

Govan Housing Group Corporate Strategy 2023-2028

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Introduction

Welcome to our Corporate Strategy for Govan Housing Group, setting out our strategic direction for the next 5 years. The strategy is published at a pivotal moment in our growth as we introduce a new subsidiary into our Group.

Govan Housing Group is an ambitious group of organisations. The Association itself possesses a rich history and one of development and innovation. Founded in 1971, the Association was the first community based housing provider, leading the way for social housing provision in Scotland. After 50 years of operating in the housing sector, the Association now manages approximately 1,600 socially rented properties and over 650 factored properties as well as taking an active role in the regeneration of the area and continuing to improve the quality of life of residents.

We are serious about turning our vision into reality and delivering excellent quality affordable homes and services that make a positive impact on people and communities. This strategy signals the future direction of The Govan Housing Group, one that is genuine about customer service, is committed to ensuring that tenants get the best possible deal and the highest quality products and services. Importantly we put our tenants central to everything that do. Underpinning all of this is we continue to ensure the Group is strong and viable and able to deliver the innovative and ambitious plans we have.

This strategy was developed from a series of workshops and discussions with governing body members, staff, tenants, owners and external stakeholders.

It also was underpinned by a strategic option appraisal carried out in March 2023 which undertook a high level assessment of Govan Housing Association's governance and performance and tested the viability of the current financial plan. Following an appraisal of potential strategic options, the Board concluded that there were no compelling reasons for Govan Housing Association to consider an alternative constitutional structure and that the committee were confident that it had the resilience, resources and ability to continue to serve the interests of their tenants and the Greater Govan community well.

This strategy is supported by a 30 year financial plan and a Strategic Delivery Plan for each organisation in the Group.

This is a really exciting and interesting time for Govan Housing Group as we continue to develop and improve the way we deliver and operate our services. Our ambitions are to continue to grow and strengthen this as we look to take advantage of the opportunities that the local community has to offer.

About Us

We are a high-performing and ambitious housing group with a strong set of shared values at our core. We have a 50+ years' track record of growth and innovation.

Our parent organisation, **Govan Housing Association**, is a registered social landlord and was founded in 1971 under the name of Central Govan Housing Association. As one of the oldest housing associations in Scotland, we were the first to pioneer a community-based model. Governed by a skilled and committed Board, elected by our members, we continue to this day to serve residents across Greater Govan.



Govan Housing Association Group was created in 2017 with the establishment of our first subsidiary - **Govan Home Team**. Set up as a community interest company, with its own governing body, its profits are reinvested through the Housing Association. Founded on the earlier success of the Association's in-house trades team, it employs a skilled and experienced team committed to delivering a high quality service. The subsidiary provides a range of essential repairs, maintenance and environmental services to Govan Housing Association and, from 2024, the Water Row Company – the second subsidiary in our Group.

Water Row Company will be incorporated as a company limited by shares in 2023, with its own governing body and reinvesting any profits through the Housing Association. Created in response to the Housing Association's decision to develop mid-market rent properties, it will manage 92 new homes aimed at working households on modest incomes looking to access high-quality, affordable, rented accommodation. Located on a strategically and historically important site at Water Row, on the Clyde, the new company will take on the management of all the Group's commercial and non-core properties and services. This includes mid-market rent, factoring, commercial and residential leasing and our award-winning money advice service.

This year sees us grow into a group of three organisations which together:

- serves the needs of a highly diverse and growing local community;

- provides a wide range of housing and housing-related services;
- owns and manages over 2,000 properties in the Greater Govan area;
- delivers innovative and award-winning new homes;
- employs 84 hard-working and dedicated staff;
- demonstrates effective partnership working locally and nationally;
- actively supports the ongoing development and regeneration of the local area; and
- is overseen by Govan Housing Association's skilled and committed Board, governed with a clear set of procedures and controls.

This new Corporate Strategy sits firmly within this context.

Operating Context

In setting the scene for our new Corporate Strategy, we acknowledge the external factors which have influenced our approach. These include:

Demographic Trends

Since the mid-2000s, Glasgow has been growing. The population is now younger and more diverse than the national average. It is also the city with the highest concentration of people living in deprived circumstances. All of this puts immense pressure on the private and social rented housing sector. Anticipating and preparing for future needs will be critical to the City's ongoing success.

Economic Uncertainty

With inflation currently at 10%, and interest rates at 4%, economic uncertainty is expected to continue for the next 12-18 months. 38% of Scottish businesses report worker shortages, recent pay rises are failing to keep pace with inflation, and the cost of living continues to worsen. All of this places our customers, our partners and ourselves under some considerable financial pressure.

Climate Change

As a society, we are all becoming more aware of the scale of the challenge to achieve Scotland's ambitious carbon reduction targets. Like other businesses, we are turning our attention on mitigation, adaptation, finance and collaboration. But as custodians of some pre-1919 tenements recognised as a key part of Govan's heritage, retrofitting viable measures will be especially challenging.

Changing Aspirations

Around 40% of our tenants are under 35 years old. We know that each generation brings new expectations and aspirations. We know that Covid too has had an impact on our community's needs and expectations. Research and feedback, e.g. housing register data and customer surveys, helps us to plan how best to respond to these changes.

Housing Policy

Nationally, *Housing to 2040* sets out a clear vision with a commitment from Scottish Government to deliver 110,000 affordable homes by 2032. Locally, Glasgow City Council's housing strategy prioritises delivering more homes, reducing carbon emissions, improving housing conditions and supporting people to live independently and improving access and affordability.

Political Pressures

As part of Government response to Covid and then the cost-of-living crisis, we have seen significant Government intervention such as private sector rent freezes and eviction bans designed to offer enhanced tenant protection. With political leadership changes in Scotland and the UK, and with general/national elections due in 2025/26, predicting future political priorities is difficult.

Local Infrastructure

The 4th National Planning Framework (NPF4) sets out a vision for what Scotland could and should look like in 2045. It promotes 20 minute neighbourhoods and the 'Place Principle'. This, together with current investment in the local infrastructure, such as the new bridge over the Clyde, offers new and exciting opportunities for Govan and its community.

Digitisation

We live in a world where we expect to access services via the internet – from shopping to streaming to studying. Artificial Intelligence is now embedded in many of our daily processes such as banking and recruitment. Meeting the digital expectations of current and future customers provides both challenges and opportunities.

Post Pandemic

This country has shown how necessity can be the mother of invention. Recent health and economic crises have offered opportunities for new ways of working, how organisations and communities can produce rapid responses, how services can be reshaped, and the benefits of a sharper focus on the health and wellbeing of our customers and employees. Managing the impact of the pandemic and the cost-of-living crisis is likely to be a key feature of our work in the coming years.

Our Vision

Moving Govan Forward

At the heart of this strategy is our enduring commitment to the local area and community. It is this commitment to place and people that motivates us to be the best we can. We continue to reflect this in our long-term vision and purpose statements, deliberately focusing these on the positive impact we want to make.

Our Purpose

*To preserve the history and pride of Govan
and guarantee its future
by enhancing aspirations and improving lives.*

We are proud to work in such a vibrant area of the City and share an appreciation of its rich history and archaeological and industrial heritage. Our purpose serves to remind us and others of why we do what we do. This is more important than ever as we expand our Group structure and introduce new services. How we will deliver on our purpose is set out in our values, ambitions and strategic priorities.

Our Values

Considerate

We offer understanding, respect and kindness.

Accountable

We understand our role and accept responsibility for our actions.

Results-focused

We agree clear performance standards and aim for success.

Enterprising

We use our initiative and are innovative and resourceful.

Our 'CARE' values drive our behaviours, approach and decisions. They help to ensure a consistent and seamless experience for our customers, staff and partners irrespective of their point of contact with us.

Our Ambitions

Sitting under our long-term vision and purpose, are our eight specific ambitions for the next 5 years. Between them, they describe where we want to be by 2028.

By 2028, we will have achieved the following:

1. Our new **Group structure will be fully embedded** and functioning well together. Each organisation will understand its role and responsibilities within the Group and its accountability to Govan Housing Association as parent of the Group. Each will have a separate identity and operate from its own premises. With the new subsidiary, we will have welcomed additional Board members with specialist skills into the Group. Our Group will be well governed and known and trusted by our customers, partner organisations and the local community.
2. We will have **expanded our service offer** with the introduction of mid-market properties at Water Row. With these, we will have set a new standard for the local private rented sector, met the housing needs of working households on modest incomes, and helped to regenerate a strategically and historically important site on the Clyde.
3. We will have **enhanced our performance**. We will have delivered demonstrable improvements across our key measures of service and financial performance. We will be performing well when compared to our peers. Each organisation in the Group will continue to be financially viable and the two subsidiaries will have started to gift aid profit to Govan Housing Association to reinvest in local services.
4. Our customers will be benefitting from an **improved customer experience**. We will have updated our understanding of customers' needs and expectations and will be offering a more personalised service. Customer feedback will have helped us to improve our services and approach. Customer satisfaction will have improved as a result.
5. Our **homes will be high-quality**, affordable, warm and safe. We will have significantly increased the number of homes we own and manage, primarily through the 92 new mid-market rent properties due to be completed in 2023. We will have a robust and integrated asset management strategy underpinned by comprehensive and up-to-date stock condition data. We will have developed a clear plan to work towards achieving enhanced energy efficiency (EESSH2) and net zero.
6. We will have fully **adopted a digital first approach**. We will have reduced the customer effort to book appointments, access and track services and provide feedback. We will be responding to queries quickly and comprehensively. Through our web-based housing and finance systems,

our staff will have access to smart and integrated management and reporting tools. We will have access to real-time data.

7. We will continue to be **recognised as a great employer**. Our staff will feel valued, supported and empowered to deliver high-quality customer services. We will have widened our skills base and adopted a multi-skill approach to improve capacity, agility, and career progression. As our performance has improved, so has job satisfaction.
8. Our strengthened Group will create a strong platform to **grow our business further** and widen our impact. We will have considered various options to expand and many of these opportunities will be innovative and involve partnership working. We will be reaching the stage where we are ready to implement the most advantageous of these proposals.

Our Strategic Objectives

To ensure we achieve our 5-year ambitions, we have sharpened our strategic objectives. Together, these five themes provide a focus for our decisions and activities.

Customers: Create a positive customer experience.
Services: Deliver excellent services and maximum value.
Homes: Provide high-quality, affordable and well-maintained properties.
Partnership: Develop effective and innovative partnerships
Leadership: Ensure strong governance, performance, and financial control.

CUSTOMERS: Create a positive customer experience.

Over the next 5 years we will continue to smooth and simplify the journey our customers go through when they engage with us and access the services we offer. As we expand our group structure in 2023 to having three separate organisations working together to deliver services, sometimes to the same customers, we are more determined than ever that customers receive a consistently high quality and seamless service from us. We will seek feedback and input from our customers, set clear standards and expectations for our staff, make the most of digital technologies, and embed our values and customer-orientated approaches.

SERVICES: Deliver excellent services and maximum value.

We are committed to ensuring that the services we deliver meet the needs and aspirations of our customers; deliver on the high standards set by Government, the Scottish Housing Regulator and others; and offer value for money to our customers and wider society. We appreciate in the current climate that we cannot afford to be complacent and will continue to strive to improve on previous performance despite the many challenges. We have identified areas where we believe we can improve our performance and deliver better value and we have clear plans in place to address these.

HOMES: Invest in high-quality, affordable and well-maintained homes.

We perform well above the national average when it comes to the number of our tenants satisfied with the quality of our home. However, we do not perform so well when it comes to tenants' satisfaction with the quality of our repairs. We know we have work to do here. We have some very significant challenges in meeting modern energy efficiency standards and net zero targets because of the nature of many of our properties (e.g. pre-1919 tenements). We will continue to explore innovative solutions. Due to the increasing housing need in our local area, we will also continue to explore opportunities to build, purchase or lease good quality homes to add to our existing portfolio.

PARTNERSHIP: Develop effective and innovative partnerships

The Greater Govan area benefits from a large network of public and community organisations working to benefit the local area and its people. We have a successful track record of partnership with many of these. One of the best well-known is our GEL partnership, formed with Elderpark and Linthouse housing associations. Over the next 5 years we will seek to strengthen our existing partnerships while also assessing opportunities for new partnerships. For example, we hope to expand the commercial and non-core activities of our new subsidiary, the Water Row Company, which could include offering services to other social landlords.

LEADERSHIP: Ensure strong governance, performance, and financial control.

Directing, overseeing and safeguarding our Group requires effective leadership. The responsibility for this ultimately rests with Govan Housing Association's Board with prescribed elements discharged to four sub-committees, the Boards of the two subsidiaries, and the Group CEO. Over the next 5 years we will maintain our strong focus on governance, performance, risk, financial control, and assurance. We will embed our new subsidiary into these frameworks and seek to refine and improve our approach where possible. We will remain vigilant to changes in our operating environment and continue to review and test our financial assumptions. We will also continue to support and encourage our talented workforce, equipping and empowering them to deliver on our ambitions. We remain committed to creating a healthy working environment where the wellbeing of staff and governing body members is taken seriously.

Delivering our Strategy

Our overall strategic direction for the next 5 years can be summarised in three phases:



Each organisation within the Group has set out how it will contribute to the successful delivery of this strategy in its own Strategic Delivery Plan. We have collated the high level strategic priorities for the Group and set these out in the table below. This will be used by Govan Housing Association's Board to assess how well we are meeting our Group's 5-year ambitions and strategic objectives.

5 year Ambitions (outcomes)	Aligned to Strategic Objectives	Priority Projects	Performance Indicator	Annual Targets For the next 5 years				
1. Embedded group structure	CUSTOMERS LEADERSHIP	Agree protocols, reporting, assurance & communication	Level of regulatory compliance	compliant	compliant	compliant	compliant	compliant
2. Expanded service offer	SERVICES HOMES PARTNERSHIP	Deliver 92 mid-market rent properties	% of MMR tenants satisfied with the WR Company as their landlord.	87%	87%	90%	90%	90%
3. Enhanced performance	CUSTOMERS SERVICES LEADERSHIP	Review and confirm performance expectations across the Group	Level of performance compared to peers.	Within 5% of national average	Within 5% of national average	Within 5% of national average	Within 5% of national average	Within 5% of national average
4. Improved customer experience	CUSTOMERS LEADERSHIP	Review our service standards and SLAs	% of tenants satisfied with us as a landlord	87%	87%	90%	90%	90%
			% of complaints upheld	0%	0%	0%	0%	0%
5. High-quality homes	CUSTOMERS HOMES PARTNERSHIP LEADERSHIP	Review and update asset management strategy in line with the Stock Condition Survey 2024.	% planned investment complete	85%	85%	85%	85%	85%
			% of homes meeting SHQS	82%	82%	83%	83%	83%
			% homes meeting EESSH 2 standard.	N/A	N/A	Awaiting guidance	Awaiting guidance	Awaiting guidance
6. Digital first approach fully adopted	CUSTOMERS SERVICES HOMES LEADERSHIP	Implement updated digital strategy	% of customers accessing services on line	15%	20%	25%	30%	35%
			% of digital survey returns	30%	35%	40%	45%	45%

7. <i>Recognised as a great employer</i>	PARTNERSHIP LEADERSHIP	Carry out staff surveys, training and development plans, exit interviews and appraisal outcomes	% Staff Turnover % happy with The Group as an employer	18% 85%	15% 85%	11% 85%	8% 90%	8% 90%
8. <i>Ready for further business growth</i>	SERVICES HOMES PARTNERSHIP	Implement action plans and strategies for future business growth.	% of Delivery Plans successfully delivered.	100%	100%	100%	100%	100%

Resourcing our Strategy

In delivering this Corporate Strategy, we will continue to develop and draw on our significant strengths and resources. We recognise these as the key enablers underpinning the delivery of this strategy and our future success.



Risk Management

Risk is defined as the uncertainty of outcome, whether positive opportunity or negative threat of action and events. By its nature, risk is not necessarily bad. We appreciate that risk has to be assessed in respect of the combination of likelihood of something happening and the impact that arises if it does happen. We do this through our Group Risk Management Strategy and Risk Register which we review on an annual basis, or when there is significant change in our operating environment. Currently, we are monitoring 27 risks.

We recognise our responsibilities to protect and safeguard the use and application of tenants' and public funds and take all reasonable measures to prevent, minimise and where possible mitigate the impact and likelihood of these risks from crystallising.

Our Group's Audit Sub-committee plays an important role here. Its remit includes considering the implications from the internal auditor's annual report, preparing the internal audit programme for the coming year, reviewing the annual assurance report and resulting statement, and managing the risk register.

Monitoring & Evaluation

Govan Housing Association's Board, as parent organisation in the Group, is responsible for ensuring not only that we have the right strategy in place, but more importantly, whether it is being delivered as intended and making a positive impact.

In support of this new Corporate Strategy, we intend to strengthen our performance management framework to improve how we assess and report on our strategic performance across the whole Group. This will be aligned with our Group Performance Management Strategy which sets out how we approach performance management, assurance and reporting across a range of indicators.

Our new approach will be centred around our 5-year ambitions and strategic objectives and focuses on outcomes (whether we are achieving the desired impact) rather than activities (whether we have completed a particular task). We know that this is not always easy to do, especially when it can take some time to see the impact of our activities. Nonetheless, we are committed to improving and refining our framework and approach over the next few years.

Each organisation in our group structure has developed its own Strategic Delivery Plan setting out how it intends to contribute to delivering our Group ambitions. The governing body of each organisation will use this to assess their success. Each organisation also has its own 5 year financial plan.