

Making homes and lives better
wheatley-group.com



Investing in our futures

Our vision and strategies
for the next five years



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Our Vision

Setting the benchmark in Scotland and beyond for outstanding customer satisfaction in housing, care and property management is central to Wheatley Group's strategic vision.



Partner organisations, coming together as leaders in their fields of affordable housing, care and property management, will cement over the next five years the Group's reputation as one of the UK's leading customer-focused organisations. Five key platforms will drive the strategic journey forward:

- // Customer Service Excellence
- // Asset Growth and Partnerships
- // Transforming the Care Environment
- // Building Shared Capability
- // A Strong and Diverse Funding Base

Individual operating models will be laser focused on customers' needs and expectations, with cultures that inspire and empower staff to develop innovative solutions for the people we work for, building insightful, trusting relationships.

Our reputation as the sector's employer of choice will continue to attract and retain the best people with the skills, talent and commitment to deliver our ambitious vision.

The "Wheatley Way" will stand for an absolute commitment to excellence, underpinned by our **W.E. Excel** customer excellence programme.

Qualitative and quantitative customer insight will enable Wheatley partners to know and better understand all sections of their customer bases. Increased investment in technology will create cutting-edge platforms for customers to transact and engage on a new level, leading to personalised, tailored services that acknowledge there is no such thing as a universal customer.

Ongoing investment in the Group's asset base will protect our properties and neighbourhoods and ensure they continue to be great places to live. Social housing will be at the heart of what Wheatley has to offer, although the Group will also grow its affordable mid-market and full-market portfolios and develop market share in the private-rented sector.

Wheatley will continue to work closely with partners and stakeholders across Scotland and beyond, using its scale and capacity to great effect, while remaining deeply rooted in the communities we serve.

Wheatley's W.E. Care approach will provide a best-in-class model for both traditional local authority customers and individuals and families, as self-directed care and self-funding transform the care environment. Our integrated approach to housing and care will enable us to offer a wider range of services through the different stages of customers' lives.



Strategic Outcomes

- // Investment of £260 million in improving existing homes, exceeding tenants' needs and expectations and sustaining strong communities
- // Sustaining top quartile performance in 80% of ARC measures across Group RSLs, cementing Wheatley's position as a sector leader and exemplar
- // Achieving a minimum of 90% customer satisfaction across the Group
- // Maintaining affordable rents, pegging annual rises at a maximum of RPI plus 0.5%
- // Sustaining operating margins of 25%+, maintaining investor confidence, affordable rents and excellent services and access to low-cost borrowing
- // Strengthening the asset base by adding at least 5000 units through strategic partnerships and 7000 through acquisitions and development
- // Increase our combined revenue from non-RSL commercial activities from 12% to 18% by 2019/2020, reducing our exposure to public funding streams
- // Comprehensively re-shaping the repairs service model, increasing customer satisfaction and Wheatley's ability to take direct control for performance, efficiency and cost effectiveness
- // Establishing a sustainable and growing care business at the forefront of transforming the sector, generating additional income and spreading overheads to reduce the cost of intra-group care and support services
- // Meeting the needs of older and vulnerable customers by developing integrated accommodation-based alternatives to care homes through new Health and Care Partnerships, enabling people to live well in their homes as long as possible
- // Recruiting, developing and retaining highly-motivated staff with the skills and commitment to deliver Wheatley's vision, helping them to reach their full potential as they deliver excellent services.

Customer Service Excellence



We will provide customers with more choice, control and flexibility on how they interact with us and design a range of person-centred services based on in-depth customer insight.



Across Wheatley we are setting new standards for customer service based on a culture of trust and innovation. Our Group already achieves sector-leading levels of customer satisfaction and has an outstanding track record for delivering tailored, innovative services.

Over the next five years, we want to go even further, transforming our services so we exceed customer expectations in everything we do.

Our aim is to raise the bar in providing a range of personalised services. We will provide customers with more choice, control and flexibility on how they interact with us and design a range of person-centred services based on in-depth customer insight. In this way, we will anticipate our customers' needs and aspirations, working with them to plan what they want.

We will continue to deliver right first-time services in ways that meet the needs of modern, discerning customers while lowering our cost base.

We will make it easy and convenient for people to request services and make payments online or, if they prefer, on the phone 24/7 to our Customer Service Centre. This will involve us actively promoting channel shift with the aim of moving 30% of our transactions online. It will also free up housing officers to work with customers face-to-face, providing personalised services.

For some customers face-to-face will always be their preferred contact option and we will continue to provide customers with a range of access channels.

Our W.E. Excel staff culture will be fundamental. Our Group support services staff will offer specialised support to colleagues serving the external customer. Having an empowered workforce, working seamlessly together, will lead to services which are right first time, every time.

Our ambition is to achieve top quartile performance in 80% of ARC measures. Central to this is an understanding that there is no such thing as a universal customer. It is by listening to our customers, creating personalised service outcomes and developing outstanding levels of customer engagement, that we will define what it means to be excellent in our sector.

Over the next five years, we will:

// extend operating hours from 8am to 8pm to provide sector-leading levels of flexibility;

// equip housing officers with the skills and infrastructure to take services to the customer in their own home:

// ensure customers drive outcomes for their community by refreshing our engagement opportunities for the future.

And we'll work ever harder on supporting communities by developing our wraparound services. In 2015/16 we will see:

// full roll-out of the Loretto Tenancy Support Service and Housing Options;

// a financial health check for every new Glasgow tenant through a partnership with Glasgow City Council;

// new Wheatley My Budget bank account helping tenants manage their money.

An excellent repairs service is a top priority for customers. That's why we'll work closely with our repairs contractors to improve the customer experience of repairs. For example, we'll introduce a local handyman service for all customers and establish new **local repairs teams**.

We'll also develop our Neighbourhood Environmental Services to ensure every area we serve is a place people are proud of.



Strategic Outcomes

// Improved overall customer satisfaction to above 90% for all service providers

// 80% of customers reporting the service they receive meets their needs

// 30% of all transactional services being managed online

// Improved customer satisfaction with value for money to 83% across all RSL subsidiaries by 2020

// Among the top 5 most efficient housing groups in the UK (cost per unit)

// Improved customer satisfaction with neighbourhoods

// Top quartile performance achieved across all key customer and business indicators including:

// Increased percentage of new tenancies sustained for more than a year to 93% by 2020

// Reduced level of gross rent arrears owed to 3.9% by 2020

// 98% satisfaction with repairs and maintenance carried out in the previous 12 months by 2020

// 90% satisfaction with the opportunities given to tenants to participate in their landlords' decision-making processes by 2019.



Asset Growth and Partnerships



We are determined to use our size and scale to widen the housing choices available to our customers, investing £450million to build or acquire 7,426 affordable homes.



Increasing the supply of quality, affordable homes which meet the needs and aspirations of our communities is a key focus for us over the next five years.

There is a constant need for new affordable housing in all our communities with demand for our Registered Social Landlords' homes significantly outstripping the supply we have available.

We are determined to use our size and scale to widen the housing choices available to our customers, investing £450million to build or acquire 7,426 affordable homes.

This will include:

// 4,486 homes for social rent;

// 1,840 mid-market homes; and

// 1,100 full market homes.

Our social and mid-market rent housing will be delivered by our RSLs, principally in Glasgow, West Dunbartonshire, West Lothian and Edinburgh and we will have strategic agreements with the

Local Authorities in these areas. This will be supported by Scottish Government subsidy, our bond finance and other forms of affordable housing finance.

We will also continue to invest in our existing properties with a programme of over £260m of improvements reflecting what our local customers, staff and stakeholders tell us their priorities are.

But we want people to be proud not just of their homes, but also their neighbourhood, and we will engage with customers locally to identify actions that have the biggest impact on improving their communities.

We know our customers remain under financial pressure and that affordable housing is about more than just rents. That's why we will also investigate low cost district heating and renewable energy schemes to mitigate rising energy costs and help people further with the cost of running a home.

Analysing demographic trends shows the population is getting older. To widen choice for older people, we will build 271 amenity homes and continue to adapt existing homes so that older people can remain independent for longer.

We will consider opportunities for new partnerships with other RSLs where they bring value for existing partners and their customers and contribute to our strategic ambitions. We anticipate growing our stock by 5,000 units through these strategic partnerships.

Our commercial subsidiaries have a key role to play in our vision for the next five years. Lowther Homes will develop or acquire 450 units of market rent housing and drive up standards in the private letting sector. Subject to securing further additional commercial funding, we plan to grow the Lowther Homes market rent portfolio by a further 650 units. Lowther Homes will also build 125 units for sale. Using this platform, coupled with the existing asset base, we will create a new Private Rented Sector model that helps tackle local housing need and improves the customer experience in this sector.

By 2020 we aim to increase our non-RSL commercial activities from 12% of Group turnover to at least 18%. Generating more income from activities beyond core social housing helps diversify our income base. We will continue to review our Governance arrangements to ensure we are best placed to deliver our strategies.



Key outcomes we will deliver to realise our vision

- // Creating a new model and offering in asset provision and management in the Private Rented Sector that helps our strategic partners provide multi-tenure options to meet local housing need
- // Broadening the housing choices available to meet the needs of our diverse customers by providing 4,326 new social and mid-market homes that meet their particular housing need and economic circumstances
- // A further 2,000 new affordable homes and 1,100 market rent properties linked to additional new Group funding sources to be accessed in the strategy period
- // Further strengthening our asset base and strategic footprint through growth of a further 5,000 homes through partnerships

- // Delivering £260m planned investment programmes to modernise and maintain our existing homes
- // Increasing housing choice for older people through delivery of 271 new build amenity homes
- // Delivering a programme of 'LivingWell' adaptations to 1,500 homes that will enable older customers to live longer in their existing homes
- // Building or acquiring 125 homes for open market sale to widen tenure choice for customers
- // Increasing our non-RSL commercial activities from the current level of 12% of Group turnover to at least 18% by 2020.



Transforming the Care Environment



Our aim is that Wheatley will become known for its unique, integrated W.E. Care approach which will deliver flexible services, tailored around the needs of the individual person.



Loretto Care joining Wheatley in 2014, created a huge opportunity to transform lives by integrating support and care services with our core housing business.

By working together, the Group's partner organisations are ideally placed to provide specialised and personalised care and support to vulnerable people across our communities.

We are now ready to maximise the full benefits of having a leading care organisation working alongside our Registered Social Landlords. In doing so, we will not only help vulnerable people in our neighbourhoods but will also grow our position externally as a trusted provider - and strategic partner - in our sectors.

Over the next five years, our aim is that Wheatley will become known for its unique, integrated W.E. Care approach which will deliver flexible services, tailored around the needs of the individual person.

This highly personalised approach will put customers in control of a responsive service which is available when they want it, changes as they change, is cost effective and which ultimately enables them to become resilient and manage their home as independently as possible.

The W.E. Care approach will have added value through access to other support services provided by Wheatley and will help us meet the needs not only of people in traditional care groups but also of those who need support for other reasons - such as domestic abuse, leaving prison or antisocial behaviour.

At the heart of our strategy is delivering unrivalled choice for people so that, by 2020, 100% of customers agree they have had a say in how their care or support was provided.

The primary focus for the next three years will be to maximise the benefits of integrating support and care with our housing services. Our new Tenancy Support Service - which provides a range of support to vulnerable tenants to help them stay in their homes - will be embedded in our local housing and advice teams, becoming a seamless part of our services. Our aim is to sustain 93% of new tenancies for more than a year by 2020. By stabilising tenancies and building capabilities we will contribute to:

- // reduced tenancy turnover and abandonments;
- // improved customer satisfaction;
- // improved rent payment.

In line with the Scottish national agenda, we will adapt and design our products and services around the individual and not the property, enabling vulnerable older people and people with long-term conditions to remain in their homes for longer, rather than going into institutional care. The focus will be on personalised services that are flexible to the changing needs of the individual, using technology, outreach support, careline and crisis response rather than traditional packages that tie support to accommodation. We will aim to increase by 10% the number of older customers who feel their

home is suitable for their needs.

Competing effectively in the external care market is important to us as it helps us generate additional income for improvements and further innovation. One of the ways we will do this is by growing and developing our Self-Directed Support offer. Our vision is that SDS should be available to all people who have support needs. We want, by using our personalised W.E. Care approach, to achieve sector-leading levels of uptake from SDS and self-funder markets with the potential to serve at least 6000 paying customers.

Through SDS opportunities and accessing commissioned support and care contracts, we aim to grow Loretto Care's income by £1.5m by 2020.



Strategic Outcomes

- // 95% adults receiving support or care rate it as excellent or good
- // 95% customers supported at home or in a homely environment feel our support and care services have made a positive difference to the quality of their life by 2020
- // 100% adults supported at home or in a homely environment agree that they had a say in how their help, care or support was provided by 2020
- // 80% adults supported at home or in a homely environment agree that their health and care services seemed to be well co-ordinated by 2020
- // Reduction of 10% in the number of customers who move on from our support and care services in an unplanned way
- // Increase of 10% in older customers who feel their home is suitable for their needs
- // Reduction of 10% in number of customers moving to institutional care
- // Over 80% success in retaining and winning commissioned support and care contracts
- // Grow Loretto Care's income by £1.5m by 2020.



Building Shared Capability



Our size, diversity and reputation as an excellent employer and market leader will allow us to attract, develop and inspire the best staff.



We need the right people with the right skills, in the right place, to turn our vision for the next five years into reality.

Attracting and retaining talent is ever more competitive and we'll continue to focus on sound talent and succession planning across Wheatley both in our workforce and across our governing bodies.

Our size, diversity and reputation as an excellent employer and market leader will allow us to attract, develop and inspire the best staff, giving everyone the opportunity to fulfil their potential. An increasingly diverse range of skills is needed across the Group and we'll support our existing workforce in their learning – in a range of ways that suit them best.

Our ThinkYes culture is being taken to a new level and embedded across the Group through our W.E. Excel programme. This will renew the challenge to all staff and managers to develop new and innovative ways to delight customers within a commercial and value-for-money framework, while living our values of Excellence, Trust, Ambition and Community.

As we grow, a key driver for us will be continuing to manage productive relationships between organisations and boards across the Group, with a culture of collaboration and competition driving improvements. We will ensure Board members feel part of our Wheatley family and that they have opportunities to engage with their peers and to develop.

We aim to build unrivalled opportunities for our people across Wheatley to develop their careers and to share knowledge and expertise. This will define us as a role model for people development in our sector and beyond. For example, we will:

// establish the Wheatley Academy as our flagship centre of excellence for learning and innovation and create a network of learning centres;

// diversify our approach to make learning more accessible to staff, using technology to enable remote and home learning;

// develop strategic partnerships with colleges, universities and industry bodies;

// use collaborative technologies so teams can work and share knowledge remotely across locations;

// create leadership pathways that ensure we have talented staff ready to progress into leadership roles.

We will extend learning opportunities to our governing members, ensuring we support their development needs as our business evolves.

Our commitment to creating opportunities for young people in our communities will remain a priority. We will develop specific pathways for young people - some of whom will be our customers - supporting them to achieve their ambitions, either within the Group or with our suppliers. We will create a further 150 Modern Apprenticeships over the next five years and support at least 500 customers to access further opportunities through Wheatley Pledge which incentivises our suppliers to do more for our communities.

As the Group grows, so too will our ability to offer exciting careers and opportunities within a dynamic organisation. Our focus on developing our people will be matched by a commitment to reward and recognise our staff. We will set the bar for our sectors in our overall reward package for staff and look for new ways to celebrate success and applaud excellence.



Strategic outcomes

// Wheatley Group achieving IIP Gold standard by 2016

// Staff engagement above 85% in every part of the Group with a focus on underlying measures related to job satisfaction, leadership and satisfaction with development opportunities

// Over 85% of staff trusting leaders and recognising Group values

// Over 70% of our staff with consistently high performance ratings

// 40% of all management and leadership appointments made to internal candidates and over 50% of all appointments made to internal candidates

// 10-20% of all employees identified as potential future talent, with specific development opportunities available for them

// Investing resources in supporting a minimum of 10% of our workforce through modern apprentice/graduate training programmes and achieving substantive employment outcome of 100% either directly with Wheatley or within our supply chain

// A maintained commitment to avoiding compulsory redundancies

// Leadership programmes in place for first time managers and those joining the Group as well as develop bespoke and tailored programmes for senior managers and those identified as future senior leaders.



A Strong and Diverse Funding Base



We will create jobs, improve thousands of homes and build thousands more, all while boosting the life chances of those living in our communities.



Our ambitious plans for growth and innovation will require our partner organisations to deliver £1.1 billion of investment.

This will place the Group as one of the most significant contributors to economic growth in the country. We will create jobs, improve thousands of homes and build thousands more, all while boosting the life chances of those living in our communities.

We have an exceptionally strong financial base from which to secure this investment. Our balance sheet is healthy and secure, and we have a track record of accessing capital market funding at low interest rates. Our credit rating of AA- reflects this collective strength.

The financial framework in which we operate will need to evolve further to fit with our growth and

we will work closely with all our funding partners on this. In doing so, financial prudence will remain at the heart of our approach.

Importantly, we will not fund this investment through punitive rent increases for our customers; in fact we will reduce our assumed level of rent increases by no greater than RPI plus 0.5%.

Our focus will be on cost-efficiency. By 2020 we will have one of the lowest per-unit operating costs among our UK peers. By ensuring we target our resources towards the things our customers value most, we will demonstrate the value of our investment to our stakeholders and our customers.

Our care activities will benefit from investment in new technology, increasing our opportunities to generate revenue from offering services to other providers.

A bigger, stronger income base will allow us to invest more than ever before in service improvements and growth, delivering excellence to all our customers.

Our projections show a significant rise in the Group's turnover, driven by new partnerships. Throughout this period of growth we will sustain a healthy level of operating surplus, in line with our key peers and investor expectations, with the underlying operating surplus exceeding 25% in the last two years of this strategy. This financial profile will help reinforce our credit rating; and our aim is to secure an upgrade to AA by 2017.

This strategy will maintain confidence in our financial performance, necessary to continue to access affordable borrowing.

We will need to raise £700m in new borrowing to support our ambitions, building on the £300m bond raised in 2014/15. This will combine with existing bank facilities and grant funding from Government, local authorities and other providers to deliver a £1.1 billion programme of investment in our communities and services.



Strategic outcomes

// Keeping RSL rents affordable through reducing planned rent increases to no greater than RPI plus 0.5%

// Delivering operating efficiencies which make us one of the most cost-efficient in our UK peer group in relation to operating cost per unit

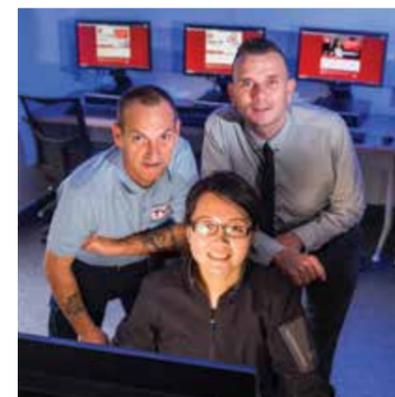
// Deliver an operating margin of at least 25% for the Group and make an overall surplus after funding costs

// Raise £700m of new private funding for the Group RSLs and £80m for growth in private rented sector investment over the next five years as part of supporting an overall £1.1 billion investment programme in new assets and services

// Secure £15m of additional grant for community activities, including through the Wheatley Foundation

// Investment of £260m in our existing properties over the next five years

// Improve our credit rating to AA by 2017.





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