

# Destination 2018

## Our Strategy & Business Plan 2017/18

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## Our story so far

Guinness has changed. Ten years ago we were a group of housing associations. Over the last few years we've simplified things, including our group structure and the way we organise ourselves – in order to be more efficient and create capacity to do more. The more we use technology, the more delivering services in a way that's local is overtaken by a way that's personal. Recognising that it is the experience individuals have of Guinness that creates relationships – and satisfied customers. We have been on a journey over the last few years, including in January 2017 our merger with Wulvern Housing, and it's one that continues into the future. We need to keep adapting, being a better and more efficient organisation so that we fulfil our ambition as a Customer Service Business, and one that provides homes for future generations – and so that Guinness is an exciting place to work that our people love being part of. We're really excited about the ongoing Guinness story, the journey and the destination.

## The context we operate in

Our operating environment has changed significantly over the last two years, and we head into the final year of our Destination 2018 Strategy in a very different world to the one we launched it into two years ago, and even the world of 2016.

The 2016 Autumn Statement and the 2017 Housing White Paper recognise that homes of all tenures are needed to address the housing crisis, although access to home ownership remains a clear feature of the approach. The promotion of the Right to Buy for eligible housing association tenants was a clear manifesto commitment which the Government restates in the White Paper, although no formal launch has been announced. The Government's decision to cut rents in the social housing sector by 1% a year for four years from 2016/17 and implement further changes to welfare benefits has a far-reaching impact for our customers and for Guinness. The Chancellor's March 2017 Budget recognised the need for increased funding for social care, although how this will be delivered is not yet clear.

Regulatory expectations in the housing and care sectors remain. The fundamentals of the way in which we are regulated by the social housing regulator will not change, despite certain deregulatory measures taking effect from April 2017. We know that in both housing and care we are expected to deliver more and become more efficient – and we're committed to that.

We continue to operate in an environment of economic and policy uncertainty, heightened by the UK's imminent departure from the European Union.

Our constantly evolving operating context reminds us of the need to remain strong, stable and resilient, and to ensure we can adapt to change.

## Our Vision – why we're here

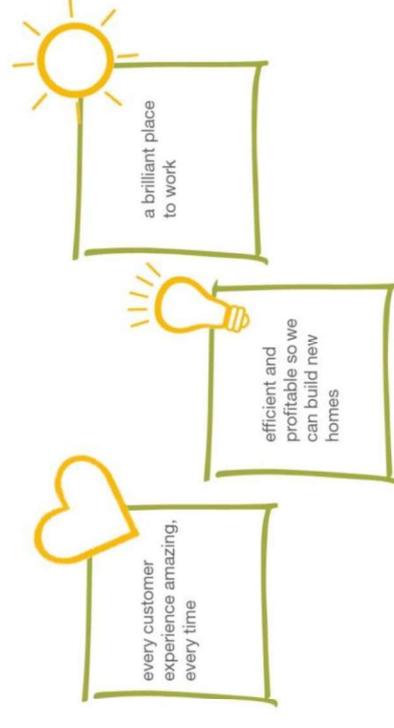
We're here to improve people's lives – and create possibilities for them. By providing as many high quality new homes as possible and by providing great housing and care services. Our Strategy is all about this. Our Vision is for Guinness to be:

- One of the best service providers in the housing and care sectors
- One of the best employers in the country
- Generating strong operating surpluses so that we can continue to be a major developer of new homes

We've reflected on whether our Vision is still relevant. It is. The things that have always been important to us – our customers and our employees – are just as important as they ever were. They are why we are here.

## What we do and who we're here for – a customer service business

We are about our customers, current and future – providing them with high quality homes and delivering an amazing customer experience based on easy to access, consistent, reliable services.



## Housing and Care

We provide homes and housing services to around 65,000 households and deliver over 10,000 hours of care every week. Our core activities are housing for social and affordable rent, affordable home ownership, housing for older people and a range of care services, including domiciliary and extra care, supported and retirement living.

What matters to us is that we provide the right homes and services and that we make every customer's experience of Guinness amazing, every time.

Customers' expectations are changing. Our customers compare the range and quality of Guinness services to supermarkets, banks, utilities providers and public services. They increasingly expect to be able to transact and interact at any time of the day, and 'self-serve' using a range of digital and mobile devices and online or social media channels.

Our ability to recognise and meet these expectations is an important part of providing an amazing customer experience. As is our service style – treating our customers with respect and showing we value them, seeing things from their point of view, keeping our promises, keeping them informed, and responding quickly when things go wrong. But the most important aspect of great service is what we actually do day to day – not only showing a real passion for customer service, but being reliable, consistent, and doing things to a high standard and on time. The repairs service that we deliver – through Guinness Property and our other contractors – is central to this.

## Our Customers

Our customer profile is changing as we're housing and providing services to a broader mix of people than ever before, but the majority of our current customers remain those in most housing need, not able to buy or rent on the open market. Some of our housing customers, and many of our care customers, are older, vulnerable or struggling to cope with a difficult economic climate. Many of our customers are finding that their circumstances are changing:

- Financial pressures are increasing due to changes in the benefit system and the funding of social care;
- More people, in particular those on middle incomes, younger people and families with children, are locked out of home ownership and ineligible for social rent – and their needs are not met through other sectors;
- The proportion of older people in our population continues to grow, as does the incidence of dementia.

To be a great service provider means responding to the different needs and expectations of our increasingly diverse customers.

## Who we are and how we do things

Our people are Guinness. We believe that how we do things is as important as what we do. The six **Guinness Behaviours** sit at the core of our business and underpin our language and culture. At Guinness we:

- Deliver great customer service
- Make things possible and inspire success
- Take responsibility
- Focus on performance and excellence
- Work together and communicate
- Are always professional and principled

Our **Leadership and Management Standard** recognises the unique challenge of running a business for social purpose. Our Leaders and Managers have the skills, knowledge and determination to shape our future and make us successful today. They do this by expecting a lot of themselves and others, by creating the conditions for us all to succeed, and by always giving their very best.

We're focused on being smart and efficient. That means technologies and better processes that make it easy for our people to do

## Our Service Style

### Make it easy

It's our job to make it easy for our customers whenever they deal with us.

### Get things done

We take responsibility and get things done.

### Warm and friendly

We treat customers how they want to be treated and we're always warm and friendly.



## guinness behaviours

Deliver great customer service	Work together and communicate	Make things possible and inspire success
Focus on performance and excellence	Take responsibility	Are professional and principled

their jobs; being great at solving problems fast; and being more innovative and influential as an organisation so that we can do more for more people.

## What will achieving this Vision look like? Our measures of success – or targets

We've set targets to measure what being one of the best service providers, one of the best employers or a major developer of new homes looks like. Some of them are "hard" targets – our financial performance, and the number of new homes this enables us to build. Others are about the way our customers, our staff and our partners feel. Customer satisfaction and employee engagement reflect our people's experience of us. Which of course our employees shape and determine.

### Great Service

**By 2018 we will achieve customer satisfaction of 85%+**

### Great Homes

**By 2018 we will build a further 2,000 homes**

### Great Place to Work

**By 2018 we will achieve employee engagement of 90%+**

### Financial Capacity and Strength

**By 2018 we will deliver an operation margin of 35%**

## So what's our Strategy for getting there? How are we going to do it?

Our Strategy – Destination 2018 – needs to give us a path to achieving our Vision. And it needs to respond to our external environment. And to what our customers and our employees tell us is important. In 2016 we refined and augmented our Strategy.

## This is our Strategy – Destination 2018 – for achieving our Vision by 2018

To be one of the best service providers in the housing and care sectors, one of the best employers in the country, and to generate strong operating surpluses so that we can continue to be a major developer of affordable homes, means:

- **Always showing our passion for customer service** – Making sure every customer has an amazing experience of Guinness, making every customer feel important to us
- **Going further** – Helping the customers that need more through our tenancy sustainment, affordable warmth and access to work services
- **Developing remarkable people** – Providing the environment, tools and learning opportunities that ensure our people fulfil their potential and grow at Guinness and have a real sense of achievement
- **A true commitment to diversity and inclusion** – Encouraging the great ideas that come from our different perspectives and experiences
- **Really making the most of our assets** – Providing the right homes for our customers, now and in the future. Making the right long term choices about which homes we invest in and which we sell to create funds for reinvestment
- **Purposeful growth and diversification** – Investing in activities that generate strong financial returns so that we can build more homes
- **Really delivering financial performance and value for money** – Delivering efficiencies so that we generate larger surpluses so that we can build more homes
- **Meeting our legal and regulatory requirements** – Having an outstanding compliance record

- **Fully exploiting technologies** – Modernising our service offering and our employee experience, and improving communication and productivity
- **Using information intelligently** – Knowing our customers so we can provide relevant services. Understanding our performance and what drives it, so we make informed business decisions
- **Talking to each other and our customers** – Sharing our vision and pursuing it with absolute determination. Having conversations about the things that really matter and helping each other so we solve problems quickly
- **Sharpening our focus** – Directing our resources and energies at the things that make a difference and making sure we have the right skills to do them really well. Taking advantage of opportunities presented by changes in our operating environment, but also deciding what we don't do any more

### And our Strategy is supported by Plans

Our 2017/18 Business Plan has been shaped by our people. It is supported by local Operating Plans and Team Plans, and its goals are reflected in individual objectives. Everyone at Guinness has personal goals which link to our business plan objectives, because everyone at Guinness has a part to play in ensuring we achieve our Vision of improving people's lives and creating possibilities for them.

Our Business Plan – included below in this document – sets out our objectives for the year ahead under each of our strategic themes. Our Business Plan also captures some of the high level targets that help us demonstrate that we're delivering our objectives.

## This is our Business Plan for 2017/18

The Guinness Business Plan for 2017/18 is about delivering this Strategy. It sits alongside our directorate Operating Plans for 2017/18 and the Guinness Care and Guinness Property (separate legal entities') Business Plans. The TGPL Board monitors performance against our Business Plan and receives a quarterly report on progress achieving our objectives.

The Guinness Business Plan is set out below.

## Strategic Priority: Great Service

## 2018 target 85%+ Customer Satisfaction

Objective	Lead	2017/18	2018/19
<b>Always showing our passion for customer service</b>			
1. <b>Customer experience</b> – Translate a new Customer Experience Strategy into amazing service for every Guinness customer, every time. Bring our new Guinness Service Style to life.	Executive Director of Customer Services	✓	✓
2. <b>Brilliant at the basics</b> – Deliver well designed services which our customers love. Create the right structures and make sure our people have the right skills, knowledge and ambition to provide exemplary customer contact, housing management and repairs services.	Executive Director of Customer Services	✓	
3. <b>Home owners</b> – Increase homeowner satisfaction by improving the speed and quality of our service, making it easier to access, and providing the information our customers need and want.	Executive Director of Customer Services	✓	✓
4. <b>Care</b> – Deliver our Quality Plan, in line with the Care Quality Commission (CQC)'s requirements. Deliver a refreshed service offer for older people in need of services across Guinness. Extend our care at home services to the private payer market. <b>UPDATED</b>	Managing Director of Guinness Care	✓	✓
<b>Going further</b>			
5. <b>Impact of welfare reform</b> – Support customers most affected by changes to welfare benefits. Help them to sustain their tenancies, through better understanding their finances, accessing cheaper services or employment opportunities.	Executive Director of Customer Services	✓	✓
6. <b>Online services</b> – Give our customers more choice by taking our services online; make it easier for us to know what our customers need using a great Customer Relationship Management system and better customer data; and make it easier for our customers to know us through a new website.	Executive Director of Customer Services	✓	✓

## Our 2017/18 Targets

Overall satisfaction with services we provide (tenants) (%)	Overall satisfaction with services we provide (home owners) (%)	Satisfaction with last repair completed (%)	Appointable and emergency repairs completed in the time agreed (%)	Re-let turnaround time (days)	Reduction in complaints (%)
85.0	65.0	92.0	90.0 Non emergency 100 Emergency	25.5	10.0

Objective	Lead	2017/18	2018/19
<b>Really making the most of our assets</b>			
7. <b>Maintaining and improving our existing homes</b> – Install 1,390 new kitchens and 480 new bathrooms for our customers. Ensure all Guinness homes continue to meet the Decent Homes Standard. Increase customer satisfaction with the improvements we make to their home to at least 90%. <b>UPDATED</b>	Executive Director of Asset Management		✓
<b>Purposeful growth and diversification</b>			
8. <b>New Homes</b> – Deliver 2000 new homes by 31 March 2018 and put ourselves in the position to build 1,000 homes per annum after 2018. Implement a new Development Strategy, to build more homes of a range of tenures and create additional future capacity through a greater proportion of market sales. <b>UPDATED</b>	Group Director of Development	✓	
9. <b>Regeneration</b> – Progress work on Guinness’s major estate regeneration projects – Loughborough Park (Lambeth), Northwold (Hackney), Mansell Street (City of London) and Derby Docks (Cheshire East). <b>UPDATED</b>	Group Director of Development	✓	✓
10. <b>Review of “products”</b> – Make sure that the homes we offer address the needs of our current and future customers, particularly those impacted by benefit reforms. <b>NEW</b>	Group Director of Development	✓	
11. <b>Growth opportunities</b> – Identify and pursue opportunities to grow our business. <b>NEW</b>	Group Chief Executive	✓	✓

## Our 2017/18 Targets

New Homes	Satisfaction with planned repairs (%)	New kitchens / bathrooms installed	Homes meeting the Decent Homes Standard (%)
620 in 2017/18	92.0	1,390 kitchens 480 bathrooms	100.0

Objective	Lead	2017/18	2018/19
<b>Developing remarkable people</b>			
12. <b>Organisational culture</b> – Define and embed the Guinness values and culture. Create an atmosphere where people want to succeed and contribute by role modelling our behaviours, giving and receiving great feedback and helping people to be the best they can be. Review Guinness's office locations to ensure they support modern ways of working.	Group Chief Executive / Group HR Director	✓	
13. <b>Wellbeing</b> – Review our offer for staff, and package it better so people know what is available and know it represents our commitment to health and wellbeing. <b>NEW</b>	Group HR Director	✓	
14. <b>Talent management</b> – Create the next phase of the Guinness Leadership Programme focusing on encouraging and enabling our leaders and managers to progress. <b>NEW</b>	Group Chief Executive / Group HR Director	✓	
15. <b>Review our pay and terms and conditions</b> – Ensure our overall offer is in line with the market (and not above or below it). <b>NEW</b>	Executive Director of Corporate Services	✓	
<b>A true commitment to diversity and inclusion</b>			
16. <b>Diversity &amp; Inclusion Strategy</b> – Develop a more modern approach to Diversity & Inclusion that encourages different perspectives and views. Implement a new approach to equality analysis.	Managing Director of Guinness Care	✓	
<b>Meeting our legal and regulatory requirements</b>			
17. <b>Keep our customers and employees safe</b> – Continue to strengthen asset compliance processes and policies, and implement actions from improvement plans in key areas of health and safety.	Executive Director of Asset Management	✓	✓
<b>Fully exploiting technologies</b>			
18. <b>Technology Infrastructure</b> – Deliver our planned technology infrastructure programmes to implement a new Asset Management System, an Enterprise Service Bus, and improvements to our Document Management system to support business efficiency. <b>NEW</b>	Executive Director of Corporate Services	✓	✓
19. <b>Business Continuity</b> – Deliver the remaining phases in the development of our Business Continuity Plan, taking account of and exploiting Guinness's investment in new technology to provide an agile and effective response to a business continuity event. <b>NEW</b>	Executive Director of Corporate Services	✓	
<b>Using information intelligently</b>			
20. <b>Data</b> – Create an organisation wide data model that enables us to access and use our data faster and better.	Executive Director of Corporate Services	✓	

Objective	Lead	2017/18	2018/19
<b>Talking to each other</b>			
21. <b>Internal communications</b> – Ensure our people have a clear, shared understanding of our vision and corporate objectives and how they can help deliver them. Make communication between teams easier and quicker.	Executive Director of Corporate Services	✓	
22. <b>Board and Committee engagement</b> – Find ways to make Board and Committee members feel part of Guinness and connected between formal meetings. <b>NEW</b>	Executive Director of Corporate Services	✓	
<b>Promoting our organisation</b>			
23. <b>Raising our profile</b> – Do more to engage with the media and to promote Guinness. <b>NEW</b>	Executive Director of Corporate Services	✓	✓

## Our 2017/18 Targets

Employee engagement (%)	RIDDOR Reports	Completion of mandatory training (%)	IT systems availability (%)
90.0	<=10	100.0	99.0

Objective	Lead	2017/18	2018/19
<b>Really delivering financial performance and value for money</b>			
24. <b>Deliver our Fast Forward Programme</b> – Achieve our cost reduction and business improvement plans and implement a Target Operating Model that enables Guinness to fulfil its potential.	Executive Team	✓	
25. <b>Finance systems and processes</b> – Improve finance systems and processes, particularly Purchase to Pay and Rents & Service Charges, to increase the efficiency of our transaction processing and improve our speed of financial performance reporting.	Group Finance Director	✓	
26. <b>Financial and operational contribution from Guinness Property</b> – Deliver a profit greater than 2%. Generate added value through skills-led initiatives through our Academy. Grow our Women in Maintenance initiative. Complete the first contract for the construction of new homes. <b>UPDATED</b>	Executive Director, Guinness Property	✓	
27. <b>Income collection</b> – Deliver a rent collection service that meets the needs of our customers and protects our revenues	Executive Director of Customer Services	✓	
28. <b>Supplier and contract management</b> – Improve management of suppliers and contracts through (1) a supply chain strategy for all key areas of spend; (2) an e-tendering tool that meets new regulatory standards; and (3) improved processes for monitoring contractor performance.	Executive Director of Corporate Services	✓	
29. <b>Sale of empty homes to release capacity</b> – Deliver our property sales target and explore other opportunities to release financial capacity that enables us to do more.	Executive Director of Asset Management	✓	✓
30. <b>Post merger integration</b> – Deliver the post merger integration following Wulvern becoming part of Guinness. <b>NEW</b>	Executive Team	✓	✓
<b>Sharpening our focus</b>			
31. <b>Respond to changes in our external operating environment</b> – Act fast to ensure that we continue to be strong, stable and resilient despite our changing context.		✓	✓
32. <b>Our geography</b> – Launch and embed our new operating regions, shaping how we work to enable better local stakeholder engagement as well as better service. <b>NEW</b>	Executive Director of Customer Services	✓	
33. <b>Active Asset Management</b> – Review our footprint and consider where we densify and where we divest. <b>NEW</b>	Executive Director of Asset Management	✓	✓
34. <b>Category management</b> – Embed our approach to category management through the delivery of a programme of strategic sourcing projects, focusing in particular on our large areas of spend (Asset Management), to improve our leverage and to facilitate more effective contract management. <b>NEW</b>	Executive Director of Corporate Services	✓	✓

## Financial Strength and Capacity

## Our 2017/18 Targets

Current tenant arrears (%)	Operating Margin (%)	Void Loss (%)
3.5	35.0	0.8