



Sanctuary Scotland Housing

Operations Plan 2019/2020

1. **Overview - Sanctuary Scotland Housing Association and Sanctuary Group**
 - 1.1 Sanctuary Scotland Housing Association (Sanctuary Scotland) is part of Sanctuary Group (the Group). Its parent is Sanctuary Housing Association. Sanctuary Housing Association is registered in England as a provider of social housing with the Regulator of Social Housing.
 - 1.2 Sanctuary Housing Association trades as 'the Group' to recognise the diversity of its business in affordable housing, student accommodation, care and supported living, commercial and development services.
 - 1.3 The Group manages more than 100,000 homes and employs 12,000 people across England and Scotland. Turnover for 2019 will be in excess of £700 million. It has an ambitious programme for growth. It has achieved the highest possible ratings in Governance (G1) and Financial Viability (V1) from the Homes and Communities Agency.
 - 1.4 Recent years has seen a challenging external environment for registered social landlords including the European Union (EU) referendum, increasing demographic pressure on housing, the impact of welfare reform, the introduction of minimum wage and the implementation of the rent standard since 2016 (in England).
 - 1.5 The Group has responded to these challenges by accelerating its planned efficiency programme. Development in the form of its strategy 'Modern Workplace' exploit the benefits of SAP, the Group's information system. This will ensure that systems continue to evolve to meet the needs and expectations of staff and customers and continues to improve efficiency. The Group has pledged to provide cost effective services whilst maintaining or improving customer satisfaction levels, to deliver an ambitious development programme over the next 10 years and to achieve high quality standards to meet the expectation of customers and regulators.
 - 1.6 The Group continues to promote its values of sustainability, quality, ambition, diversity and integrity. These set the way the Group conducts itself and the way it does business. The Group Business Plan emphasises its approach to sustaining a successful organisation by building new homes, providing cost effective services and achieving high quality standards.
 - 1.7 The Group Business Plan is attached at **Appendix 1**.

1.8 Sanctuary Scotland recognises the significant benefit to the organisation, staff and customers in being part of a financially stable, strong and flexible organisation that is committed to growth and increased efficiency. We recognise the wide range of expertise and knowledge provided by the Group directly to Sanctuary Scotland in key areas such as finance, treasury, development, human resources, payroll, information systems and legal and governance services.

1.9 2019 sees the Group celebrate its 50 anniversary.

1.10 The Group mission statement:

‘Our mission is to remain a market leader in the provision of high quality housing, nursing and residential care, and community services for people in need. Through careful stewardship of resources, we will maximise the benefits of our ethically-based operations providing good quality and value to our customers and stakeholders.’

1.11 **Appendix 2** summarises the key actions that Sanctuary Scotland will take to uphold its core values, support the Group Business Plan, and deliver its overarching commitment to growth, providing cost effective services, and achieving high quality standards.

2. Sanctuary Scotland - key targets and specific plans for the year

2.1 Sanctuary Scotland is the fourth largest housing association in Scotland and is of systemic importance in the market place. It is committed to taking its place in this environment, promoting its strength and extending its influence. It wishes to be the provider of choice in Scotland. Key targets for 2019/2020 are:

- continuing to focus on strong and effective governance - having reviewed the governance structure and recruited an additional board of management member in 2018, we will continue to sustain the highest possible level of governance at both a strategic and operational level;
- ensuring the operating model sustains operational and financial efficiency, mobile working capability, performance improvement and organisational growth;
- ensuring active contribution to the Modern Workplace strategy and continuing to maximise the efficiencies and benefits of the OneSanctuary IS platform;
- continuing to improve operational performance with particular emphasis on income collection and customer satisfaction - **Appendix 3** sets out these targets;
- ensuring that the social and financial impact of Welfare Reform is recognised, tenants are supported, and income levels sustained;
- ensuring that rent levels remain affordable to residents and sustain the financial viability of the organisation;

- collaborating with colleagues to deliver an Asset Strategy for Scotland that invests in and improves stock, delivers the requirements of the Energy Efficiency Standards in Social Housing and provides tenants with a home for life;
- support the Group in helping failing organisations; and
- ensuring the effective delivery of the ambitious development programme and that the planned growth contributes to the financial and operational stability of the organisation.

3. External risks/competition

3.1 At a development session on 11 December 2018, the Board of Management reviewed its political, economic, social and technological analysis, and strengths, weaknesses, opportunities and threats analysis (**Appendix 4**) and identified key priorities for Sanctuary Scotland for 2019. Key areas, risks and themes emerged which are reflected in the Risk Map.

3.2 The financial climate:

- UK and Scottish Government policies putting significant pressures on Group income levels, and services.
- Public funding levels for supported housing.
- The implications of welfare reform and how this affects relationships with customers.
- The long-term sustainability of its approach to annual rent increases and their affordability.

3.3 Tenancy sustainability:

- Recognising that the relationship with customers is changing as their needs become more complex.
- Ensuring that services support tenants to sustain their tenancy obligations in a challenging financial climate.
- Understanding the changing demographics of the customer base and what effect this will have on demand for products and services.
- Engaging with customers to participate and involve themselves in the scrutiny of services.

3.4 Political, legislative and regulatory:

- Britain's imminent exit from the European union and the question of a potential second independence referendum for Scotland.
- The extension of the Freedom of Information Act to Housing Associations in Scotland.
- Meeting the requirements of the Housing (Scotland) Act 2014.
- Meeting the requirements of the regulatory regime in Scotland and in particular the new regulatory framework when it is published.

- Building Regulations and fire safety requirements.
- Continuing to develop important strategic relationships - the Minister for Local Government and Housing, the Scottish Housing Regulator, funding providers.
- Supporting the Scottish Government's ambitious development target of 50,000 new homes in Scotland.

4. Value for Money

4.1 Over the coming year Sanctuary Scotland will strive to provide an excellent service that is of consistent quality and standard across Scotland and provides value for money, with an appropriate balance for service users between quality and price. Specific aims are set out below:

- ensuring the operating model and staffing structure achieves high quality service levels and continuing performance improvement;
- continue to provide support services for tenants such as welfare rights, debt advice and tenancy sustainment to help to maximise rental income and minimise void loss;
- supporting the further roll-out of in-house maintenance services will generate direct efficiencies and also ensure control over quality and customer service which means customers perceive value for their rent payment;
- reviewing processes to ensure that the intended benefits from the OneSanctuary project are realised and improvements championed; and
- considering the longer-term affordability of rent levels.

5. Economic value

5.1 We will focus on maximising income to the Group and to its residents and the alleviation of poverty:

- improving performance particularly in relation to Income Collection;
- focusing on support and advice to those impacted by government changes, including the roll out of Universal Credit to enable residents to stay in their homes;
- Welfare Benefits service will focus on financial inclusion, income maximisation and tenancy sustainment; and
- ensuring the Community Investment projects that we invest in realise true benefits for tenants and residents and support tenancy and community sustainment.

6. Social and environmental value

6.1 Sanctuary Scotland will contribute social and environmental value to its customers and the communities that we operate in. We will focus on the following areas over the next 12 months:

- Investors in People re-accreditation will underline Sanctuary Scotland's commitment to valuing, supporting and developing its staff;
- re-investment in housing stock to ensure its assets remain of a high quality;
- programming effectively the works required to meet the Scottish Government's Energy Efficiency Standard for Social Housing by 2020;
- supporting Development colleagues in the delivery of new homes and in maximising the benefits of the More! Community benefits opportunities;
- ensuring the continued success of the Mid Market Rent as a product that meets need and supports the financial sustainability of the organisation; and
- continuing to support the employment of apprentices and ensuring that we provide the necessary training and support to make these successful.