



Making a Difference Every Day

Osprey Housing Group - Strategic Business Plan 2019-2023

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Strategic Business Plan 2019 -2023

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Setting the Scene – Welcome from the Chairs

Strategy, business planning and overall direction of the Osprey Housing Group is the firm responsibility of the Governing Bodies of Osprey Housing (OH) and Osprey Housing Moray (OHM). The Governing Bodies are responsible for making key decisions through a process of setting key objectives, business priorities and developing a range of implementation strategies.

We are delighted to introduce our 5-year Strategic Business Plan developed through consultation with the Governing Bodies, staff, tenants/customers, partners and stakeholders. The plan reflects where we have come from, where we are now, where we want to be and how we will get there. We remain both proud of what we have achieved and determined to make a positive difference to the lives of our existing tenants, future tenants and other customers.

Provision of housing for the people and communities we aim to help has never been higher on the political agenda. We are operating in uncertain times which brings with it significant challenges. Despite this the Osprey Group has made great progress as an organisation and, is very well equipped to meet these challenges head on.

Our Governing Bodies see Osprey continuing to be ambitious and aspirational with a desire to achieve and make our customers the focus of everything we do. This plan takes account of our stated vision and values in laying out our future aims and objectives. It seeks to strike the right balance of delivering on our core services to tenants, achieving continued growth, financial strength, protection of our assets, building new homes and helping communities across Aberdeenshire, Aberdeen City, Moray and who knows – perhaps beyond?

Our future objectives can only be effectively delivered with the support of our partners and stakeholders. We look forward to working closely with them as we strive to continually improve our activities and services across all of the areas in which we operate.

Our significant achievements to date have been due in no small measure to our most important asset, our staff team. We are confident they have the drive, determination, care and ability to continue to achieve our vision of “making a difference every day”.

Bill Chapman
Chair - Osprey Housing

Les Allan
Chair - Osprey Housing Moray



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Our Plan – In Brief

We believe that everyone has the right to a decent home in a decent place. We are determined to play our part in making this happen for as many people as we can.

The Strategic Business Plan sets out Osprey's vision, mission and ambitions up to 2023. The Plan explains the Group Structure and operating environment and in particular identifies key challenges facing the Osprey Group. These include the changing economy, changing housing market in the North East of Scotland, the uncertain impact of Brexit, the Scottish Government elections in 2021, increased safety and regulatory requirements, the continuing high level of demand for housing and, ensuring we keep the homes we provide affordable.

In brief, our four key Strategic Ambitions are to:

1. Make customers the focus of everything we do
2. Provide more and better homes
3. Be a stronger organisation
4. Be a great place to work

Our focus on maintaining and improving our financial viability is bearing fruit. We will maintain this momentum through the period of the plan by continuing to work hard to achieve sustainable efficiencies and value for money for our tenants and other customers.

We are committed to safeguarding our tenants' interests and offering the best possible service standards and customer experience we can. We will strive to meet the needs and priorities of our customers through engagement with Osprey Tenants & Residents Association (OTRA) and our wider tenant base.

We will complement our investment in the provision of new housing with a fully funded repairs, maintenance and planned improvement programme for our 1,700 existing homes. Our Asset Management Strategy provides for ongoing compliance with the Scottish Housing Quality Standard (SHQS), Energy Efficiency Standards in Social Housing (EESH) and more stringent fire safety requirements.

The plan sets out our approach to growth including continued investment in the development of new affordable housing throughout our areas of operation. We will deliver these new homes, as we always do, in partnership with local authorities, the Scottish Government, our funders and developer partners.

The Plan illustrates how we will go about achieving our ambitions, it sets out how we will invest in and develop our people and make Osprey a great organisation.



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The Plan embraces our guiding principles:

- Excellent customer service
- Value for money
- Compliance
- Good governance
- Risk awareness and effective risk management
- Reputation
- A clear ethical and social purpose
- A commitment to complete what we set out to do
- Collective responsibility
- Sustainability
- Empowerment
- Inclusion

Our Governing Body members will monitor progress towards realising our ambitions and will undertake an annual review of the plan. In addition, the organisation will continue to monitor changes in our operating environment to manage risk and act upon opportunities that may help us.

By working as a team, being resourceful and empowering people, we are determined to achieve our ambitions.



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Who We Are

Osprey is an ambitious, dynamic and growing housing Group operating across the North East of Scotland.

The Group incorporates Osprey Housing (OH), Osprey Housing Moray (OHM) and Osprey Initiatives (OI). Osprey Housing and subsidiary Osprey Housing Moray are at present independently Registered Social Landlords (RSL's) with charitable status. Osprey Initiatives is also a subsidiary company of Osprey Housing set up to undertake appropriate non-charitable activities. Osprey Initiatives is primarily engaged in the letting and management of mid-market rented housing and provision of management services.

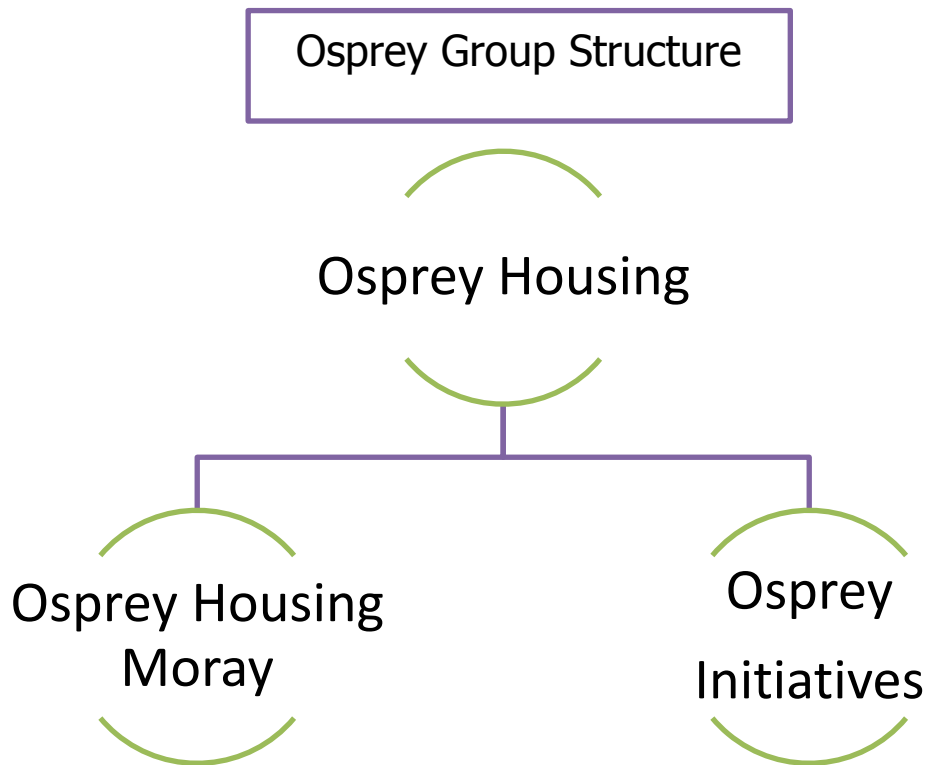
The origins of the three component parts of the Group date back to 1999 with the formation of Aberdeenshire Housing Partnership (AHP) and Moray Housing Partnership (MHP) as discrete RSLs. In 2013, MHP entered into a formal constitutional partnership with AHP and became a subsidiary organisation. In 2016, the Group rebranded under the Osprey name, a transformative step that signalled our intention to change and become a housing group fit for the future.

We have refocussed and redesigned the way we provide services to our tenants and customers in order to improve efficiency, performance and value for money. We are investing in technology and digital services whilst retaining the right balance of personal service to customers. In particular, we invest in our people; have high expectations of and aspirations for our staff team.

OH and OHM are charitable, not for profit providers of socially orientated rented housing. OI is a non-charitable subsidiary of OH and any surpluses generated are used to support the overall aims and objectives of the parent body and potentially help resource the overall business plan.



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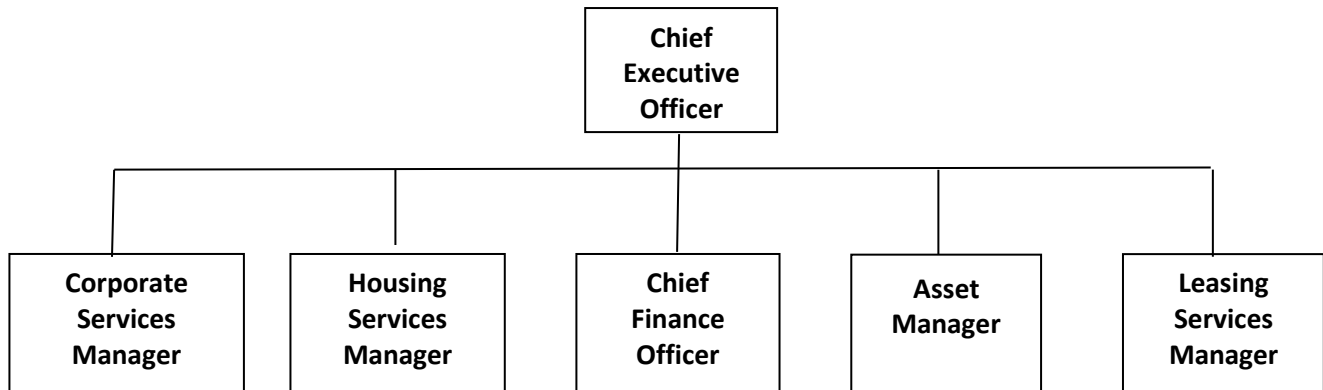
The Governing Bodies of OH, OHM and our non-charitable subsidiary OI are fully committed to realising our ambitions and achieving our mission through delivery of this plan. The Governing Bodies of OH and OHM comprise entirely of voluntary members who bring a valuable range of skills and expertise to the Group. They give strategic direction to the organisations and apply a robust approach to decision making through continual financial health checking, monitoring of performance and risk analysis/management.

The Group is led on a day-to-day basis by a highly skilled, knowledgeable, experienced and committed Management team consisting of Chief Executive and heads of the core disciplines.



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The Management team structure is illustrated below:



Osprey has always encouraged active tenant involvement and in 2016 became one of the first RSLs in Scotland to adopt the Scottish Government backed “stepping up to scrutiny” programme. Our Registered Tenants Association (OTRA) and its Scrutiny Panel have since undertaken regular scrutiny of key areas of our activities and services. This is supported by a number of other opportunities for tenant and customer engagement within Osprey’s overall commitment to supporting their involvement.



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Our Vision, Mission and Values

Our Vision

Making a difference every day

Our Mission

To provide high quality affordable housing and services to people in the communities we serve.

Our Values

The Core Values of the organisation reflect the foundation from which we perform and conduct our business and are the essence of the Osprey identity. These values provide a framework to deliver our Group Mission Statement.

✓ **AMBITION**

empowering through innovation and challenge

✓ **(E)QUALITY**

doing the best for individuals and communities in a fair and equal way

✓ **RESPECT & PROFESSIONALISM**

towards each other, the people we work with; the people we serve and our environment

✓ **ACHIEVEMENT**

delivering outcomes that matter and make a real difference – now and in the future



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What We Do

We are a modern, customer focussed and professional housing group with a clear social purpose committed to providing high quality affordable housing. We generate and reinvest surpluses in order to build and manage homes across a range of tenures. While we do have a particular focus on trying to help those in real need of a home, we design our work to help respond to demands across all parts of the housing market.

The Osprey Group takes an imaginative and inventive approach to managing our business for the benefit of our tenants, future tenants and communities through our own activities and effective partnership working.

We are accountable to members and tenants, who live or have other interests in the communities and places in which we operate. Our governing bodies are independent, voluntary, protect our reputation and, as trustees, help to ensure our long-term viability. The Group is subject to regulation by the Scottish Housing Regulator (SHR), the Office of the Scottish Charity Regulator (OSCR) and the Financial Conduct Authority (FCA).

The Governing Bodies are supported by a structure of sub-committees:

- Housing Committee – tenant services, related performance and asset management
- Corporate Services Committee – all corporate- related services
- Resource & Governance Committee – finance, audit, risk and reputation
- Remuneration Committee – matters relating to staff remuneration

Osprey Housing Group through Osprey Housing, Osprey Housing Moray and Osprey Initiatives operates throughout three local authority areas in the North East of Scotland – Aberdeenshire, Aberdeen City and Moray. In addition to the homes and services we provide to our own tenants, we have built a reputation for providing excellent services to other housing providers.

Geographically we cover a vast area which comprises over 10% of the land mass of mainland Scotland. With 1,700 properties in ownership and a further 69 managed on behalf of other organisations, the Group provides much-needed homes in many communities large and small including all the major towns and cities in the region, remote rural settlements and even in the Cairngorm National Park.

We know that excellent governance is essential to support the realisation of the Group's ambitions. To expedite this, the Governing Bodies have established a streamlined governance structure that facilitates a strategic overview of the business and a focused approach to performance, value for money and affordability. This approach incorporates specific consideration of the Scottish Social Housing Charter



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(SSHC) requirements, risk/risk mitigation and corporate matters including Finance, Workforce, Information Communications Technology (ICT) and Health & Safety.

Our staff teams are based at our headquarters in Westhill, Aberdeenshire and Lossiemouth from where services to our tenants in Moray are provided.

The World We Live In

The Group's Strategic Business Plan reflects the Scottish Housing Regulator's Recommended Practice. It has been discussed in detail with Osprey Tenants & Residents Association (OTRA - the Group's Registered Tenants Organisation); through a meaningful consultation process with our wider tenant population; staff and stakeholders. The Plan also identifies changes that are taking place at local, regional and national level, which could impact upon us.

Osprey's plan takes account of a range of key factors including:

- changes in the local economy (especially the energy sector),
- adjustments in some of the local housing markets,
- continuing impact of Welfare Reform
- increased focus on good governance, regulation and compliance
- the potential impact of Brexit,
- elections for the Scottish Parliament in 2021,
- potential for another independence referendum in Scotland,
- increased emphasis on fire safety, energy efficiency and homelessness;
- Whether or not the current focus on the provision of new affordable housing by the Scottish Government will continue beyond 2021.

The effect of Welfare Reform and other austerity measures has been significant. However, mitigation measures applied nationally by the Scottish Government and by Osprey through its own planning and implementation has to date helped offset some of the impact on the Group and our tenants.

We remain vigilant in this area of our work and maintain the best dialogue we can with the Department for Work and Pensions (DWP), local Councils and our customers.

We will closely monitor economic changes especially in local communities with higher dependence on particular employers/businesses. We will monitor how in turn that may affect the operation of local housing markets.



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Working with our Local Authority Partners

The Local Councils in our areas of operation are the strategic housing authorities and produce Local Housing Strategies (LHS) for Aberdeenshire, Aberdeen City and Moray respectively. Each are now working to a LHS to cover the periods 2018/2019 – 2023/2024 setting out their key strategic housing priorities.

The map below illustrates the North East of Scotland geographic area defining the region of Moray, the six regions of Aberdeenshire and the City of Aberdeen. The Group owns properties across the area including in each of the highlighted towns and villages:



Aberdeenshire

Aberdeenshire Council has made a commitment to increase the supply of affordable housing by 340 units per year for social rent and 85 per year for intermediate housing. Their LHS identifies particular high and medium priority towns but also plans to see housing contribute to a range of strategic priorities including rural sustainment and town centre regeneration. In this context, modest developments in smaller rural communities remain important.

A need and demand exists for properties of all sizes with particular requirements for 1-bed homes. However, recent analysis has highlighted a slowing in demand for 2 bed properties in particular locations. We are therefore monitoring this situation.

In addition, homes for people with particular needs are required along with homes for the ageing population and those with specific health needs.



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In relation to independent living, at least 15% of affordable new build developments should be allocated to particular needs households. New wheelchair accessible targets are to be set by local authorities for affordable and market housing by the end of 2019 and we will take account of this.

Based on the Housing Need and Demand Assessment 2017 the housing supply target for affordable housing in Aberdeenshire is 425 per year.

Aberdeen City

Aberdeen City and Aberdeenshire have some overlap within local housing market areas and, as such, there is a joint Aberdeen City and Shire Strategic Development Plan, designed to guide development over the next 25 years. One of its key purposes is to set realistic housing supply targets.

The Aberdeen City LHS includes specific strategic outcomes relating to ensuring an adequate supply of housing across all tenures of homes that are the right size, type and location. In addition, it highlights the need for homelessness prevention, independent living opportunities, reduction in fuel poverty and improving quality of housing across all tenures. The Councils' indicative supply target for affordable housing over the lifetime of the local housing strategy is 1,836, which equates to between 342 and 384 new affordable homes per annum.

The Aberdeen economy is slowly starting to stabilise. However, the City was particularly affected by the downturn in the oil and gas sector and this, along with continued new supply of housing, has resulted in more choice in the private rented sector than ever before. Private rented sector rents have reduced to the extent of eroding differentials with Housing Association mid-market tenures (including Osprey's).

Moray

The Moray Council LHS 2019-2024 will concentrate on 4 strategic priorities relating to access, homelessness, specialist housing and energy efficiency. In particular, it will use an outcomes-based approach designed to deliver good quality affordable housing of the right type and in the right locations, and to promote sustainable communities where people want to live.

The 2017 Housing Needs and Demand Assessment (HNDA) identifies increasing pressure on smaller accessible social housing, on the supply of 1 bed general needs housing, on accommodation suitable for those with particular needs and specialist housing.



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A target of 424 new homes per year across all tenures of which approximately 56% should be affordable. This equates to an average of 207 Social Rented and 29 Intermediate tenure homes per year with proportionate distribution across 6 Housing Market Areas.

The LHS highlights that the delivery of the Moray new supply programme will depend on developer affordable housing contributions required by the Local Development Plan (LDP) Affordable Housing Policy.

The Overall Context

Our primary engagement with local councils is through the Housing Services teams. Our involvement, at both strategic and operational level, is critical to us as our investment is aimed at delivering high quality and affordable homes in towns and communities throughout the Urban and Rural Housing Market Areas. Our development plans take account of Council priorities in respect of the type, size and location of those properties and are submitted to the relevant Councils for decision on inclusion in their Strategic Housing Investment Plans.

At an operational level, we will continue to work closely with Council staff in relation to the allocation of properties, both new and relets and to assist them meet legal obligations in relation to homelessness.

In terms of homelessness, the operational environment is changing with the introduction of Housing First and Rapid Rehousing initiatives. We will be working with Councils on these requirements.

Our partnership working with Scottish Government staff is also very important. We enjoy excellent working relations with the Government's local 'More Homes' Divisions both in connection with the delivery of the Affordable Housing Supply Programme and through the provision of equipment and adaptations for existing tenants' homes.

The funding of aids and adaptations remains a challenge as does meeting EESSH and potential EESSH (2) targets. The uncertainty over the Scottish Government's commitment to funding the affordable housing supply beyond 2021 also makes accurate forward planning more difficult.

Osprey's plan is about providing high quality, affordable homes and excellent services. However, we recognise that we are a relatively young Housing Association that developed a significant number of homes at a time when grants were low and a higher proportion of private borrowing was necessary. The legacy of having to do so is that our rent levels are relatively high when compared to many of our peers. In view of this, we remain committed to addressing rent levels as we move forward.



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The Osprey Group has undertaken a full and detailed review into its future development capacity. The review has taken into account the views of tenants (particularly through OTRA), Brexit implications, the requirement to achieve EESSH/ EESSH (2), new fire safety standards for existing properties and our aim to ensure that rents will remain affordable. The impact of new development on the business plans for both RSLs within the Group is positive subject to costs (including staff costs) remaining at current or close to current levels. The review included evaluation of a range of financial projections, scenario planning, stress tests (especially against Bank of England scenarios in the event of a no deal Brexit) and variable assumptions. This resulted in a final decision taken by both RSLs to continue with the development of new affordable housing for the duration of this plan.

We also recognise that good performance of the property portfolio requires the provision of excellent services throughout the organisation and, as such, the relationship between our physical assets, management services and financial resources is intrinsic.

We have a dedicated Asset Management Strategy designed to protect and increase the value of our properties through balancing expectations of customers with statutory requirements, compliance, good practice and value for money. This incorporates an investment programme for operating, maintaining, upgrading and sustaining our properties. We apply this through adoption of a whole organisation approach to maximising investment.

This Plan details how we intend delivering the priorities we have identified with our tenants and stakeholders in a way that is affordable, sustainable and makes best use of our resources.





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Our Strategic Ambitions

The Group has, in consultation with staff and tenants, established four key Strategic Ambitions to help us achieve our vision and mission. We have developed these ambitions to reflect national and local priorities but they are very much ours – they reflect our values, our culture and our determination. They are:

- 1. To make our customers the focus of everything we do**
- 2. Provide more and better homes**
- 3. Be a stronger organisation**
- 4. Be a great place to work**

We have linked each of these ambitions with specific actions to ensure that performance is on target and outcome focused.

We will ensure the delivery of our business plan by having the right mix of people, knowledge, skills and commitment across our business, by effective governance/assurance and the requisite financial strength.



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Ambition 1 – Make our Customers the focus of everything we do

We aim to ensure everything we do delivers great results for customers and we commit to ensuring customers' influence our service standards and business decisions.

Over the period of this plan, we aim to develop a closer relationship with the communities in which we operate; understand and respond to changing needs; deliver service improvements and provide real value in everything we do.

We will build on our qualities of being a caring, reliable and responsive housing provider. We will continue to explore ways in which we can be more effective and efficient through innovation, improving our use of technology and modernising communications. We wish to exceed the requirements of the Scottish Social Housing Charter (SSHC) and excel at what matters most to our customers.

We will achieve this through the following key actions and outcomes:

1. Good quality customer insight:

- Understand the requirements and expectations of current and future customers.
- Use customer insight to design and develop our services and make informed decisions.
- Continue to develop effective ICT solutions to gather, store and use up to date customer information to give meaningful timely insight to our tenants.
- Improve the methodology and quality of our tenant satisfaction data collection to gain better insight to understand our customers' requirements

2. Meaningful and inclusive customer engagement:

- Ensure tenants continue to be involved and engaged in scrutinising the services we develop and deliver.
- Offer a range of ways to get customers involved at varying levels to suit their needs (e.g., formalisation of armchair groups/scheme champions).
- Use effective consultation methods providing real opportunity for tenants to feel engaged and informed in decision making.

3. Offer a Digital First service to all customers:

- Develop our Digital services to provide accessible, desirable service provision fit for the future.
- Develop Digital inclusion to support those of our tenants who feel digitally excluded.



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4. Tenant Sustainment:

- Provide high quality housing services to support and empower tenants to maintain successful tenancies.
- Develop, promote and implement pro-active tenancy sustainment practices that are embedded into service delivery.
- Be fair and supportive

We will measure our success in the following ways:

- Review and determine rent affordability on at least an annual basis
- Assess levels of Digital inclusion for further development
- Benchmark performance and analyse performance failures when and where these emerge
- Level and quality of feedback/engagement from and with tenants
- Analysis of turnover and evaluation of reasons for tenancy terminations
- Achieve Customer Excellence accreditation
- Carry out social impact assessments



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Ambition 2 – Provide more and better homes

We recognise that our homes are our biggest physical asset so it is vital we look after them for the benefit of our tenants and the organisation.

Where it is in our power to do so, we aim to ensure that Osprey provides high quality homes in an environment that meets the needs and aspirations of our customers and the needs of our communities.

We will achieve this through the following key actions and outcomes:

1. Understanding the aspirations of our customers and the needs of our communities

- Deliver property management services that meet the aspirations of our Customers by continually collecting satisfaction information.
- Clear awareness of the property needs of our communities and ensuring that we build new affordable homes with the best configuration of sizes and types that will facilitate viability and meet recognised local need.
- Continue to improve fuel efficiency and drive to eradicate fuel poverty through our new build specifications and capital programmes for existing homes.
- A responsive and well informed Development Programme based on a sound but flexible Development Strategy.

2. Good knowledge of our properties

- Carry out regular stock condition surveys and collate information to ensure we know the current standards of our homes.
- Maximise the depth of knowledge of our field staff.
- Maximise the capacity of our property database.

3. Ensure we provide our services effectively

- Ensure that all works are procured and managed effectively.
- Monitor the performance of our Contractors to ensure that their performance meets our expectations.
- Include Sustainability as a key factor in all aspects of the construction and maintenance of our housing and promote its objectives with our Contractors.
- Ensure effective Asset Management and Sustainability strategies.

4. Sound financial projections

- We will ensure that our financial projections are accurate, current and provide sufficient funds to maintain and improve our housing in the long term and facilitate a realistic fundable development programme.



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We will measure our success in the following ways:

- Annual review and evaluation of progress in delivering our Asset Management Strategy, designed to ensure we provide homes and services of a high standard to meet customer expectations.
- Delivery of our Development Strategy and particularly measurement against our target of up to 50 new homes annually.
- Continue to develop and promote our Sustainability Strategy.
- Delivery of a financially balanced development programme with projections externally validated by our professional advisers.
- Regular analysis of performance on property lets to ensure we are meeting local needs, contributing effectively to the Local Housing Strategy and meeting our social purpose.
- Review with our local authority partners how it may be possible and reasonable to help meet commitments to eradicate homelessness particularly in relation to the Rapid Rehousing Transition Programme and Housing First.



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Ambition 3 – Be a stronger organisation

We aim to be a stronger organisation, balancing our social purpose and our commercial focus. Our 30-year financial projections are based upon a responsible approach and realistic assumptions taking into account what we know and what can be reasonably anticipated. We will fund our operational requirements, including our life cycle programme, from income generated. Therefore, we only aim to borrow to fund new house building capital investment with refinancing options at appropriate points in the plan.

Our plan is robust and designed to cope with possible changes that could affect our cash flow. The prudence of our assumptions allows us to be agile and resilient. At the time of writing, Brexit negotiations have reached a critical point with an apparent impasse. We have therefore stress tested our plan against the most extreme of the Bank of England's "no deal" scenarios and it remains solid.

We will also review our treasury management policy and treasury strategy at least annually to ensure they remain fit for purpose. We anticipate operating well within our banking covenants throughout the duration of the plan.

Our rental stream must generate sufficient income for the organisation to cover overheads, wider operating costs and to service debts incurred in building new homes and investing in our stock. However, we are acutely aware of the financial pressures on tenants and we are working extremely hard to create the right balance between income and rent affordability. We have reduced rent increases significantly over the last 3 years and we are now business planning for only minimal increases that retain a managed relationship with inflation. We also apply intensive measures to minimise rent arrears and we aim to support tenants as well as possible to minimise the financial impact of housing costs and when appropriate manage financial circumstances.

We will continue to provide meaningful tenant consultation opportunities in relation to rents, including wider business planning issues that determine rent levels.

As a financially strong organisation with an excellent reputation for delivery of high quality homes and services, we will strive to deliver great results for people and communities.



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We will achieve this through the following key actions and outcomes:

1. Key Performance Indicators

- Deliver our key performance indicators, with particular emphasis on arrears, voids, financial indicators and customer satisfaction.

2. Efficiency

- Continue to drive efficiency, productivity and value for money (VFM) in all aspects of the business. Our new annual efficiency plan and VFM process will support this.

3. Continuous Improvement

- Drive continuous improvement throughout the business and consistently progress our Continuous Improvement Model.

4. Risk Management

- Manage current and potential risks and ensure our risk appetites are clear and appropriate. Separate sections of this plan looks in more detail at risk management and SWOT analysis.

5. Consolidation of Osprey Housing and Osprey Housing Moray

- Progress the potential consolidation of OH and OHM into a single registered social landlord. This has the potential to significantly strengthen financial capacity, viability, security and resilience. Available evidence points to this being in the best interests of both RSLs.

6. Business Plan Objectives

- Ensure our efforts, energy and resources remain clearly focussed on achieving our business plan objectives and key outcomes.

We will measure our success in the following ways:

- Carry out performance monitoring and benchmarking
- Achieve Group consolidation if in the best interests of OH and OHM
- Strategic Risk Evaluation and Review
- IT Strategy (with analytics)
- Regulatory regime
- VFM/efficiency
- Achievement of Business Plan priorities
- Sustaining a high reputation



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Ambition 4 – Be a great place to work

We want to ensure our aims are clear and everyone in the organisation works together to deliver excellent services to all customers. Our values drive our culture and ensure that we respect everyone and their contribution to our continued success.

Osprey wants to make the most of the talents within the organisation and where possible of our tenants. We are committed to investing in the skills and potential of our staff and governing body members. In particular, we aim to be a great employer through engagement, empowerment and development of our people.

We aim to create and sustain a motivated and healthy staff team with opportunities for improving knowledge and performance. We will appraise staff regularly through a performance and personal development review process and recognise individual and team achievements.

We want to be a best practice employer and we are working towards key accreditations including Investors in People, Healthy Working Lives and Customer Service Excellence.

We continually review the way we work and deliver services. Our services are aligned to help tackle our key priorities and, job profiles will be competency based linking back to behaviours.

Our staff and governing body members ensure Osprey has a strong reputation with capacity and knowledge to influence. We encourage innovation and flexibility and we fully recognise the value of developing partnerships – both existing and new.

We will achieve this through the following key actions and outcomes:

1. People matter

- Provide a safe, comfortable and professional working environment;
- Create a pool of talented people who are willing and excited to be our employer brand ambassadors;
- Continue to be an accredited living wage employer.

2. People feel heard

- Provide a fair and consistent two-way mechanism for monitoring and evaluating individual performance;
- Provide opportunities and processes that pro-actively seek staff feedback that is valued and actioned.



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3. People can grow

- Provide staff with ongoing opportunities to learn, develop and grow both in job specific skills and wider social skills;
- Take pride in providing a service that adds value to the world;
- Support all our staff to fulfil their potential - a conscious decision on Osprey's part to nurture and facilitate all employee continuous development.

4. Leaders matter

- Ensure an engaging leadership approach is embedded throughout the organisation; with emphasis on open communication and a creative, supportive and accountable environment
- Strengthen and develop Managers
- Drive excellence throughout our governance, management and staff teams.
- Support our Governing Bodies
- Self-assessment and assurance to ensure compliance

5. People feel appreciated

- Ensure that high performance is recognised and appreciated;
- Reward loyalty to Osprey Housing Group.

We will measure our success in the following ways:

- Achieve IIP gold status
- Robust succession planning
- In-house staff development programme
- Best place to work listings
- Achieve HWL accreditation
- Regular staff engagement
- Governing Body self-assessment
- Assurance statement and SHR Engagement Plan
- Compliance (including with the Scottish Social Housing Charter)



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Our Guiding Principles

We believe that we will achieve our aims if we embed our guiding principles as “**golden threads**” that runs through everything we do:

- ✓ **Excellent Customer Service** – providing the best customer experience
- ✓ **Good governance** – reliable, dependable and effective
- ✓ **Value for Money** – quality and affordability for tenants and other stakeholders
- ✓ **Compliance** - trustworthy
- ✓ **Risk management** – understand the pitfalls and deal with them
- ✓ **Reputation** – sustaining and enhancing our reputation
- ✓ **Clear ethical and social purpose** – understanding why we are here
- ✓ **Commit to complete** – keep our eye on the ball and keep our promises
- ✓ **Collective responsibility** – no buck passing
- ✓ **Sustainability** – enhance our position as a sustainable and environmentally conscious Housing Association
- ✓ **Empower** – do the right thing, in the right way at the right time
- ✓ **Inclusion** – being as inclusive as we can in what we do

The Group’s detailed 30-year financial projections underpin the Strategic Business Plan and we carry out a full review of the projections annually. The Strategic Business Plan should be cross-referenced with the financial projections and other relevant strategic plans highlighted in Section 12.

SWOT Analysis

A full Group analysis of Strengths Weaknesses Opportunities and Threats (SWOT) to inform the development of this Plan has been undertaken. SWOT outcomes are kept under review particularly given the current uncertain political climate and position relating to funding post 2021.



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<p>Strengths</p> <p>Good Reputation & strong performance</p> <p>Effectiveness & Quality of Governing bodies / staff</p> <p>Quality / type of stock</p> <p>Financial health – excellent plan & projections</p> <p>Tenants / customers first/good tenant satisfaction</p> <p>Effective Governance / risk aware</p> <p>Single approach to development</p> <p>Commitment to Partnerships</p> <p>Agility</p> <p>Regulatory profile</p>	<p>Weaknesses</p> <p>Not merging/consolidating</p> <p>Age profile of Governing Bodies and some staff</p> <p>Lack of tenants on Governing Bodies</p> <p>Widespread geographical distribution of houses</p> <p>Depreciating office assets</p> <p>Land purchase opportunities restricted</p> <p>One dimensional development strategy (S75)</p> <p>Loan repayments profile</p> <p>Rent levels higher than peers</p>
<p>Opportunities</p> <p>OH & OHM Consolidation/Transfer of Engagements</p> <p>Partnerships/maintain development programme</p> <p>Potential Brexit (Innovations)</p> <p>Continuing need / demand for affordable housing</p> <p>Increase tenant / community engagement</p> <p>Current level of Interest levels and government grants</p> <p>Change approach to development</p> <p>Develop digital offering</p> <p>Value for Money analysis/ statements</p> <p>Tackling fuel poverty/energy efficiency</p> <p>Sustainment strategy</p> <p>Customer Service Excellence/Accreditations</p> <p>Positive response to regulatory review/new assurance regime</p> <p>Relationships with other organisations to whom we provide services</p>	<p>Threats</p> <p>Governing Body Member / staff turnover</p> <p>Stock saturation (particularly in private rented sector/Aberdeen City impact on MMR's)</p> <p>Impact of market adjustments on rents</p> <p>Uncertain future of funding regime/changes in Scottish Government Priorities/scheme viability</p> <p>Brexit (i.e. contractors/funding/Inflation/supply chain/workforce)</p> <p>Pension fundability</p> <p>Rent arrears increase/welfare reform (collection/cash flow/universal credit impact)</p> <p>Possible interest rate rises/increasing costs</p> <p>Cybercrime/Fraud</p> <p>Unfavourable regulatory review implications</p> <p>EESH 2/ECO 3 (Funding availability)/Adaptations</p> <p>Health & Social Care not delivering</p> <p>Changes to homeless legislation</p> <p>Competitive market/impact of larger RSLs now coming into our area of operation.</p>



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Performance/How We Manage and Monitor

Osprey has a clear framework of Key Performance Indicators (KPIs) in place, which are approved annually through the governance process. KPIs are reported quarterly through the sub-committee structure and to the full Governing Bodies. The indicators are considered to be the most business critical and focus on our main operational activities. In addition, they also provide the necessary reporting vehicle for business outcomes, key regulatory requirements and stakeholder (including funder) expectations.

The Senior Management Team monitor KPI's on a monthly basis. In turn, performance indicators are monitored by individual teams within the organisation and, translated as appropriate to individual team member responsibilities and targets.

Our KPI monitoring is closely aligned with the data required for the Annual Return on Charter (ARC). This return is a requirement of the SHR submitted annually and summarised through an annual report to tenants published in October of each year.

The KPI reporting of performance will also form an important source of evidence for the new Annual Assurance Statement to be agreed and signed off by the Governing Bodies with effect from October 2019.

Managing Risk

Business planning and risk assessment are complementary. It is vital to assess risks that affect the organisation's ability to meet its key objectives. It is important that objectives and risks are clear, current, relevant and set at a strategic level with Governing Body approval.

The Group has a risk awareness culture but we are not risk averse. We review and revise risks on a revolving basis at least every 6 months through the governance cycle and monthly at Management Team level.

The Osprey Group faces a broad range of risks reflecting its responsibilities as a Registered Social Landlord including those in the areas of financial viability, customers, governance and policy change. In addition, the political, statutory and regulatory environment alongside potential for significant economic volatility, create wider risks.



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We manage risks through processes that focus on integrity, intelligent inquiry, maintaining high quality staff and customer accountability.

In relation to operations, the Group has no more than a cautious tolerance for risk.

We introduced a new Risk Management Policy during 2018 and revised our approach to reviewing both strategic and operational risk through a new framework. Risks are assessed using a matrix and scoring format with mitigating actions clearly identified.

The key strategic risks are:

- Welfare Reform
- Financial Viability
- Asset Management Failures
- Housing Management Failures
- Governance Failures
- Corporate Failures

Value for Money

The Osprey Housing Group has finite resources and it is important that we operate within our means and derive maximum benefit from what is available to us. Value for Money ("VfM") is about getting the most from the resources at our disposal to achieve our desired outcomes. This is more than simply reducing costs; it is also about improving efficiency and effectiveness of the services we deliver.

We do this in three ways:

- Economy (spending less) = reducing the cost of purchasing
- Efficiency (spending well) = measure of productivity and performance
- Effectiveness (spending wisely) = maximising the impact that can be achieved

VfM is highest when there is an optimum balance between these three components:

- Low costs;
- High productivity; and
- Successful outcomes

Through adherence to these key VfM principles, we aim to ensure the Group continues to achieve sustainable financial strength and deliver high quality homes and services.

Osprey's Governing Bodies agree an Annual Efficiency statement, which is an integral part of the assurance process. It provides information on:

- Our approach to achieving value for money;



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- What we have achieved in the previous twelve months; and
- Our plans for the future.

Governance and how we meet Regulatory Standards

The Governing Bodies ensure that comprehensive evidence is available to them and scrutinised throughout each year. By so doing the Governing Bodies are assured the Osprey Group complies with the regulatory requirements and standards set out in Chapter 3 of the SHR's Regulatory Framework.

In August 2019 and in accordance with new regulatory requirements introduced during the year the OH Board approved its first Assurance Statement on behalf of the Governing Bodies of Osprey Housing and Osprey Housing Moray. This is submitted to the SHR before the 31 October and will be an annual requirement.

The Group's Governing Body meeting structure is such that the sources and level of assurance in relation to compliance is clear to each individual RSL body. Governing Body members are directly involved in the ongoing development and monitoring of the evidence base that provides the necessary level of assurance.

Sources of assurance are mapped against regulatory requirements and standards in a detailed compliance register reviewed at each Governing Body meeting. Evidence of those sources of assurance include:

- Performance monitoring reports on key business areas such as finance, asset management, housing management, service delivery, development and risk management
- Detailed reports and updates from the Chief Executive and Senior Management team
- Internal audit reports
- Reports and analysis from external auditors, appointed advisers and specialist consultant advisers all of whom provide external independent evaluation, feedback and validation
- Consultation with Osprey Tenants and Residents Association and outcomes of scrutiny projects undertaken by the Association's Scrutiny Panel.
- Assessment of information submitted to regulatory bodies

Our level of compliance remains subject to constant review and scrutiny with a view to trying to achieve continuous improvement.



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Reviewing the Plan

The Strategic Business Plan is a living document – used throughout its life to ensure that OH, OHM and OI focus on delivering our ambitions. Inevitably, circumstances change, opportunities arise and unseen threats emerge. We will be alert to these changes and adapt as we always have.

The Plan will be subject to a formal review by the Governing Bodies on at least an annual basis, supplemented by ongoing review at Senior Management Team monthly strategy support meetings.

The review process includes any new/emerging challenges or opportunities at both local and national level, appraisal of any risk to delivery of the plan, any further stress testing on financial assumptions and management of the plan's implementation.

Review of the plan evaluates a series of key questions including:

Financial Viability – is the baseline plan sustainable in short, medium and long term?

- are there adequate cash reserves throughout the life of the plan?

Rent Affordability – is the level of income generated supporting business activity?

- are rents affordable now and in the future?

Debt Affordability – can borrowing be financed now and in the future?

- is the borrowing affordable, sustainable & prudent?

Investment- – are there sufficient levels of investment in the stock?

- are we taking an integrated approach to asset management?

Service Delivery – can service delivery be maintained at required levels?

- how do we compare to our peers?

Performance & Efficiency – what aspects of the business work well?

- how do we compare with other RSLs?



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- Core Activity** – how is each activity contributing to the business?
- what activities cost the organisation money?
- Key Risks** – what are the key risks facing the business?
- is there sufficient contingency and capacity in the plan?

Rounding Off

2019/20 signifies the 20th Anniversaries of both Osprey Housing and Osprey Housing Moray. In our 20th year this revised Strategic Business Plan shows how we intend to go forward to:

- Provide the best possible quality of housing and related services
- Offer choice and options in what we provide
- Deliver excellence and value for money across the Group
- Support tenants and communities as well as we can
- Be innovative in what we do and how we do it
- Consolidate the Group and its activities

If you want to know more visit our web site at www.ospreyhousing.org.uk

Key related strategic documents that support this plan:

- Asset Management Strategy
- Development Strategy
- Risk Management Policy and Matrix
- Financial Plan and Projections
- Treasury Management Strategy/Policy
- Housing Services Plan
- Customer Service Excellence Strategy
- Value for Money Statement/Annual Efficiency Plan
- Affordability Modelling
- Communications Strategy
- Digital Strategy
- Sustainability Strategy
- People Plan/Succession Strategy
- Tenant Participation Strategy