



**Business Plan
2021-2026**

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INTRODUCTION

Waverley Housing provides homes to people who have a housing need and at a lower cost, than accommodation in the private rented sector. This makes affordable housing available to a wider range of people, offering a selection of property sizes, locations and rents.

The task for Waverley Housing in establishing this Business Plan, is to make sure the vision and strategy combine to ensure the services it provides, will continue to be viable and relevant to the needs of its tenants.

The Registered Social Landlord (RSL) sector is likely to experience significant change in the next ten years, and those organisations that stand still, during a time of unprecedented change, are likely to find themselves with a difficult and uncertain future.

In putting together this Business Plan, the Board and Management Team, have considered how Waverley Housing can increase and improve its stock, improve services to tenants, improve performance, invest in staff and systems and do this, whilst offering value for money and being a strong and successful business.

STRATEGIC CONTEXT

The housing sector plays a vital role in supporting communities across Scotland, and will help drive Scotland's social and economic recovery.

The sector's key asks of the new Scottish Government to commit to:

- delivering 53,000 affordable homes, including 37,100 for social rent, between 2021 and 2026;
- at least £3.4 billion investment, to help deliver these homes, which rises with increasing development costs during the next parliament;
- a new government fund for improving and refurbishing existing housing stock;
- increasing fuel poverty and energy efficiency funding to £244 million for 2021/22;
- increasing social landlords' adaptations funding to £17 million per year;
- a new long-term fund which will enable social landlords, the third sector and communities to work together for those most impacted by the effects of Covid-19.

VISION AND VALUES

The Waverley Housing Strategic Vision is to:

CREATE GREAT PLACES TO LIVE

Our core values are:

EQUALITY - We will treat everyone fairly and with dignity, meeting the diverse needs of our tenants and other stakeholders;

EXCELLENCE - We will work together to deliver high quality services, and will strive to always be open and accountable;

ENGAGEMENT - We will listen and communicate effectively with our tenants and other stakeholders, sharing information and responding to their needs.

STRATEGIC OBJECTIVES

Our Strategic Objectives are:

To deliver quality homes...

...Through active asset management, targeted investment in planned and cyclical maintenance, planning and efficient procurement methods, we will improve and maintain our properties, providing the best comfort at the lowest cost, ensuring our rents remain affordable.

To deliver quality services...

...Through continued investment in our people, developing solutions to service challenges and by listening to and learning from our customers and improving their experiences with us. We will let our houses effectively with a responsive and tenant led approach.

To be a strong, successful organisation...

...Waverley Housing strives to be a well governed, well managed and high performing company. To achieve this, we will be financially secure and develop a workforce that is motivated, skilled and highly professional in all that they do.

CROSS CUTTING THEMES

Asset Management

As a social landlord, our assets play a vital role in helping us deliver our strategic objectives. These assets, which in the main are residential properties, are our core product and as such are central to our business model.

Safeguarding tenants and staff

The Coronavirus pandemic has reinforced the need to prioritise the safeguarding of tenants and staff.

Good Governance

Waverley Housing regards adherence to the principles of good corporate governance to be of the utmost importance.

Value for Money (VfM)

Waverley Housing is committed to ensuring that there is a comprehensive and strategic approach to achieving VfM, and that all activities are undertaken in support of the company's business plan objectives.

Rent Affordability

There is an important relationship between rents, rent setting and VfM. When deciding levels of rent increases, Waverley Housing is anxious to ensure consideration is given to tenants' ability to keep paying their rent over the longer term.

CROSS CUTTING THEMES

Risk Management

Waverley Housing has a moral and statutory duty of care to its tenants, employees and assets. The company meet this duty by ensuring that risk management plays an integral part in the running of the business.

Health & Safety

The management of Waverley Housing recognises that it has a legal duty of care towards protecting the health and safety of its Employees and others who may be affected by the Company's activities, and that managing health and safety is a business critical function.

Community Engagement and Tenant Scrutiny

Waverley Housing tenants benefit from a range of ways to get involved to shape services including Registered Tenants' Organisations, Customer Review Panel, Local Residents' Groups, Tenants' Opinion Panels and Focus Groups. We produce an annual community engagement action plan and a 5-year strategy, which we promote to our tenants, and owners.

FINANCIAL PLANNING

Over the next five years, Waverley Housing will be embarking upon the demolition and new build phases of the Upper Langlee regeneration programme. It will be the biggest project ever undertaken by the Company. To support this and maintain the excellent financial stewardship for which the Company has been recognised, the Company's financial strategy, over the next five years seeks to:

- ensure the successful financing of the Upper Langlee stock regeneration project;
- manage surpluses and maintain cash flows at levels, which will allow future planned maintenance programmes to be undertaken;
- to ensure the company can withstand the effects of welfare reforms and impact of coronavirus;
- achieve financial security and match resources with the Company's strategic objectives;
- explore ways to meet the cost of ensuring our properties meet energy efficiency standards.

Our 30-year Financial Plan is reviewed on an annual basis as part of the annual budgeting process. A long-term approach creates value, improves performance and value for money; financial risk is properly assessed and understood, and it avoids the short term or reactive approaches to budgetary pressure which can skew service priorities and undermine strategic objectives.

OUR OPERATING ENVIRONMENT

Our success is influenced by factors operating in our internal and external environment. To continue to be successful we not only need to understand those existing factors, but also forecast change, so that we can take advantage of opportunities within the scope of our work.

Customer Profile

As is the case nationally, there is expected to be considerable demographic change in the future. A growing older population, particularly those with additional needs, means that there is likely to be greater demand for care and support services and for specialist housing provision. In comparison, the working age population is estimated to drop; with a projected increase in the number of single adult households, and projected decline in the number of larger households (two adults and children).

Climate Challenge

The 2019 Climate Change (Scotland) Act sets legally-binding “net-zero” targets for all greenhouse gases by 2045 and identifies how all aspects of society including the design, development, maintenance and heating of social housing will need to change if those targets are to be met. Waverley Housing recognises the need to review how it does business whilst attempting to reduce greenhouse gas emissions and prepare for the impacts of climate change. Affordable social housing plays an important role in improving energy efficiency and tackling fuel poverty.

Fuel Poverty

Fuel poverty is a particular issue facing households in the Scottish Borders. A household is in fuel poverty if it spends more than 10% of household income on fuel, and in extreme fuel poverty if it spends more than 20% of income on fuel. Waverley Housing now has 99% of all properties complying with the EESSH1. Waverley Housing is now focused on the requirements of EESSH2.

Diversification

Diversification of our business model has had a positive impact on performance and has allowed the company, to develop new ways of working. Since April 2018 Waverley Housing has been providing a repairs and void property service to Eildon Housing Association and Scottish Borders Council in respect of properties identified for homeless lets. Whilst the performance of both contracts continues to deliver high levels of client satisfaction, each are for fixed terms, and will require to be subject to competitive tender, in future years.

Communication

Our corporate statements “Vision, Values and Strategic Objectives” shall be publicly displayed within our offices. The Business Plan shall be made available to stakeholders, at our offices and via our website. We will use the Staff Focus Group to ensure all staff have access to a copy of the Business Plan and play an integral role in its design, development and delivery.

PERFORMANCE MANAGEMENT

Key Performance Indicators

The Company strives to continually improve its management information reporting process in line with best practice. It recognises the key role this provides in effective corporate governance. Monthly management information is produced which includes measure of outputs against Key Performance Indicators (KPIs), trend analysis, commentary on key and material areas, comparison with budgets and compliance with statutory and financial covenants.

Audit and Internal Control

The Audit and Internal Control Committee (AICC) will regularly review progress and drive the implementation of the Business Plan allowing the company to respond quickly, and positively, to new threats and opportunities, whilst ensuring we maintain a good fit between our strategy, the external environment and the feedback we receive from our tenants, our staff and key partners.

OPERATIONAL INFRASTRUCTURE

In preparing this Business Plan, the Company needs to ensure the most effective use of available resources and to identify any additional resource requirements, which may be necessary to support the Plan.

Our People

Waverley Housing is run, on a day-to-day basis, by an Operational Management Team. The company employs a staff of just over 50 people, covering housing management; property services; trades team (carrying out repairs and maintenance); and corporate and support services.

Information Technology

The main aims of the ICT strategy are to improve delivery of services and improve efficiency through the provision of an effective and efficient ICT infrastructure to meet current and future needs. We would also like to make information and communication more accessible.

KEY STAKEHOLDERS

Waverley Housing has a number of key stakeholders and partners including:

Our Tenants

We engage with our tenants as our core customers to help shape and tailor our services in line with their aspirations.

Our Lenders

Our lenders expect us to meet set lending covenants, demonstrate financial viability, and operate a viable business through prudent and strong management.

Our Staff

Our staff are responsible for delivering our services, and are our most valuable asset. We will engage with our staff to ensure they are informed and equipped to deliver the objectives set out in this Plan.

The Scottish Housing Regulator

The Scottish Housing Regulator will seek to ensure we deliver value for our tenants by safeguarding and promoting the interests of current and future tenants, and other service users. We must continue to provide good quality social housing and maintain the confidence of our Regulator.

KEY STAKEHOLDERS

Local Authority and Other Community Planning Partners

We will work with Scottish Borders Council to assist them to meet their housing and neighbourhood agendas, especially in homelessness, regeneration and meeting future housing need. We will work closely with the NHS Borders, Police Scotland, SBC Social Work Services, and others in areas such as anti-social behaviour, community health & safety and the quality of the environment.

Other RSLs

We will work other RSLs to meet the efficiency agenda and develop strong communities. We will explore joint ventures in development, commercial contracting housing and homelessness provision, and communications. These relationships are vital to us and allow us to learn from others whilst enhancing our collective voice.

Contractors & Consultants

High quality contractors and consultants, are essential for us to be able to deliver and maintain, high service standards that represent value for money.

SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Our reputation as a trusted local brand, with an excellent reputation as a landlord and business. • Our people - skilled and effective Management Team, highly committed & skilled staff. • Excellent governance and oversight. • Our assets - all properties meet SHQS with the exception of a few exemptions and abeyances. • We are a good employer offering good terms and conditions, with a commitment to growing internally. • Strong financial management - allows us to explore new opportunities. • We have a robust performance management framework and achievement of KPI's. • Well established internal controls. • Customer service - we are able to listen and respond quickly to our tenants and stakeholders' needs. • Multi skilled in-house trades team offering 24-hour service and a high-quality performance on external contracts. • Specialist Financial Inclusion service available to assist tenants coping with Welfare Reform. 	<ul style="list-style-type: none"> • Customer profile – we lack detailed customer profiles and may not fully understand the needs and expectations of our customers. • Customer engagement – we have difficulty in maintaining good levels of tenant participation. • Hard to let properties - we have pockets with relatively low levels of interest. • Succession planning - as a small Company we are reliant on key individuals and need to develop and invest in staff development. • Developing our management team – whilst strong, we need to grow and develop the team, to ensure Waverley Housing reaches its full potential. • Inexperience of staff in New Build and Development options. • Lack of a land bank.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Changes to the local housing market as part of a growing interest in living and working in the Scottish Borders. • Developing relationships with other agencies out with housing sector, but who have housing requirements such as older people's housing and care. • Increase our stock – perhaps through open market purchases, or development of joint ventures with other RSL's. • Expansion of Trades Team activities. • Development of new housing stock if sufficient grant funding available. • Developing a relationship with South of Scotland Enterprise matching housing needs with economic development. • Amalgamation with other RSL's. • The impact of constitutional change. 	<ul style="list-style-type: none"> • Balancing the competing demands of energy efficiency and decarbonisation. Failing to be ahead of the curve. • Lack of development opportunities to provide/build new stock. • Changes in legislation/regulation and impact of compliance and/or implementation. • New competitors enter the market, perhaps for economic rather than social reasons. • Changing government benefit provision for tenants. • Not making adequate provision for changes in the demographics in the Scottish Borders. • Exposure to sophisticated cyber-attacks. • The impact of constitutional change. • Long term economic recession/inflationary pressures. • Direct impact of Covid-19 on arrears and voids. • Inability to achieve rent affordability for all tenants.