

Embracing change, shaping the future

Corporate Plan
2021-2026



Contents

2	Foreword
3	Our vision
4	Renewing our mission
5	Our transformation programme
7	Quality services, more opportunity
11	More homes, better places
14	Strong foundations, more choice
18	Five years of delivery

Foreword

I am delighted to introduce a new Corporate Plan for Sovereign, setting out how we will deliver on our ambitions over the next five years. Building on the 2019 Corporate Plan, we are committing to improving customer service, building thousands more homes and reshaping Sovereign to support our vision.

Since I arrived at Sovereign in 2018, I have been impressed by how passionate our people are to deliver for customers. We need to harness that passion, so we can do more and do it better, to meet changing customer needs.

I have also been impressed by the quality of the homes we build, but I know that some communities need investment so that every Sovereign customer has a good home in a great place. I am excited to see the roll out of our new Homes and Place Standard, which will help make that a reality.

However, unless we change as an organisation, adopting a culture that empowers us to get our services and our development programme right, we risk standing still – at a time when the sector and our customer base are changing. Over the next five years, Sovereign is going to embrace that change, transforming how we work to improve customer outcomes and build more homes.

Delivering our Corporate Plan will make a positive impact on thousands of people's lives. I hope you are as inspired as I am by what we can achieve together as we this put this plan into action.



Mark Washer
Chief Executive Officer



Our vision

We will be the leading landlord in the south of England, providing our customers good affordable homes in thriving and sustainable communities

Renewing our mission

In our 2019 Corporate Plan, we pledged that our customers would be at the heart of all we do, today and tomorrow. Our 2021 plan renews that pledge: our core offer to them, a good home in a great place to live.

We want to provide customers with homes and communities where they can thrive. But while a safe and solid home is vital, our mission does not end there.

For our customers to live their best lives, they need to know that we will maintain their home and respond to requests quickly, getting repairs right first time. And they want us to invest in local communities, creating great shared spaces and enabling them to take pride in their neighbourhoods.

The 2019 Corporate Plan described three strategic building blocks, centred around how we think about our customers, the way in which we build more homes and maintain our stock, and the services that enable us to deliver as a business.

These three strategic pillars need to be aligned. That is why we are bringing them together through our transformation programme, and putting our customers at the heart of everything we do.

Our three strategic pillars



By 2026 the way we work will have been transformed in every corner of the business. It will be an exciting and challenging period for Sovereign, as we make the decisions that will set our course to 2050 and beyond. We intend to reshape our business to meet the changing needs of the sector - from responding to the political and environmental context to navigating the opportunities and demands of technology - while staying true to both our roots and our vision for the future.

Our transformation programme

This Corporate Plan sets out our priorities and our ambitions – the things we want to do and the things we need to do to meet our objectives over the next five years. Alongside the actions set out in this plan is a major programme of transformation that will reshape our business, enabling us to deliver against our targets.

Change is a constant for large, dynamic organisations, especially in highly-regulated sectors. But there are specific reasons why the next five years needs to be a period of accelerated change at Sovereign.



The government's approach to housing is changing, with more emphasis on consumer and safety standards. New legislation and guidance will formalise a lot of the best practice that we already apply, but we need to be ready to embrace a renewed focus on the customer in line with new regulatory requirements. At the same time, customers are expecting more, including access to digital services.

As a developer, we operate in a challenging housing market, planning for decades of demographic and social change. When we designed our Homes and Place Standard, we said we would build homes which are future-proofed against climate change – we are already living through changing and unpredictable weather patterns. Finally, Covid has changed the way we work, probably forever. This is the backdrop for the next thirty years.

We are not starting this journey today; we are building on the 2019 Corporate Plan. Strong foundations mean that we have performed well, despite the pandemic. Customer satisfaction has remained steady, a testament to the commitment and dedication of our people, especially our frontline teams. We are well on our way to building 2,400 homes a year and our land-led approach is already delivering. Our Homes and Place Standard is sector-leading and will provide the basis for thriving sustainable communities. And last year we showed our commitment to our communities, investing £4.7 million and creating more than £24 million of social value.



Over the next five years, our pace of change will accelerate so that we can maximise the positive impact we make. However, to revolutionise our customers' experience we need to revolutionise how we work. We need to create a culture that makes it easy for people to do the right thing, empowering employees and customers to make decisions and to take ownership of their neighbourhoods and communities.

We will use data and insights to personalise our services, giving people more choice and enabling us to get it right first time, every time. We need to consolidate and integrate our cloud-based systems, and to standardise and streamline our processes. And using the Homes and Place Standard we are going to embark on a major programme of regeneration so that every home we own or build is a great place to live.

To deliver quality services and to maintain and build new homes, we need our people, and our systems to work as effectively and efficiently as possible. We have a workforce that is passionate about delivering for customers, but our processes do not always enable us to move as far or as fast as we want. We need a culture which empowers us to be customer-centric in all things. We need to improve our equality, diversity and inclusion so that we reflect the communities we serve. We need to continue to attract inward investment so that our sound finances give us the leverage to borrow. We need to engage with the outside world, leading in our sector and influencing government at the highest level.

Our transformation programme will make Sovereign a great place to work and enable us to build new homes and invest in our existing stock. Whether it's how we deliver IT, attract new investors, ensure health and safety, promote employee wellbeing, design a new home or regenerate a home we own, everything we do comes back to our very simply mission: providing good quality, affordable homes in successful and sustainable communities.

Quality services, more opportunity

Our priorities for customers

- Becoming a customer impact organisation
- Personalising our services by better understanding our customers
- Providing digital services our customers want to use
- Improving our customers' quality of life by enabling them to build thriving, resilient communities
- Measuring customer impact so we understand which interventions have the biggest social impact

Our outcomes for customers

By 2026

- Our customer satisfaction will be 90% or higher
- 9 out of 10 customers will tell us that they trust us
- 95% of our services will be delivered right first time
- 9 out of 10 customers will tell us it is easy to do business with us
- 80% of our customers will make first contact using our online / digital offer
- Our customers will say they feel safe and can thrive in their communities
- We will be regularly publishing data on the social impact we have on our customers





Becoming a customer impact organisation

Our services are consistently designed and delivered with the customer in mind and we have a positive impact on our customers through every contact

- Our nine customer outcomes will transform decisions, actions and behaviours
- We will co-create performance measures and delivery targets with our customers that are important to them from 2022
- We will listen to and understand our customers to design, structure and deliver services that work for them

By 2026

Our customer satisfaction will be 90% or higher

9 out of 10 customers will tell us that they trust us

Personalising our services by better understanding our customers

Our customers feel we understand them better and respond to their needs through our delivery of great personalised outcomes and experiences

- We will segment our customers based on what they need from us and complement this with other information that enriches our understanding
- We will create a single, accurate view of each customer so we can serve them more effectively
- By shaping our services around our understanding of individual customers, we will resolve 95% of customer requests at the very first point of contact
- Using insights on individual customers and data from across the business, we will target resources in a way that sustains tenancies, using pre-tenancy sign-up and working with Housing First customers

By 2026

95% of our services will be delivered right first time

9 out of 10 customers will tell us it is easy to do business with us

Providing digital services our customers want to use

We make things so easy and accessible for our customers that they will want to interact with us digitally wherever possible

- We will offer self-service options across our services, using integrated technology
- We will encourage and support customers to use our digital services by building their confidence and knowledge
- Where we can, we will automate tasks and processes, to make sure we deploy our people where they are needed most
- We will bridge our online and offline experience, so customers have a consistent and seamless experience as they move across channels

By 2026

80% of our customers will make first contact using our online / digital offer

Improving our customers' quality of life by enabling them to build thriving, resilient communities

The communities where we work enable our customers to live their best lives

- We will work with our customers to overcome the challenges they face around financial and digital inclusion and to look for good jobs
- We will reduce unwanted behaviour in and around our homes
- We will invest a minimum of £3.5m per annum (or more than 5% of our pre-tax surplus, whichever is greater) in community projects which attract third-party funding and deliver positive changes for our customers and their neighbours
- We will create a new model of community stewardship, making better use of frontline resources, empowering customers and colleagues to make a positive change
- We will provide specialist domestic abuse and anti-social behaviour services so that customers feel safe in their homes and communities

By 2026

Our customers will say they feel safe and can thrive in their communities



Measuring customer impact, so we understand which interventions have the biggest social impact

We will be able to demonstrate the positive impact we have on the lives of our customers and communities

- We will develop services for specific categories of customer, including 18 to 24-year-olds and older customers, to be implemented from 2023
- We will elevate and amplify our customers' voice, so they are heard by policymakers and decision-makers
- By 2023, we will have a tool to assess the positive social impact we are having on our customers, including data on employment, health and wellbeing
- We will improve our customer communications so we can use customer data and insights to inform how we develop our services

By 2026

We will be regularly publishing data on the social impact we have on our customers



More homes, better places

Our priorities for development and assets

- Raising the standard of all our homes with the Homes and Place Standard
- Through Homes and Place we will decarbonise our homes
- Building more affordable homes to meet housing need
- Investing in high streets, creating great mixed developments

Our outcomes for development and assets

By 2026

- All new homes approved will be minimum Homes and Place 'good'
- We will be undertaking at least two major regeneration schemes
- All existing homes will have a clear pathway to net zero
- All new homes will be net zero ready
- We will be ready to build 2,400 homes in the FY 2026/27
- We will have at least two schemes of mixed retail and housing under development





Raising the standard of all our homes with the Homes and Place Standard

Every home we own will be a place where our customers feel safe, part of their community and where they can thrive

- We will grade all our assets against the Homes and Place standard by the end of 2021
- Where we can, we will regenerate existing stock so that it meets the Homes and Place Standard
- We will partner with developers and architects to build new homes that meet the Homes and Place Standard
- We will replace homes that we cannot expect to meet the Homes and Place Standard

By 2026

All new homes approved will be minimum Homes and Place 'good'

We will be undertaking at least two major regeneration schemes

Through Homes and Place we will decarbonise our homes

We will enable all our customers to live in homes where they can have a positive impact on the environment

- Through the Homes and Place Standard we will design homes future-proofed against climate change
- We will take a fabric-first approach to the delivery of homes so that embodied carbon and energy requirements are minimised
- We will build homes that have a positive impact on the environment by encouraging biodiversity
- We will empower our customers through smart technology to reduce their energy and water usage

By 2026

All existing homes will have a clear pathway to net zero

All new homes will be net zero ready

Building more affordable homes to meet housing need

We will increase our output to 2,400 new homes a year

- We will move to 50% land-led to enable our growth and reduce our dependence on the new infrastructure levy
- We will use the surpluses we generate to invest in upgrading existing stock
- We will partner with developers and government to acquire the land we need to deliver increased volumes of housing
- We will use modern methods of construction where they help delivery of new and better homes

By 2026

We will be ready to build 2,400 homes in the FY 2026/27

Investing in high streets, creating great mixed developments

Our plans will regenerate high streets and support communities in town centres

- We will support local high streets by redeveloping sites for mixed use, including retail
- We will engage local authorities and policy makers to shape planning policies that promote high street regeneration
- We will commission research into the best way to support high streets through the development of affordable housing in town centres and publish in 2022
- We will prioritise developments that have the most positive social and economic impact on town centres

By 2026

We will have at least two schemes of mixed retail and housing under development





Strong foundations, more choice

Our priorities for how we work

- Building a diverse workforce that reflects our communities
- Making Sovereign a great place to work
- Enabling our workforce to be safe and well
- Enabling our business to deliver our customer and development priorities
- Ensuring our business remains financially strong
- Influencing policy at the highest level

Outcomes for how we work

By 2026

- We will have an inclusive culture and a diverse workforce that understands our customers' different needs
- Our employee engagement scores will have seen a 2% year-on-year improvement
- We will have embedded a systematic approach to health and safety, resulting in 60% fewer injuries
- Our new operating model will demonstrably enhance how we work and be reflected in improved business performance
- We will maintain strong credit ratings in order to support the delivery of our Corporate Plan and have met 80% of our financial targets in each of the last five years
- We will be known as one of the most influential housing associations and as a go-to organisation for policymakers



Building a diverse workforce that reflects our communities

We will be a leader in diversity and inclusion

- We will promote and embed equality, diversity and inclusion into every aspect of the business supported by relevant EDI training for all
- We will implement innovative recruitment practices that ensure we attract and recruit a diverse workforce
- We will carry out equality impact assessments as we reshape our services, to ensure underrepresented groups are not adversely affected
- We will use surveys to measure and assess our employees' sense of belonging

By 2026

We will have an inclusive culture and a diverse workforce that understands our customers' different needs

Making Sovereign a great place to work

We will be recognised as a great employer

- We will listen to feedback from employees and work with them to improve the customer and employee experience
- We will trust employees to make sound decisions based on good data, empowering them to do the right thing for customers
- We will deliver effective internal communications that inform and inspire our people to be advocates of our vision and to champion our corporate priorities
- We will provide a working environment that attracts and retains talent by enabling people to do their best work, wherever and whenever they are working
- We will focus on continuous learning and development that enables employees to fulfil their potential

By 2026

Our employee engagement scores will have seen a 2% year-on-year improvement



Enabling our workforce to be safe and well

We will be sector leading in health and safety

- We will equip everyone with the knowledge, skills and motivation to be safety leaders
- We will embed a systemic, risk-based approach that drives consistent excellence in safety management
- We will actively listen to our colleagues, using their insights to shape our safety processes
- We will embed a holistic approach to wellbeing, establishing a mutual responsibility for making healthy work-life and home-life choices

By 2026

We will have embedded a systematic approach to health and safety, resulting in 60% fewer injuries

Enabling our business to deliver our customer and development priorities

We will develop a new business operating model that can deliver our corporate ambition

- We will review our organisation design to create a Target Operating Model that is fit for purpose and for future growth
- We will implement our new Target Operating Model by the end of FY 2023-24
- We will redesign processes and leverage new digital systems to improve efficiency and consistency and we will reduce the number of systems we use

By 2026

Our new operating model will demonstrably enhance how we work and be reflected in improved business performance

Ensuring our business remains financially strong

We will be recognised by investors, banks, the Regulator and the rating agencies as one of the leading associations in the country

- We will implement our Investor Strategy to ensure we continue to have access to the finance we need to deliver our Corporate Plan
- We will maintain sufficient liquidity and financial robustness providing headroom against our Golden Rules to deliver our Corporate Plan
- We will explore further opportunities for merger and joint ventures with others in the sector to increase the number of homes we can build and manage
- We will implement our Fit for Growth strategy, delivering savings of £18m
- We will publish quarterly reports to all employees showing our progress against our top-level KPIs

By 2026

We will maintain strong credit ratings in order to support the delivery of our Corporate Plan and have met 80% of our financial targets in each of the last five years

Influencing policy at the highest level

We will shape policy so that we can achieve our corporate objectives and deliver for our customers

- We will develop a programme of thought leadership research that highlights our priorities around high streets and sustainability
- We will prioritise and engage key stakeholders so that we influence decision making at a national and local level
- We will expand our networks through the sector and beyond, partnering with a wider range of stakeholders to reach new audiences
- We will demonstrate how our approach can support government's priorities in housing

By 2026

We will be known as one of the most influential housing associations and as a go-to organisation for policymakers



Five years of delivery

While this plan is a central pillar of our vision, no document can capture what we will be doing every year over five years. It gives us direction and it will define how we measure success, but it is a signpost, not a finishing post.

Some of the commitments in this plan are easy to measure, some are time-limited and some are harder to put into numbers. We will measure every single one.



Every action in this plan will be given a Key Performance Indicator (KPI), a clear line of responsibility up to the Executive Board, and a timeframe. This is not a series of aspirations; it is a programme of work.

Not every single action will be completed as envisaged today – we live in too changeable a world for that. We will publish quarterly updates on progress against the Corporate Plan to chart our progress and anticipate when things fall behind. The progress made against the 2019 Corporate Plan demonstrates our capacity for delivery. This plan will keep us moving forward and at a faster pace.

Building homes for people who would not otherwise have somewhere to live is a noble endeavour: we are doing good work. Our heritage is in charitable and philanthropic institutions, men and women who were passionate about the potential of good housing to improve lives. We are their heirs, inheriting their zeal

to change people's lives for the better, starting with a good home. The way we can do that in 2021 is vastly different from the Victorian building programmes of the mid-nineteenth century or the post-war housing boom. Indeed, the way that society discharges its duty to house all our fellow citizens has changed as much in the last thirty years – the lifetime of Sovereign Housing – as in the 150 years before that. And it will keep changing still.

Housing associations think in decades rather than years. Our new Corporate Plan takes us just half a decade into the future; it is a milestone on a long journey. We hope that you will come with us on that journey, working together to deliver good quality, affordable homes and services within successful, sustainable communities.





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