

LANGSTANE HOUSING ASSOCIATION BUSINESS PLAN 2015 – 2018 SUMMARY



CONTENTS

Item	Page
Mission, Vision, Values	3
The Past and the Present	5
Internal Management Structure	7
Linked to the Business Plan	9
National and Local Priorities	11
Internal Challenges and Opportunities	13
The Future Priorities for 2015 – 2018	14
Resources	16
Risk Assessment	17
Review and Monitoring	17

MISSION, VISION, VALUES

MISSION

Langstane Housing Association's mission is to provide good quality housing that meets people's needs and helps communities to grow.

VISION

Our vision is to provide good quality affordable accommodation and services to single people and others who need help to find a home.

VALUES

Our core values are at the heart of everything we do. We believe in:

- Delivering excellent services to customers
- Respecting people and treating everyone equally
- Acting fairly and openly
- Finding new and better ways to deliver our services
- Working in partnership for the benefit of our customers
- Showing we care about our tenants and their communities
- Making sure our homes and services are affordable and good value for money

To show our commitment to our core values we will:

- work with local authorities and support agencies to provide good quality affordable accommodation
- listen to our customers and act on what they tell us
- Compare our performance against other Registered Social Landlords
- Choose contractors that give us best value for money
- Review our services to make sure they meet our customers' needs
- Support projects that benefit your communities
- Say sorry when we are wrong and learn from our mistakes

Langstane Housing Association works with over 30 other organisations to support tenants and other residents in local communities

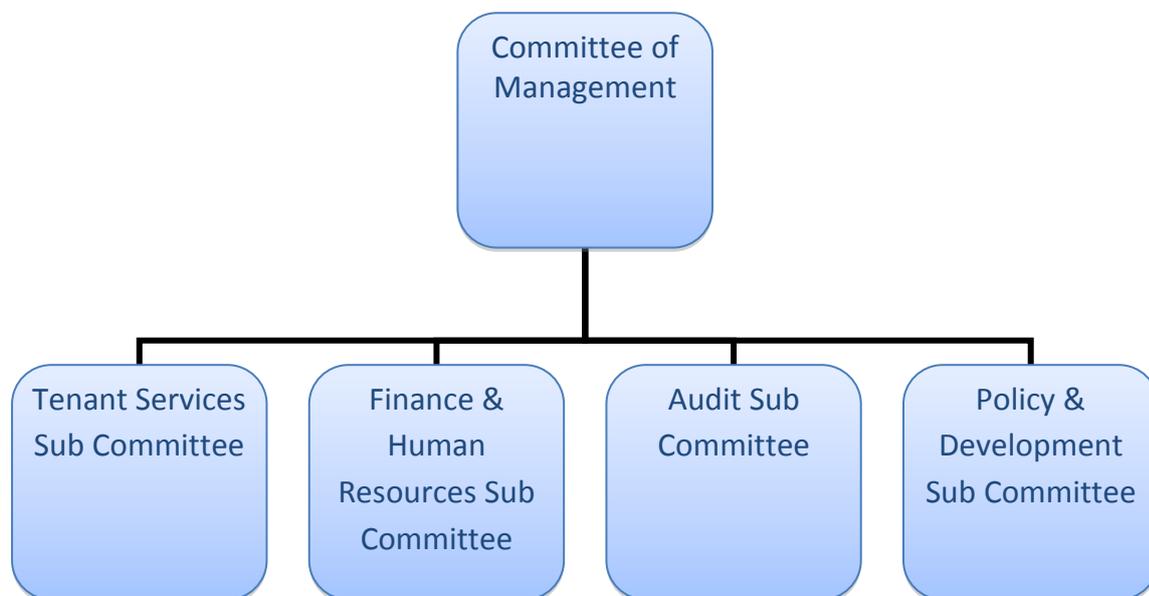
When we make decisions, we will take into account customer satisfaction, costs and benefits to Langstane.



Langstane Housing Association was founded in 1977 to provide to provide low cost rented accommodation for single households. We now provide homes for over 2,700 households in Aberdeen City, Aberdeenshire and Moray. We also provide affordable offices and accommodation to organisations which work in your communities.

We are a not-for-profit organisation and we reinvesting our funds into improving services, maintaining properties and building communities.

Our Committee of Management is composed of volunteers who are elected from the Langstane members at the Annual General Meeting. The Committee of Management is divided into these sub committees:



In 2007, Langstane created Next Step Homes Limited to provide options for low cost home ownership. In 2014 we created Stockethill Homes Limited to provide housing options such as mid-market rent. We reinvest any profits from Stockethill Homes in Langstane’s housing stock and services.

Our purpose is to provide good quality, affordable homes that meet your needs and services that make your neighbourhoods better places to live.

Grampian region is unique with its combination of the Aberdeen City housing market and rural communities. This brings challenges for customers wanting good quality housing at

reasonable cost. We are continuing to build social rented and other types of affordable housing throughout the region.

Building homes is not all that we do in our communities. We support local charities and agencies by helping with funding, providing affordable office and residential accommodation and giving staff time and advice. We also host the WorkingRite Project and the Minority Ethnic Outreach Project at our Aberdeen office.

We own 2,697 self-contained homes in the Grampian area, 1,700 of which are bedsits or one-bedroom properties. Our stock must be fit for purpose and meet the Scottish Housing Quality Standard (SHQS) and the Energy Efficiency Standard for Social Housing (EESH). We have updated our Asset Management Strategy to meet these standards.

We are regulated by:

- The Scottish Housing Regulator (SHR);
- The Financial Conduct Authority (FCA); and
- The Scottish Charity Regulator (OSCR).

The Scottish Housing Regulators' vision is "successful social landlords delivering good outcomes for tenants, homeless people and others". Landlords will achieve success by meeting the standards set out by the Scottish Government in the Scottish Social Housing Charter, and by being financially healthy and well governed.

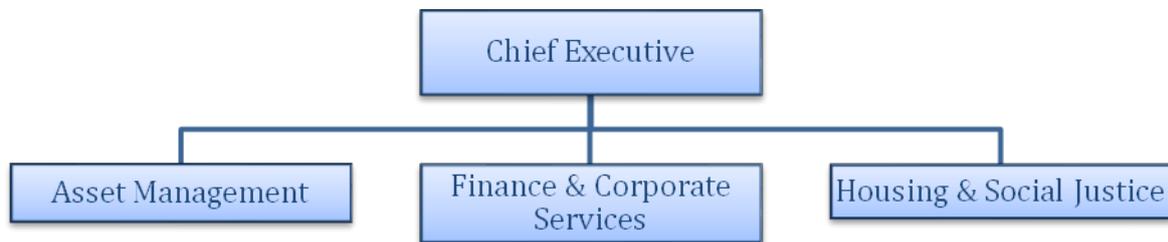
Our progress towards the standards of the Charter is reported in the Annual Return on the Charter (ARC). We must also make sure that we understand what is important to our customers and that we involve them in decision making. We must listen to what they say about our services and show that we have made changes.

Scottish Housing Regulator - Corporate Plan 2015-18



"Successful social landlords delivering good outcomes for tenants, homeless people and others"

INTERNAL MANAGEMENT STRUCTURE



CHIEF EXECUTIVE'S OFFICE is responsible for:

- development and implementation of the Business Plan
- development and implementation of the Internal Management Plan
- maintaining training plans for staff and for members of the Committee of Management
- promoting the Association's objectives
- finding new business opportunities that reflect the Association's objectives and values

ASSET MANAGEMENT is responsible for:

- buying and selling assets
- the new build programme
- planned and cyclical maintenance programmes and the disabled adaptations service

FINANCE & CORPORATE SERVICES is responsible for:

- the financial operation of the Association
- human resources
- facilities management
- information technology

HOUSING & SOCIAL JUSTICE is responsible for:

- housing management

- response repairs
- support services, including the social justice team

Although it is important to us that the Association is well run and financially responsible, it is just as important are the benefits we can bring to the communities we work in.

The Committee of Management and the senior management team are responsible for making sure that we deliver the best possible services to our customers. We do this in a variety of ways. For example we are committed to using renewable energy and currently 90% of our communal and office energy comes from renewable sources. We have also undertaken to pay the living wage to everyone we employ.

It is also important that we can attract skilled and knowledgeable staff that can provide excellent customer service.

FEEDING INTO AND LINKED TO THE BUSINESS PLAN

We make sure that our main strategic plans support the Business Plan.



Langstane's **Asset Management Strategy**¹ is based on understanding customers' needs and what they want for the future. The Strategy makes sure that our housing stock and neighbourhoods are well maintained through effective maintenance and good estate management. We use a Housing Futures Assessment Tool (HFAT) to highlight stock that may need improvement. The Asset Management Strategy plans for growth with a commitment to best value.

Our **Tenant Participation Strategy** sets out our commitment to improving services through tenants' involvement. We offer tenants a range of ways to participate that meets individual needs and circumstances.

Our **Tenancy Sustainment Strategy** was introduced in May 2014 to assist new and existing tenants to set up, manage and maintain their tenancies. The Tenancy Sustainment Team provides practical help and advice and puts tenants in contact with support agencies.

¹ Asset Management Strategy – currently being developed

Our **Financial Regulations** make sure that the Committee of Management controls the Association's finances and that our income covers what we spend.

Our **Risk Management Policy** makes sure that the Langstane Group assesses financial and other risks to the way work in line with the Scottish Housing Regulator's 'Regulatory Standards of Governance and Financial Management'.

Our **Information and Communications Technology Strategy** is to be updated. We know that effective communication is important and we are prioritising investment in information technology.

We have a **Business Continuity Plan**² to make sure that our most important business operations can be restored following an emergency.

We are developing our **Procurement Strategy** which will help us to make sure our working methods are open and accountable demonstrate best value.

² Business Continuity Plan – is currently in draft format

NATIONAL AND LOCAL PRIORITIES

A number of national and local pressures and opportunities influence our future strategy:

- Reduced housing association grant levels (about £58,000 per unit compared to £88,000 in earlier years)
- Welfare reform –approximately 38.8% of our rental income is paid through housing benefit and there is a risk of non-payment and increased staff costs

Housing Association Grant (HAG) levels for social housing fell in 2012 to about £42,000 per property before rising again to about £58,000 in 2014.

With average new build costs of £135,000 for a two-bed property in Aberdeen, Housing Associations rely heavily on private finance and top-up grants

- The Scottish Government’s ‘Homes Fit for the 21st Century’ strategy – as well as building new homes we need to replace older properties with modern, energy efficient housing
- The Smith Commission Report - as some powers are devolved to the Scottish Government, others may be devolved to local government and we must make sure we know what this means for us
- The Public Bodies (Joint Working) (Scotland) Act 2014 – we will have a part to play in finding new ways to bring health and care services to our customers.
- Tackling fuel poverty – this is a priority for the Scottish Government and we are committed to helping our customers maximise their income, reduce fuel consumption and get best value energy.
- The Scottish Government’s ‘Social Housing Charter’ requires us to make it easy for our customers to take part in and influence our decision making. We will work with our customers and show them that we value their contribution.
- The Scottish Government’s low cost home ownership initiatives – high house and land prices in our local housing market add to the challenge of providing low home ownership.

- Private accommodation in the Aberdeen Housing Market Area is unaffordable for many households. There is a particular need for social housing, especially housing for single and smaller households.
- All three local authorities in Grampian - Aberdeen, Aberdeenshire and The Moray Council, have said that they need over 400 new affordable properties every year³.
- Our evictions have increased to an unacceptably high level. We now have robust action plans in place and we are committed to using eviction only as a last resort.
- It is estimated that the population of Scotland will rise to 5.78 million by 2037 and that number of people aged 65 and over will increase by 59%⁴. This will affect the way we design and upgrade our properties to meet the lifetime needs of our tenants.

LANGSTANE'S STORY

60% of tenants have held a tenancy for over four years

63% of stock is either bedsits or one bedroom

17% of households either have, or have access to their children on a regular basis

85.4% of stock meets the Scottish Housing Quality Standard or is exempt

More needs to be done to involve tenants and other customers in decision making with only 59.1% happy with the current situation

³ Information taken from each current Local Housing Strategy

⁴ Source NRS 2013, 2011 Census - Population Estimates for Scotland

INTERNAL CHALLENGES AND OPPORTUNITIES

Internal challenges and opportunities affect how and when we can make progress. These include:

- Developing new properties –we can afford a further 309 properties by 2018.
- Grant funding – grants are usually reviewed every year or every three years. This makes planning difficult.
- The Scottish Housing Quality Standards – we have a clear plan for achieving the standards by 2017 and plan to meet the Energy Efficiency Standards in Social Housing (EESH) by 2020.
- The Langstane standard - we aim to introduce a new standard to guarantee the quality of all our new build and refurbished properties.
- Empty properties – we will introduce a more efficient process to deal with empty properties.
- Balanced communities – we are committed to housing single people but we know that communities need a mix of property sizes
- Community based projects – we will continue to give practical support to projects that benefit our tenants and other residents in the communities we serve.

Our priorities for 2015 – 2018 are:

- 1. DEMONSTRATING FINANCIAL STRENGTH**
- 2. DELIVERING EXCELLENT CUSTOMER FOCUSED SERVICES**
- 3. DELIVERING A WIDE RANGE OF GOOD QUALITY, AFFORDABLE ACCOMMODATION**
- 4. BEING A HIGHLY EFFECTIVE ORGANISATION THAT IS A LANDLORD, EMPLOYER AND PARTNER OF CHOICE AND COMMUNITY ASSET**

We will achieve this by:

1. DEMONSTRATING FINANCIAL STRENGTH

- 1.1 Reviewing lending facilities and exploring different ways to get funding.
- 1.2 Getting best value from our tendering process and partnership working.
 - 1.3 Protecting our sources of income and reducing rent arrears.
 - 1.4 Continuing to build affordable housing, offering a range of options including social and mid-market rent.
 - 1.5 Investing surplus funds in our homes and in services and community initiatives.

1% of rental income can provide 23 new kitchens or 18 new bathrooms

2. DELIVERING EXCELLENT CUSTOMER FOCUSED SERVICES

- 2.1 Understanding our customers' needs and acting upon what they tell us.
- 2.2 Providing a range of options to encourage customer participation.
- 2.3 Making sure the services we provide meet the needs of individuals, families and communities.

Your Voice Counts*

You can have your say in how we deliver our housing services to you and how we manage your neighbourhood.

Why do you need to get involved?

We want to know what matters to you about your home and your community. We need your views and experiences to help us develop and improve our services.

What difference will I make?

By getting involved you will help us to:

1. Deliver a responsive housing service that is value for money
2. Make informed decisions on services that matter to our tenants
3. Involve tenants at the heart of our decision making process

* taken from Langstane Housing Association's website

- 2.4 Introducing a programme of continual improvement across all our services, starting with those that are most important to our customers.
- 2.5 Improving overall tenant satisfaction levels from 81.42% in 2013/2014 to 90% in 2017/2018.

3. DELIVERING A WIDE RANGE OF GOOD QUALITY, AFFORDABLE ACCOMMODATION

- 3.1 Implementing an achievable Asset Management Strategy.
- 3.2 Meeting the Scottish Housing Quality Standard (SHQS) and preparing to meet the Energy Efficiency Standard for Social Housing (EESH).
- 3.3 Creating the Langstane Housing Standard Specification.
- 3.4 Providing a first class repair and maintenance service that demonstrates best value and meets the needs of tenants and other customers.
- 3.5 Reducing the time taken to re-let an empty property (void) from 34.6 days in 2013/14 to 25 days in 2017/2018, improving customer satisfaction and keeping costs competitive.
- 3.6 Reviewing our Rent Setting Policy to make sure rents and service charges remain affordable.

4. BEING A HIGHLY EFFECTIVE ORGANISATION THAT IS A LANDLORD, EMPLOYER AND PARTNER OF CHOICE AND COMMUNITY ASSET

- 4.1 Making sure we have good quality information and information systems.
- 4.2 Monitoring and reviewing performance information to identify where we need to make improvements.
- 4.3 Developing highly skilled and engaged staff and members of the Committee of Management.
- 4.4 Achieving recognised quality assurance accreditation that shows we have effective leadership and management.
- 4.5 Working to develop strong relationships and partnerships so we can influence change on issues that are important in our communities.

We will manage our performance through an internal management plan (IMP) (see Appendix 1). We will review the IMP regularly. We will also measure our performance in the Annual Return on the Charter against the previous year averages. The following areas will be closely monitored:

- Complaints
- Customer satisfaction levels
- Rent arrears
- Scottish Housing Quality Standards (SHQS)
- Voids

RESOURCES

The Association's Balance Sheet summary is healthy and reflects where the Association is currently at and where it intends to progress over the coming years.

BALANCE SHEET

	2016	2017	2018	2019	2020
Balance sheet	£'000	£'000	£'000	£'000	£'000
Property	176,288	180,612	182,433	186,105	191,655
Grant	124,283	125,933	126,736	128,356	130,810
Net Property	52,005	54,679	55,697	57,749	60,845
Cash	1,000	1,525	2,747	3,514	1,000
Loans	47,199	49,931	51,252	53,456	53,442
Reserves	10,351	10,864	11,454	11,923	12,370

The Association's balance sheet reflects Langstane's ambition to continue with the development of good quality affordable accommodation within the Grampian area. All lending facilities are well within acceptable limits.

RISK ASSESSMENT

We have a robust Langstane Group⁵ Risk Management Policy in place. Our Risk Register identifies overall risk areas and details specific risks within the following categories:

- Financial / economic
- Legal / Regulatory
- Political
- Organisational

The higher risks for the Association are:

- The introduction of Universal Credit – This is expected to affect our arrears levels, costs and cashflow. Increased resources may be needed to help tenants manage the process.
- Failure to meet regulations – we were expected to meet the requirements of the Scottish Housing Quality Standard by end of March 2015. However, we will achieve this by March 2017.
- Political changes to British and Scottish Governments
- Business continuity – we are reviewing how we would deal with a significant failure of our IT systems.
- Succession planning - We are reviewing how we recruit members of our Committee of Management.

REVIEW AND MONITORING

We will review the Business Plan annually with a full review taking place every three years.

We will provide quarterly performance updates to the sub-committees and report our progress annually to the Committee of Management.

⁵ Langstane Group is an informal term used to capture Langstane Housing Association Ltd, Next Step Homes Ltd (a Langstane subsidiary) and Stockethill Homes Ltd (a Next Step Homes subsidiary)