



CASTLEHILL HOUSING ASSOCIATION  
STRATEGIC PLAN 2019-2022

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*Approved by Management Committee - 27<sup>th</sup> May 2019.*

## 1. Introduction – Corporate Governance and Vision

The purpose of this document is to consider the Association’s strategic direction for the next three years. Our approach to strategic planning is to use a three-year cycle, but with updates in the interim, as required, to reflect changes in our operating environment.

Castlehill has a simple group structure with Castlehill Housing Association, a Registered Social Landlord (RSL), as the parent organisation with responsibility for setting the strategic goals and direction for the organisation. Our subsidiaries are: Castlehill Housing Trust, a non-registered charitable company that provides specialist accommodation options for people with a range of disabilities including those with high-level support needs and Castlehill Solutions Ltd, a non-charitable company that manages our Mid-Market Rent properties. Further details of the activities of our subsidiaries are given later in this plan document.

Castlehill is proud of the achievements of the organisation since it was established in 1970. We look forward to the future by building on our successes and ensuring we move with the times without losing the values that have served us well. We are an organisation that is of a scale to be a robust business, but not so big as to be remote from the people that we house and provide services for.

### **Our Vision:**

***“To be recognised as a leading provider of high-quality affordable homes in North East Scotland and as an organisation that cares about people”***

Castlehill Housing Association has clear Core Objectives, detailed below, and this Strategic Plan underpins our approach to achieving these objectives over that period. This document also highlights a number of specific objectives we will strive to achieve in implementing our strategy and these aims to give over-arching goals that link into the delivery plans taken forward through Department Work-plans.

We recognise that external factors such as Government policy and legislation, funding and the wider economic climate all impact on our ability to deliver our objectives. We also recognise that the requirements of regulatory bodies such as the Scottish Housing Regulator, OSCR and the Care Inspectorate as well as the Strategic Planning role of Local Authorities help to determine the working environment of the Association. Within that context, this document aims to express the direction the Association wishes to take and to define the activities we wish to be involved in.

## 1.1 Association Objectives

- To provide high quality affordable housing, and an efficient, responsive and personal housing management and maintenance service.
- To provide appropriate support services to sustain independence and quality of life.
- To contribute towards sustaining rural communities through providing housing, associated employment and using local maintenance contractors

This plan aims to provide over-arching direction but the ongoing implementation of our strategic approach relies on various other policies and plans:

- Financial Forecasts and Projections
- Department Work Plans
- Risk Register
- Internal Audit
- Operational Policies and Procedures.

The 2019-2022 plan rolls on from previous documents and reflects outcomes and ideas arising from strategic planning events attended by the Association's Management Committee and Senior Staff, as well as input from CaRTO, our registered tenant group.

## 1.2 Management Committee and Governance

***Plan Objective 1 – We will ensure that we maintain the range of skills, knowledge and perspectives on our Management Committee to promote continued good governance of the Association.***

The Association has had a strong Management Committee over the years, with members committed to the Association's objectives, and in particular the provision of quality housing and support work for more vulnerable members of the community. The Committee has also had a good range of expertise, which is essential as the work of associations becomes ever more complex.

The Association reviewed our Committee Procedures and Standing Orders in November 2018. During 2018, we reviewed our sub committee structure to ensure it remains fit for purpose and reflects the operational requirements of the Association. Following this review, our sub committees are now:

- Finance and Development
- Housing and Property Services
- Corporate Services
- Audit and Risk

Castlehill adheres to the model Codes of Conduct for Staff and for Governing Body members that have been published by the SFHA. The Association has a programme of review and evaluation for Committee members to ensure that their contribution to the work of Castlehill is fully recognised and

supported and to help inform training needs that will keep members up to date with all current governance issues and requirements. The Committee review process also serves to give feedback to members on the effectiveness of their contributions and to provide a “skills audit” that identifies any potential weaknesses across the Committee as a whole that need to be addressed and to inform succession planning. Castlehill recognises that recruitment of voluntary Committee members is a challenging issue and acknowledges the importance of a knowledgeable and motivated Committee with the full range of skills to oversee and direct our work.

The Management Committee has a central role in the self-assurance process and ensuring our compliance with the Regulatory Standards published by the Scottish Housing Regulator in February 2019. We will ensure that our Committee has the skills, knowledge and training to effectively lead and direct the Association and to play an appropriate role in the production of the Annual Assurance Statement.

Tenant/customer involvement at Committee level remains a priority and we have had some success with Committee recruitment in this area. It is intended that work being done to encourage involvement via the tenant’s panels will continue to assist with this aim.

Historically, membership levels have remained fairly low and this is an area we will continue to try to address on an ongoing basis, particularly through encouraging tenants, sharing owners and other stakeholders to consider becoming members of the Association. This approach has met with some success to date with a number of tenant panel members now joining the Association.

### **1.3 Organisational Structure**

In 2018, the Association reorganised our departmental structure to bring our planned and reactive maintenance services together as a single department to provide a seamless service for tenants and to ensure that the structure reflected our operational needs and priorities as we move forward.

Our Senior Management Team consists of the Chief Executive, Director of Finance & Corporate Services and Director of Housing & Property Services. Each of the departmental Directors has responsibility for the full range of functions within their department. In addition, senior staff members for our Development and Care & Repair functions report directly to the Chief Executive.

Our staffing structure is designed to align closely with the sub committee structure to give clear lines of reporting ensuring appropriate scrutiny and good governance of the Association.

## **1.4 Risk Mitigation Approach**

***Plan Objective 2 – We will continue to ensure that our risk management controls are always relevant and fit for purpose.***

The Association recognises that risk management is central to good governance. Castlehill’s approach to risk management aims to ensure a co-ordinated and proportionate response to risk across the organisation and we have a regularly reviewed risk register established confirming the controls in place to mitigate each identified risk. The Association has generally taken a conservative approach to risk, giving a high priority to maintaining a sound financial position that protects the interests of our tenants and other customers. The Senior Management Team takes operational responsibility for risk management with responsibility for overseeing the risk management framework delegated to the Audit and Risk Sub-Committee by the Management Committee.

The risk register is based on “Red, Amber, Green” scales with ratings based on likelihood and impact of any identified risk. Reviews are on a six-monthly basis.

Our approach to risk management is underpinned by the role of Internal Audit in giving assurance that our policies and practices are robust and compliant and identifying areas for improvement. This role is currently undertaken by Wylie Bisset, who were appointed following a tender exercise in December 2016.

## **1.5 50 Years of Castlehill Housing Association**

Castlehill was formed in September 1970 and, therefore, in 2020 will celebrate our 50<sup>th</sup> Anniversary. Various events and projects are being planned to mark this milestone, involving tenants, Committee members and staff, past and present as well as other stakeholders with an interest in the work we do.

## 2. Core Values, Culture and Corporate Issues

Castlehill Housing Association is a registered charitable organisation. The Association has a long, successful, track record in the provision of housing and associated support services. Our current housing stock includes general needs properties, amenity, sheltered and very sheltered housing. We operate across three Local Authority areas; Aberdeen City, Aberdeenshire and Moray. Through our subsidiary, Castlehill Housing Trust (CHT), we provide specially designed housing for people with particular needs. The bulk of our stock is for affordable rent, but we also have a number of shared ownership properties. As of 2019, we currently own and manage over 2000 properties and over 9,000 households are registered with us seeking housing. In 2011, we established a non-registered, non-charitable subsidiary, "Castlehill Solutions" (CSL), to enable us to carry out activities that are complementary to the core objectives of Castlehill but could not be done by the parent charitable Company. CSL leases properties from Castlehill HA to provide Mid Market Rent tenancies. There are 28 such properties at 2019.

In addition to our core activities as a registered social landlord, Castlehill also manages Aberdeen Care & Repair, undertaking a range of services for older and disabled people throughout the City.

### 2.1 Our Values

#### Castlehill Housing Association Our Values



Castlehill values are based around the headings in the chart above. These values help us to ensure that our people are the right “fit” for Castlehill – that their ways of working and behaviour are aligned with the culture of the organisation. This assists us to work together to deliver our objectives and ensure our customers receive consistently high-quality services.

The Association believes that quality services can best be delivered by ensuring that, as far as possible, front line staff build up direct relationships with tenants or other service users.

Housing and Property Services each provide a service to a distinct group of properties. In this way, they get to know their tenants, and deal with the full range of issues that may arise during a tenancy. Housing Support staff from the Key Project work with individuals who need additional support, and to be effective it is essential that trust is built up between the support worker and tenant.

In sheltered housing, individual housing support plans are shaped to meet a tenant’s specific needs and reviewed regularly by our own Scheme Managers, or other organisations who have been contracted by the local authority to provide the housing support service.

Care and Repair staff provide a service which is based on home visits, primarily to older and disabled owner-occupiers. They aim to provide a holistic service which can address ‘quality of life’ issues, as well as assisting with repairs and improvements to their home.

## **2.2 Independence**

Over almost 5 decades, the Association has developed a distinctive identity and culture. We have developed services based on areas of expertise and experience, for example, our work with older people in sheltered housing led naturally to the development of Care and Repair services for older and disabled owner-occupiers. We have continued to promote an ethos of care and support in the work we do, taking business development opportunities based on our perceived strengths and areas of expertise. Examples of this include our Key Project, which has now been successfully providing a wide range of housing support for almost 20 years and bringing Grampian Community Care Charitable Trust (now renamed Castlehill Housing Trust) within Castlehill. A crucial factor in the transfer of the Trust was our shared ethos and values.

Our Management Committee wishes to see Castlehill continue to build on past success and have a long future as a strong independent organisation.

- We are well respected by local partners and recognised for our commitment to housing support.
- Our tenants and other service users regularly report high levels of satisfaction with our services.
- We have a strong financial management framework, and we have always been prudent when evaluating risks and managing our finances.
- We have favoured an approach of steady, measured growth and developed a stable organisation with committed and motivated staff.



- We have a clear governance structure, and a strong, supportive Management Committee who are committed to our objectives.
- We have established a group structure with parent and subsidiary companies allowing us to undertake a range of activities contributing to our overall aims and objectives.
- We are financially viable, but also aware that we must continually take steps to control our unit management and maintenance costs, and thus demonstrate efficiency.
- We have concentrated staffing resources on front line services, and we consider we operate a lean, efficient “back room” service.

For all the above reasons, we consider our work can best be delivered by an independent Castlehill, provided that we continue to focus on managing our costs as well as delivering a quality service. We see no conflict between retaining an independent organisation whilst working with partners to deliver on our objectives, as appropriate.

The sector in North East Scotland consists of a limited number of regional and national RSLs rather than many smaller community based Associations and we view the retention of independent organisations as a healthy situation enabling both customer choice and benchmarking to continually improve services.

### **2.3 Partnership Working**

Partnership working has always been important to the Association and enabled us to bring together the complementary skills of organisations. We have many examples where we have provided accommodation, and our partner voluntary organisation provides the support and care. We work closely with local authority partners in areas such as strategy development and support service provision.

North East Scotland has a successful track record of partnership working between local RSLs and Local Authorities on a variety of projects such as the Devanha procurement programme that delivered over 1300 new homes and Homehunt NE, our Choice Based Lettings system. Castlehill will continue to pursue opportunities to work with partners to deliver on our objectives.

Castlehill is an active member of the Scottish Federation of Housing Associations and this provides an opportunity to work with partners in the wider sector and influence policy and good practice.

### **2.4 Opportunities**

The Association will continue to consider opportunities for providing new developments or services which are in accordance with our Core Values and Culture. We recognise the need to embrace change in order to meet the aspirations of those who we house and who use our services and the need to be adaptable to changes in our operating environment.

## 2.5 Human Resources - Our Staff

We are proud of our highly committed and skilled staff and the work that they do.

We have around 110 staff in our offices and schemes. Approximately 70 staff are employed at our offices in Aberdeen and around 40 staff are based at our schemes across Aberdeen, Aberdeenshire and Moray.

Many of our staff work for us part-time or job-share and we operate a variety of working patterns to allow staff to maintain the work life balance they choose. We recognise that we cannot compete with the salary levels offered by the oil industry, which still dominates the employment landscape in and around Aberdeen but aim to counter this by attracting staff through good conditions of employment and work that gives job satisfaction and security.



Staff on a sponsored walk raising funds for local charities

We offer a wide range of training and development opportunities to all staff. Our staff review/appraisal process encourages staff to think about training needs, the direction their career might follow and how the Association might support their aspirations.

## 2.6 Pensions

Castlehill is a member of the Social Housing Pension Scheme (SHPS) administered by The Pensions Trust (TPT).

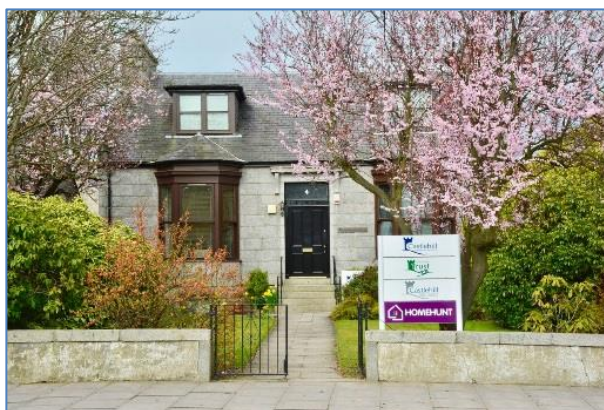
In 2019, following specialist consultant advice and an extensive consultation with staff, the Association took the decision to close the previously offered Defined Benefit (final salary) scheme and to instead offer the TPT Defined Contribution (DC) scheme to all employees who wish to join the scheme and benefit from Castlehill employer contributions. The default contribution rates for the DC scheme have been set at 10% from employer and 5% from employee.

The SHPS DC is Castlehill's auto enrolment scheme.

The Association has taken the necessary steps to provide for past deficit contributions in respect of the Defined Benefit scheme.

## 2.7 Office Facilities

The Association owns office accommodation at 4 Carden Place and 7/11 Waverley Place, Aberdeen. Carden Place comprises a mix of open plan and individual offices, meeting room, staff room and kitchen, and public reception area with interview room. Public areas have ramp access and disabled toilet facilities. Housing and Property Services, Development, Castlehill Trust, Homehunt and the Chief Executive are based at Carden Place.



Office, 4 Carden Place

Waverley Place consists of 3 offices, one self-contained and two linked on the upper floor. Aberdeen Care and Repair occupy the ground floor unit at 11 Waverley Place. Our Finance and Corporate Services staff occupy the first-floor linked offices. Waverley Place has two meeting rooms and staff room/kitchen facilities. The Care and Repair office has level access for the public and the first-floor office is served by a stair-lift.

In addition, our ground floor accommodation at 7 Waverley Place houses our main meeting room and training base, with multi-media facilities to host meetings, presentations seminars or workshops. The facility was refurbished in 2019 and provides level access, disabled access toilet and a small kitchen. It is expected that during the lifetime of this Strategic Plan, we will look to make these facilities available to local voluntary organisations and like-minded community groups.

7/11 Waverley Place is less than 200 yards from Carden Place, and It is anticipated that operating with these two locations will be satisfactory for the 2019-2022 period.

## 2.8 Health & Safety

***Plan objective 3 – We will continue to meet all our obligations on relevant Health & Safety requirements.***

Compliance with all relevant Health & Safety legislation is an integral part of the organisational culture at Castlehill, both in terms of the working environment for our staff but also for those living in our properties.

As Associate members of EVH, Castlehill utilises their Health & Safety Control Manual as the template for our approach in our role as employer and has an active Health & Safety Management Group to oversee implementation and monitoring. During the lifetime of this plan, we will also be migrating our existing Health & Safety measures as a landlord to use the EVH Landlords Safety Manual.

The EVH Health & Safety guidance has been developed with the specific needs of our sector in mind and gives Castlehill the tools to implement a comprehensive policy and management system to achieve legal compliance.

Castlehill has a significant number of staff who undertake lone working and operates monitoring systems through Guardian 24 and RCC (Community Alarm Centre) to protect staff.

## 2.9 Corporate Compliance

***Plan objective 4 – we will ensure corporate compliance in line with our responsibilities and integrate FOI requests into our procedures.***

The Association operates in a highly regulated environment and we wish to promote a culture of compliance to ensure we meet all our regulatory and statutory obligations. Castlehill has a designated internal compliance resource and we will ensure that the Association meets its compliance responsibilities in relation to:

- Scottish Housing Regulator (SHR)
- Care Inspectorate
- Office of the Scottish Charities Regulator (OSCR)
- Scottish Social Services Council (SSSC)
- Financial Conduct Authority (FCA)
- Companies House
- Financial Institutions
- Government Agencies e.g. HMRC or Scottish Government
- General Data Protection Regulation (GDPR)
- Freedom of Information law (FOI)

FOI legislation is extended to RSLs from November 2019 and during the strategy period we will implement our plans to respond appropriately to relevant FOI requests.

## 2.10 Performance Management

Castlehill is committed to achieving excellent performance and value for money across all its services. Our Performance Management Framework (PMF) has been developed to support this by:

- Ensuring a demonstrable link exists between the Association’s long term aims and objectives and the everyday operational actions delivered by departments, teams and individuals;
- Clearly demonstrating how effective performance recording, reporting and review supports the continued improvement of our services;
- Showing that the Association has a comprehensive approach to performance management.

Delivering the objectives of our strategy is done through Departmental Workplans, Team Work Plans and through the Annual Review process with consideration of individual performance. The PMF has been developed primarily for use by staff within the Association; however, it also details our approach to performance management and can provide an overview of our current performance for the relevant regulatory bodies, as well as other stakeholders such as tenants.

The headline KPIs from each department are collated to produce a Corporate Scorecard which is used to monitor Castlehill's overall performance and progress against strategic aims and objectives; as well as playing a key role in the sharing of performance information with management, staff, and the public.

## **2.11 Customer Complaints**

The Association uses the Model Complaints Handling Procedure published by the Scottish Public Services Ombudsman (SPSO). Castlehill recognises that complaints give us valuable information that we can use to improve customer service. The complaints procedure allows us to formally address customer dissatisfaction and may help prevent similar problems arising in the future. Customer complaints give a useful first-hand account of the service user's views and experience and can highlight problems we may otherwise miss.

Our strategy aims to get things right first time or, where things have gone wrong, resolve complaints at the earliest possible stage. Castlehill recognises the importance of handling customer complaints well and has a designated resource in our Corporate Compliance Officer to address the escalation of formal complaints. In accordance with the SPSO model, all complaints will be recorded and monitored, and we will ensure that customers are aware of their right to complain and how to access the procedure.

## **2.12 Customer Participation and Communication**

The Scottish Government's "Social Housing Charter" (2017) outcome on participation states:

Social landlords manage their business so that:

- tenants and other customers find it easy to participate in and influence their landlord's decisions at a level they feel comfortable with.

Integral to the 'personal service' approach is involving users of our services in shaping how these services are delivered. The Association recognises that customer feedback and participation are vital in assessing our performance and identifying improvements in how we work. We will actively promote a culture that values the contribution users of our services can make to Castlehill.

The Charter also states that:

Social landlords manage their business so that:

- tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions and the services it provides.

Castlehill employs a wide range of communication methods including our website, email, text messaging, newsletters, meetings, tenant's handbook, service information brochures, tenant's panel, sheltered scheme meetings, annual charter report and tenant satisfaction surveys, for example.

We recognise the importance of good internal communications towards the successful functioning of the organisation, particularly given the geographical spread of our staff and number of lone workers. We have established a communications focus group to consider how we can improve all aspects of communication throughout the Association.

We have a specialist resource in our Communications Officer to support the improvement of communication, both inside and outside the organisation, and further develop key areas such as our website.

### **2.13 Equalities and Diversity**

***Plan Objective 5 – We will improve how we record and monitor our performance in relation to equalities issues.***

The Association is committed to the promotion of equalities and to combating discrimination, direct or indirect in all areas of our work. Our Equalities and Diversity Policy was reviewed in 2016.

The Association is committed to complying with current anti-discrimination legislation, regulations and good practice.

We aim to ensure that in all our policies and decision making there is no unfair discrimination on the grounds of gender, marriage or civil partnership status, age, ethnic origin, religious belief, sexual orientation, disability or any other relevant ground.

We aim to make our services as accessible as possible and will endeavour to provide information in appropriate forms for those requiring it.

Our approach to Equalities aims to ensure we can achieve the outcome stated in the Scottish Social Housing Charter:

Social landlords perform all aspects of their housing services so that:

- Every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and other services.

## 3. Key Strategic Issues

### 3.1 Financial and Audit Issues

***Plan objective 6 – we will ensure the financial viability of the Association by appropriate forecasting and financial business planning.***

With the publication of the SFHA's Internal Audit Guidance in March 2018, we are confident that we already have in place an effective internal audit process that meets the guidelines set out in the publication. Our Audit & Risk Committee meets on a biannual basis and agrees the remit of the work to be covered by our internal auditors, on a rolling 3-year basis. The remit covers a wide range of functions performed by the Association, concentrating on higher risk areas and provides stakeholders with reassurance that procedures and controls are operating as they should within the Association. In addition, the Committee ensure that any recommendations raised from the work of the internal auditors are implemented in a timely manner to improve standards.

The role of the external audit is currently performed by Anderson Anderson & Brown LLP. Historically, the management letter issued at the end of the external audit has not contained any significant control weaknesses and demonstrates Castlehill's financial robustness. This is supported by regular dialogue and opportunity for challenge between the Committee and the external auditors.

5 and 30 year forecasts are produced using a sophisticated model developed by Arneil Johnston, a leading consultant in the Scottish RSL industry. These are produced in line with the Scottish Housing Regulator's annual requirement for submission of the forecasts. Assumptions for the preparation of the figures are based on the February general inflation rate & inflation for planned maintenance costs at 1% higher than general inflation.

Prior to 2019 the Association has used RPI as its measure of inflation. This is a legacy measure of inflation in the UK and more recently has been found to not meet the required standard for designation as a National Statistic in a review by the Office of National Statistics. CPIH (consumer prices index including owner occupiers' housing costs) is considered to be the most comprehensive measure of inflation and thus has been adopted in the projections for 2019 and beyond.

Rent income increases included in forecasts are assumed to be 1.5% above CPIH. This is in line with assumptions used in relation to HAG and loan calculations for the new build housing that we have developed over a number of years.

In our financial modelling and decisions, we will ensure that the Association remains viable and robust to meet all our obligations whilst continuing to provide housing that is affordable to live in taking account of both rents and household running costs.

### 3.2 New Housing Development

Development of new build housing has been at the heart of Castlehill throughout its history. Since the construction of our first new build property at Fountville Court, Aberdeen in 1974, the Association has built up a substantial housing stock that in 2019 numbers over 2000 properties (inclusive of our Castlehill Housing Trust stock).



Maidencraig, Aberdeen, under construction 2019

Our development strategy from the mid 1980s onwards had been based on steady growth with a target of around 50-70 units per year on average and this has served us well in terms of

managing financial risk and ensuring we maintain the resources and income we need to secure the long-term management and maintenance of our property assets.

Between 2008-2011, our development activity took place through the Devanha joint procurement initiative, along with other local RSLs, using “open book” contracts. While there were challenges and difficulties to overcome in this new way of working, the Devanha programme was successful in delivering some 1383 new properties for rent or shared equity for the participating RSLs, representing a significant contribution to meeting identified housing needs. For Castlehill, Devanha resulted in 173 new properties for affordable rent (including a 23 unit Very Sheltered scheme) and 38 homes provided for the Government's New Supply Shared Equity (NSSE) scheme.

With lower grant benchmarks and restrictions on the availability of private lending, the period from 2012-15 saw restricted opportunities for new build, but the Association maintained a limited programme delivering sites such as 18 properties at Port Elphinstone, Inverurie and a 16-unit scheme at Cattofield, Aberdeen. This approach allowed us to retain experienced development staff and access any opportunities for additional “top up” funding from our Local Authority partners to assist in meeting their strategic objectives. This period also marked our commitment to finding new ways of working with the establishment of our non-charitable subsidiary, Castlehill Solutions Ltd, to allow consideration of schemes with alternative options such as Mid Market Rent.

The Scottish Government has committed to funding the building of 50,000 affordable homes across Scotland in the lifetime of the current parliament. Increases in grant benchmarks together with more availability of loan funding, on workable terms, from banks and other lenders has meant that we have been able to take forward a significant programme of new build since 2016 and plan forward within current Government funding commitments towards 2021. Both Aberdeen City and Aberdeenshire Councils have been allocated significant grant sums to take forward new build programmes in partnerships with RSLs, presenting opportunities for Castlehill to consider new housing proposals.

With the clear opportunities presented by the available grant, the Association's Management Committee has taken time to consider our “appetite” for new development and has agreed that we should maximise our opportunities, following a “lean” period and given the unknowns post 2021. This is with the proviso that each proposal is rigorously scrutinized and modelled to ensure it is viable and



presents a positive addition to the Association's financial business plan and forecasts as well as meeting the needs of households seeking re-housing from us. We will continue to lobby the Scottish Government via SFHA for a continuation of grant spend and workable benchmarks that will allow us to plan viable future development beyond 2021.

The Association recognises that we do not have unlimited capacity to fund new development and, therefore, must target our resources where they can have the most impact in delivering our aims and objectives. At our 2018 Strategic Planning day, the Committee took the decision to move away from further development in the near future in Inverurie, where much of our recent activity has been located, and not to develop the final phase of our owned site in Mintlaw, where we are satisfied that we already have the maximum level of stock in management to contribute effectively to local needs. In particular, this approach has allowed us to consider more "rural" development such as Banff and Inch, where a relatively small number of new houses can have a significant positive impact on sustaining communities.

It is clear that small rural schemes have a higher development cost and in considering our overall development strategy the lower internal rates of return and longer payback periods for these developments can be balanced against larger urban Section 75 schemes where a lower cost per unit can be achieved to construct a sustainable overall programme.

Working with Local Authority partners in Aberdeen City and Aberdeenshire in delivering on their strategic objectives, Local Housing Strategy and implementing their Strategic Housing Investment Plans (SHIP), Castlehill has worked up a significant programme of new build and potential developments are detailed in the table below. The majority of these are "Section 75" developments delivering the affordable housing requirements of commercial house building sites but the programme also includes development of sites in Balmedie and Kintore that are in the ownership of Castlehill. Should all these developments proceed, this will represent a substantial increase to our overall housing stock and make a significant contribution to meeting housing needs within the communities where we work.

Of the locations in the table on the following page, Westgate (Inverurie), Portstown (Inverurie), Banff, Kintore, Inch and Balmedie are in Aberdeenshire. Countesswells, Mugiemoos and Maidenraig are located within Aberdeen City.

			COMPLETION							
	Units	START	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Westgate Phase 1	38	2016-17	16	22						
Westgate Phase 2	20	2016-17	8	12						
Countesswells AFF	39	2016-17		39						
Countesswells MMR	12	2016-17		12						
Mugiemoss AFF	32	2016-17			32					
Mugiemoss MMR	6	2016-17			6					
Portstown Phase 1	12	2016-17		12						
Maidencraig	36	2017-18				36				
Mintlaw		2017-18								
Portstown Phase 2	10	2018-19				10				
Westgate Phase 3	8	2018-19				8				
Banff	29	2019-20					29			
Kintore	24	2019-20					24			
Insch	8	2019-20					8			
Balmedie AFF	55	2021-22						15	20	20
<b>TOTALS</b>	<b>329</b>		<b>24</b>	<b>97</b>	<b>38</b>	<b>54</b>	<b>61</b>	<b>15</b>	<b>20</b>	<b>20</b>

	<b>Approved</b>
	<b>Programme</b>
	<b>Not Progressing</b>

**AFF – Affordable “social” rent**

**MMR – Mid Market Rent**

At a local level, Aberdeen City and Aberdeenshire Council have produced a joint Housing Needs and Demand Assessment that demonstrates a clear shortfall in the supply of affordable housing and a growth in the level of net housing need in both housing market areas.

This has arisen from a range of factors. These include:

- The decline in the supply (lettings) of affordable lettings which has constrained the ability of social landlords to address housing need.
- The continuation of difficult housing market conditions which have increased the numbers of households seeking re-housing.
- The increase in house prices relative to earnings at the lower end of the earnings distribution curve which has ‘squeezed’ growing numbers of new households with low to modest earnings out of the market place. Whilst recent economic difficulties have seen a fall in both house prices and rents in the private sector, these are in the context of a very high starting point and have not been of the scale to bring large numbers of new households within the reach of the market.

Castlehill is committed to playing our part in meeting needs and the following will be key to taking this strategy forward:

- Continue to work with local authority partners in their strategic role in setting investment plans through the SHIP. Increasingly local authorities are keen to ensure that all development opportunities are realised and are taking a more strategic and proactive approach to their delivery. To this end Castlehill needs to be clear of its capacity to take on new development opportunities.
- Castlehill has a large land-bank site at Balmedie that Aberdeenshire Council is keen to see developed and is suitable for mixed tenure schemes and it is anticipated that this will be taken forward in partnership with other local RSLs, the Council and private developers.
- Work up plans with individual developers on “Section 75” sites in conjunction with local councils in their strategic and enabling role with a view to accessing alternative grant funding through sources such as second home council tax, or planning gain funds from local authorities, where required.
- Along with our previous partners in Devanha, we recognise that working together on future development opportunities is key to finding a model that may deliver. There is a clear willingness amongst local RSLs to take this issue forward on a joint basis and build on the Devanha initiative, learning from past experience.
- A number of large -scale “new town” type developments are planned for the area in the next few years and these will incorporate significant provision for affordable housing either on site or provided elsewhere with funding from commuted payments. We will work with other RSLs to find a way to deliver on such sites.
- Needs and Demand Assessment has also identified issues around an ageing population with Aberdeenshire predicting the highest proportion of population over retirement age in Scotland. Given our specialisation in housing older people, the Association would be ideally placed to consider specific provision for this client group, for example on these large-scale new community sites.
- While we will aim to maximise the provision of housing for affordable social rent we will consider mixed developments incorporating an element of MMR and also schemes without an element of social rent where suitable needs and sites are identified that make this the viable option.
- There are opportunities for RSLs to share development services to maximise efficiency and control costs. Castlehill has considerable staff experience in housing development and we aim to take opportunities to provide services to others.
- To monitor the requirements of housing for people with particular needs and the ability of Castlehill to develop these on behalf of our subsidiary, Castlehill Housing Trust.

### 3.3 Capacity to Develop

***Plan Objective 7 - Our strategic aim is to facilitate an ongoing new build programme with ambition to deliver an average of up to 50 to 70 units a year, working in partnership with Local Authorities, our RSL colleagues and housing developers to deliver this in a financially sustainable way.***

The constitution documents for Castlehill cap the borrowing capacity for the organisation at £40m. Prior to 2016, Castlehill had accessed funding on a scheme by scheme basis and this meant that the association had 71 loans outstanding as at March 2016. At the end of 2016 Castlehill was successful in securing a new £12.5m facility with Clydesdale Bank that has been used to fund a number of developments at Corsmanhill Way, Inverurie; Mugiemoss, Aberdeen; and Countesswells, Aberdeen.

The market was tested for a second time in 2018 when we agreed a £3.5m facility with Unity Bank to develop a new site at Maidencraig, Aberdeen and additional units at our Corsmanhill Way and Portstown developments in Inverurie. By the end of the 2018-19 financial year, Castlehill will have outstanding debt in the region of £30m which is well below our cap of £40m.

On both occasions, sourcing private finance has become easier with many Banks keen to support the Social Housing Sector and offering favourable terms whilst interest rates remain low. However, maximum lending terms on offer from most private finance providers is 10 years, which is somewhat reduced from the 20-25 year loans that were on offer prior to the financial crash back in 2008. This means that we will be renegotiating terms of these newer loans to refinance the bullet repayments due on maturity at the end of the 10-year period.

There are covenants associated with all our loans which are reported on to the individual banks and these covenants differ for each of our 5 principal lenders. In the last year, certain covenants have been renegotiated to take account of amended reporting requirements with the implementation of the new accounting standard, FRS 102 back in 2016. We continue to operate well within the covenant limits set by each of our lenders.

Castlehill has sufficient unencumbered stock (including some within its subsidiary, CHT) and as above has a £10m capacity to enable it to continue to develop within the scale allowed for in our current financial forecasts. Our long-term forecasts are prepared using a sophisticated software model and this allows us to perform sensitivity analysis on our projections. It also allows us to assess new build projects on a stand-alone basis in terms of Internal Rate of Return (IRR), Pay Back Period and Net Present Value (NPV) but also to overlay these new developments into the full projections model.

We acknowledge that in an ever changing and challenging funding environment every new development needs to be individually appraised to ensure the additional income from the new development will generate sufficient cash inflow to allow us to service the associated debt taken out to fund the development, thus minimising any risk.

Presently, all the major banks active in the Scottish Housing sector are keen to lend to Scottish RSL's and we will be testing the market again later in 2019 for additional developments we are currently in discussion with developers on.

It is acknowledged that this is just a snapshot and conditions are prone to change, but the position is more encouraging in terms of putting together a suitable funding package subject to grant availability remaining at its current level.

### 3.4 Procurement of Goods and Services

To ensure compliance with the Procurement Reform (Scotland) Act, 2014 and Public Contracts (Scotland), 2015, the Association partnered with Grampian HA, Langstane HA and Osprey Housing to procure a bespoke set of policies and procedures covering all aspects of procurement that can be used by each organisation. This was prepared by Harper Macleod legal services.

As well as ensuring compliance, this shared approach to policy has allowed joint opportunities for future procurement locally that can deliver economies of scale and resultant savings to each organisation. For example, this has already resulted in setting up a Framework Agreement, jointly procured with Grampian HA and Langstane HA, for provision of construction consultancy services including architects, quantity surveyors, structural engineers and building surveyors as well as a jointly procured contract for electrical safety inspections.

Castlehill has developed its Procurement Strategy with the overall goal of attaining value for money and being able to demonstrate good governance and accountability in relation to spending of our funds.

Significant procurement activities in the plan period include tendering for external audit services and the setting up of a Framework Agreement for reactive repairs contractors. This approach on repairs will ensure compliance but also assist in delivery of local services in the best interest of tenants.

### 3.5 Rural Housing, Fuel Poverty & Renewables

***Plan Objective 8 – We will continue to work to provide appropriate housing options and services to rural communities.***

The Association has a long successful track record of providing housing in rural communities. We recognise vital role affordable housing plays in community sustainment with knock-on effects to local schools, employment, businesses and amenities. Our most recent rural development consisted of 6 x 3-bedroom family houses for affordable rent in Braemar, representing the first new social housing in the village since the completion of our own sheltered housing in 1989. This family housing had an immediate impact in sustaining the viability of the local primary school.



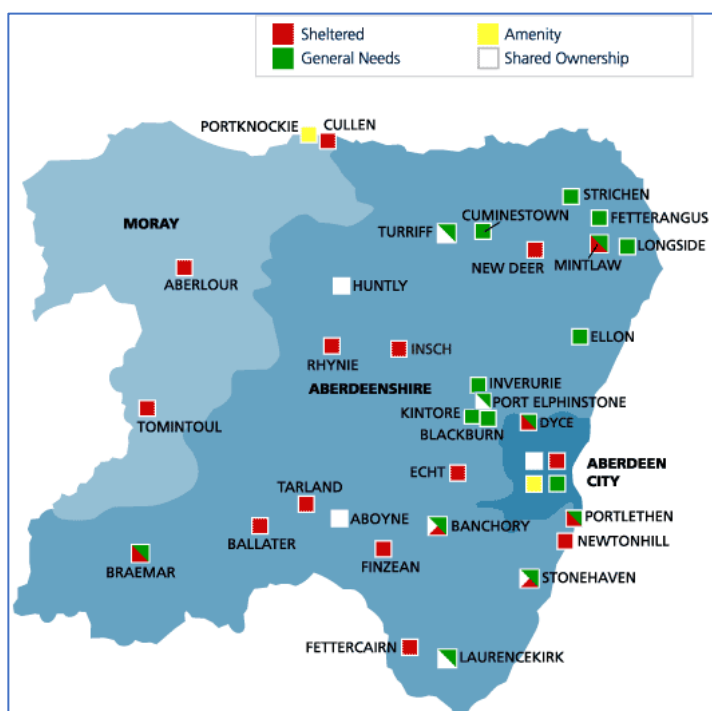
Invercauld Gardens, Braemar

Further provision of new affordable housing in rural areas is affected by the higher costs of building and availability of sites in suitable locations. This is exacerbated by the issue of scale where larger developments are simply not possible or indeed needed. We recognise the impact a small scale development can make on a community and will continue to seek innovative solutions that could deliver in rural areas. Castlehill is an active member of the Rural Housing Service and the SFHA Rural and Islands Housing Association Forum (RIHAF). We will continue to work with partners to develop ideas and seek alternative funding streams that could make further rural developments viable.

We are acutely aware of the issues around “fuel poverty” in rural areas without access to mains gas and will continue to pursue innovative solutions, accessing available funding to install renewable technologies such as ground-source and biomass heating. We have installed these new heating technologies at our rural sheltered housing in Fettercairn, Finzean, New Deer, Braemar and Echt. We have installed solar PV panels in many of our rural schemes to help reduce tenants energy costs. Additionally, we will consider participation in community energy schemes, where this may benefit our tenants and enhance our housing stock.

### 3.6 Asset Management

**Plan Objective 9 – We will implement the key aspects of our Asset Management Strategy to ensure we make best use of the property assets we have.**



Location of Castlehill's properties

Castlehill has in place a formal Asset Management Strategy (revised in 2019).

The Association has always given a high priority to maintaining a high-quality housing stock and ensuring it meets changing standards and expectations of our tenants. Maintaining and ensuring best use of our housing stock and other built assets is increasingly important as these assets get older, with a significant proportion of our stock built before 1990 and now, therefore, more than 30 years old.

The purpose of our Asset Management Strategy is to set out the framework for our approach to managing our property assets in order that we

achieve our aims and objectives both in the short and long term. It concentrates on the things that matter most to Castlehill and that allow us to make the best possible use of the assets we have.

Key aspects are:

- Property information – detailing our stock profile.
- Legislative compliance – outlining specific statutory and safety obligations that ensure we minimise risks to tenants and the Association and maintain our buildings as safe and attractive places to live or work e.g. Fire Safety, Asbestos, Legionella, Gas and Electrical safety.
- Housing Standards and Energy Performance – SHQS Compliance, The Energy Efficiency Standard for Social Housing (ESSH), technology and advice relating to energy use and performance.
- Asset Investment – Condition surveys and stock information, reactive repairs, planned and cyclical maintenance programmes, lifecycle costs and spend, adaptations, “estate” services.
- Renewable technology – targeted at “off gas” areas to access innovative solutions and funding streams to deliver efficient affordable solutions for our tenants.
- Future Technologies – to address the carbon reduction agenda and moves away from fossil fuels such as gas in the longer term.
- Demand and Delivery – empty property and voids management, letting standards, housing demand, factoring service delivery.
- Challenges for Future Property Use – identifying challenging stock and specific issues and solutions, approach to meeting ESSH requirements in the period to 2022.

We will continue to report to appropriate Sub-Committees on aspects of asset management strategy delivery and have re-designated our staff Technical Liaison Group forum as the “Asset Management Group” to ensure we can focus on the common goal of delivering good asset management across all relevant departments of the Association. It is intended that the formal strategy will be reviewed in 5 years to coincide with implementation of ESSH.

### 3.7 Adaptations

Over the years, many Castlehill tenants have benefited from “Stage 3” adaptations in their home, carried out following an Occupational Therapy assessment of their needs. Although adaptations have been funded by the Scottish Government, Castlehill has generally secured a limited budget below our projected spend that doesn’t enable us to meet all submitted requests. We recognise the difficulty of continuing to secure adequate budgets in a period of tight public spending but see funding adaptations as a “spend to save” approach avoiding costly options such as hospital admissions and bed blocking and the need for people to move to other suitable accommodation that is already in short supply. This links into the Health and Social Care Integration issues detailed below and we will continue to lobby, and work in partnership with others, including SFHA, for a sustainable solution to maintain our ability to meet the needs of tenants requiring adaptations to their home.



Wet floor shower adaptation by Castlehill.

### 3.8 Castlehill Housing Support Services

***Plan Objective 10 – We will continue to provide appropriate housing support services and to deliver support under sustainable models. We will review our approach dependent on changes in service commissioning introduced by the Local Authorities.***

Since the formation of Castlehill, one of our key objectives has been to provide appropriate care and support for vulnerable members of the community, particularly those housed in our properties. In parallel with our role as a housing developer and landlord, direct provision of housing support services has been a core business of the Association, dating back to the 1970s. The Association remains committed to directly providing tenancy support services.

Castlehill housing support services are delivered in 3 elements:

**Sheltered Housing** - we currently staff the housing support service in 15 of our 21 sheltered developments. (Our 4 Very Sheltered developments are staffed by other support providers, registered to provide a mix of housing support and care)

In 2018, the Association was unsuccessful in retaining the contract to deliver Housing Support for our own Sheltered Housing within Aberdeen City following a tendering exercise by Aberdeen City Council. This effectively removed the link with the landlord role in sheltered housing and, in our view, is to the detriment of tenants who benefited from the previously integrated service from Castlehill.

Aberdeenshire is reviewing its delivery and commissioning of Sheltered Housing and it is expected that the service that the Association delivers will be remodelled and tendered by Aberdeenshire. The impact on both our tenant's welfare and our ability to deliver Housing and Property Service functions within our rural sheltered schemes will require careful assessment. We may have to alter exiting service provision, roles and structures to deal with any changes required as a result of new commissioning.

**The Key Project** - our team of 3 part-time staff provide 60 hours of housing support per week to our tenants in Aberdeen City, and a further 14 hours in Aberdeenshire. A varied range of support tasks is undertaken, with the needs of the individual paramount, and with the overall aim of sustaining a successful tenancy. Both Aberdeen City and Aberdeenshire Council are changing the models for delivering outreach housing support which will mean that the Management Committee will be asked to consider future options for the way in which this type of housing support is delivered to our tenants.



Key Project



**Linksview Project** - we employ a Support Worker for 3 hours per week to work with Older Chinese People who are tenants in our Amenity scheme of 8 flats. Support is focussed on issues around language translation and access to services.

All 3 elements are registered with and inspected by the Care Inspectorate under the banner of "Castlehill Housing Support Services". As we provide a statutory service, we are subject to an annual inspection regime. The services are primarily funded from local authority support budgets but with an element deemed "housing management" costs funded from rents or service charges. Our services have been inspected, to assess compliance with Health and Social Care Standards and the Quality Framework for Older People by the Care Inspectorate and its predecessors on regular occasions. We have received consistently good reports ratings with the past 2 inspections grading 5 "Very Good" for Quality of Staffing, Quality of Management and Leadership and Quality of Care and Support.

Castlehill has built up a strong reputation as a support provider over many years and our future strategy will build on this. The Association's strategic approach will ensure that we can deliver the organisation's overall aims and objectives and, in order to do so, it is vital that we continue to provide high quality, responsive support solutions, meeting the needs of current and future Castlehill customers as a core element of our business. To reach this outcome, we must be able to respond and adapt to the challenges presented both by funding issues and by the wider external environment within which we operate.

The main issues facing the Association can be summarised as follows:

- High and increasing demand for housing support for vulnerable people e.g. continually increasing population over retirement age with longer life expectancy and tenants with mental health problems.
- LA's moving to large scale contracts for housing support that do not fulfil the very individual needs of tenants and increase the risk on tenancies failing.
- Erosion of the services being commissioned by LA's will require the Association to consider its commitment to providing outreach housing support and the possibility of funding this service internally.
- We must ensure we have a workable, sustainable and financially viable model to deliver sheltered housing support services that will enable us to "bid" for future tenders with the aim of regaining the Aberdeen City contract for Castlehill schemes, as well as retaining services for our own tenants in Aberdeenshire and Moray.

We will keep services under review to ensure that we can operate within the boundaries imposed by the external environment, that our services remain "fit for purpose" and that we can adapt our approach to meet any new opportunities that arise. Tenant/staff consultation and involvement must be at the heart of any review process, but the outcomes must also ensure that the Association's business needs, in terms of funding services, are met and take account of the overall affordability of living in a Castlehill property with appropriate support.

We recognise that quality of service is vital to maintain customer satisfaction and aim to maintain and, if possible, build on our current Care Inspectorate grades. Quality of staff, training and service user involvement remain key to delivering our objectives.

### **3.9 Health and Social Care Integration**

***Plan Objective 11 – We will play our part in taking forward the Health and Social Care Integration agenda and promote the services we provide in the interests of our tenants and others who receive services from us.***

The Public Bodies Joint Working (Scotland) Act, 2014 was implemented to facilitate the integration of local authority and health services over a range of functions. A key aim of integration is to shift the balance of care to community settings and to ensure services and resources can be used more flexibly to better meet need, including through earlier intervention. The Act recognises the importance of people's home to their health and wellbeing and the vital role housing organisations can play.

The two areas of Castlehill impacted on by the changes are Housing Support services and Care & Repair. It is important that Castlehill ensures that Health & Social Care Boards recognise the important role the Association plays in ensuring that tenants and home owners remain in their home for as long as possible whether through providing suitable or adapted housing or by providing practical or emotional support. There is overwhelming evidence that the types of services Castlehill provides make a major contribution towards avoiding the need for expensive long-term hospital or residential care.

The agenda of Health and Social Care integration continues to impact on the Housing Support and Care and Repair services delivered by Castlehill. Whilst the Association continues to provide vital services for our tenants under this remit, the expected impact of localities planning, funding and partnership working has not yet been realised and commissioning and budget cuts have, to date, impacted negatively on our service provision. Within the term of this strategic plan, we will continue to work with LA partners to deliver and fight for the retention of existing services and consider ways in which our services to tenants can be enhanced.

The Association continues to strongly believe that supporting people in their own homes to live independently is key to ensuring that more costly alternatives, that impact negatively on quality of life, can be avoided.

### 3.10 Welfare Reform Mitigation and Impact on Rent Arrears

***Plan Objective 12 – We will monitor the measures in place to protect our income in light of Welfare changes and ensure we have adequate and well targeted resources in place to keep rent arrears under control.***

The “personal” approach embedded into the Associations service delivery plays an important role in ensuring Housing Services staff can identify tenants who may be vulnerable and make sure they get any help and support they need to avoid rent arrears.

Castlehill continues to have a successful record in rent collection and has managed, historically, to maintain low levels of rent arrears. However, the roll out of Universal Credit (UC) is impacting our arrears figures and this will need careful management.

With our Trusted Partner status and access through the DWP (Department of Work & Pensions) portal, we can monitor and update cases and liaise with the tenants where required. Our staff have the knowledge and experience to deal with most welfare benefit related cases and where the scope outweighs our knowledge or remit, we have referral processes in place to escalate these cases. The Association, along with Langstane HA, fund a part time benefits advice worker through Grampian HA’s SMART (money advice) project and staff work closely with SMART to ensure effective communication regarding income and arrears management issues.

Staff acknowledge the frustration and stress for tenants in navigating the benefits system and the difficulties caused by late payment of benefits, denied claims and lengthy and punitive appeals processes. Assisting tenants in completing online forms, providing advice and being there to support tenants through the benefits maze is a key function of our housing management and housing support services.

In line with our IT strategy of promoting mobile working, we are ensuring that staff have the technology and hardware to access the DWP portal and apply for benefits online from within the tenant’s home. This ensures that the tenant has support and can access essential information required to support their claim.

We have successfully used “The Chain” (our tenant newsletter) and other publications including online to promote contact with the Association if tenants require assistance with paying their rent and benefits issues.

Senior staff within the Housing Services department constantly monitor arrears levels and individual cases of concern. Early intervention, good quality advice and support are essential for the Association to ensure that tenancy sustainment levels are maintained, arrears are low and that our tenants get the benefits they are entitled to without having a negative impact on their mental health and wellbeing. Senior staff will allocate resources for arrears management and housing support and report levels of arrears and the impact of benefit reform/UC to the Housing and Property Services Sub Committee. Recommended changes to Policy and resourcing of our arrears management function will be directed to this committee and considered annually for budgeting purposes.

### 3.11 Rents and Affordability

***Plan objective 13 – We will ensure we have a robust evidence base on affordability of our rents to inform policy and input to our financial business planning.***

Ensuring rents remain affordable whilst also maintaining financial stability and viability is crucial to the Association and in protecting the interests of our tenants.

Castlehill maintains a rent points system that reflects circumstances such as age, size and location of properties as well as factors such as heating type or other amenities provided. This aims to give a clear logical approach that reflects the whole costs of living in the property e.g. fuel costs or availability of transport. Service charges are set to only cover the costs of provision at any particular development e.g. common area cleaning or lighting costs.

In 2016, Castlehill commissioned extensive research into the affordability of our rents using the affordability model developed by Arneil Johnston which assesses the affordability of a range of housing tenures relative to local incomes. The overall conclusion of the study was that Castlehill rents were considerably lower than alternative housing options in the market sector, including Mid Market Rent and that our rents were affordable to most households in the local area. The research found that Castlehill rents were, on average, 7% lower than our peer group RSLs in Aberdeen City and Aberdeenshire.

It is intended that this affordability analysis will be repeated on a three-year cycle with the results being used to inform policy on future rent reviews.

### 3.12 Contribution towards addressing Homelessness

***Plan Objective 14 – We will continue to play an active role in addressing homelessness through direct provision of housing, tenancy sustainment work and assisting our local authority partners in their strategic role.***

The Association will work in partnership with our local authorities to address homelessness.

As a major social housing provider within the North East, the Association will assist the local authorities in their statutory duties in relation to Homelessness including:

- Delivery of Rapid Rehousing Transition Plans.
- Delivery of Housing First models of Housing Support and tenancy sustainment
- Through the Local Housing Strategy (LHS) and Social Housing Investment Plan (SHIP), development of new build housing stock to expand the supply of available housing with a focus on one-bedroom properties which reflects demand from homeless households.
- Work in partnership to consider lettings arrangements for homeless households both for re-lets and new builds taking account of CBL Protocol arrangements.
- Participate in local authority forums which consider the impact and outcomes for homeless households with a view to assisting the LA's to achieve their homelessness objectives.

- Maximise the impact for previously homeless households of our internal Housing Support services to sustain tenancies. In addition to support from housing staff, this is particularly delivered through the Key Project which continues to assist vulnerable people who may otherwise be at risk of repeat homelessness through loss of their tenancy. Referral to other agencies can be made where the demand cannot be met internally.
- Ensure our internal policy and practice in tenancy management support aims to prevent homelessness and that means exist to allow the early identification and intervention for tenancies which may be at risk. The Association's policies on Debt Recovery and Anti-Social Behaviour are designed to support the aim of sustaining tenancies and supporting tenants and ensure that eviction action that leads to homelessness is very much viewed as a last resort.
- Utilise referral arrangements for partner organisations supporting vulnerable people to assist with areas such as housing and debt advice, furnishings, health and wellbeing and fuel poverty.
- Ensure the Association's Allocations Policy has the flexibility to be able to deal with changes that would be beneficial to homeless households (e.g.: allowing 2 bedroom properties to be allocated to single/couple applicant), and to allow best use of our assets (e.g.: allowing existing one-bedroom households or tenants who are overcrowded to transfer to larger properties in order to free up one-bedroom properties for homeless households).

**Rapid Rehousing Transition Plans:** The Association's part in Rapid Housing is to ensure that we can move homeless households into secure tenancies in as short a period as possible, reducing the homelessness journey time and that we assist in providing the right size of accommodation in the right areas. We acknowledge that the demand is mainly for 1-bedroom properties and that we are limited in our supply of general needs one-bedroom properties. We aim to provide at least 50% of appropriate accommodation to homeless households. We will continue to use our HomehuntNES CBL allocations system but will ensure that communication with the LA homeless departments is more robust and that we provide better reporting to them on:

- Numbers of homeless households bidding for properties.
- Numbers of homeless households offered tenancies.
- Tenancy sustainment rates for homeless households (in line with ARC reporting).
- Termination reasons for previously homeless households.
- Average time between offer and tenancy start.
- Turnover.

**Housing First:** Housing First is a model that aims to provide good quality accommodation and Housing Support as the first response for people with multiple and complex support needs.

The Association has committed 5 properties (3 in the City and 2 in the Aberdeenshire) from 2019 – 2021 toward the Housing First partnership being led by Aberdeen Cyrenians, Aberdeen Foyer, turning Point Scotland and Social Bite. Tenants moving into these properties will receive intensive Housing

Support from the partnership with an aim to ensure that the tenancy is sustained and to stop repeat homelessness. Housing and Property Services staff will be actively involved in working with the tenants and the partner organisations on sustaining the tenancy and on achieving a positive outcome from the project.

### **3.13 Homehunt NES - Future development of service**

In allocating tenancies with Castlehill, the Association uses a Choice Based Lettings (CBL) approach. To deliver CBL, we make use of the Homehunt system in partnership with Sanctuary HA and Grampian HA.

Strategy for future use and development of our approach is as follows:

- Roll out of app and tablet based re-branded Homehunt.
- Full applicant/housed applicant customer survey to drive changes in procedure and improve customer services.
- Promotion of Homehunt nationally as a recognised Common Housing Register, in line with the Scottish Government's agenda on this issue.
- Continued full involvement in the Homehunt users group.
- Promotion of targeted initiatives to ensure disadvantaged groups can easily use the Homehunt system e.g. action on language or translation issues.
- Work in partnership with other RSLs and Local Authorities in further development of Homehunt to offer opportunities for allocation of all local social housing.
- Introduction of new passes to reflect flexibility and changes to Allocations Policy.

### **3.14 Tenant Participation and Scrutiny**

***Plan Objective 15 – We will further build on the work to date in encouraging active and meaningful participation by tenants in a way that suits their needs.***

Participation remains a core value and we will ensure that we can meet the Participation outcome detailed in the Scottish Social Housing Charter.

Key areas are:

- The Association has a formal strategy in place meeting the statutory requirements first introduced in the Housing (Scotland) Act, 2001. This includes promotion and recognition of formal Registered Tenants Organisations where appropriate, as well as a range of measures to encourage participation.
- Tenant Participation Strategy – we have a comprehensive Strategy in place for 2018 – 2021.

- Our original “Tenants Panel” evolved into a formal Registered Tenants Organisation “CaRTO” (Castlehill Registered Tenants Organisation). CaRTO have given the following statement to be included in the Strategic Plan, reflecting their view on their role at Castlehill:

“CaRTO is a group of volunteer tenants who work in partnership with Castlehill to help make decisions about homes and services.

We play a vital part in our landlords decision-making process and we know our voice is taken seriously. We are actively encouraged to propose our own initiatives and supported to go from strength to strength.

We are autonomous, have our own constitution and are recognised by the Scottish Government as a Registered Tenants Organisation.”



CaRTO at a Tenant Participation Event

- We are proud of the work and achievements our tenant volunteers involved to date have undertaken, including developing a new “letting standard” for voids, assessing policy on dealing with anti-social behaviour, revamping our Tenants Handbook and designing the content and format of our ARC report to tenants.
- We have won a number of awards for tenant involvement, including National Good Practice Awards from TPAS Scotland.
- Our tenant groups on participation initiatives of all kinds are supported by a designated Tenant Participation Officer.
- A number of tenants have been involved in formal scrutiny training and tenant scrutiny activities to date have included Voids and Allocations in Sheltered Housing and a Mystery Shopping exercise.
- We positively promote Association Membership to all those with an interest in our work, including our tenants. We recognise the importance of a tenant perspective at Management Committee level and actively promote such involvement.
- Statutory rights to consultation – we ensure all statutory rights, provided under the Scottish Secure Tenancy agreement, are adhered to e.g. on rent review consultation.
- Customer Surveys – we use a range of methods to obtain feedback including a full tenant’s survey at least every 3 years and ongoing questionnaires on aspects such as major repair works, adaptations and Care & Repair works. Periodic surveys on services such as Homehunt NES will also be undertaken in conjunction with partner organisations. The next full Tenants Satisfaction Survey is taking place in 2020. In 2017, 86% of tenants rated Castlehill as good at keeping them informed and we aim to increase this percentage by the time of the 2020 survey.
- We will ensure that people receiving our housing support services are informed and consulted on appropriate aspects of the service in line with published National Care Standards.
- We promote the interactive elements of the Association’s Website to ensure that customers can put forward ideas or make views known.

- We publish regular Newsletters with an emphasis on encouraging resident involvement in the successful operation of their housing development.
- We will continue to work with all other social landlords and tenant groups in Aberdeen, Aberdeenshire and Moray through NETRALT (North East Tenants Residents and Landlords Together) and aim to further increase tenant involvement in this group.

Castlehill will ensure that all comment and information gathered through customer participation provides an important input to future planning and strategy with the aim of continuing to deliver a high-quality service based on the needs of those who wish to access our services.

### 3.15 Castlehill Housing Trust

***Plan Objective 16 –We will ensure that CHT continues to deliver a high-quality service for its tenants and partners and that CHT properties remain fit for purpose reflecting changing needs and aspirations.***

The former Grampian Community Care Charitable Trust (GCCCT) became a wholly owned subsidiary of Castlehill in 2011 and was renamed Castlehill Housing Trust (CHT) in 2018.

The Trust was established in 1996 in response to the increasing demand for adapted accommodation for disabled people. Since then it has provided housing solutions in over 30 locations throughout the North East for over 150 people with physical disabilities, sensory disabilities, autistic spectrum disorder and challenging behaviour.



The Trust became solely part of Castlehill in 2011. In making the decision to transfer the Trust to Castlehill it was felt that the organisations were a “good fit” with similar objectives and a shared commitment to housing vulnerable people and ensuring their support needs are met. CHT is not a direct provider of support but works with a variety of support agencies commissioned by the local authority to provide the service.

Operationally, CHT is overseen by its own Board within the group structure but overall strategic direction for the trust lies with Castlehill as the parent organisation. Castlehill HA has up to 6 places on the CHT Board which has a maximum of 11 members overall.

CHT is looking to expand its portfolio of properties and will work with Castlehill HA and our local authority partners to take this forward. The Trust will work closely with support providers and local authority commissioners to ensure that properties continue to meet the changing needs of individuals.



### 3.16 Castlehill Solutions Ltd

***Plan Objective 17 – Castlehill will retain strategic control over CSL, its subsidiary, and monitor its role in relation to delivering the Associations aims.***



Castlehill Solutions Ltd (CSL), our non-charitable subsidiary, plays an important enabling role in delivering our overall strategic objectives. References to the role of Solutions are made at various relevant sections of this document.

With the establishment of CSL in 2011, the following core objectives for the company were agreed:

- To carry out activities that are complementary to and supportive of the core objectives of the parent company, Castlehill Housing Association Ltd.
- To provide high quality housing over a range of tenure options, including renting and housing for sale.
- To carry out trading activities that aim to support the charitable activities of Castlehill.

The Association recognised that continuing to grow the business based on our traditional structure would be increasingly difficult given funding restrictions and the need to find innovative approaches in the future. The strategic rationale behind establishing CSL was to give the organisation a structure that allows a more flexible approach to enable us to take up opportunities that may arise to continue to deliver on our core activities and objectives.

CSL provides 28 Mid Market Rent (MMR) properties at Port Elphinstone, Inverurie, and Cattofield, Countesswells and Muggiemoss, Aberdeen.

Demand for MMR in and around Aberdeen has suffered significantly in recent years as rents in the private rented sector have fallen due to the economic impact of the oil industry downturn. From a strategic perspective, Castlehill HA has no current plans to develop further MMR units to be leased to CSL. Further consideration will be given to this in relation to the large site in our ownership at Balmedie, Aberdeenshire, should market conditions be favourable and where MMR can make a suitable contribution to meeting housing needs through a range of tenure options for residents.

### 3.17 Care and Repair (C&R) Services

***Plan Objective 18 – Care & Repair services remain a core activity for Castlehill and we will work to ensure sources of funding are in place to secure future operation in a financially stable and sustainable way.***

Castlehill has managed Care and Repair services in Aberdeen City for over 25 years and remains committed to the core values that these services represent, allowing vulnerable people to remain safe and secure in their own homes.



The service in Aberdeen offers advice and assistance with repairs and improvements but also has a direct labour force who carry out small repairs for clients. This service also runs income maximisation and Affordable warmth projects. The ongoing support for the service from a variety of sources and its role in delivering the Council's scheme of assistance emphasise the importance of its continuity however the increasing complexity in funding the various elements make this a particularly challenging time.

From 2016 to 2019 Aberdeen C&R has delivered a dementia support pilot project with three-year funding from the Life Changes Trust. The project also receives funding From Fairer Scotland (Aberdeen) for a Support Officer post. During the plan period, we will evaluate the availability of funding from all sources and restructure the service to ensure we can maximise services for clients whilst covering all our costs.

C&R has successfully operated a variety of employment training and volunteering opportunities that have greatly assisted service provision as well as benefiting the trainees and volunteers themselves.

Our strategy for sustaining, and further developing, Care & Repair services is to work closely with our local authority partners and others to maximise funding and ensure we can deliver on their strategic priorities. Castlehill's Management Committee will continue to closely monitor the cost basis of running the project to ensure it is self-sustaining. Care & Repair has a proven track record of securing funding from a wide variety of sources e.g. Change Fund and of operating a flexible approach to service provision. In addition to securing the core Care and Repair functions and services we will continue to explore and take advantage of opportunities to provide new or additional services that meet the needs of our clients.

### 3.18 Factoring

***Plan Objective 19 - During the lifetime of this Plan, we will maintain compliance with the Code in relation to our management of Shared Ownership properties, where applicable, and any other owner-occupied dwellings where the Association is appointed as Factor.***

The Property Factors (Scotland) Act, 2011 introduced a Property Factor Code of Conduct applicable from 1<sup>st</sup> October 2012. The Association has a role as factor for shared ownership properties where we own a share and for former shared ownership properties that have been sold outright.

### 3.19 IT Systems & Digital Services

***Plan Objective 20 – We will ensure our IT systems and infrastructure remain fit for purpose and take advantage of technology to improve efficiency and services for tenants.***

Castlehill recognises the importance of IT and digital technology to the successful operation of our business and the need to ensure that operating systems remain fit for purpose, meeting the needs of the organisation and our customers.

The Associations IT systems are based around Windows Servers and our integrated housing management system is Aareon QL, covering finance, rents, repairs, planned maintenance and tenancy management. We use SharePoint, as a shared document repository allowing access for remote staff outside the main offices and Management Committee members to access Committee papers and documents such as the Code of Conduct, for example. We utilise electronic document storage, providing significant savings as documents do not need to be filed, we use less paper and printing facilities and documents are available to all staff regardless of location.

Our IT support services and infrastructure maintenance are provided by Dynamic Edge Ltd, who were appointed following an extensive procurement exercise.

The Association has a specific IT Strategy in place to be implemented during the lifetime of this Strategic Plan. Our approach can be summarised as follows:

- **Infrastructure** – we are upgrading our offices to Cat6 structured cabling to ensure reliable network access. Long term we will move to a more “cloud based” approach to increase flexibility and reduce server reliance.
- **Platform** – upgrades to Windows Server 2016 and ultimately Server 2019. Use of designated servers for office-based staff to free up remote server capacity for mobile working.
- **Communications** – Skype IM to be rolled out to improve communication between different office locations.
- **Mobile Working** – we will increase our capacity for remote working using mobile data to interact with the network. Develop QL compatible packages allowing data capture to write back to the server, improving stock and tenancy data capture.
- **Governance** – we will implement IT solutions that make the servicing our Management Committee meetings more efficient, mitigating risks such as data leakage and improving access to training materials.

- **Customer Engagement** – Using QL compatible packages, we will introduce a portal where tenants can communicate with the Association, make request, view and change data on optimise service interaction. Our website will be developed to provide services or one-click links to portal services. This can be the primary point of contact for tenants who have the technology to support it but will always have staff available to ensure a personalised service is retained. We will investigate using QL Taskcentre and SMS texting for repairs appointments, rent payments and other relevant communications. Using the QL database we will optimise the use of email in tenant contact.
- **Staff** – we will equip staff with the appropriate technology to carry out their role.
- **Telecare** – the Association will invest in technology that supports independent living, including upgrading of systems in Sheltered and Very Sheltered Housing from analogue to digital.
- **Security** – In conjunction with our IT support provider, we will update local cyber security measures for all devices, migrate to cloud based security tools and run annual vulnerability scans to ensure data is protected. We will put in place patching strategies to secure our systems.