



Title: 5 year Strategic Plan

Report of: Managing Director

Purpose of Report

1. To seek Board approval of the new 5 year Strategic Plan.

Background

2. The development of the five year plan started with the tea time talks carried out by Jon Mallen-Beadle and Neil Bouch towards the end of 2014, where employees across the company were asked to give feedback on the challenges they currently face and the issues they would like to see the company tackle in the coming years.
3. We also gathered feedback from TALISMAN and our SIG's and held planning days with Service Managers and the Board.
4. Since the new year, the Management Team and Service Managers have been developing the high level actions that will be the priority areas to be considered in the five year plan.
5. This has resulted in this proposed plan together with our new four strategic objectives:
 - Investing in our employees and developing new ways of working to deliver this plan
 - Protecting Housing Revenue Account income and investment made in the stock
 - Supporting tenants and sustaining tenancies and neighbourhoods
 - Partnership working with the Council and others to support the delivery of customer focused services and quality homes
6. We have also taken the opportunity to refresh our Vision, Mission Statement and Values, to make them relevant and to reflect the changed environment in which the Company and the Council are now operating as follows:

Our proposed new Vision

To provide quality homes and customer focused services in Gateshead

Our proposed new Mission Statement

We understand that to be successful in the provision of customer focused services and quality homes we must work effectively in partnership and invest in our employees

Our proposed new Values are to be:

- Fair
- Customer Focused
- Open and Honest
- Accountable
- Inclusive and Valuing diversity
- Innovative
- Passionate about what we do

7. A copy of the plan is attached at the Appendix to this report.

Links to Values

8. This report is in line with the following values of the Company: -

- Being a listening and learning organisation
- Being honest, accountable and transparent
- Being motivated, trained and committed
- Being customer focused, innovative and professional
- Being caring and respectful
- Embracing equality
- A commitment to all our employees.

Equalities and Diversity Implications

9. There are no equality or diversity implications arising directly from this report.

Financial Implications

10. There are no financial implications directly arising from this report.

Health Implications

11. The successful implementation of the Plan will have a positive impact on the health and well being of Gateshead residents.

Impact on Customers

12. The Plan is primarily focused on delivering service improvements which have a positive impact on tenants.

Risk Management Implications

13. It is important that the Board approves a new 5 year strategic plan following the agreed extension of the management agreement and that the plan looks to address the challenges facing the housing company going forward.

Value for Money Implications

14. There are no value for money implications directly arising from this report.

Consultation carried out

15. The plan is being proposed for approval by the Board following consultation with customers, the Council, employees and other key stakeholders.
16. The Board have been involved in the production of this plan during the February Board away day and received a presentation of the key priorities at its January Board meeting.

Recommendations

17. The Board is recommended to: -
 - (i) approve the 5 year Strategic Plan;
 - (ii) forward a copy of the Plan to the Council for its comments;
 - (iii) agree that any minor amendments to be made as a result of recommendation (ii) above be delegated to the Managing Director, following consultation with the Chair of the Board.

The Gateshead Housing Company

Five year strategic plan

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-  Partnership working with the Council and others to support the delivery of quality homes and customer focused services

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Introduction from the Chair of the Board

Since 2004, the housing company has been driven by a series of clear, focused strategies based on our vision of providing excellent homes and services to the people of Gateshead.

With the recent approval of the Council to extend our management agreement by a further five years to March 2020, it was time to reflect on where we have come from and what our future focus should be.

We continue to face an extremely challenging operating environment. There is the impact of welfare reform, increased vulnerability of our customers and significant financial pressures the Council are operating within. It would be easy to focus this plan on a few core activities.

However, during recent months when we have been talking to our customers, employees, the Council and other key stakeholders it has been made clear to us that our vision for the future should continue to be ambitious and aspirational.

With this in mind, the plan that has been put together for the next five years based on our key challenges and incorporating feedback that has been received. The plan looks to refresh our Vision and Values and ensure that our future objectives will get the balance right between delivering on our core responsibilities and achieving our shared ambitions.

Our future objectives can not be delivered without the support and understanding of the Council as our key stakeholder and we look forward to working closely together to provide the best possible services for the people of Gateshead.

I am confident that our most important assets, our employees, have the drive and ability to achieve our new vision of providing quality homes and customer focused services in Gateshead.

Finally can I thank all employees, customers and stakeholders who have contributed so passionately to this plan.

Councillor Paul Foy
Chair of the Board

Who we are

We were established in 2004 as an arm's length management organisation to have responsibility for the day-to-day management and maintenance of Gateshead Council's 20,000 housing stock.

Whilst being an independent not for profit company, we are committed to working in partnership with Gateshead Council and the communities in which we work to deliver high quality housing services to the people of Gateshead.

By taking a tailored approach to help the most vulnerable, we have developed a strong track record in delivering customer focused services that transform lives and offer value for money.

From our inception, we have been more than a provider of traditional landlord services. An excellent relationship with our shareholder, Gateshead Council, has helped the organisation build on its primary role of managing and maintaining council housing in the Borough, whilst exploring and delivering other areas of service delivery, with customers at the heart of our culture.

This has been done to help the Council meet its objectives and to generate income that can be invested in delivering services for our core customers. This partnership approach has helped ensure our ongoing viability and provide a strong foundation for future growth.

Vision, Mission Statement and Values

Our existing Vision, Mission Statement and Values have been in place since the housing company was setup in 2004. We have spent the past six months discussing with employees, the Board, our customers, the Council and other relevant key stakeholders the relevance of these existing statements.

It was agreed that if the housing company was to set off on a new strategic approach over the next five years that they should be brought up to date and made relevant to our future challenges and opportunities.

This plan is therefore sharing the new cornerstone of our business. These new statements have been created to reflect the future direction of the housing company.

Our new Vision

To provide quality homes and customer focused services in Gateshead

Our new Mission Statement

To be successful in the provision of quality homes and customer focused services we must work effectively in partnership and invest in our employees

Our new Values are to be:

-  Fair
-  Customer Focused
-  Open and Honest
-  Accountable
-  Inclusive and Valuing diversity
-  Innovative
-  Passionate about what we do

Our Purpose

The Gateshead Housing Company is committed to providing quality homes and delivering customer focused services in Gateshead. We understand that we can not do this in isolation but need to work in partnership with a range of stakeholders to provide solutions to the challenges our customers face.

We are also committed to continuing to working closely with the Council to ensure that we maximise the opportunities for improved services for our customers and the wider population of Gateshead.

Living up to these commitments is at the heart of what we do and central to our decision-making. We are a strong and effective organisation, where talented people work together to make a real difference to people's lives.

We will make sure over the next five years that we combine our social ethos with a forward-thinking commercial approach which will allow us in partnership with the Council to deliver services to the highest possible standard.

Local Context

Vision 2030

Gateshead's long-term Sustainable Community Strategy: Vision 2030 sets out the Borough's challenge for the future and plans for over the next 20 years. The HRA Business Plan contributes to the aims of Vision 2030, particularly the overall Council's vision of the Borough as a place for;

"Local People who live in good quality, affordable homes, which meet their changing needs and are located within pleasant, safe and sustainable communities."

The Council Plan 2012 to 2017

Five year plan outlining key priorities to meet the Vision such as delivering their ambition of sustainable economic growth and well being

The Housing Strategy 2013 to 2018

A single reference document for all housing related activity and how the Council and partners will work together to tackle housing related issues in the Borough. Provides a comprehensive assessment of the challenges facing the Council

The 30 HRA Business Plan

This plan sits alongside the Housing Strategy showing how investment will meet strategic social housing needs.

The Gateshead Housing Company 5 Year Plan

Company's objectives set out a wider role for the company, supporting community and neighbourhood regeneration, assisting in the delivery of the Council's Plan and Housing Strategy and HRA Plan

Understanding our world

The major challenges facing us like the rest of the social housing sector are;

- The fundamental changes in local authority finance resulting from the implementation of self-financing and their impact on the operation of housing services and risk management.
- The urgent need to increase the supply of housing, especially affordable housing, in a climate of scarce and restricted funding.
- The changes to housing benefits and the implementation of a new universal benefit under welfare reform

Looking back over the past 30 years demand has generally been high for nearly all property types, but particularly high for family houses and for two bedroom bungalows.

The impact of the Right to Buy in Gateshead has significantly reduced the supply of family housing and waiting times have been long in most areas. There have been some pockets of low demand housing, but these have generally been tackled through regeneration projects.

The Housing Register has traditionally had a high proportion of single persons, but this has never translated into excessive demand for single person's accommodation. Family housing has always been more sought after, the reason likely being that people intend to grow into their home long term.

The increase in older people through an ageing population will have an impact on housing services (and other services) in terms of adaptations, stair lifts, etc. and handy person schemes to enable the elderly to remain independent in their own homes.

Welfare reform and particularly the social housing size criteria has brought about changes to demand as follows:

- Numbers of bids on adverts for some larger family homes have decreased
- Demand has reduced considerably for flats in blocks or with communal entrances where there is more than one bedroom (there are few eligible household types who would not be deemed to under-occupy under Housing Benefit eligibility criteria.)
- A small proportion of tenants affected by reductions in Housing Benefit have transferred to smaller properties (downsized).

- There would not be sufficient supply of one bedroom properties if more tenants opted to downsize, but at present most affected tenants would prefer not to move from their current home away from their well-established neighbourhood networks and connections.
- There has not been a noticeable increase in demand for one bedroom properties
- There has been a significant increase in both turnover and numbers of vacant properties with previously lettable properties suddenly becoming very hard to let.

Our Strategic Objectives

The following four strategic objectives underpin our strategy and will ensure we start to address the challenges highlighted above.

-  Investing in our employees and developing new and innovative ways of working to deliver this plan
-  Protecting Housing Revenue Account income and investment made in the stock
-  Supporting tenants and sustaining tenancies and neighbourhoods
-  Partnership working with the Council and others to support the delivery of quality homes and customer focused services

Investing in our employees and developing new and innovative ways of working to deliver this plan

The key actions that we will deliver on under this objective are as follows:

Continually review the way we work and deliver services

- ♥ Understand our challenges and our role in meeting them
- ♥ Clearly identify our priorities and how we are going to meet them
- ♥ Understand what other public and private sector organisations are doing and how this can be tailored to meet the needs of TGHC and Gateshead
- ♥ Explore new ways of delivering intergrated models of customer service, that support and protect local services

Continue to make sure how we are organised is fit for purpose & resources are linked to priorities

Our key external challenges are:

- ♥ Increasing vulnerability of our customers and the complexity of issues we are dealing with, particularly around mental health, domestic abuse, substance misuse and hoarding
- ♥ The withdrawal / reduction of key support and specialist services impacts on our ability to support customers to sustain their tenancies
- ♥ Increased turnover, vacant properties and reduced demand
- ♥ Universal Credit / Welfare Reform and threat to income
- ♥ Property condition and infrastructure, and changing arrangements for repairs and maintenance
- ♥ We now have a very real challenge from Private sector landlords who are offering better properties for lower prices
- ♥ We need to be able to be innovative and creative in how we deliver services going forward and ensure we are delivering the right services
- ♥ Limited financial resources and the need to do more with less to meet increasing customer expectations

Our resources must be aligned to help tackle these challenges

- ♥ We will continue to keep under review job roles and ensure that all employees contribute directly or support our efforts in these areas
- ♥ We need to ensure job profiles are competency based and that they link back to behaviours
- ♥ We need to work in partnership to align resources with all stakeholders and ensure processes are streamlined and systematic duplication is reduced

Develop learning and skills programmes for employees to meet the objectives

- ♥ Review our competencies and behaviours to support the delivery of the objectives
- ♥ Learning and skills programmes and gap analysis to be refreshed and linked to our new objectives, competencies and behaviours
- ♥ Dedicated training in relation to Health and Safety roles and responsibilities linked to the new service level agreement

Maximise the benefits of ICT

- ♥ Where appropriate make sure processes can be more efficiently delivered through the effective use of ICT and Northgate
- ♥ Mobile working will be further extended
- ♥ Dedicated Northgate ICT training programme to be developed with mandatory attendance
- ♥ Partnership working to be developed with projects being jointly owned by the ICT Team and relevant Operational Team

Developing a new set of service standards and performance indicators

- ♥ That reflect customer priorities and the challenges we face
- ♥ That accurately reflect the risks within the business and identify key areas for improvement
- ♥ That allow for focus and resolution on the risk areas or areas of underperformance
- ♥ That enhance employee understanding of the business and its needs
- ♥ That allow for accurate benchmarking and promote external learning

Ensure a flexible approach to this plan to react to changes in government policy

- ♥ This plan is at a point in time and needs to be responsive to any different direction that is required over the 5 year period.
- ♥ The plan will be subject to an annual review and regular updates to the Board to review progress
- ♥ It will reflect an overall need for the business and its employees to adapt more quickly to the changing environment
- ♥ We will increase awareness levels around the bigger picture issues and for future proofing

Protecting Housing Revenue Account income and investment made in the stock

The key actions that we will deliver on under this objective are as follows:

Review condition of the stock, maintain the stock and explore funding opportunities

- ♥ Conclude sample stock condition survey and implement rolling programme of surveys to fully refresh stock information
- ♥ Finalise a refreshed asset strategy and establish a cross service group to take forward the plan and capital investment decisions .
- ♥ Produce a five year investment programme that reflects the needs of the stock and focuses investment in line with asset strategy recommendations
- ♥ Secure external funding to supplement capital investment that will improve thermal efficiency of properties and improve desirability
- ♥ Continue to maintain decency within an agreed programme cycle

Undertake Specific work around multi-storey & non-traditional stock / garages

- ♥ Introduce investment into communal areas in multi storey and sheltered schemes to improve demand and reduce voids.
- ♥ Align with “estate based” capital investment – giving holistic improvements to properties and environment
- ♥ Aligned to stock viability, develop packages of investment work to non-traditional properties.
- ♥ Consider options around garage sites, including but not limited to clearance. e.g investment in popular areas with appropriate rents to reflect demand.

Review approach to lettings and marketing to support changing market

- ♥ Develop a marketing strategy
- ♥ We will need to keep under review and advise the council of changing patterns of demand for properties
- ♥ With increasing competition from the private rented sector in Gateshead and some potential customers not prepared to wait on a housing register, we need to explore other ways of letting properties
- ♥ We will need to be more flexible and competitive on what we offer to continue to attract tenants to some properties

Review of the rent and service charge policy

- ♥ Support the Council to review rent and service charge policies to ensure effective business planning

Increase opportunities for new housing

- ♥ Align council's regeneration agenda and housing strategy in relation to supply with stock condition viability modelling and site appraisal
- ♥ Work with Keelman Homes and other developers to identify potential development sites and opportunities to re provide affordable homes
- ♥ Support Keelman Homes and Gateshead Council in accessing grant from the Homes and Communities Agency to support new homes in Gateshead.

Strategy to review CCTV and other network systems

- ♥ With the involvement of customers agree a standard specification for network systems, door entry, CCTV and prioritise a programme to roll this out within capital investment programme

Future of the housing repairs service

- ♥ The existing repair contract with Mears has been extended until March 2017 (with Construction Services also carrying out some external works boroughwide and vacant property work in Central and East areas).
- ♥ During the life of the 5-year plan there will be a decision and implementation on new arrangements for repairs. We will ensure that there continues to be a strong customer focus in this area.
- ♥ We will continue to increase our focus on planned and cyclical maintenance

Review the Value for Money Strategy

- ♥ Develop self-assessments for each service area to be completed on an annual cycle
- ♥ Consult with employees, customers and partners to ensure VFM is further embedded as part of the culture of the organisation
- ♥ Identify the added social value and implement ways to measure and report on this
- ♥ Link to our current available resources and align to the refreshed priorities for the business
- ♥ Link to the outcomes of the stock condition surveys and new asset management strategy
- ♥ Benchmark with other providers to look at potential improvements and assess where we are in relation to our peers

Supporting tenants and sustaining tenancies and neighbourhoods

The key actions that we will deliver on under this objective are as follows:

Support tenants to manage the impact of Universal Credit

- ♥ Identify new claimants initially for Jobseekers only, then tenants on benefit will begin to migrate to Universal Credit
- ♥ Increase advice and support resources
- ♥ Supporting with timely and easy rent payment arrangements, and identifying the need for budgeting support
- ♥ Managing the process of applying for “Alternative Payment Arrangements” (APAs) for tenants who get into arrears or meet strict conditions of vulnerability.

Supporting the local economy and opportunities for employment, training & skills development

- ♥ Develop appropriate partnerships to increase delivery of employment, training and skills development for tenants
- ♥ Ensure we can measure what outcomes are achieved and the overall impact

Review our approach to supporting new tenants

- ♥ Sustaining tenancies and keeping existing tenants as customers is vital
- ♥ Pre-tenancy advice, the lettings process, and support in the early stages of a tenancy will be reviewed
- ♥ We will look to develop our approach to improve contact and support with customers, particularly in the first year of a tenancy where we know there is a high risk of failure, eg. 18-25 year olds

Review our approach to estate management

- ♥ We will continue to work closely with the Council and customers to ensure grounds maintenance service standards are sustained and appropriate enforcement action is taken in the neighbourhoods
- ♥ We will review our approach to estate tours and estate grading to ensure that we retain high levels of customer involvement, that help inform our asset management strategy and local capital investment in neighbourhoods
- ♥ Working in partnership we will continue to deliver Neighbourhood Pride and Designing out crime schemes to improve the sustainability of neighbourhoods

Review approach to customer service (including digital inclusion & self service)

- ♥ Further extend wifi into multi storey blocks and work with the council to look at digital inclusion in sheltered schemes
- ♥ From April 2015 we will be piloting a new integrated model of customer service delivery with the Library service at the Wrekenton Hub. The service will be evaluated and will help inform our approach to the delivery of customers services

Develop early help and intervention to sustain tenancies

- ♥ We will ensure that we support tenants with appropriate support and advice throughout their tenancy.
- ♥ Using customer profiles and other information we will look at how we can develop a risk based approach to Tenancy Visits and identifying support to sustain tenancies
- ♥ Strengthen rent and income advice and support
- ♥ We will continue to work in partnership to tackle ASB, address safeguarding concerns and wider community safety issues
- ♥ In light of the Crime and ASB Bill we will update our ASB procedures and train employees on the use of the new legal powers.
- ♥ We will review our policy and procedures for customers in relation to domestic abuse
- ♥ We will continue to review our safeguarding policies and procedures

Partnership working with the Council and others to support the delivery of quality homes and customer focused services

The key actions that we will deliver on under this objective are as follows:

Support the Council around HRA business planning, assumptions and monitoring

-  Quarterly refresh of the HRA business with the Council
-  Regular reporting on voids, bad debt provision etc. used to inform the assumptions in the plan
-  Regular review of the wider housing market, legislation etc. used to inform the Council of any external changes that will affect the plan
-  Link to the capital investment programme and outcome of the stock condition surveys

Support the Council's regeneration agenda

-  Align stock viability modelling with Council's regeneration agenda to maximise re-provision of appropriate stock and increase potential for development sites.
-  Work with Council and HCA to return empty properties to use as affordable homes.

Look at areas of better integration with the Council

-  Review of Sheltered Housing Service to identify efficiencies in resource allocation and operational provision
- 
-  Consider the options and potential for delivering relevant Council services in partnership with the Council

Build new homes and manage properties on behalf of others with Keelman Homes

-  Continue to deliver new homes using HCA grant under the 2015-18 Affordable Homes Programme.
-  Continue to work with the Council to increase the number of empty homes brought back into use
-  Continue to explore opportunities to manage properties on behalf of other Registered Providers.

Working in partnership to sustain and support tenancies & our objectives

-  Look at opportunities to work in partnership with the Council's to develop outcomes for our tenants
-  Work with NE First Credit Union to increase support mechanisms for our tenants
-  Look at working with other organisations where there is a clearly demonstrable outcome to the benefit of our current and potential tenants.

Making the strategy a reality

This Strategy presents a robust medium term vision for the organisation, it has been developed by considering our strengths and weaknesses in the context of the political, economic and regulatory environment in which we operate and the opportunities and threats which this presents.

The Strategy outlines our ethos and how we will develop over the next three years.

Our strategy is ambitious and to achieve it we will need to take a look at how we work. We recognise that this may be a challenging process, but can take confidence from the flexible approach we have demonstrated in the past.

To complement this five year plan we will set annual high level outcomes, service standards and performance indicators

In line with our values we will share the results of these with the Board, the Council, our employees and customers and we will welcome scrutiny and challenge to help us to improve the services we deliver together.

Beneath these high level actions will be a more detailed Service plans that our service managers will be responsible for delivering

Our new way of working will be focused on outcomes for our customers and homes.

Appendices

Annual budget

Annual PI's

Annual Service Standards