

Refocusing our interim strategy



Our purpose is for our customers to settle at home, live well, and realise their potential.



Introduction

In April 2023, South Yorkshire Housing Association (SYHA) launched the organisation's interim strategy. The duration of the interim strategy was anticipated to be 12-18 months, and was developed using a 'strategy light' approach given it was to be an interim plan only. The process for developing it was input from the Board, Directors and the Leadership Team, and desk research drawing on previous stakeholder engagement and relevant regional and national policy/strategy documents.

Significantly for SYHA, the interim strategy was developed before our regulatory regrade. The regulatory regrade means some change to the things that SYHA needs to put its primary focus on, and so at the June 2023 Board it was agreed we would review and refocus our interim strategy to make sure it aligned with the action plan arising from our regrade (we call this our G3/V3 Recovery Plan) and our Business Plan.

The agreed review and refocus of the strategy was undertaken by Directors Team and signed off by Board in July 2023. The purpose of this document is to:

- Outline why we have refocused our interim strategy
- Provide an overview of the changes
- Provide clarity on our areas of focus for the next 12 months

Why have we reviewed the strategy?

There are several significant factors driving the review and refocus of our interim strategy. These are as follows:

- Our interim strategy was developed for the organisation prior to the regulatory regrade to G3/V3. The regulator has been clear that they expect to see much sharper alignment between the strategy and the business plan i.e. we must have a strategy that we can realistically resource and fund.

- We have a clear ambition to lead our organisation back to a G1/V2 grading and are implementing a comprehensive recovery plan to get us there. It is anticipated that our G3/V3 Recovery Plan will span 12-18 months as we implement and embed the required change. This will require SYHA's interim strategy to be heavily focused on Governance and Financial Viability against the Regulator of Social Housing standards. Governance and Building Resilience feature heavily in SYHA's interim strategy as two of the six strategic strands, but we need to ensure that the interim strategy focuses on, and resources the required significant delivery of, the G3/V3 Recovery Plan.
- We are commissioning a number of external reviews into some large areas of our business, including Development, Stock Condition, Health and Safety, and Maintenance. This will help us make good data-driven decisions on future spend and priorities in these areas. We need to refocus our interim strategy to make space for these reviews and any arising actions.
- We know from feedback from our people that an overly ambitious strategy creates pressure and has an impact on wellbeing. We heard in our wellbeing co-design sessions that people want more clarity of focus and a more staged approach to change initiatives. To layer the G3/V3 recovery plan and the work emerging from the set of organisational reviews on top of the interim strategy would compound the feeling that we are stretching too far.

What has changed?

This document provides a full overview of the refocused interim strategy. The following substantive changes have guided the refocus:

- The number of strategic strands has reduced from six to four: 1. Doing the basics brilliantly, 2. Building Resilience, 3. Governance, and 4. People. The two strands removed are: Reducing Carbon Footprint and New Homes & Services.
- The activity under each of the four strategic strands fully aligns with our Business Plan and the G3/V3 Recovery plan.

- The removal of the strand on New Homes and Services does not mean that we have stopped being committed to growth. We are still a developing association, and have several developments committed which we will continue to deliver. However, we are temporarily pausing new development while we focus on our G3/V3 activity. We will undertake an external review of development and asset management and a financial review which will guide our future. We remain committed to this area and increasing the supply of social housing.
- Sustainable growth in LiveWell remains a priority and we have a 12-18 month plan which will guide this work and ensure financial resilience. This will be complemented by a review of our LiveWell contracts to ensure that we are receiving all income. This is included in the Building Resilience strategy strand.
- Retrofit remains a priority for SYHA, as does meeting the 2030 EPC target for all our stock. Due to financial constraints, we have delayed the 10 retrofit pilots. We have committed to a full stock condition survey, and this will include updating all our EPC data. We have included retrofit in the Doing the basics brilliantly strategic strand.

Timeline for development of the next strategy

In 2024, we will develop the new and longer-term strategy for SYHA.

This will be a significant point for us in determining the priorities of the organisation as we move into the future. We are clear that it will be insight and data driven, informed by the learning from the organisational reviews. We have set our timescale to ensure that the development of a new strategy for SYHA will align with:

- The recruitment and induction of the new Chair and NEDs
- Timescales for delivering the G3/V3 Recovery Plan
- The process and timeline for the 2025 Business Plan
- Key pieces of work including new reviews being commissioned.

We have set the timescale for developing the future strategy for SYHA between February and August 2024 with a view to launching from September 2024. This would see this refocused interim strategy running until August 2024.

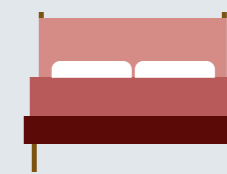
Theme 1

Doing the basics brilliantly

There has never been a more important time to do the basics brilliantly for our customers. High profile failures in our sector have rightly led to greater scrutiny in the quality of homes, services and general customer service. Despite our regrade, we have an solid reputation for the quality of our homes and services and it's a strength we must keep hold of. The focus of this strand is on a series of reviews of areas that underpin the quality of our homes - health and safety, maintenance, and stock condition. The data and learning from these reviews will help ensure we continue to do the basics brilliantly for our customers. We will also focus on taking a systematic approach to doing the basics brilliantly from the perspective of those who most matter: our customers. We will do this by embedding our Customer Service Standards throughout our organisation.



<p>Why? We want all customers to live in homes that are safe, they are proud of, are affordable and continue to meet the Decent Homes Standards.</p>	<p>Action Undertake 100% stock condition survey ensuring future investment decisions are based on contemporary data.</p>	<p>Target 100% of stock in scope will have been surveyed and outputs fed into the Business Plan. 100% of dwellings will have a current EPC certificate. 100% of SYHA homes will meet the Decent Homes Standard. The investment in our homes is programmed in a way that delivers the best possible VFM (Value for Money) through work programming and procurement activity.</p>
<p>Why? Progressing work for our homes to be a minimum of EPC band C by 2030.</p>	<p>Action Carry out investigative modelling to determine retrofit against primary archetypes.</p>	<p>Target Retrofit modelling data on 10 archetypes by April '24 that achieve the best possible VFM.</p>
<p>Why? We want to make sure that our repairs and maintenance services are delivered in a way that drives high customer satisfaction and delivers VFM.</p>	<p>Action Commission a full review of the SYHA maintenance and repair function.</p>	<p>Target By October '24 recommendations implemented. Quarterly performance reporting to Board.</p>
<p>Why? In our previous strategy, we collaborated with customers to understand the areas that really mattered. Using this insight we'll develop a consistent set of Customer Service Standards for SYHA.</p>	<p>Action Co-produce Customer Service Standards based on previous insight work. Utilise TSM (Tenants Satisfaction Measures) feedback to assess Service Standard performance.</p>	<p>Target By September '24 Customer Service Standards embedded across business. Quarterly performance reporting to Board.</p>
<p>Why? The safety of our customers and our workforce is our number one priority.</p>	<p>Action Commission full review of SYHA's approach to Health and Safety for customers and colleagues.</p>	<p>Target By September '23 SYHA Audit and Assurance Committee approve recommendations. By December '23 recommendations implemented. Quarterly performance reporting to Board.</p>



Theme 2

Building Resilience

The turbulent external environment combined with rising costs, our low financial resilience and regulatory regrade means that this strand is of business-critical importance. We all share the desire for SYHA to continue to thrive into the future. Over the next 12 months our focus will be on doing those things that build the financial resilience of the organisation for the long term. We will undertake a programme of work to ensure that we are making the very best financial decisions for the organisation.



<p>Why? Rental and service charge income underpins our work. We want to make sure that we are maximizing income to reinvest in our homes and services.</p>	<p>Action Undertake review of rent setting and service charge processes ensuring regulatory and contractual compliance where appropriate.</p>	<p>Target 100% of dwellings will have an accurate rent code compliant with the rent standard. We will have a comprehensive record of properties that fall outside the rent standard and where rent is set by DRC.</p>
<p>Why? We cannot cross subsidise loss making services.</p>	<p>Action Review all potential loss-making services and, where loss identified, determine options and future action.</p>	<p>Target 100% of services will have been reviewed and options reported to Directors Team. Our operating margins are in line with Business Plan. Our net cash flow will be in line with Business Plan.</p>
<p>Why? We will ensure that SYHA's Business Plan demonstrates adequate financial capacity in the short to medium term, to support financial performance and future covenant compliance.</p>	<p>Action Deliver our Business Plan through:</p> <ul style="list-style-type: none"> • Securing uncertain cash flows • Completing major property sales • Delivering financial improvements • Agreeing new finance with NatWest • Fixing variable interest rate (under 6%). 	<p>Target We will achieve our target surplus from property sales. We will have achieved our target £1.3m financial improvements by April '24.</p>
<p>Why? We will ensure that SYHA's mitigation strategies are able to deal with plausible stresses.</p>	<p>Action Develop an enhanced mitigation plan that aligns with the Business Plan and Interim Strategy. This will consider the outcomes of the Repairs and Maintenance, Rents and Service Charges and Development Reviews.</p>	<p>Target By June 24, Financial improvements identified and mitigation strategies enhanced.</p>
<p>Why? We will ensure that SYHA's IT and Data Plans support the Business Plan and G3/V3 Recovery Plan.</p>	<p>Action Review the IT and Business Change plan (23/24) in light of the 2023 Business Plan and G3/V3 Recovery Plan. Develop the data plan with a focus on data integrity and governance to drive data quality and compliance as outlined in the G3/V3 Recovery Plan.</p>	<p>Target Plans signed off by Directors Team. Quarterly reports to DT and annually to Board.</p>

Theme 3 Governance

We have a clear ambition to improve our regulatory grading and return to G1 status. We have made space in this revised strategy to ensure we have the capacity to deliver the G3/V3 Recovery Plan that will return us to G1. We want to make systematic and enduring change, making sure we resource governance appropriately and we set the right conditions for excellent decision making at every level in our organisation.



<p>Why? Drive great governance achieving compliance against the Regulatory code.</p>	<p>Action Successfully deliver the G3/V3 Recovery Plan. Commission external governance resource to provide governance structure/framework to support monitoring, reporting and compliance. Adequately resource and embed internally.</p>	<p>Target Secure V2 status – progress reported monthly to Board. Secure G2 status (with a clear ambition and plan for G1) – progress reported monthly to Board.</p>
<p>Why? Our Board will have the expertise and skills required.</p>	<p>Action Recruit a new Chair and three NEDs. Recruit to any identified skills gaps using the skills matrix. Revisit the Governance Review (DTP, Feb 2023) recommendations.</p>	<p>Target New Board members recruited. Assessment against skills matrix.</p>



Theme 4 People

We recognise that the day-to-day work of the people at SYHA is the biggest driver of the quality of everything we do. For this reason the people theme remains in the refocused strategy. The programme of work under this theme is designed to ensure our people have clarity on where the organisation is headed and how their work can directly contribute, because we know that this is essential in a time of change.



<p>Why? We want to drive clearer focus by ensuring everyone in the organisation has individual objectives back to departmental plans and the strategic plan.</p>	<p>Action Implement a refreshed approach to performance management. Design and launch the refreshed approach. Provide a suite of tools and learning materials for our managers so that the new approach is implemented consistently and systematically.</p>	<p>Target 100% completion rate by end of implementation. Each department has a department plan which aligns to the strategy. Each employee has a set of objectives which align to the department plan and the strategy.</p>
<p>Why? We work in a way which delivers great business performance and customer service, while also meeting the growing demand for flexible and hybrid working.</p>	<p>Action Refine approach to hybrid working ensuring implementation supports excellent organisational performance, cross department collaboration and customer service.</p>	<p>Target We will implement the hybrid plan and policy, and achieve our aim of an effective blended approach. Business performance holding up against all of our other KPIs.</p>
<p>Why? Our workforce will have skills, capabilities and knowledge to deliver on our strategy.</p>	<p>Action Undertake a workforce review to determine where resources need to be aligned to the priorities in the strategy and department plans sitting under the strategy.</p>	<p>Target Reviews completed.</p>
<p>Why? Our workforce are well informed and the wellbeing and engagement of our workforce holds up well in the midst of much change in our organisation.</p>	<p>Action Implement a new Internal Communications Plan aligned with the People Plan to ensure colleagues are well informed on the direction of travel at SYHA. Launch revised wellbeing offer to our workforce. All leaders and managers will be rigorous on reviewing the people data for their teams/departments so that early action can be taken where wellbeing, retention and engagement is slipping in their teams.</p>	<p>Target -4% absence. Staff turnover within the 15-20% range.</p>





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