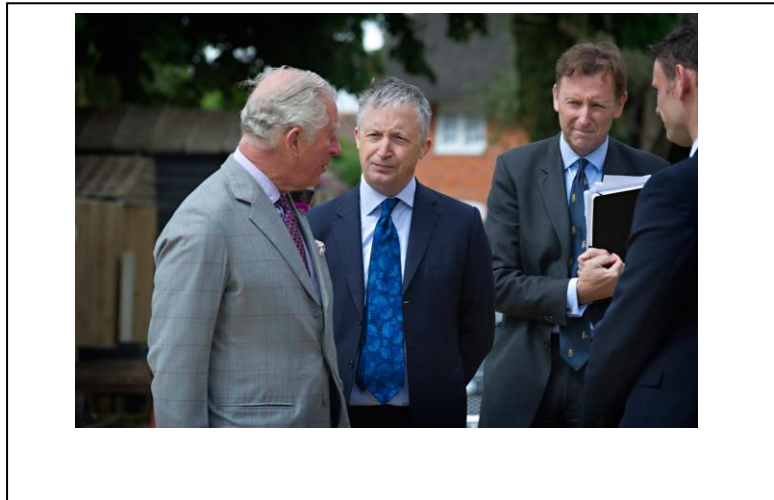


HASTOE CORPORATE PLAN 2021 - 2023



Hastoe
Group

FOREWORD

Ed Buscall, Chair of the Board, and Andrew Potter, Chief Executive

“ As the largest provider of rural affordable homes in England, Hastoe remains focussed on providing high-quality, energy-efficient, affordable properties for those living in the countryside.

Over the past year, we have continued to concentrate on upgrading services to our customers and improving the quality of our homes. We know our residents want more timely responses to repairs and home upgrades and we are focussed on providing this. In 2021, we will review our estates services and repairs contracts as well as invest in more skilled staff and IT software as we seek to improve the experience of our customers. We understand the importance of listening to our residents, particularly as COVID-19 has presented us all with new challenges, and we are finding additional ways of doing this, such as increasing the number of phone days with the Chief Executive.

During the last 12 months, we have focussed on our asset management strategy to ensure our existing homes are safe and well maintained, and that we can continue to meet these important obligations in the years to come. Our development strategy has been clarified so that all our schemes meet certain criteria to ensure their strategic fit and long-term viability. We have returned to working solely on affordable-led developments and moved away from market-led schemes.

We continue to invest in core systems and new technologies that support business improvement, increase efficiency and enable our customers to have greater access to online services. Since the emergence of COVID-19, the investment in these technologies has become even more crucial as we find new ways to engage and support our customers in this time of social distancing. Our internal controls have been reviewed and updated, and we have now begun our succession planning for a new Chair and Vice-Chair of the Board. We are committed to having a diverse Board that includes a voice for customers.

We were pleased to hear the government's commitment to the delivery of affordable housing and improving the design and standard of new homes; something Hastoe has long argued for and demonstrated the advantages of in the schemes it has produced. In 2021, we are launching the Hastoe New-Build Standard setting out in detail the way we build our architecturally sensitive, energy efficient and sustainable homes. We have a strong track record in delivering excellent quality houses – informed by our Passivhaus and fabric first approach – which reduce carbon emissions and save our tenants money on their household bills. We intend for this living document to form the basis of our ongoing and future development partnerships.

”

WHO WE ARE

Established by the Sutton Dwellings Trust in 1962, Hastoe is a specialist rural housing association. We own and manage over 7,500 homes in almost 70 local authority areas. Our homes extend right across the south of England from Cornwall to Norfolk.

Since completing our first two rural housing schemes in Abbotsbury and Cerne Abbas in West Dorset in 1987, we have grown steadily to become the leading provider of rural affordable homes in England. However, as a large number of our original homes were built in urban areas, we still have a significant presence in these more densely populated communities.

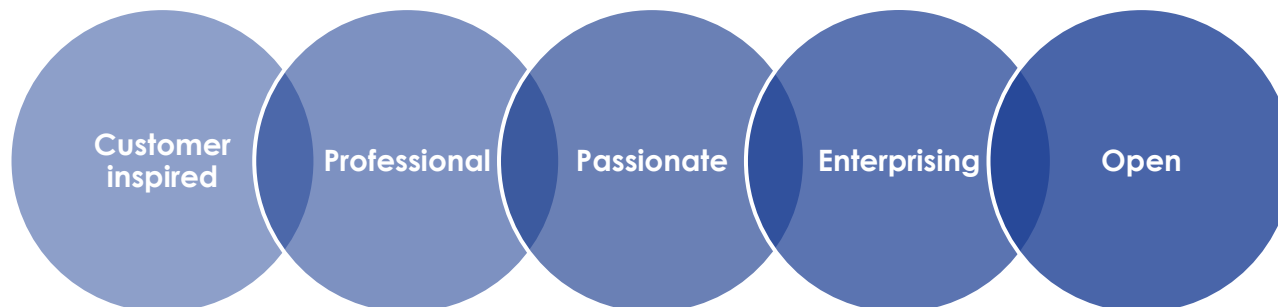
We have charitable status and any surplus we make is invested back into the communities in which we operate.

Our purpose

Our purpose is to work with rural communities to build and manage high-quality, energy-efficient and affordable homes that meet a local need. These homes enable local people to remain within their communities and help keep rural services sustainable.

Our values

Hastoe's five values are a vital part of our identity and describe the way in which our employees operate and relate to others.



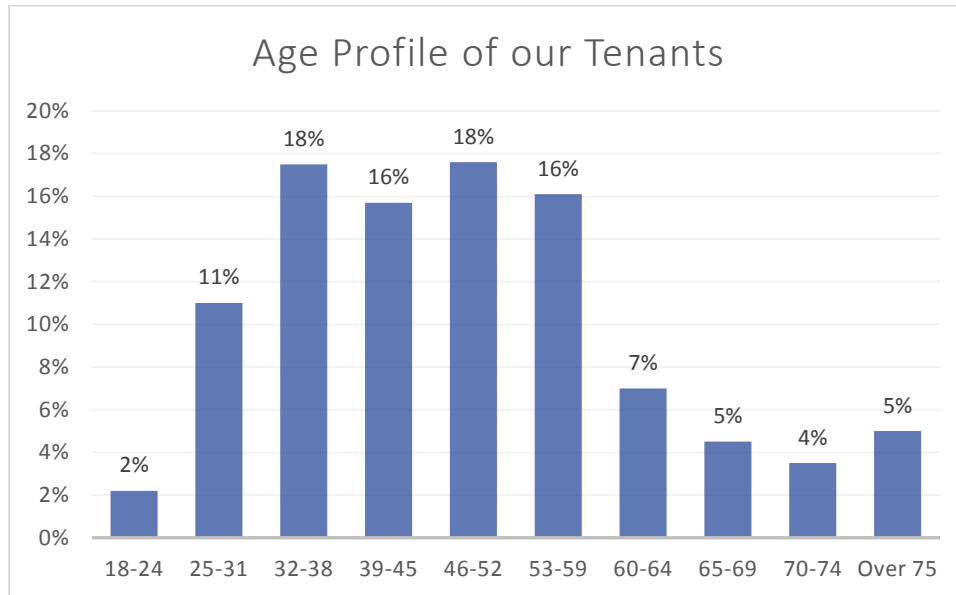
WHERE WE WORK

Hastoe owns and manages over 7,500 homes. We have social rent and shared owner properties in 71 local authority areas. The local authorities in which we manage more than 100 properties (as at 31.03.21) are listed below:

	LOCAL AUTHORITY	HOMES
1	Uttlesford, Essex	413
2	South Somerset	292
3	Aylesbury Vale, Bucks	276
4	Dorset	274
5	Milton Keynes, Bucks	263
6	Kings Lynn & West Norfolk	193
7	Chichester, West Sussex	168
8	Mendip, Somerset	143
9	East Devon	140
10	Havering, Greater London	125
=11	South Norfolk	124
=11	Breckland, Norfolk	124
13	East Cambridgeshire	118
14	North Devon	116
15	Stevenage, Herts	114
16	Mid Devon	113
17	East Suffolk	100



Age profile of our tenants and housing stock by tenure (as at 31.03.21)



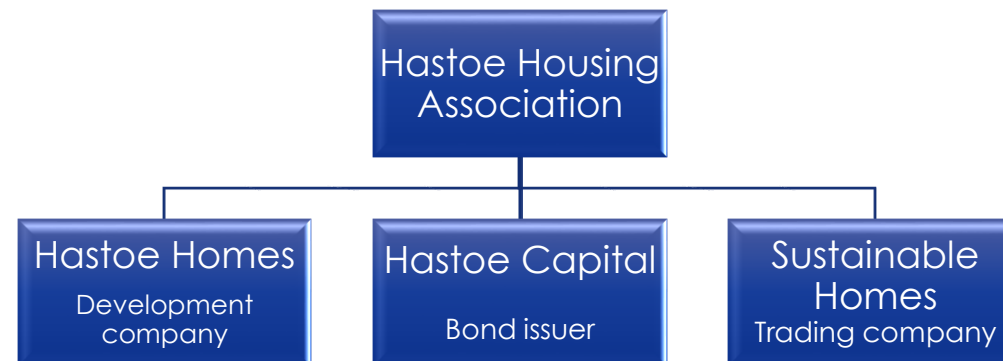
Hastoe housing stock by tenure

Social and Affordable rent	4,204
Shared Owner	823
Leasehold	2,346
Freehold	300
Other	8
	7,681

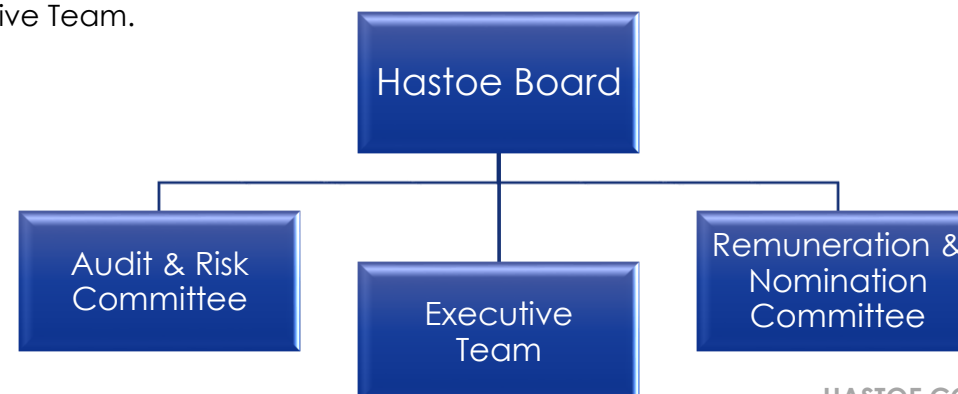
HOW WE ARE RUN

Hastoe is regulated by the Regulator of Social Housing. In December 2020, the Regulator reconfirmed Hastoe's G1 governance rating and upgraded Hastoe's financial viability rating to V1 – the highest possible ratings in both areas. The Group complies with the National Housing Federation 2015 Code of Excellence in Governance.

Hastoe Housing Association is the charitable parent of three active subsidiaries.



The Hastoe Housing Association Board has ultimate responsibility for how we are run. It is supported in this by two sub-committees, the Audit & Risk Committee and the Remuneration and Nomination Committee. The Board delegates day-to-day management of the organisation to the Executive Team.



Our Board

We are governed by a Board of 10 non-executive directors. However, as part of our succession planning we will temporarily increase the size of the Board to a total of 12 members until the end of 2022. Our Board Members are highly experienced and passionate about rural communities and the environment. The Board meets up to nine times per year and works closely with the Executive Team to ensure Hastoe delivers on its strategic objectives. A full list of our Board Members and their profiles is on our website.

Our Executive Team

Responsible for the day-to-day running of the business are:



Chief Executive, Andrew Potter

Responsible to the Board, and for the Directors and Communications & External Affairs



Finance Director, Will Roberts

Responsible for Finance, Business Performance, Governance, IT and Human Resources



Housing Director, George Parkinson

Responsible for Housing Management and Customer Service



Development Director, Ulrike Maccariello

Responsible for Development and Sales



Property Director, Mark Agnew

Responsible for Property Services

OPERATING ENVIRONMENT

External

Political and Economic Environment

The Government's principal focus over the last twelve months has concerned their response to COVID-19. The apparent success of the vaccine rollout has led the Government to recently publish their 'roadmap' out of lockdown, with a full end to restrictions proposed for June 2021. Aside from the pandemic, the UK left the EU with a trade deal at the end of the transition period in January 2021. We have already witnessed delays in availability of some materials and products, impacting costs.

The key themes running through policy-making are those of increased regulation, building safety and the net-zero carbon agenda.

Significant housing policy changes since the last Corporate Plan include:

Building Safety: The Fire Safety Bill looks to strengthen existing legislation. The draft Building Safety Bill was published in July 2020 promising a new safety regime and accountability structure, particularly for higher risk high-rise buildings. The draft Bill also provides for the New Homes Ombudsman scheme, to resolve disputes between developers and consumers.

Planning Reforms: The Planning for the Future White Paper was published in March 2020 proposing significant changes to the planning regime. Reforms include the introduction of Land Zoning, the replacement of CIL and S106 in favour of a new 'Infrastructure Levy'. It also commits to

implementing recommendations of the Building Better, Building Beautiful Commission, including a fast track system for beautiful buildings.

Future Homes Standard: The sector await a response from the Government regarding their consultation on the 'Future Homes Standard', which closed in January 2021. More technical consultations are ongoing. The 'Future Homes Standard' mandates low carbon heating and world-leading levels of energy efficiency for all new build homes by 2025, sitting strategically as part of the policy solution to bring all the UK's greenhouse gas emissions to net zero by 2050, as set in law. Hastoe has been

building energy-efficient homes for many years and will soon be launching the Hastoe New-Build Standard, which will illustrate how Hastoe is already leading the way on standards relating to energy efficiency, quality and design.

Social Housing White Paper: Published in November 2020, it establishes a Charter for Social Housing Residents, which seeks to improve the position of tenants, re-asserting their rights and the obligations of landlords with increased regulation ahead. For example, the Regulator of Social Housing has been tasked with introducing a new set of Tenant Satisfaction Measures, which are planned to take effect from April 2023.

Housing Ombudsman: The Ombudsman is commitment to improved complaints handling and show greater transparency, highlighted in their publication of performance data reports and new code.

Leasehold reforms: In January 2021, the Government announced reforms allowing leaseholders to extend their leases for up to 990 years with zero ground rent. This comes alongside establishing a Commonhold Council - a partnership of leasehold groups, industry and government - that will prepare

homeowners and the market for the widespread take-up of commonhold. It looks to bring forward a response to the remaining Law Commission recommendations in due course.

Internal

Building Safety: Resident safety remains our top priority. Hastoe will continue to prioritise safety work and ensure compliance with changing regulations.

Customer Services: We have made a firm commitment to improve our customer service and customer engagement.

We will continue to improve our digital platforms including our online customer portal, particularly in the light of COVID-19 seeking to provide the right balance of self-service with a personal service, recognising some rural communities don't have reliable access to broadband.

We will also continue to improve handling of complaints, with greater focus on resolution and using experience and learning to enhance our internal systems.

Listening to residents is important to us. We continue to have a customer voice on the Board, the CEO holds two customer phone

days every year and the Board aims to meet with customers personally on a regular basis. We will look at how we can engage residents with surveys, by way of our Resident Champions and through our long-established Hastoe Hundreds Club and greater use of technology to support this.

Repairs: We have listened to customers and recognise this is an area that still needs improving. Despite disruption caused by Covid-19, work has started with the procurement of new contractors, improved contract management, pro-active customer engagement, developing our systems, automation, investing in skills and capacity. However, there is still work to be done and this will remain a priority in 21/22. This area will remain challenging for 21/22.

Assets: We will be investing more in our existing homes over the next 30 years and continue to maintain our stock at Decent

Homes levels and above. Our priority will be compliance and Decent Homes works, moving to a 3-year rolling planned programme.

Although a rural organisation, Hastoe has urban stock, and hostels, that we will review over time to evaluate its long-term strategic fit.

Finances: After a decade of successful expansion, Hastoe is consolidating its financial position over the medium term. We have reduced our exposure to risk while enhancing internal controls.

Development and Sales: Our Development Strategy reflects the Board's appetite for improvements in quality and taking a prudent approach to sales and development in line with our financial plan.

People: Our employees are our greatest resource. Attracting and retaining the right talent is essential. We will improve

succession planning to ensure we have the right capacity and continue to promote and reward high performance.

COVID-19 will bring changes to the employment market and how people work.

We will decide how to adapt our working arrangements, for the future in 2021/22.

HASTOE'S STRATEGIC OBJECTIVES

To meet our purpose we have set ourselves five strategic objectives which underpin our work.

Build and invest in high-quality and energy-efficient homes

Provide residents with a quality customer service

Be an excellent employer

Work with rural communities and influence policy on key issues

Run an effective and efficient organisation

There are planned actions for 2021/22 under each strategic objective. The Board actively monitors Hastoe's performance in delivering the planned actions over the course of the year to ensure successful delivery.

OBJECTIVE 1: BUILD AND INVEST IN HIGH-QUALITY AND ENERGY-EFFICIENT HOMES

Hastoe builds homes in rural communities that are designed and built to a high standard to last for generations. We care about raising housing standards and building homes in rural communities, for local people, we can take pride in. Since fuel poverty is higher in rural areas, we develop our homes to a high energy-efficiency standard and are well advanced in meeting future home standards.

In 2021/22 we will formally launch our own Hastoe New-Build Standard and will use the document as a basis for ongoing engagement with our stakeholders. This will clearly articulate our design standard for new-build homes and lay out what communities and partners can expect when they work with us to deliver affordable housing. Our Hastoe New-Build Standard will deliver energy-efficient homes that are well-designed and meet UK targets for carbon reduction.

We will also maintain our existing homes to meet or exceed the Decent Homes Standard. We will continue to prioritise building safety works and make sure all our homes meet 100% compliance requirements and any defects are well managed.

Actions in 2021/22	Outcome
Formally launch our Hastoe New-Build Standard for new energy-efficient and quality homes.	To maintain high standards that are fit for the future and achieve value for money in build costs and ongoing maintenance. Provide the opportunity for strategic partnerships.
Market our urban blocks of flats and hostels.	Invest in providing more rural homes.
Comprehensive stock condition reconciliation exercise and update our approach to maintaining and managing stock data.	Identify any gaps and increase the integratory levels of the data and future investment needs.
Start developing our approach to improving our existing stock to support meeting future carbon reduction targets.	Future investment in our existing stock will be contributing to reduced carbon emissions and energy efficiency.

Key Performance Indicator	2019/20 performance	2020/21 performance	2021/22 target
Development			
Number of new build starts	18	61	143
Number of new home build completions	48	20	77

OBJECTIVE 2: PROVIDE RESIDENTS WITH A QUALITY CUSTOMER SERVICE

Delivering a quality service to our customers is key for us, engaging, listening and learning from customer's feedback. Twice a year the CEO invites residents to call him directly, allowing our leadership team to get direct feedback from residents. Our Board also meets customers in person or over video calls, so they also have the opportunity for direct engagement. On a day to day basis the complaints we get are taken seriously, we comply with the Ombudsman Code and ensure regular reporting to our Board. We have other ways customers can engage through our Hastoe Hundreds consultation group, resident champions and specific focus groups we hold through the year.

Our customers have given us clear feedback, how important it is for them to have a good repairs service and be kept up to date without having to chase and we keep investing in our existing stock. This feedback forms part of these future plans. We have already put more investment into future home improvements, our day to day repairs service and getting more instant feedback to check things have gone to plan to reduce the need for customers to chase. We will continue to focus on these area, until we and our customers are confident we have it right.

Covid-19 has seen a material uptake in online services and we have been responding to this by further improving our online access and will continue to do this, while also having access by phone to talk to a person.

Actions in 2021/23	Outcome
Engage customers in a review of our Estate Services.	To improve our grounds maintenance services <i>(this has been feedback from customers)</i> .
Introduce pro-active customer contact for repairs.	Improve the customer experience, reducing the need for them to chase when things don't go to plan and reduce incoming calls <i>(this has been feedback from customers)</i> .
Publish when customer's homes are due to be surveyed for improvements.	Customer will know when we plan to survey their home for any improvement works without having to keep calling <i>(this has been feedback from customers)</i> .
Re-procure our renewable maintenance service.	To improve service to customers and value for money.

Implement a new Planned Maintenance system to integrate stock data and programmed works into our core systems.	Increase information available to our customers, and automation, data integratory and reporting.
Implement an integrated voids systems.	To improve management of vacant properties, integrate with other modules allowing greater automation, data integrity and reporting. This will support re-letting homes quicker.
Implement in an automated payments line for customers to use 24/7.	To improve resident access to making payments into the Hub 24/7 and enhance security.

Key Performance Indicator	2019/20 performance	2020/21 performance	2021/22 target
Customer		Covid-19 impacted	Covid-19 impacts
Overall customer satisfaction (STAR survey)	-	65%	75% (next survey 22)
Percentage of Hub calls answered within target.	-	-	85%
Percentage of online customer portal interactions	16.4%	41%	40%
Satisfaction with repair completed	77.1%	77%	90%
Repairs completed on time – P1s	83.8%	87%	95%
Repairs completed on time – P2s & P3s	-	-	85%
Repairs post-inspection 'Passed'	91%	89%	90%
Complaints responded to on set or agreed time	-	45%	90%
Social & affordable arrears	2.66%	2.5%	2.5%
Shared ownership arrears	1.21%	1.3%	1.5%
Re-let time (exc. major works)	21 days	62 days	20 days
Compliance			
Residential buildings meeting Decent Homes	100%	100%	100%
Residential blocks with valid fire risk assessment	100%	100%	100%
Properties with communal water facilities with valid risk assessment	100%	100%	100%
Residential buildings with valid gas certificates	100%	100%	100%

Residential blocks with valid asbestos management survey	100%	100%	100%
Residential buildings with current electrical certificate	93.9%	93%	100%

OBJECTIVE 3: BE AN EXCELLENT EMPLOYER

Highly skilled, diverse and well-motivated staff are essential for any successful business. Our aim is to be excellent employer so that we attract, develop and retain staff with these attributes.

A survey, conducted in 2020, showed high levels of staff satisfaction (91%) and identified that many staff wanted more flexibility in their work location, development opportunities, cross team working and recognition. We will review our working arrangements in the light of COVID-19, with a view to making Hastoe a more attractive employer that committed to deliver for its customers.

Actions in 2021/22	Outcome
Review our working arrangements in consultation with staff.	To ensure our working arrangements promote the delivery of a quality customer service and make Hastoe an attractive employer.
Develop a People Strategy that reflects changes to the work environment post Covid-19 to focus.	Reflect the changes in working arrangements and ultimately support improved outcomes for customers.
Review our Equality Diversity & Inclusion (EDI) Strategy.	To ensure diversity in an integrated part of Hastoe.

Key Performance Indicator	2019/20 performance	2020/21 performance	2021/22 target
Employees			
Employee satisfaction	-	91%	85%
Employee turnover (rolling year)	19.3%	16.5%	15%

OBJECTIVE 4: WORK WITH RURAL COMMUNITIES AND INFLUENCE POLICY ON KEY ISSUES

Rural England desperately needs more affordable homes. We work with rural communities to build new homes and influence policy in areas that matter to them. Hastoe has a clear and distinctive position in the rural housing sector. We seek to influence national policy for the benefit of rural communities on issues where we have specialisms such as rural exception sites, design quality and high energy-efficiency standards.

Although COVID-19 still has the potential to have an impact on some of our planned activities for 2021/22, we are confident that should the Government's roadmap continue as planned, we will be able to resume such activities, e.g. the ability to showcase new housing schemes to influencers and stakeholders. The official launch of The Hastoe New-Build Standard will act as a catalyst for us over the coming year to enter topical sector-wide discussions around sustainability, energy efficiency and quality more generally. We will aim to gain coverage and a higher profile through various media both in print and online.

Actions in 2021/22	Outcome
Influence government policy feeding into responses to consultations.	To ensure the rural perspective is heard and given due consideration.
Seek and quantify media coverage for a range of Hastoe achievements including new housing scheme developments and the launch of the Hastoe New-Build Standard.	To celebrate the quality of Hastoe's build standard and enhance reputation.
Sponsoring external events and research where the opportunity exist.	To maintain influence and strategic partnerships in Hastoe's business interest.

OBJECTIVE 5: RUN AN EFFECTIVE AND EFFICIENT ORGANISATION

Hastoe's Chair and Deputy Chair are due to retire from the Board in July 2022. During the year, we will aim to identify suitable candidates to replace them and work to enable a smooth transition that maintains the Group's effective governance arrangements. The Group will also adopt and implement an appropriate Code of Governance to replace the NHF Code of Governance 2015.

We are continuing to invest in technologies to streamline our business processes, automate more activities and move more online to reduce costs, improve performance and free up employee time to provide an enhanced service to customers. We are also looking to make our IT infrastructure more flexible and resilient.

We are continuing to take steps to improve our financial resilience and ensure Hastoe remains on a secure financial footing. We will also review the performance of our assets and look at options on how these can be improved.

Actions in 2021/22	Outcome
Recruit a new Chair and Vice Chair for the Hastoe Board.	To enable a smooth transition and maintain effective governance.
Identify which new Code of Governance is most appropriate to adopt in light of revised NHF Code.	To achieve full compliance with new Code of Governance.
Implementing a new and more flexible telephony system.	Improved business continuity, supports flexible and home working arrangements and can support greater automation.
Establish a plan to replace Hastoe's on premises IT infrastructure and have begun implementation.	A more flexible and robust IT infrastructure that will enhance business continuity, IT security and allow a more agile working environment.

VALUE FOR MONEY

The Board is committed to delivering Hastoe's strategic objectives in a way that represents value for money. This is driven by an awareness of the responsibility to use our assets and resources wisely, to protect our long-term future and to build and manage high-quality, energy-efficient homes that meet the needs of the varied communities in which we operate.

Hastoe uses the 3 E's model – aiming to increase economy, efficiency and effectiveness – to achieve value for money. The targets within Appendix 1 of the Corporate Plan focus on the effectiveness in delivering Hastoe's ambitions. The table below sets out the Board's other targets for increasing Hastoe's economy, efficiency and effectiveness.

	Hastoe targets				Sector comparison*		
	2019/20	2021/22	2022/23	2023/24	Upper	Median	Lower
EBITDA MRI** interest cover	129%	129%	135%	145%	227%	170%	126%
Social housing interest cover	115%	110%	113%	120%		142%	
Operating margin (exc. fixed asset sales)	41%	38%	39%	39%	28.6%	23.1%	18.1%
Operating margin on social housing lettings	44%	41%	41%	43%	32.3%	25.7%	20.8%
Net margin (exc. fixed asset sales)	7%	5%	8%	9%		13.8%	
Gearing	52%	52%	53%	53%	54.7%	44%	33%
Gearing (debt/revenue)	7.2	6.8%	7.1%	6.5%		3.5%	
New supply delivered (social housing)	0.6%	1.5%	2.2%	2.2%	2.4%	1.5%	0.7%
New supply delivered (non-social housing)	0.0%	0%	0%	0%	0.15%	0%	0%
Reinvestment	6.5%	7.3%	8.1%	5.6%	10%	7.2%	4.9%
Return on Capital Employed	3.3%	3.2%	3.1%	3.2%	4.4%	3.4%	2.6%

* Cited in the Regulator of Social Housing's "Value for money metrics and reporting 2020"

**Earnings before interest, tax, depreciation and amortisation, with capitalised major repairs costs included.

Weaker performance than Sector Median
Stronger performance than Sector Median

APPENDIX 1: KEY PERFORMANCE INDICATORS AND TARGETS

Key Performance Indicator	2019/20 performance	2020/21 performance	2021/22 target
Customer			
Overall customer satisfaction (STAR survey)	-	65%	75% (next survey 22)
Percentage of Hub calls answered within target	-	-	85%
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Shared ownership arrears	1.21%	1.3%	1.5%
Re-let time (exc. major works)	21 days	62 days	20 days
Compliance			
Residential buildings meeting Decent Homes	100%	100%	100%
Residential blocks with valid fire risk assessment	100%	100%	100%
Properties with communal water facilities with valid risk assessment	100%	100%	100%
Residential buildings with valid gas certificates	100%	100%	100%
Residential blocks with valid asbestos management survey	100%	100%	100%
Residential buildings with current electrical certificate	93.9%	93%	100%
Development			
Number of new build starts	18	61	143
Number of new home build completions	48	20	77
Employees			
Employee satisfaction	-	91%	90%
Employee turnover (rolling year)	19.3%	16.5%	15%