

## West Kent Strategic Plan 2019

### Who we are

Established in 1989, we were one of the first large scale voluntary transfers of local authority housing. We were the first 'excellent' housing association in the country and the first gold standard Investor in People in Kent. We have an enviable reputation for helping people and communities flourish.

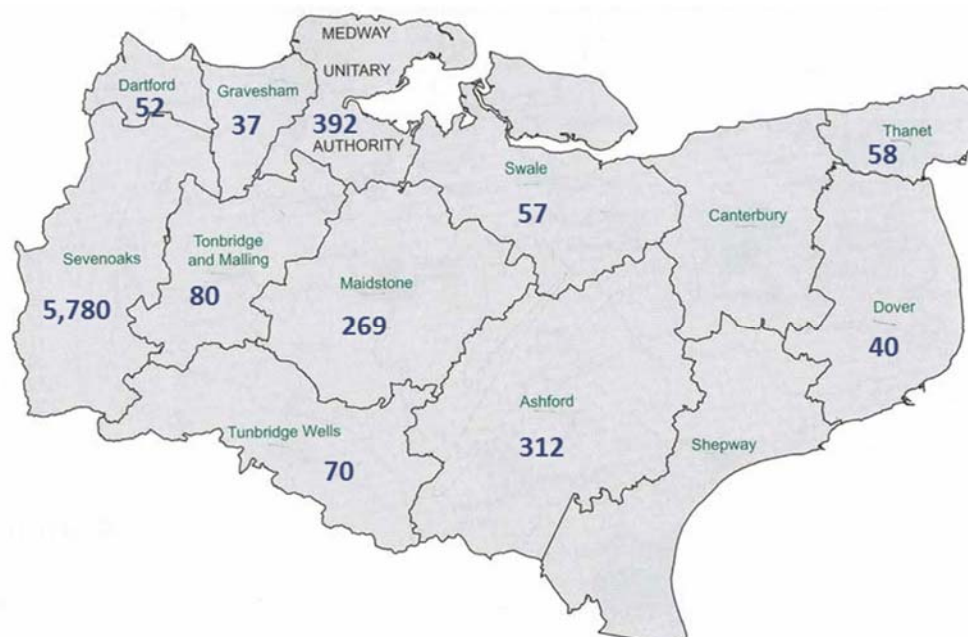
We are an independent organisation with a proud history, valued brand and a great reputation as a committed, agile, and responsive partner. However, none of these attributes is more important than our reason for being – to meet housing need in Kent.

### Where we work

We work only in Kent and Medway, where we own and manage over 7,000 homes. We work closely with all the local authorities in the area and many other statutory and voluntary partners.

Kent is not only the Garden of England, but also its oldest and most populous county, with 1.6 million residents. It is a major player in the economy of the South East and of the UK as a whole. Easily accessible from London and the continent, Kent is an attractive place to live, work and invest. However, the population is ageing and housing in Kent remains unaffordable to many, particularly in rural areas. The average home in Kent costs nine times average Kent income. Kent offers the South East's greatest opportunity for housing growth.

For Kent's increasing elderly population, the demand for homes that meet their changing needs is growing. There is a need for high quality smaller accommodation for older people to encourage them to downsize, freeing up larger properties for the family market.



*Kent and Medway – number of homes owned by West Kent, December 2018*

## Mission - what we do

We believe that a good home is a foundation for getting on in life; our core purpose is to help the many people for whom a good home (to rent or buy) is too expensive, and to nurture their communities.

Most of our homes are rented to families on low or moderate incomes, who come to us from local council lists of people who need housing.

Some of our homes are specially designed for older people and we support them to maintain their independence.

We also provide shared ownership homes to people who are taking their first steps into home ownership.

We rent and sell some homes at the going market rate too.

We invest in our communities and believe that strong communities are built from strong and active individuals. We focus on projects that support people to improve their life chances through training and employment.

By operating efficiently, we make a surplus, all of which is then invested back into providing more and better homes and services to residents.

## Vision

Our vision is to be the leading community provider of affordable homes in Kent.

We will help to create in Kent a prosperous, strong and sustainable society; a place of opportunity for all; where people can plan for their futures.

## Our values and culture - this is how we do it and how we work

West Kent has developed its own positive culture of working in partnership with customers and stakeholders, to deliver exceptional services in a friendly, solution focused way.

We focus on the long term and the needs of future, as well as current, residents.

We ensure our residents and customers have real influence on what we do.

We provide more than just landlord services because we care about the people and places where we work.

We recognise the importance of a local focus and work actively with our local authorities and other local partners to improve and shape places at both a strategic and operational level.

Our values guide our staff to give customers a richer experience and staff themselves a greater sense of satisfaction. They guide us to make sound decisions for the business and be responsive to all our stakeholders:

- **Integrity** – letting your moral compass keep you on the right track
- **Compassion** – putting yourself in the other person's place
- **Self-awareness** – knowing yourself and the impact you have
- **Learning** – improving by exploring what's there beyond what you know
- **Flexibility** – doing the right thing so you get the right result
- **Honesty** – saying and doing the right thing, even when it's hard
- **Delivering on our promises** – doing what we say, when we say we'll do it
- **Working hard and having fun** – choosing to enjoy the people and the job.

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## Where we'll be by 2026 - what will we look like?

### By 2026:

- We will own and manage more than 10,000 homes, half of which will be in parts of Kent other than where we originated in the Sevenoaks district.
- We will have provided a range of housing to meet local needs in mixed communities.
- We will be organised to deliver consistent, tailored services across the county.
- 1,300 of our homes will be specifically designed for older people across a mix of tenures.
- Customers will be able to easily deal with us over a range of channels.
- Our homes will be warm, well maintained, affordable, and evoke personal pride and satisfaction.
- We will be a leading agency promoting opportunity and supporting strong, cohesive and inclusive communities across Kent.
- We will be an attractive and respected employer.

To realise this future, everything we do will be focused on **six strategic objectives**:

- **Viability** - ensure West Kent stays a vibrant, sustainable organisation.
- **Customers** - our residents will enjoy exceptional tailored services and choice.
- **Homes** - ensure our homes are warm, well maintained and affordable.
- **Growth** - build new homes to meet housing need in Kent and Medway.
- **Older people** - be a leader in meeting the accommodation needs of older people in Kent.
- **Community** - somewhere to live, something to do and someone to love.

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**Customers** - our residents will enjoy exceptional tailored services and choice

We will use customer insight to tailor service delivery to the circumstances of our residents and evolve services to meet changing requirements of customers. This will include developing and monitoring with residents more relevant metrics to measure and understand what we do and how to better identify what we could do differently to influence the shape of services going forward.

We will make greater use of technology in our services and homes to improve cost effectiveness, so residents can access services at times that are convenient to them and staff can provide a full service even when away from the office.

We will have refined and embedded the changes to service delivery and expectations as set out in Your Home Your Responsibility, Home Standard and Maintaining Your Home in the way we work and to make sure staff and tenants understand responsibilities and expectations.

We will support tenants to maintain successful tenancies to give them stability and security as a platform for their aspirations.

How we will do this is set out in our Customer Strategy, Resident Involvement Strategy, ICT Strategy, and Tenancy Sustainment Strategy.

**Measures**

- Residents housed and number of homes let (including new homes).
- Implement the Digital Plan for 2019.
- Universal credit claimants' arrears are consistent with non-claimants with similar tenancy term, once the changes to their income has stabilised.
- Rent collection rate of above 98%, current rent arrears of no more than 3%.
- Maintain an occupancy level of 99%.
- Residents will book 25% of repair appointments themselves online by 2019, moving to 75% by 2020.
- More than half of resident contact with us will be digital by 2022. Interim target of 25% for 2020
- Implement Tenancy Sustainment Strategy action plan to "provide positive foundations for tenants to thrive and build stable fulfilling lives". By 2020 we will have integrated current provisions and shaped interventions based on customer insight.

- Starter tenancy failures less than 2%.
- Identify two new approaches to refresh communication of key messages to tenants about what is considered anti-social behaviour, how to be a good neighbour, and how to handle neighbour disputes themselves with a specific focus on noise, harassment, gardens and animals.
- Reduce the number of repeat offenders of anti-social behaviour by 20% through customer insight to target interventions defined by individual behaviours and needs.
- Implement changes of the review of financial inclusion service to support tenants through the rollout and transition to Universal Credit.
- Review our income recover and management approach to ensure it can support tenants whilst maximising income collection
- Ensure that customers have the opportunity to shape the design, delivery and evaluation of our services through resident involvement and scrutiny.
- Complete at least six service reviews using customer insight in 2019.

### Value for Money

- We will ensure we get our homes occupied, collect the rent and charge the right service charge.
- We will monitor our management cost per unit compared to our peers and ourselves
  - Value for Money metric 5 social housing cost per unit detail – management, service costs
- We will measure our satisfaction level of our customers by focussing reviews on specific areas to drive improvement.

### Key risks – volatile

- **Universal Credit** – The full roll out of Universal credit leads to loss of rent, tenant debt and eviction.

### Key risks – business as usual

- **Health and safety** – Harm, that we should have prevented, is caused to our residents, staff, contractors or the public.
- **Business operations and continuity** - Inability to deliver our service promises.
- **ICT systems** – Our systems prevent business transformation affecting customer experience and business ambitions.

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**Older people – be a leader in meeting the accommodation needs of older people in Kent**

We will be a leader in meeting the accommodation needs of older people in Kent.

We will celebrate age by creating thriving and sustainable communities to promote and support active ageing and freedom of choice.

We will provide quality homes, services to support independence, choice through information and advice, and support active ageing through engagement and staying connected.

How we will do this is set out in our Age a Positive Experience Strategy and Emerald Accommodation Strategy.

**Measures**

- Contract compliance and 94% occupancy for Kent Excellent Homes For All contract.
- By 2020 we will have developed our Edenbridge Emerald Community plan. By 2023 we will have at least one specialist dementia service.
- By 2023 we will have removed all 'old fashioned' warden call systems and replaced with 'plug and play' alternatives where appropriate.
- To create Queens Court, Edenbridge as a hub by 2021.
- Deliver Age a Positive Experience action plan, so that by 2023 we have 100 residents regularly volunteering and at least one activity in each Emerald Community.
- By 2020 we will have started working towards an Emerald Community Plan based on the urban area of Sevenoaks.
- By 2026 develop a mixed tenure extra care scheme.

**Value for Money**

- We will ensure our homes are occupied, the rent is collected and that we charge the right service charge.
- We will monitor our management cost per unit compared to our peers and ourselves
  - Value for Money metric 5 social housing cost per unit detail – management, service costs

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### Key risks – business as usual

- **Kent Extra Excellent Homes for All** - We fail to fulfil our obligations on the 'Kent Excellent Homes For All' contract, or fulfilling our obligations costs more than we planned.
- **Health and safety** – Harm, that we should have prevented, is caused to our residents, staff, contractors or the public.
- **Business operations and continuity** - Inability to deliver our service promises

## **Community** - somewhere to live, something to do and someone to love

We will work to understand the unmet needs of Kent communities and exceptional services that meet those needs.

We will work in partnership with organisations who share our ethos and approach to lead or support service delivery and to influence for change. We will use our resources wisely and not duplicate the work of others unnecessarily.

We will seek to empower communities and the individuals within them to support themselves in the long term. This will enable us to re-use our resources effectively to support other communities with unmet needs.

We will seek to influence partners, stakeholders and funders to tackle unmet needs across Kent. We believe that we have a strong insight into Kent communities and will share this with partners to support strong communities.

How we will do this is set out in our Communities Strategy, Training and Employment Strategy, and Resident Involvement Strategy.

### **Measures**

- Secure £1.5m of external funding, each year, for Communities work.
- Annual impact report of our work available by March each year.
- Operate at least three projects in every district of Kent.
- Commission academic research into the impact of one areas of our work each year.
- Work with 50,000 beneficiaries per year.

### **Value for Money**

- We will monitor our community / neighbourhood services and other support services cost per unit compared to our peers and ourselves
  - Value for Money metric 5 social housing cost per unit detail – community / neighbourhood services and charges for support services
- We will maximise the leverage from external sources to deliver our objectives
- We will demonstrate the outcomes of this investment through a social impact report.

### **Key risks – business as usual**

- **Health and safety** – Harm, that we should have prevented, is caused to our residents, staff, contractors or the public.
- **Business operations and continuity** - Inability to deliver our service promises.

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**Homes** – ensure our homes are warm, safe, well maintained and affordable

We will ensure our homes are warm, well maintained, affordable, and evoke personal pride.

We will re-procure our maintenance services.

We will review the rents we charge to keep them affordable to our residents.

We will manage 9,547 homes by 2026.

We will not reduce the number of social rented homes

How we will do this is set out in our Asset Management Strategy, Procurement Project Plan and Rent Policy.

**Measures**

- Zero outstanding gas safety checks and fire risk assessments.
- All our homes meet decent homes criteria.
- All our homes will provide a positive financial contribution.
- 94% delivery of our repairs promise.
- By April 2020 we will have in place new delivery arrangements for our maintenance service for general and electrical works.
- Re-let our voids on average within 20 days.
- We will deliver property checks to all homes by end of 2020 to ensure homes are well-maintained and reduce reactive maintenance expenditure.

**Value for Money**

- We will measure our charitable subsidy, which identifies affordability of rents alongside local earnings.
- We will ensure our homes meet decent homes and control our maintenance costs by comparing our costs with our peers and ourselves, as well as seeking assurance as part of the maintenance procurement process
  - Value for Money metric 1 Re-investment (component replacements)
  - Value for Money metric 4 Interest cover
  - Value for Money Metric 5 social housing costs detail – maintenance
  - Value for Money Metric 6 Operating margin)
- We will ensure all our homes contribute to our overall surplus
  - Value for Money Metric 7 Return on Capital Employed

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- Monitor return on capital employed on new homes (1<sup>st</sup> year operating surplus per unit as a percentage of net investment)
  - We will ensure our maintenance services are value for money and offer most economically advantageous tender
    - Value for Money Metric 5 social housing costs detail – maintenance
    - Resident satisfaction with maintenance service

#### **Key risks – volatile**

- **Maintenance re-procurement** – We are unable to procure the provision of maintenance services to replace BrenWards at the end of the current contract in April 2020.

#### **Key risks – business as usual**

- **Business partner failure** - A key partner who we rely on to deliver our services unexpectedly withdraws their services.
- **Health and safety** – Harm, that we should have prevented, is caused to our residents, staff, contractors or the public.
- **Business operations and continuity** - Inability to deliver our service promises.

## **Growth** - build new homes to meet housing need in Kent and Medway

We will complete 2,495 new homes (2019-2026) for rent and home ownership, managed homes will be 9,547 by 2026 excluding stock rationalisation and leaseholders.

We will develop and sell homes to help pay for our new homes on Social and Affordable rents.

We will acquire stock from others who operate in Kent.

How we will do this is set out in our Development Strategy.

### **Measures**

- Deliver new supply at 3.5% of existing homes. We will build 865 new homes by 2021, managing 7,975 homes. Development programme will have a mix of tenures, aiming for 40% Social rent, 10% Affordable rent and 50% Shared ownership.
- Review and use feedback from tenants and shared owners moving into new homes to improve future design and services during the defect period.
- Review outcomes of new home ownership service using feedback from buyers to ensure our sales processes are customer friendly and efficient.
- Provide as many homes as we can on a social rent to keep them affordable to our residents.

We will monitor the mix of homes we provide:

	<b>Homes 2018</b>	<b>% of stock</b>	<b>By 2026</b>	<b>% of stock</b>
<b>Social rent</b>	5,600	76%	6,307	65%
<b>Affordable/intermediate rent</b>	592	8%	1,012	10%
<b>Extra care</b>	384	5%	444	5%
<b>Supported</b>	68	1%	68	1%
<b>Shared ownership</b>	508	7%	1,716	18%
<b>Leaseholders</b>	174	2%	174	2%
<b>Market rent</b>	0	0%	0	0%
<b>Total</b>	7,326	100%	9,721	100%

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### Value for Money

- We will aim to deliver new supply at 3.5% of existing homes.
  - Value for Money metric 2 new supply delivered.
- Delivering on our new home objective will impact on gearing
  - Value for Money metric 3 gearing %, which we want to keep in a range of 40%-55%
- We will ensure we do not commit large expenditure to unsuccessful bids
  - Value for Money Metric 5 social housing costs detail – development services

### Key risks – volatile

- **Sales income** - Sales of properties (shared ownership, existing assets and open market sales) is lower and later than we have budgeted.

### Key risks – business as usual

- **Developing new homes** - New homes not economically and operationally fit for purpose.

**Viability** - ensure West Kent stays a vibrant, sustainable organisation

We will increase our efficiency, to respond to pressure on our income, and to build our capacity to do more.

We will remain an attractive employer, with an engaged workforce, who have the tools to deliver our promises to our customers.

We will provide our staff and customers with the means to access relevant, timely information easily.

How we will do this is set out in our Financial Plan, ICT Strategy, and People Strategy.

**Measures**

- Operating margin by activity with overall margin of 35%.
- Ability to service our debt and meet all bank covenants with the projected plans to build new homes included.
- Employee engagement scores benchmark in upper quartile.
- Increase digital systems for staff to reduce back office administration including the introduction of paperless invoicing by 2019.
- Access new finance to continue meet our growth plans in line with financial forecasts

**Value for Money**

- We will report on 'where the money goes' across all strands of activity and report these back to our residents. We will ensure optimal benefit is derived when allocating resources.
  - Quadrant cost breakdown in residents annual report
- We will compare ourselves with others, ensuring these are challenging comparators.
  - CASE, PlaceShapers and close geographical peers
- We will ensure our cost management is maintained through controlling our budgets against our approved financial forecast.
- We will ensure our garage investment properties (non-social housing activity) generates returns commensurate to the risk involved.
- Where there is underperformance we have clear measurable plans to address this.
- How much uncommitted debt is available.

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### Key risks – volatile

- **Brexit** – There is a specific risk of a no deal Brexit in March 2019. A no deal Brexit resulting in an inability to raise funds quickly.

### Key risks – business as usual

- **Macro Economic Environment** – Financial markets respond negatively leading to increased cost of capital. Economic situation leads to increased inflation during a period of rent reductions.
- **Data security and data protection** – We fail to comply with General Data Protection Regulations. A breach of data security impacts on our day to day operations.
- **ICT systems** – Our systems prevent business transformation affecting customer experience and business ambitions.
- **Business operations and continuity** - Inability to deliver our service promises.
- **Business partner failure** - A key partner who we rely on to deliver our services unexpectedly withdraws their services.
- **Pensions** – A termination payment which is either unexpected or poor value for money is triggered on the Kent County Council administered local government pension scheme.
- **Regulation** - We fail to comply with the regulatory regime. Specifically, in the short-term, we fail to implement and comply with the new consents regime.
- **Interest rate management** – Interest costs increase above assumptions after London Inter-bank Offered Rate (Libor) ceases to be published in 2021, with a suggested replacement of Sterling Overnight Index Average (Sonia)