be able to respond to these changes. We need to pull together as one team and make sure that we have people who are motivated, skilled and able to deliver efficient and effective services for our customers. Having the best people, the best training and development and the best systems will allow us to rise to the challenges that we face.

After four years of rent decreases we have returned to inflation-linked increases. However, there is no guarantee that these will continue. We must not be complacent about costs and we must work hard to provide efficient and effective services which deliver excellent value for money.

One of our strengths is our strong local presence and involvement with local communities

We believe that being a strong local organisation brings many benefits:

- We have a strong local focus
- We can get to our homes quickly when needed
- It is easier for our customers to get involved with and shape our services
- Our staff spend less time travelling between homes and areas
- Most of our staff live locally and know the areas and communities we work in
- We can maintain good relationships with the local authorities and other partners and stakeholders that we work with
- Our surpluses are reinvested locally
- Most of our staff are recruited locally
- We use locally based suppliers and businesses where it delivers value

Rapid change and increasing competition

The first step we will consider in this strategy is the changing environment that we operate in and what challenges and opportunities this brings us.

We are seeing more rapid change across most areas that impact on us. The pace of technological change increases every year. With the continued growth in digital services customers expect to get a fast response to their issues and be kept well informed of progress. This has implications for the expectations of our customers. Moving over to digital services is a key part of our plans but we will always ensure that we are accessible to all our customers.

Political changes are coming thick and fast. After the election result we can now expect that Brexit will happen in some form. The economic, political and social impacts of Brexit are uncertain. Key risks for us are:

- how the funding environment might be impacted

- our ability to recruit enough staff to support our investment plans particularly the delivery of larger planned programmes.
- the impact on the economy and the housing market
- the impact on the construction sector and the knock-on effect this will have on our development programme as well as plans for the growth of Silcoa
- The impact it could have on our customers if there are increases in food prices, longer-term inflation pressures or an economic slowdown.

We have modelled scenarios in our financial plan which show the possible impacts of Brexit and how we would manage them. We have reviewed the operational risks around Brexit through our business continuity committee. We are also aware of the impact that this may have on some of our staff who are EU nationals.

There are changes to the global environment. This will mean more extreme weather conditions, both flooding and drought could impact on our properties. More frequent and intense heatwaves will impact on customers and could lead to problems with homes overheating. We will need to deal with these issues as well as addressing the carbon impact of our properties.

Ensuring that our homes and working practices are safe has always been important to us. This only becomes more important after the tragedy at Grenfell. We do not have any tower blocks but will implement fully any relevant recommendations coming out of the enquiry. Compliance is about more than managing fire risk and we work hard to ensure we are safe in terms of gas, electricity, asbestos and all other areas of risk.

We are also seeing social changes that affect us. Our new customers are more likely to need greater support, and this puts pressure on our services.

We also see greater levels of competition across all areas of our business and we need to be able to respond and react to these.

We may previously have been able to think that we do not compete with other organisations, except perhaps for development opportunities. This is no longer the case, we now compete in a wide-range of ways:

- We compete with housing associations and other organisations for talented staff across all teams
- We compete for land and s106 schemes.
- We compete for grant funding for development.

- We compete for our customers' money – if they spend their money on something else they can't spend it on paying their rent.
- We compete when we are selling shared ownership, other low-cost home ownership options and market sale homes.
- We compete when we seek to find customers for our homes. We are still able to let our homes but there can be some types of properties which are harder to let as potential applicants can find it difficult to access them through the council waiting lists.
- We compete for access to the lowest cost funding.

It is expected that competition will intensify in most, if not all, of these areas in the next few years. One clear example is the competition for land and s106 schemes where we are seeing both councils and for-profit providers becoming more active in the market.

Rent increases will return to CPI +1% in 2020 which will help us maintain greater levels of investment in existing and new homes. However, there is a risk that this rent settlement will not be retained, particularly if inflation rises, as this could make above inflation rent increases politically unsustainable.

Rapid change and increasing competition are the key changes in our operating environment. It takes time to respond to changes so we need to remain constantly vigilant of changes so that we can react as quickly as possible.

Overall, there are more rapid changes than ever before, more competition and more uncertainty. We need to ensure that we can be dynamic and respond quickly to changes.

Leveraging our advantages

Advantages we have in relation to these changes are that:

- We have excellent local knowledge as we work in a concentrated geographic area. Being a local housing association is core to our identity and we believe that it enables us to provide better services and deliver good value for money
- We have a clear social purpose, we recognise we exist to help people in housing need and to help local communities. It is vital that we build new homes, but it does not mean we are a developer like commercial companies. We build with social aims and we then manage and maintain the homes into the future. We care about the impact we have on a community, we want to improve it and make it sustainable into the future.

- We have a loyal and committed workforce with great local knowledge.
- We have strong relationships with many of our customers
- We already operate efficiently compared to our peers
- We have access to lower cost funding than private companies. Even compared to other housing associations we will be able to access better rates if we have stronger finances, currently our funding costs are some of the lowest for any housing association in the country. Related to this we have a large amount of uncharged assets which could be utilised to raise more finance.
- We have our own in-house repairs and maintenance which gives us more control over the quality of services and manages risk, such as contractor failure.

Our strategy should build on these advantages as well as addressing weaknesses.

The most obvious weaknesses are that:

- We have seen falling customer satisfaction in recent years. We believe this is due to rising customer expectations and a tenant base which is getting younger on average. We need to adapt our services in response.
- Our profile as a company and employer is lower than we would like, this is being addressed through the communications and marketing strategy. Although this is still included as a weakness as it is an area we would like to continue to improve, we have made good progress, particularly our digital engagement with customers and others.
- We have a poor digital offering to our customers and can be bureaucratic, slow to respond and do not always communicate well. As the world speeds up, we will need to as well.
- Although we have extensive data about our customers, this data is not as high quality as we would like. We need to ensure that we have a solid base of data on which to build future decision-making platforms.

Key principles

We have identified that the key challenge facing us is rapid change and increasing competition.

To be able to survive and thrive in this competitive, rapidly changing environment we need one thing above all else. We need great people who are motivated, skilled and able to deliver for our customers. We must

train, develop and equip our staff with the right tools to do their jobs. This will allow us to deliver on all our other objectives.

To do this, we need to ensure that our people are well trained and have interesting and engaging roles where they can see the contribution they make to our goals. We also need to make sure that there are good plans in place to manage talent and progression across the group.

We know that we have made ourselves more attractive as an employer, but we cannot afford to become complacent. There are fresh challenges to recruiting good people into the organisation, we are unclear what the impact of Brexit will be, and unemployment is low. Wiltshire's rate is 2.8% with only 0.8% of these actively seeking employment, while pay continues to rise. These levels are lower than the national averages, so this is a particularly difficult area in which to recruit. We need to make sure that we are attractive to potential employees and one way to achieve this is to raise the profile of the organisation. Raising our profile will also help to attract customers to our rented homes and buyers to our new build homes.

This gives us the first guiding principle of our strategy which is that we need to **ensure our people are motivated, skilled and able to deliver for our customers.**

Our plans in this area are detailed in our group HR strategy.

As well as considering the external environment we also need to remember our purpose as an organisation so that we can ensure that is delivered by the strategy.

Our core purpose is to provide housing to people in need.

To achieve this, we need to provide more housing and make sure that it is occupied by people who are in need. They may be in need because of housing need, vulnerability or financial reasons.

This means our aims should be to maximise the number of homes we are building and make the best use of the homes that we have (in terms of housing people in need).

To maximise the number of homes that we build, whilst getting the best from our existing homes, we need to deliver our services in the most effective and efficient way possible. This will address our core purpose as well as putting us in a position to deal with the increasing levels of competition that we face.

This gives us the second guiding principle of our strategy – to **deliver excellent value for money services**. We want to deliver the right level of service in the most efficient way possible so that we can maintain a strong development programme. Our approach to value for money is detailed in our value for money strategy.

We know that many of our customers are used to receiving services digitally, like to be able to access services at any time through the internet and expect a quick response. We do not yet have the digital options and often have processes that can make things more difficult for our customers rather than making it easy for them to interact with us.

To adapt to this changing picture, we need to be very clear on who our customers are, how we are going to find them and what services they require. We have a lot of data on our customers which we can use to give us this clarity.

Balancing cost pressures and the need to let our homes means we will have to make difficult decisions about the level and type of services that we provide. Last year we agreed revised repairs and housing offers which make it clear what services we will be providing. We will ensure that the services we do provide will be high quality and meet our objectives. Our customer satisfaction targets are included in our VFM strategy.

These points lead to our third guiding principle which is to **be easy for our customers to do business with**. This does not mean that we will always be able to do what the customer wants, but it means that it will be easy for customers to do business with us, find the information they need, and get a clear answer to their questions. We will not force customers through unnecessary processes. If we follow this principle and are clear on the services that we will provide to our customers, then by delivering on our promises we will regain high customer satisfaction. We are not just a basic landlord, our services are broader, we are locally focused, and we are committed to working in our communities and doing what we can to address problems such as anti-social behaviour.

Key projects that will start to deliver on this principle are providing more services to customers through an online digital portal and making use of our new IT environment to streamline our processes, these are covered later in this strategy.

To summarise, we will leverage our strengths to:

- Ensure our people are motivated, skilled and able to deliver for our customers
- Deliver excellent value for money services
- Be easy for our customers to do business with

Objectives and actions

These principles will guide our work over the coming years. We will develop those into more specific goals and plans in the rest of this strategy.

The following are the key areas for us to develop in the next few years.

Culture and development of staff

We have identified that ensuring that our staff are motivated, skilled and able to deliver for our customers is the first guiding principle in the strategy and needs to be in place for us to deliver our other goals.

The new Investors in People framework gives us a good structure covering the areas we need to develop in terms of culture and staff. We will use the framework as the basis for our work. We are delighted to have achieved Investors in People Silver and are now targeting the Platinum level in 2021.

The framework has the following nine areas within it:

- Leading and inspiring people
- Living the organisation's values and behaviours
- Empowering and involving people
- Managing performance
- Recognising and rewarding high performance
- Structuring work
- Building capacity
- Delivering continuous improvement
- Creating sustainable success

Our strategy in this area is covered in more detail in the group HR strategy.

Improve use of ICT to deliver better value services

In 2018 we completely updated our ICT infrastructure which now gives us a platform to develop improved ways of working that take advantage of the new equipment and software that we have access to.

But ICT is not just about the ICT infrastructure and equipment, it is about how we can use ICT across the whole organisation to improve our systems, processes and ways of working. It is important that ICT is driven by the needs of the business and is not an end in itself.

Our key change projects that we will be delivering in 2019/20 and beyond are:

- Operational excellence - We will be introducing operational excellence methodologies across the company and these will ensure that we deliver improved efficiency and improved services. We have recruited new business analyst roles who will drive these improvements.
- Tenant portal – we will develop an online portal which will enable our customers to access our services digitally.
- Asset management – we don't currently have a single system which holds information about our housing stock which allows us to accurately forecast spend required on our assets over the long-term. This project will specify and implement a new asset management system which will give us better information for planning.
- Enterprise content management – some of our documents are still kept on paper and where we have digital documents they are not stored in a consistent way. This means that there is duplication and documents can be hard to find. We will specify what we need from an enterprise content management system and ensure that this is compatible with the tenant portal.

All this work requires that we have good data and information to feed into our systems. We are committed to keeping our data secure and compliant with GDPR.

Development of new homes

To deliver our core purpose, we need to maximise the number of new homes we are building whilst retaining our financial viability. The scale and mix of the programme will depend on the need in the area, the funding that is available and the conditions in the housing market at the time. We will follow a flexible, demand and opportunity led approach where we will seek to maximise the impact of our development programme in a way that reflects the market conditions at the time. More detail on our development plans is in our development strategy.

Use of assets

We have recently updated our asset management strategy which details how we will maintain our homes into the future so that they are places where our customers want to live, whilst delivering the best value for money on our investments. The strategy also covers our other assets such as garages, sewers and commercial properties.

Environmental strategy

We will be reviewing our environmental strategy in 2020 and considering the impact our homes have on the environment as well as how suitable they will be as we experience climate change. As part of this work we will consider our ecological impact.

Governance, compliance and control

Underpinning a well-run organisation is strong governance and risk management. When we think about governance this is not just about having a strong board leading the group but is also about how we involve our customers in the running of the group through co-regulation. We do this through having tenant board members, a strong scrutiny process, focus groups and online surveys amongst other involvement methods.

We need to ensure that our governance structure delivers strong governance in the most effective and efficient way possible. We were delighted to retain our top ratings for governance and viability from the Regulator of Social Housing when they inspected our work in 2019.

Compliance is a key area for us and we have improved our systems and monitoring in this area in recent years. We have put additional resources into delivering high levels of compliance and will continue to ensure this is a priority area in the future. Similarly, we closely monitor and control H&S risks. We recognise that there is nothing more important than keeping our customers, staff and members of the public safe and we make every effort to do so. This applies to how we maintain appliances and services in customers' homes, how we work in customers' homes and in our offices.

Silcoa

Silcoa is a key part of our service offering to customers and will follow the principles in this strategy. Of primary importance will be ensuring that the services delivered by Silcoa offer excellent value for money for Selwood Housing.

As we enter a phase of greater investment in our properties through our bathroom and kitchen programmes there will be more work for Silcoa to complete. We will use our operational excellence frameworks to help deliver improvements in the efficiency of Silcoa as it continues to grow.

There is a separate strategy for Silcoa, the key focus of this is cost reduction to deliver the most efficient service possible to Selwood whilst maintaining high standards of service and health and safety.

Risks and risk appetite

The top risks identified in our group risk map are:

- Failure to comply with health and safety obligations
 - Keeping our staff, customers and the general public safe is a top priority for us and we have extensive controls including training, risk assessments, internal audits, accident investigations, lone working protocols and a health and safety panel to manage this risk
- Failure to meet compliance regulations as a landlord
 - All areas of compliance are closely monitored by the board and executive. We mitigate this risk through internal and external audits, staff training, qualified contractors, working with partners such as the Wiltshire Fire & Rescue Service and completeness checks.
- Failure to monitor, anticipate and respond to changes in the external environment
 - Developments are regularly reported to board. The uncertainty around Brexit is raising the risks in this area as anticipating changes is particularly difficult at this time.
- Failure to recruit and retain a staff team that is skilled, motivated and productive within agreed resources
 - We have improved in this area but it is still a risk, particularly in trade roles.

Values

Our values define and underpin how we work. They mean that staff know what is expected of them and customers know what they can expect from us.

- Customer focused – By focusing on our customers we are able to provide a high-quality service with integrity.
- One team – By working as 'One Team' we consider others. It also allows us to work collaboratively to successfully achieve a common goal.

- Honesty – By being honest we can fix issues before they become problems.
- Dynamic – By being dynamic we are able to come up with new ways of doing things, think outside the box and come up with solutions to any existing or potential problems

We have defined behaviours that describe the values further.