

Keniston Housing Association

Strategic Plan 2016 - 2019

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Keniston Housing Association Strategic Plan 2016-2019

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Introduction from the Chair and Chief Executive

We are at a challenging and interesting point in our history. The changes introduced by the Conservative government in the summer of 2015 came as a shock to those of us in the sector, as for the first time we appear to be experiencing a government in opposition to our core business. This includes a requirement to reduce rent by 1% a year for four years. This will be achievable for the Association but it will undoubtedly curb our development aspirations.

Also the Association's Chief Executive of 30 years, Nevil Osborne, is retiring. The Board will be looking to recruit an able person whose values are aligned to ours, to face the external and internal challenges and to move the Association forward over the period of this plan.

Keniston Housing Association was formed in 1970 to provide affordable housing for people in need in London and the South East. Keniston provides accommodation to those who would otherwise have difficulty in securing a suitable home - particularly those on low incomes. We manage 727 rented homes and nearly 40 leasehold properties in seven local authorities; half of the housing stock is on one estate in the London Borough of Bromley. We have a proud history of delivering excellent customer service and our last tenant satisfaction survey in 2015 tells us that 95% of our tenants are satisfied with our services.

Our mission

Recognising our geographical location, our mission is to provide homes to those in housing need and to deliver high quality and innovative services to our tenants and leaseholders. We are pleased to present our new strategic plan for 2016-19 and we are excited by the opportunities we face and determined to meet the challenges ahead. We are motivated by our commitment to meeting the following three key aims:

- 1 Maintain very high resident satisfaction
- 2 Provide more homes for people who need them
- 3 Support communities and enable opportunities for individuals

We recognise that in achieving this there will be other important contributing strands of work; particularly our commitment to growing our stock so that we can provide more homes for people in housing need. We want our housing services to be an exemplar and are committed to developing and sharing good practice. We are genuinely excited about taking Keniston forward over the next three years, we have a committed and engaged Board and highly professional and enthusiastic staff who strive to deliver the best service to residents. We hope you are as enthused as we are about our plans for the next three years.

Julian Miles, Chair

Nevil Osborne, Chief Executive

1 About Keniston

Purpose

The purpose of Keniston is to meet housing need by providing good quality well managed affordable homes. We will deliver the services tenants want through exceptional and innovative customer service and by listening to feedback from residents.

Values

Respect: we will be courteous and considerate, treat everyone as individuals and value diversity.

Openness: we will listen, be accessible and communicate clearly.

Accountability: we will take responsibility for our actions and decisions.

Honesty: we will say what we mean, accept our mistakes and learn from them.

Excellence: we take pride in what we do and go beyond what is expected.

Properties

Nearly all 727 of Keniston's properties have been purpose built between 1970 and 1984. They are in Bromley, Bexley, Islington, Crawley (West Sussex), Southwark, Croydon, Lambeth. The largest estate comprises 369 homes and the office is in Farnborough, Kent (within the London Borough of Bromley). Over 130 homes at four locations are for the elderly with onsite and remote support, known as sheltered housing.

Almost 40 properties are sold on long leases.

Tenants

Most tenants are referred by local authorities from their choice based lettings schemes. We have made relationships with two organisations that depend on accessing permanent tenancies to enable their existing tenants to move in to independent accommodation.

New tenants are given starter tenancies and, providing the tenancy is conducted satisfactorily, this converts to an assured tenancy after a year. Some tenants whose tenancies started before 1990 remain on secure tenancies.

Involving residents

Central to the way we deliver our services is working with and listening to our residents. We look for ways of enabling residents to not only have an input into the way we do things, but also the opportunity to challenge and scrutinise our work. This is primarily through face to face contact, meetings and surveys.

Rents

All of Keniston's rents are below market value to reflect the needs of the low income client groups that we serve. Rents are calculated with reference to a government formula for social housing lettings called rent restructuring. From April 2016 the government has determined that rents are to decrease by 1% a year for four years until 2020. See also below Section 2.

Governing body

The members of Keniston's Board give their time without pay to oversee, guide and review the

Association's work. At 31 March 2016, there was one resident member of the Board. We are keen that there should be more. The Board thinks it is important to hear directly from tenants.

Risk

We are managing risk so that within the context of a regulated social housing landlord, the business can be developed. We take a sensible and measured approach, taking risks where we have assessed the implications, mitigating those risks where possible and where doing so furthers our objectives.

Asset management

There is an active programme of reinvestment in the homes we own through planned maintenance, to keep them in good condition. This includes items such as new kitchens, bathrooms, windows, roofs etc. This programme has cost on average about £1.15 million each year which is almost one quarter of our rental income. The programme is based on detailed information we hold about each property. The data on each property is projected forwards thirty years to tell us what we need to do to keep our homes in good condition and how much this will cost. This is complemented by our responsive repairs service which recognises our ongoing commitment to maintain the value of our property assets and our service to tenants.

Regulation

The Homes and Communities Agency is the regulator for social housing. It has issued a set of regulatory standards which the Association must comply with. These cover governance, viability, value for money, rent, tenant involvement and empowerment, home and tenancy and neighbourhood and community standards. The Association is required to report on any areas of non-compliance with these standards and also with our adopted Code of Governance. The Association is also registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (previously known as an Industrial and Provident Society).

Equality and diversity

Keniston is committed to the fair treatment of and respect for everyone in the provision of services and in employment. The Association aims for its tenants, staff and Board to reflect the communities in which Keniston works. A staff working group has been set up to develop this area of work.

2 External factors

In the summer of 2015, housing associations faced unprecedented change as the government announced measures that significantly impact on our work and ability to deliver the services and new homes to those who need low cost rented housing.

Rents

Without warning, and contrary to an undertaking made in 2014, the government announced a complete reversal of rent policy for housing associations. In 2014 there had been a commitment by government for rents to rise by the Consumer Price Index plus 1% a year for ten years. In 2015 the government reversed this and said that from 2016 associations must reduce their rents by 1% a year for four years. This considerably impacts our finances but we have projected that we can continue to deliver the same level of services; however this significant cut in income will reduce our ability to provide new homes at social rents to people who need them.

Voluntary Right to Buy

The Government pursued its manifesto commitment to extend the Right to Buy to all housing association tenants, thus requiring them to sell their homes at a discount of up to £103,600 in London (£77,900 out of London). The representative body for housing associations, the National Housing Federation, negotiated that this should be a voluntary arrangement. The legislation going through parliament at the time of writing will enable this voluntary approach. There are indications that the implementation will be phased in.

Associations are expected to replace each home sold through the Voluntary Right to Buy with a new home; also there are some situations where a sale can be declined and the tenant can use their discount to purchase a newly built home elsewhere. We have looked at the impact of various scenarios where our homes may be sold; although in theory we may be able to replace them, we are concerned that if too many low value homes are sold they will not provide sufficient income to enable us to achieve full “one for one” replacement. Whilst we are working with experienced development partners, we are also concerned that our relative inexperience in development will make replacing homes for this scheme challenging.

Pay to Stay

The government also announced the development of an earlier initiative called “Pay to Stay”. This proposal was that from April 2017 housing association and council tenants whose household income is more than £40,000 in London (£30,000 out of London) would be required to pay a higher rent, up to market value. More recently the government has agreed that this can be a voluntary arrangement for housing associations. We will review our approach to this once a mechanism is put in place to establish household income.

Lifetime tenancies

Finally the government has decided that new social housing tenants will no longer be offered a tenancy which does not have an end date. All new tenancies are to be time limited although at the time of writing, the detail of this is yet to be decided.

We are concerned about these changes. Our view is that they will all serve to reduce the contribution that housing associations make - meeting demand for secure low cost housing from people who are least able to make their voices heard. We believe the measures also have the potential to undermine the stability of the communities we are trying to support.

Other external factors include:

Competition

Keniston operates in areas that are served by other registered social landlords including some extremely large housing associations. The Association does not have to compete for its clients in the conventional sense: those in housing need are mostly referred from Choice Based Lettings schemes operated by local authorities. Applicants on Choice Based Lettings schemes have to “bid” for properties when they become vacant. Keniston’s properties are in demand and a key part of our Strategic Plan is to find creative ways to meet this demand going into the future.

We face challenges over this as, where we are seeking to develop new homes, Keniston is in competition with private developers and other social housing providers. In the event that a third party housing association wishes to dispose of some of its housing, there is competition, usually strong, amongst housing associations who wish to bid for such properties.

Our plans for growth

In May 2014 we completed a development in Islington comprising fourteen homes. A development strategy is in place which sets out our aspirations to provide more homes for those who need them in the areas of London and the south east that we already work in. We are keen to make more use of our capacity to do this whilst maintaining our commitment to deliver excellent services which our tenants are satisfied with.

Keniston has a retained development agent and a relationship with the development business of a large housing association to help us provide more homes. Both assist in site finding, design, planning permission, negotiation, financial appraisal and bidding for grant. However our experience over the last two years is that, even with the assistance of these agents, it is very challenging for associations with little development experience to compete for smaller development opportunities on the open market.

Our long term financial projections indicate we can continue to develop at a modest rate despite some significant financial commitments for upgrading some of our existing properties. We project that the number of properties we can develop is reduced by the reductions in rental income that has been imposed on us by the government.

Our vision for working with others

We recognise the role and diversity that many small housing associations bring to the world of social housing and, like Keniston, most value their independence. Keniston has not identified any financial need to merge with another organisation. However, we are keen to hear from any organisation which is considering its future as an independent organisation or which has decided work with a supportive or stronger partner association such as Keniston. We would also be interested to hear from potential partners who may be able to bring expertise and experience to help us meet our strategic aim of providing more homes and who will benefit from our expertise in delivering excellent services to residents.

Where we identify that our tenants have needs which we are unable to support we seek out partner organisations to which we can signpost our tenants.

We are keen to learn from others and to find and develop opportunities to work with other organisations in any area of mutual benefit. To this end Keniston takes part in various

benchmarking and peer support groups.

Financial independence

Despite the prospect of four years of reductions in rent, the Association considers its finances will remain strong with healthy reserves and the capacity to borrow when needed. Our projections suggest that we can remain financially independent in a range of scenarios.

3 Challenges we face

Welfare Benefit Reform

As part of its austerity measures the last government introduced a number of reforms to benefits which mean many tenants are experiencing cuts in income or additional costs to cope with. These include the spare room subsidy (“the bedroom tax”), benefit caps, reduced entitlement to council tax benefit and restrictions in Local Authority Housing Allowance. The transition from current benefits to Universal Credit will result in tenants being without income for up to seven weeks; further, rent can no longer be paid direct to the landlord at a tenant’s request. It is clear that the outcome of all of these measures together for tenants on low incomes will be that money management will become increasingly difficult. Our staff are working hard with our residents to explain the implication of these changes, supporting them in their budgeting challenges and facilitating moves to smaller properties where this is appropriate and possible. We are doing this now and will develop out expertise in supporting residents while Universal Credit continues to be phased in. However, we recognise that these measures - and further changes that may come – present serious challenges to our ability to collect rents and keep our rent arrears at manageable levels.

Supporting People

This is the name given to the charges (we make) and income (from local authorities) relating to the support given to people in specialist housing. For Keniston this relates to the funding of some services at Keniston’s sheltered housing schemes. With public spending cuts the supporting people funding that Keniston has received is being substantially reduced. From April 2016 two local authorities will have completely cut this funding and there is evident dwindling eligibility in the third authority where we have sheltered housing. We have consulted with the residents of these properties and have committed to continuing to retain Sheltered Scheme Managers and to subsidise the cost of a revised service.

Decent Homes Standard

The Government expects all housing association properties to meet the “Decent Homes Standard”. All Keniston’s homes meet this standard except four street properties which are awaiting refurbishment to bring them up to the standard. Our bathroom renewal programme will be complete by March 2017. This includes converting all the bathrooms in our sheltered housing to shower rooms with low level access showers which will make them suitable for most tenants going into the future.

Economic environment

The country is still in a period of fiscal austerity and is likely to remain so over the next four years. At the start of 2016 the Chancellor of the Exchequer warned that during 2016 the country may face risks from further economic turbulence. The direct impact on Keniston is that inflation and investment returns are low and our strategic local authority partners continue to bear a significant part of government cuts which reduces their ability to work with us.

Political environment

We are mindful that until 2015 housing associations have enjoyed the support of government as partners in delivering key parts of their commitments. This includes providing affordable homes for people on low incomes and thereby contributing significantly to the national housebuilding programme; achieving regeneration on a range of estates including those which have difficult anti-social behaviour, unemployment and crime problems; apprenticeship programmes; providing stable communities and thereby adding significant social value by reducing impacts on public and health services. The present government’s announcements in

the summer of 2015 suggest that this support may be changing. The National Housing Federation has been working hard to keep dialogue open with the government and to support its plans for developing solutions to help a wide range of people into home ownership. This emphasis on home ownership appears increasingly to be at the expense of the provision of additional low cost social rented accommodation, which is Keniston's core business.

4 Our plan

Our three key priorities for this plan are to:

- improve resident satisfaction
- provide more homes for people who need them
- support communities and enable opportunities for individuals

Improve resident satisfaction

Following very good levels of satisfaction recorded in the survey carried out in 2015 we will use information provided by the survey to steer us to areas where we can improve.

By the end of March 2017 we aim to improve satisfaction with:

- estate cleaning and gardening
- our performance in delivering an excellent day to day repairs service for residents
- repairs completed in one visit
- the way we respond to complaints of anti-social behaviour
- our planned maintenance programme of upgrading building components.

In 2017 to 2019 we will:

- ensure our business model of treating people as individuals and providing one to one personalised contact is maintained when opportunities for growth are considered and developed.

Provide more homes

We aspire to increase the number of properties we own or manage. This is a core part of our objectives and contributes to income generation.

By the end of March 2017 we aim to:

- start building six new flats at Perryfield House
- plan the provision of additional units at Hornsey Road
- work with development partners to seek opportunities to build or acquire new homes
- purchase leasehold properties within our existing developments where the opportunity has arisen
- programme the supply of new homes to replace Right to Buy sales within the time limit
- evaluate and, where appropriate, respond to opportunities to bid for acquisition or management of other social housing stock
- investigate whether shared ownership is a viable development strategy to support our core aspiration to provide more affordable rented homes
- establish our financial capacity for development.

In the years 2017 to 2019 we aim to:

- start to build a house on our site at Burnhill House
- review our existing sites for potential for further development
- maintain our focus on providing more homes at social rents
- review our whether our policy for housing people should be broadened to different levels of housing need within the context of our charitable status, government policy and development funding conditions

- consider partnerships with other housing associations and other organisations to see what further opportunities to provide new homes can be achieved
- review how effective we have been at replacing units sold through the Voluntary Right to Buy programme against the requirement for a one for one replacement
- consider alternative ways of generating income, including market renting, to cross subsidise future development.

Support communities and enable opportunities for individuals

We think that involving tenants in decisions about key issues at Keniston helps to develop our services while building individuals' capacity and strengthening the communities those individuals are part of. Stable communities give people a sense of belonging and security which adds value to the work we do by taking pressure off public services. Residents' capacity is also built through wider training opportunities and engagement opportunities. For these reasons, and because we think listening to residents is important for developing our service, resident involvement and engagement will continue to be a key component of the work we do at Keniston.

By the end of March 2017 we aim to:

- further develop our work in supporting tenant engagement groups to review and challenge our service and performance
- enable access to or provide training for residents to increase confidence, life skills and work readiness
- review the partners which provide independent advice to benefit our residents and where there are gaps, identify others
- create opportunities for wider engagement including through social media.

In the years 2017 to 2019 we aim to:

- find ways of supporting staff in identifying opportunities that may be advantageous to tenants or the organisation
- investigate ways of helping tenants avoid fuel poverty
- review our working practices to see if more can be done to free up time for staff to provide more face to face contact with tenants
- review what support our vulnerable tenants need to sustain their tenancies and how best we can respond to those needs or connect with other services that do so.

Other areas of work which are important in supporting our key priorities are:

Tenancy management

Our emphasis in tenancy management is about enabling tenants to manage independently, expecting them to fulfil their obligations and ensuring that we also fulfil ours.

By the end of March 2017 we aim to:

- reduce the negative financial impact of welfare reform on individual tenants by providing tailored information to tenants, budgeting advice, initiatives to avoid debt and money saving advice; we will also emphasise that payment of rent is a priority, encourage payment of rent in advance and other initiatives we can offer to help tenants stay in control of their financial affairs

- make available opportunities to enable tenants to access back to work opportunities;
- enable existing residents to move to smaller properties at lower rents where they are affected by the "bedroom tax"
- review, with a view to further streamlining, our approach to preparing and re-letting empty properties.

In the years 2017 to 2019 we aim to:

- devise a strategy for meeting the needs of an ageing population and the usefulness of assistive technology
- develop our communications strategy.

Governance

A new Regulatory Code was introduced in April 2015. The Regulator is maintaining its emphasis on Value for Money and on self-assessment of compliance with the regulatory standards. It is also expecting full compliance with the adopted Code of Governance.

In 2016/17 we will:

- develop the capacity of the Board through recruitment, training and development;
- develop a merger strategy
- review alternative constitutional arrangements for the best way to take Keniston forward
- recruit an apprentice Board member.

Efficiency and cost savings

With the government's imposed reduction in rents for housing associations pressure will be put on Keniston to provide the same service at less cost. We think there may be opportunities for adding value but we also need to reduce cost.

In 2016/17 we will:

- look for ways to share services or collaborate with other organisations where these will achieve efficiencies or cost savings
- carry out service reviews for income collection, money advice, void procedures, allocations and lettings and gas servicing
- achieve cost savings to mitigate, as far as possible, the negative impact of rent reductions on providing new homes
- establish better ways of comparing costs in similar organisations.

In the years 2017 to 2019 we aim to:

- develop our financial planning model to include changes to accounting standards, to test resilience and to maximise development
- review the way we produce tenants' newsletters
- retender the outsourced internal audit service
- identify additional ways of savings costs.

Property services

Much of our work is about managing the property assets that we own. We want to do this well and in a professional way so that our homes remain lettable and tenants continue to want to

live in them with Keniston as their landlord.

In 2016/17 we will:

- deliver affordable warmth to difficult to heat homes by the installation of gas central heating at our Merrow Street scheme
- ensure there is full compliance with the management of asbestos regulations
- evaluate the void schedule of rates which was implemented in 2015.

Digital inclusion

At the same time as a largely younger section of the population is becoming very used to accessing goods, services and information on the internet the government has committed to delivering more and more of its services in this way. We know that not all our tenants find this easy and some do not have easy access to web based services.

By the end of March 2017 we aim to:

- provide targeted help to tenants who need to access information or services on the internet
- provide training to help tenants become more equipped to use digital technology
- enable tenants and leaseholders to access their rent account and repairs on the internet.

Achieve high levels of performance

We are proud of our ability to achieve high levels of performance when compared to other London housing associations. Although we realise that we have work to do, we aspire to be amongst the best social landlords across all areas of work and will use performance benchmarking information to challenge our performance.

In the year to the end of March 2017 we will continue to stretch our performance by setting targets at top quartile.

Reputation

Whilst being realistic about the challenges we face, we want to promote the high level of service that we are able to achieve.

By the end of March 2017 we aim to:

- develop relationships with politicians, local authorities and funding partners
- use our updated website and other ways to promote what we are doing
- get involved in National Housing Federation and similar groups to maintain and enhance the presence and reputation of the Association in the social housing sector.

Environmental sustainability

Our aim is to act responsibly in relation to our impact on the environment. Investing in this area at a time of reducing rental income will be challenging.

By the end of March 2017 we aim to:

- incorporate thermal improvements, fuel efficient fixtures and any other fuel saving measures when carrying out planned maintenance works

- review the business case for additional solar photo voltaic installations
- provide energy saving advice to residents
- explore funding opportunities for pilot projects using renewable and energy saving technology.

Training

In order to equip staff to undertake the above, we will review the training that staff need to deliver and effective service.

In the year to the end of March 2017 the following training will be provided:

- universal credit
- health and safety – working at heights, driver awareness, asbestos management
- mental health awareness.

We will also investigate if we can provide an apprenticeship opportunity.

5 Performance targets

Keniston aims for a very high level of resident satisfaction; it also aims to be as good as the best 25% in other areas of performance and will publish comparison information where available.

Performance area	Actual at 31 January 2016	Target for 2015/16	Target for 2016/2017 (to be added when end of year u/q figures available)
Housing Management			
Percentage rent arrears (current tenants)	2.7%	2.32% (uq)	
Average number of weeks in arrears (for tenants who are in arrears)	3.6	3.0	
Average void period (days)	22	24.9 (uq)	
Rent losses from voids and bad debts	0.2%	0.6% (uq)	
Repairs			
Emergency repairs on time	98.9%	100% (uq)	
Urgent repairs on time	96.7%	98.5% (uq)	
Routine repairs on time	96.2%	97.4% (uq)	
Day to day repairs on time	96.6%	96.7% (uq)	
All repairs completed on time	96.5%	98%	
Average end to end time for a repair (days)	6.9	7.4 (uq)	
Percentage of properties completed at 1 st visit	89.6%	94.5% (uq)	
Post inspections carried out	23%	15%	
Post repair telephone follow up	20%	10%	
Satisfaction from Tenant Satisfaction Surveys	94.6%	96%	
Environmental Health Orders issued on properties	0	<3	
Stock re-investment programme completed during the year	12%	100%	
Satisfaction with the stock reinvestment programme (out of 10)	9.2	9.0	
Cyclical works contracts completed during the year	43%	100%	

Performance area	Actual at 31 January 2016	Target for 2015/16	Target for 2016/2017 (to be added when end of year u/q figures available)
No. of properties with a gas safety certificate	100%	100% (uq)	
General			
Complaints	4	<14	
Race Equality comparators			
BME as a proportion all:			
Lettings	41.7%	31.4%	
All tenants		31.4%	
Staff		31.4%	
Board	30%	31.4%	
Finance			
Income and expenditure	Yes	Op. surplus within budget	
Loan covenants to be met	Compliant	Full compliance	

The target for BME performance is a weighted average of the census figures for the areas where Keniston has properties in.