



## Corporate Plan 2016-19



“ To serve those in need of housing for whom the market is not producing a solution, within a manageable, cost effective area ”



# ■ About us

Cottsway is a social business providing affordable homes in West Oxfordshire, Gloucestershire, Wiltshire and Worcestershire. We own 4,500 homes, have a turnover of around £28 million, and an asset base worth £270 million.

Our Purpose is “To serve those in need of housing for whom the market is not producing a solution, within a manageable, cost effective area.”

Our Values are:

<b>Commitment &gt;</b>	We are here for the long term
<b>Honesty &gt;</b>	We are open and transparent about how we do business
<b>Opportunity &gt;</b>	We will do all we can to provide our customers with opportunities to enhance their lives
<b>Engagement &gt;</b>	We see Cottsway as a partnership between customers and staff
<b>Community &gt;</b>	We are part of and value the communities in which we work

This corporate plan sets out our ambitions for the next three years. We start 2016-17 with a very strong platform:

- We hold the highest ratings of Governance 1, Viability 1 from our regulator, the Homes and Communities Agency
- We have a strong A2 credit rating from our ratings agency, Moody's
- We have recently completed a private placement refinancing of £80 million, with a further £50 million available to draw over the next five years, with our global investment bank partner Macquarie Group
- We have recently put in place a £50 million revolving credit facility with our banking partner Lloyds Bank PLC
- We have revised our business plan following the July 2015 Budget announcements, and this has passed the Homes and Communities Agency's stability tests

So, we now want to use these strengths to grow and provide new homes, to be a provider of high quality cost effective services, and to be an outward looking organisation seeking new and mutually beneficial partnerships with others to help us, and them, to do more. We may invest in new, commercial ventures to generate additional resources for investment.

This plan will help ensure that our employees, customers and partners know what we want to do, and the role they can play in the delivery of our ambitions.

“ We start 2016-17 with a very strong platform ”

# ■ Our Operating Environment

The political and financial climate we operate in has significantly tightened over the last year, and we are adapting to these challenges to ensure we can fulfil our plans.

- Rents will fall in real terms for the next four years so we are actively managing our cost base to enable us to continue to grow
- The focus of grant available to build new homes has shifted to low cost home ownership rather than for homes to rent
- We are currently in a low inflation and low interest rate environment, with uncertainty as to the timing or direction of the next interest rate moves
- The housing market remains relatively strong in our operating area, with demand continuing to outstrip supply
- There have been significant changes to welfare benefits, and this is likely to continue
- The regulatory regime may well change again as measures are brought in to deregulate and move housing associations off the public balance sheet
- The extension of the Right to Buy to more of our customers may mean that we sell more homes





# ■ Our Strategic Objectives

We will focus our plan on four key priorities:

1. Our customers and their homes
2. Our people and the way that we work
3. Building new homes and focusing our activities
4. Financial strength and demonstrating value for money

“ Further develop our Cottsway repairs service, with enhanced mobile working ”



# ■ Our customers and their homes

Our aim is to be progressive in the way that we deliver services, achieve good levels of customer satisfaction and to maintain our homes as our key assets for the future. We plan to:

- Introduce an enhanced digital platform to enable our customers to use new online services and to communicate with us 24 hours a day
- Consult our customers, to establish their preferences and to help us scope focused services that deliver real value for money
- Further develop our Cottsway repairs service, with enhanced mobile working
- Mobilise our housing management staff so they spend more time 'in the field' working with customers
- Minimise negative impacts of further welfare reform for our customers and for ourselves
- Make progress against our Older Persons Strategy, and find innovative ways of continuing the redevelopment of our older sheltered housing schemes
- Deliver our Community Engagement Strategy to invest in community programmes designed to enhance our customers' skills and employment opportunities, and to maximise digital inclusion
- Seek partnership working with other agencies and organisations to provide support to our customers and therefore achieve better value for money
- Invest in our homes as our primary assets for the future, ensuring they are fit and proper places to live

“ Attract, develop  
and retain the best  
people ”



# ■ Our people and the way that they work

Over the last few years our culture has changed significantly, as has the way that we work. We recognise that success in all of our strategic objectives will depend on having motivated, skilled and well led people. We plan to:

- Attract, develop and retain the best people
- Run the business effectively through a skilled and knowledgeable Board, refreshed by new members from time to time who will ensure we have the skills we need
- Reinforce our 'We are Cottsway' behavioural framework to develop our staff and the way that they work
- Invest in further learning and development to ensure our managers manage effectively and our staff have great skills and competencies
- Develop our ICT strategy and invest in more mobile working solutions to provide more efficient front line working
- Improve our repairs service and enhance mobile working for our operatives in the field, to enable us to complete more jobs on time and at lower cost to increase customer satisfaction
- Ensure we have really effective communication mechanisms in the organisation, so staff are clear on priorities, know what success looks like, and understand decision making processes
- Continue to build a health and safety culture where staff are encouraged to develop better and safer ways of working, where health is safeguarded and wellbeing is promoted
- Further develop our flexible working and home working initiatives to maximise efficiency and to retain staff

“ Committed to providing affordable homes across a range of tenures ”



# ■ Building new homes and focusing our activities

The housing market in our area of operation is currently buoyant, with high and rising house prices, a small private rented sector, and a competitive land market. For many people on more modest incomes, the market offers no realistic housing solution. We are committed to providing affordable homes across a range of tenures, to help people who cannot buy outright or with the help of government schemes. We want to build the right homes in the right locations, and plan to:

- Invest at least £15 million per annum for each of the next three years in the delivery of new affordable homes, for rent and low cost home ownership
- Partner local authorities in our core area as the delivery agent for affordable homes on some of the large strategic sites
- Focus new development primarily within our core area, within one hour's travelling of our office
- Capture the views of people who move into our new homes, to inform our drive to continue improving the quality of them
- Dispose of higher value and unviable homes and reinvest receipts in the provision of more affordable homes
- Seek opportunities to swap our outlying homes with other housing associations that have homes in our area
- Explore opportunities to acquire homes from other housing associations, in the right location and at the right price
- Explore partnerships and joint ventures with landowners, developers, health authorities and other landlords to provide new and co-operative delivery solutions
- Invest in some private market rent properties to provide cross subsidy for our core affordable homes programme
- Consider opportunities to provide some homes for sale on our developments, to generate profits to invest in new affordable homes

“ Use our financial strength to build new homes ”



# ■ Financial strength and demonstrating value for money

Our strategic objectives are underpinned by remaining a financially robust business that works hard to deliver value for money. We plan to:-

- Maintain our Moody's A2 credit rating
- Maintain our Governance 1 Viability 1 rating from our regulator
- Regularly stress test our business plan to plan for a range of future scenarios
- Use our financial strength to build new homes
- Manage costs tightly and effectively, while ensuring we apply the resources necessary to drive the business forward and to grow
- Use our established risk management framework to identify and manage risk, and enhance this further
- Refine our high quality assets and liabilities registers, to inform our active management of assets and to help drive further value for money from them
- Use benchmarking information, including with businesses in other sectors where possible, to help focus improvements in the value for money of services provided
- Replace homes sold under the Right to Buy, on a more than one-for-one basis where possible



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Cottsway Housing Association is a registered society under the Co-operative and Community Benefit Societies Act 2014