



Annual Corporate Business Plan 2019/20

Contents	Page
Introduction	3 - 4
About Westward Housing Group	5 - 8
Review of 2018/19	9 - 10
Priorities for 2019/20	11 - 13
Priorities for future years	14
Appendix A – Group Structure	15
Appendix B – Financial Performance Targets	16
Appendix C – Westward Executive Team	17

Welcome to the Corporate Business Plan 2019/20

This annual plan sets out our key projects for the year that support the delivery of our 2020 strategic plan. The board and executive team are extremely proud that Westward has a successful track record to build on. The government green paper in 2018 provided greater clarity for the sector, however, the UK economy continues to be a cause for concern. The business faces the challenge of the fourth and final year of 1% rent reduction and customers continue to be hit by welfare reform including the introduction of universal credit to the region this year. The delivery of support services remains challenging and this year Westward has disposed of support assets and withdrawn from contracts that can no longer be sustained. The landscape in which we operate continues to be uncertain but we remain determined to take ownership of our future to make sure we continue to build more homes and make a positive difference for our customers.

Good news lies in the certainty of next year's CPI +1% rent increase and grant injections for development for affordable homes. The immediate priority is to focus our efforts on building more homes and ensuring Westward customers feel safe and secure in their homes. We continue to balance value for money (VFM) with providing the best services possible for our customers into the future. Together with the strategic plan, 30 year financial plan and budget these form the overall Westward Business Plan.

- Westward's strategic commitments provide clear direction from the board that we must support our work for social purpose by taking a commercial approach to ensure our success in providing much needed homes and supporting communities.
- Westward's financial strength is an essential pillar of its long-term success. To ensure this is preserved we have a Strategic Financial Framework (SFF) that sets our golden rules and budget tests. Our business plan must be compliant with the SFF in order to gain board approval. Each year we generate operating cash surpluses to pay our loan costs and reinvest into existing and new properties. Our active asset management highlights properties that are no longer fit for purpose. These are disposed at best value to augment our cash flow and provide more capacity for investment. Westward uses its interest cover headroom, low gearing and pool of unencumbered properties to raise additional capital for new homes. Funding for new homes also comes from a mix of government grants, a proportionate level of shared ownership sales and a modest programme of open market property sales.
- Westward is confident that we are achieving VFM in delivering our purpose and objectives; whilst meeting the high expectations of the board, customers and our stakeholders. This is evidenced in our regulatory VFM metrics; we have brought down our headline cost per unit metric in real terms since 2016. This VFM gain has enabled us to maintain our wider social purpose (e.g. supported housing and community investment) whilst ensuring our interest cover remains sufficient to support the development of new homes.
- Westward continues to invest in commercial activity that can cross subsidise our social purpose; this includes the delivery of homes for outright sale and assisting people to buy their own home through the Help to Buy service.

- Delivering digital choice through our e-volve strategy means ongoing culture change, one of the great benefits being increasingly accurate data to base decisions and direction on, bringing greater innovation and better customer service.
- The safety of our customers is paramount and we have carried out comprehensive audits to ensure we comply with legislation.
- Westward is agile and works with a variety of partners from South West Water, Positive People, Plus and Westcountry Savings & Loans credit union to housing providers, developers and local authorities to maximise efficiencies and deliver innovative and life-enhancing solutions for customers.
- Westward contributes to the region's productivity and economic wellbeing through the employment of over 350 people and the construction of new homes. The business model continues to be driven by our hardworking, talented and dedicated people. We invest in their wellbeing, training, performance and sense of worth as nothing could happen without their commitment to Westward's success.

Westward Housing Group is one of the main affordable housing providers in the south west with 7,400 homes across Devon and Cornwall.

Westward provides support and intensive housing management services to more than 1,500 people in the region. Our services vary from providing accommodation for people with a range of vulnerabilities, providing an emergency helpline service to 1,200 people and working in partnership with organisations such as Mencap, Step One and HFT.

Partnership South West, the regional development partnership enables Westward, as a member, to build new homes across the region to rent or sell affordably on a shared ownership basis.

Horizon Homes is Westward's commercial subsidiary which builds for outright sale and gift aids profits back into the organisation to provide more affordable housing and services. Having completed its third scheme now, they are looking to develop the next two during 2019.

Help to Buy South West is the government-appointed agency for the far south west area and promotes shared ownership and other equity products to help people buy their own home.

The unique characteristics that differentiate Westward from other housing associations are:

1. **Local delivery:** Due to our size and location we are able respond promptly and flexibly to our resident and customers' needs.
2. **Our people:** the commitment and hard work of our entire team in delivering our services and supporting those in need of housing.
3. **Our success in support services:** We are proud of the quality and range of the support services that we deliver to our customers in Devon and Cornwall for example, we support the successful horticultural social enterprise, Jigsaw Grow, the Red Button Alarm Service for vulnerable residents and we continue provide added community investment through our local teams.
4. **Delivering the Help to Buy agency service** for the whole of the South West peninsula in partnership with Sovereign Living.
5. **Customer scrutiny:** as well as monitoring performance and reviewing customer-facing policies, our Senate provides a sounding board on the best way to consult relevant stakeholders (rather than being the consultative group themselves).

The board has developed a vision and strategy for Westward for 2017-2020. This reaffirms the need for Westward to take control of its future and focus on a more commercial approach whilst maintaining our financial strength. We are absolutely committed to delivering more homes and services to those in need but recognise that the definition of 'need' is now much wider as more people are finding themselves unable to afford to buy on the open market but equally unable to access affordable housing. We are acutely aware of the rise in homelessness across our area. We are working in partnership with local authorities and charities to assist with the prevention and management of homelessness through fit for purpose services and homes.

Our purpose:

Providing homes and supporting communities.

Our vision:

By 2020 we will be delivering our objectives and have met the targets and ambitions set out in our Strategic Plan. Our customers will tell us that they feel safe, secure and warm in well maintained homes and that we are customer focused. Our staff will be highly motivated and living our values. Westward will continue to be a financially resilient and well governed organisation that challenges itself to reduce running costs and improve the return on assets so that we can deliver more for our customers and stakeholders.

Our values:Be agile

We inspire and support our people to be at their best. We take an enterprising and resourceful approach to business. We ensure our vision and work are robust so we can achieve success.

Always engage

We are customer focussed and actively engage with our customers, colleagues and partners to improve what we do and how we do it. We will empower colleagues to get it right first time by listening carefully, responding fully and ensuring that the customer does not need to contact us on that issue again.

Show integrity

We are a fair and open organisation. We expect a culture of honesty and personal accountability. We respond to challenge by asking ourselves what we can do to help and by delivering on our promises. We respect and value differences and recognise that diversity enriches our communities.

Our strategic objectives:

- Provide places where people want to live
- Develop and invest in homes and services
- Provide a great place for our staff to work
- Maintain our financial strength and deliver great value through efficiency and innovation

Our strategic approach is underpinned by our five key strategies:

- Asset Management Strategy
- Development Strategy
- Community Investment Strategy
- Value for Money Strategy
- Strategic Financial Framework (SFF)

Risk management

Our approach to risk management is based on the risk appetite set by the board for each area of the business. At the time of writing (February 2019), the top risks facing Westward are:

Risk	Score	Risk appetite
Welfare reform	16	Cautious
H&S	16	Minimal
Support services	16	Open
Plymouth House	15	Cautious
Inflation	12	Minimal

New homes

Our Development Strategy aims to deliver 112 new homes during 2019/20.

Community investment

Westward is committed to supporting and delivering a range of initiatives that support tenancy sustainment and ultimately the communities where our customers live and work. Our approach to community-based activities is to build on the wide range of existing investment in various relevant initiatives, partnerships, projects and services.

Regulatory compliance

We aim to deliver consistent, high quality services to all of our tenants and customers. The regulatory framework is based on co-regulation and provides clear guidance about the type and quality of standards that tenants and customers can expect in each of the following areas:

Economic Standards:

- Governance and Financial Viability
- Value for Money
- Rent

Consumer Standards:

- Tenant Involvement and Empowerment
- Home
- Tenancy
- Neighbourhood and Community

To achieve the standards expected, Westward works with tenants and customers to improve services and allocate resources based on priorities. We also engage with our tenants in a number of scrutiny arrangements to ensure we are being well governed through a co-regulatory approach.

The quality of our governance ensures that we take proper account of viability, risk management and value for money throughout the organisation. Currently, our grading from the Regulator of Social Housing is a GI for governance and a VI for financial viability; the highest grading available.

Embracing diversity

We work with a variety of communities and some of the most vulnerable and socially excluded people in society. Our Equality and Diversity Policy demonstrates our commitment to treating all people with fairness and respect. Our purpose is to actively remove barriers and open doors for our customers and staff and foster good relations with communities.

Review of 2018/19

Our achievements in 2018/19 included:

Strategic Objective 1: provide places where people want to live

1. Provided 96 more affordable homes
2. Started another mixed tenure scheme through Horizon Homes with another site land banked
3. Completed our second Cornwall funded programme
4. Started on site at Newton Road, Bideford (38 homes)

Strategic Objective 2: expand our range of homes and services

1. The delivery of all property compliance and health and safety programmes across our housing stock including a clear focus on how we propose to continue to protect our staff, customers and organisations who work in and provide services to our homes.
2. We were awarded contracts to continue services at Truro Young Womens' service, Bethany House in Exeter and the Plymouth and Torbay Young Parents Services have been granted an extension to their contracts until March 2020.
3. We partnered with Positive People to deliver digital skills to our customers
4. Continued our relationship with SWW to assist customers out of water poverty
5. Improved our web portal and the number of customers using 'My account'
6. The Institute of Customer Services carried out an independent resident survey

Strategic Objective 3: be a good employer

1. Institute of Customer Services carried out an independent staff survey
2. Reviewed the mobile devices provided to staff

3. Introduced health surveillance for colleagues working in WPS
4. Invested further in our health & safety structure

Strategic Objective 4: deliver great value

1. Help to Buy delivered a substantial gift aid of £650,000
2. 90% of customer enquiries dealt with at first point of contact within the HUB
3. Recycled £2m of additional capital for future investment through the disposal inefficient stock and staircase sales
4. Exceeded our budget test for operating margin
5. Maintained our headline unit costs for social housing and preserved interest cover
6. Our 30 Year Business Plan is compliant with all SFF rules/tests and it passed multivariate stress testing (including a bad Brexit scenario)
7. Additional surpluses have created additional capacity for investment in new housing supply
8. Secured new finance at favourable market rates

Some of the challenges we faced in 2018/19 included:

1. Introduction of a new website for Help to Buy South West
2. Transition to digital meant longer waiting times for customer calls to be answered than we are used to
3. Decrease in our Net Promoter Score although other customer satisfaction scores remained consistently high
4. Delays in progressing digital customer self-serve due to delays in upgrading our core system
5. Difficult decisions in relation to some of our supported housing properties and contracts; this was particularly challenging in Plymouth
6. Managing Plymouth House to ensure security and safety of all staff and residents as we work towards closing the service on 31st March 2019
7. The Support Services Audit flagged some concerns about the governance of Support Services which are being addressed.

Priorities for 2019/20

The Westward Strategic Plan 2017-20 outlines our direction. It is placed against a backdrop of continuing uncertainty as we consider what Brexit will mean for the economy alongside the government's agenda on welfare reform and the harsh reality that in the South West the combination of high house prices and low wages has resulted in a housing crisis. The strategic plan is designed to ensure Westward remains agile and is able to work with a variety of partners to maximise efficiencies and deliver solutions to meet the demands placed upon us whilst remaining a viable and thriving organisation. Our purpose and values will remain the same over the period, although both our strategic and business plan are reviewed annually to ensure we are on target and in step with the ever-changing external environment which we now face. This year will see us look further to the future as we commence work on our 2025 strategic plan.

Strategic Objective 1: Provide places where people want to live	Strategic risk mitigated	ET Lead
<p>Delivery of new homes During the period of our new strategic plan (2017 to 2020) we will build approximately 500 new homes; this will include affordable, shared ownership, rent to buy and outright sale. In 2019/20 we aim to build 112 homes.</p>	<ul style="list-style-type: none"> • Government policy • Corporate reputation 	J Gregg
<p>Horizon Homes Continue to deliver homes in line with the business plan, with completion of one scheme and one further start on site. Homes England has indicated it will retender the Help to Buy agency contract during 2019/2020. Horizon Homes/Sovereign will review the tender invitation with a view to submitting a bid on the basis this will continue to provide an income for Westward and Sovereign.</p>	<ul style="list-style-type: none"> • Government policy • Corporate reputation 	J Gregg
Strategic Objective 2: Develop and invest in homes and services	Strategic risk mitigated	ET Lead
<p>Implementation of one standardised tenancy agreement across Westward To make the best use of our stock by ensuring the right person is in the right home at the right time and to encourage tenants to explore other housing options/aspirations such as low-cost home ownership. This project will complete in 2021.</p>	<ul style="list-style-type: none"> • Government policy 	B Shaw

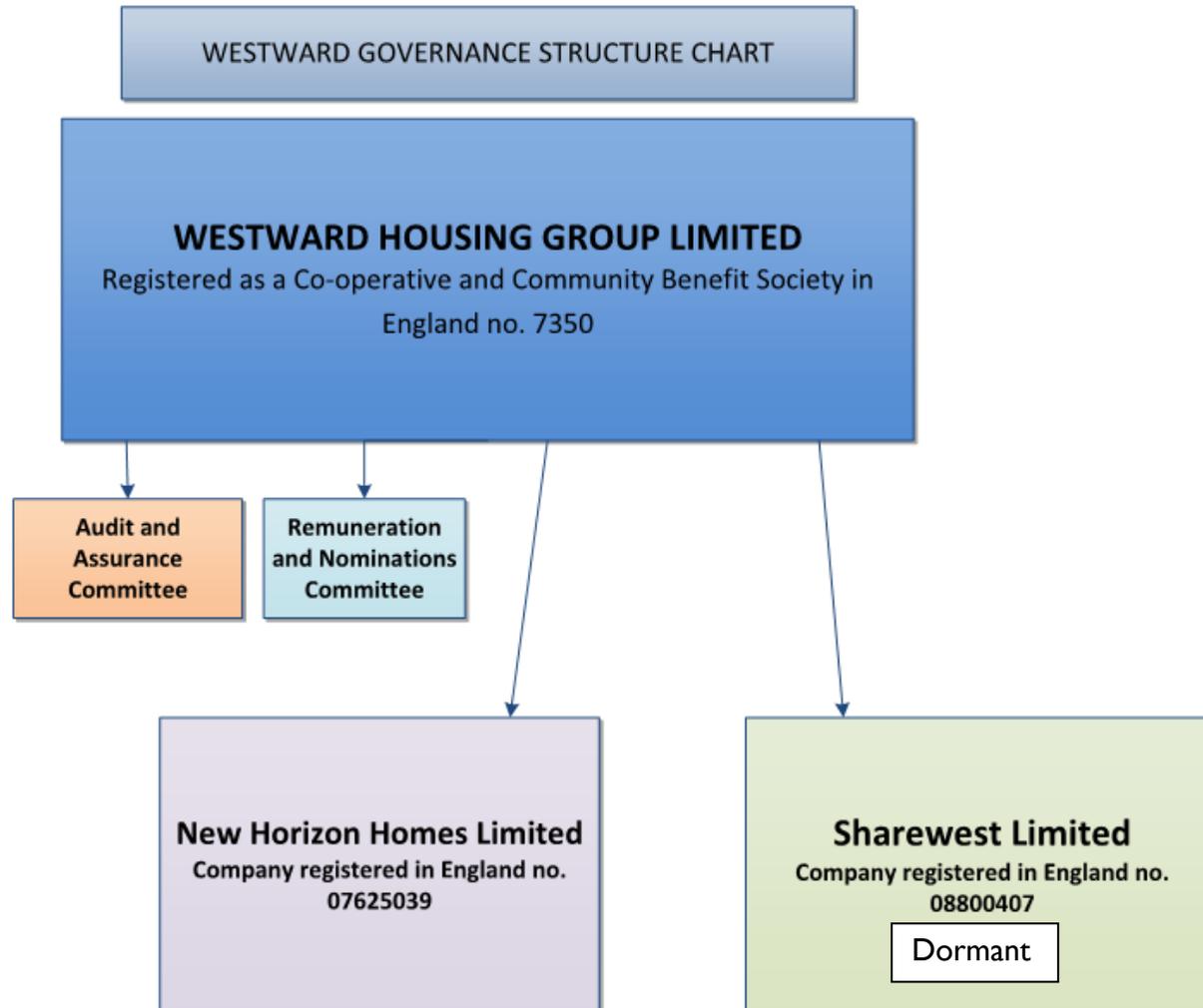
Strategic Objective 2: Develop and invest in homes and services cont...	Strategic risk mitigated	ET Lead
<p>Evolve Programme – Delivering Digital Choice Westward has been shaping its technology infrastructure to enable a transition to a more digital approach to services and new ways of working. This process has laid down some key foundations in terms of technology, data integrity, structure and culture. However, a more encompassing approach to digital transformation is required across the business to ensure that all elements of service, processes, culture, human resources and property management embrace digital, as the business begins to look even further ahead to how the organisation will be operating in 2025.</p>	<ul style="list-style-type: none"> • Poor data quality • Ineffective IT business systems • Government policy • Change in regulatory control 	B Shaw
<p>Implementation of the review of Support Services To implement the recommendations from the specific Support Services Audit, improving the governance and financial arrangements, ensuring processes are consistently followed and to determine the most appropriate services for Westward.</p>	<ul style="list-style-type: none"> • Support services • Corporate reputation • Plymouth House 	J Montague
<p>Delivery of outcomes from the green paper on housing The green paper was published in August 2018 and members, customers and staff fed into the consultation which closed in November 2018. No specific date has been given for final recommendations from government. The focus was predominantly on the issue of rebalancing the relationship between customers and landlords, ensuring people feel safe in their homes and continuing to build more homes. Westward continues to deliver in these areas of activity but accepts we may have to reconsider our level of activity once a report is finalised and released.</p>	<ul style="list-style-type: none"> • Government policy • Corporate reputation • Health & Safety • A change in regulatory control 	B Shaw
Strategic Objective 3: Provide a great place for our staff to work	Strategic risk mitigated	ET Lead
<p>Introduction of E-Learning In order to sustain a digital culture we will empower staff to develop their skills and knowledge through accessible, creative, innovative digital solutions. The introduction of E-Learning will allow staff to work through course based, on-line material which will be challenging, engaging and accessible from smartphones, tablets and desktops at locations and times that are convenient to the user and the business.</p>	<ul style="list-style-type: none"> • Corporate reputation • Poor data quality 	J Montague

Strategic Objective 3: Provide a great place for our staff to work cont...	Strategic risk mitigated	ET Lead
<p>Review of lone working and implementation of devices This project arises from our need to provide safe systems of work for our mobile work force (especially lone workers) and fulfil our overall commitment to health and safety as a corporate priority. An effective lone working arrangement, supported by monitoring devices, helps us to provide assurance that Westward is taking reasonable and practicable actions in order to meet its duties under the Health & Safety at Work Act.</p>	<ul style="list-style-type: none"> • Health & Safety • Corporate reputation 	P Bryan
Strategic Objective 4: Maintain our financial strength and deliver great value through efficiency and innovation	Strategic risk mitigated	ET Lead
<p>The Strategic Plan 2025 The current strategic plan ends in 2020 and board will need to commence work on its next strategic plan which will take us to 2025. The strategic plan will set out our priorities for the next five years and is part of Westward Group's business plan. This is a suite of documents that show the golden thread from our purpose to the delivery of actions and the fulfilment of the strategic plan.</p>	<ul style="list-style-type: none"> • Corporate reputation • Government policy • A change in regulatory control 	B Shaw Board Lead: B Aird
<p>Amalgamation of Rents Currently Westward has two rent and service charge setting periods for the north (previously Tarka HA) and south (previously Westcountry HA) of the organisation. This is inefficient use of resources and increases the probability of errors occurring. We will amalgamate into one rent and service charge setting period for 2021.</p>	<ul style="list-style-type: none"> • Government policy • Financial loss • Poor data quality 	B Shaw
<p>Making tax digital for business (MTDfb) Westward must meet the HMRC requirements to provide its quarterly VAT returns via a digital channel during 2019.20. This project will involve the establishment of a software solution that provides a compliant digital bridge between Westward's VAT records and HMRC. The software bridge must be ready for our Quarter 3 2019.20 submission of VAT returns. HMRC are treating 2019.20 as a 'soft landing' test period for MTDfb. From April 2020 they are likely to apply their normal requirements, i.e. fines and penalties for non-compliant returns.</p>	<ul style="list-style-type: none"> • Government policy • Ineffective governance • Corporate reputation 	P Bryan
<p>LGPS Pension Cessation This project is to develop a risk-based management plan to be deployed in the event of a cessation event occurring in respect of Westward's membership of the Devon LGPS.</p>	<ul style="list-style-type: none"> • Insufficient capital (immediate cash call-covenant breach) 	P Bryan

Priorities for future years

After 2019/20 we will:	Lead sponsor:
Implement a web redesign	B Shaw
Implement legal requirements from the Hackitt Inquiry	P Bryan
Continue on our e-volve journey	B Shaw

Appendix A - Group Structure



Appendix B - Summary Income and Expenditure Account

	2015/16		2016/17		2017/18		2018/19		2019/20
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Forecast	Budget
	£m								
Turnover	34.7	37.4	35.3	35.6	34.8	35.8	35.4	36.0	34.2
Operating costs	(23.9)	(26.4)	(24.8)	(24.6)	(24.2)	(23.3)	(24.4)	(24.1)	(24.4)
Operating surplus	10.8	11.0	10.5	11.0	10.6	12.5	11.0	11.9	10.8
Operating margin	31%	29%	30%	31%	30%	34.9%	31%	33%	30.7%
Net financing costs	(6.2)	(5.6)	(6.2)	(5.2)	(5.9)	(4.9)	(6.1)	(5.5)	(6.3)
Operating surplus after financing	4.6	5.4	4.3	5.8	4.7	7.6	4.9	6.4	5.8
Surplus on Commercial Activities & SO Staircasing	0.4	0.8	2.0	3.2	1.2	2.2	0.4	2.6	0.6
Total surplus	5.0	6.2	6.3	9.0	5.9	9.8	5.3	9.0	5.1

Appendix C – Westward Executive Team



Barbara Shaw
Chief Executive



Paul Bryan
Executive Director



Jan Montague
Executive Director



Jill Gregg
Executive Director