

Better lives for all

Corporate Strategy
2021-2024





In our common land we are meant to learn an even deeper lesson, something of the value of those possessions in which each of a large community has a distinct share...It will give a sense of common possession to succeeding generations.

Octavia Hill

Foreword



Sandeep Katwala
Chair of Octavia Board



Sandra Skeete
Octavia CEO

◀◀ **Octavia has stayed true to its social purpose for over 150 years**

Octavia has stayed true to its social purpose for over 150 years as we have continued the pioneering work of our founder, Octavia Hill, in providing homes, support and care for people in central and west London.

Operating in some of the most expensive parts of the capital, we have built on this legacy through our unique offer that puts people and communities first. We seek to be an exemplar in providing good quality, affordable homes that enable people on lower incomes to live in London. We believe in supporting the diverse neighbourhoods we serve so that people can live well, be independent, make connections and thrive.

Our 2021-24 Corporate Strategy has been drawn up against a backdrop of challenge and insecurity from the continuing impact of the Covid-19 pandemic. The housing crisis, that we

emphasised in our last three-year strategy, remains a serious concern, with the GLA's current target of building 52,000 new homes per year for London falling far short of the Government's

◀◀ Ensuring the safety of homes is an absolute priority

assessment of 72,000 needed to meet demand. We will continue to play an active role in tackling the housing crisis, providing quality and affordable homes, with fair service charges and average rents below the Government formula for Social Rent. The difference between the market rent of our homes and the rents we actually charge represents £65 million in social value to the public purse.

Prioritising safety

Ensuring the safety of homes following the Grenfell tragedy and Hackitt enquiry is an absolute priority, and as a consequence of the Covid-19 pandemic, long-overdue conversations have started on where and how people live and the impact on wellbeing. We will continue to put the safety of our people first, with a holistic programme of work to remediate homes where this is needed, and ensure our homes all meet updated safety standards

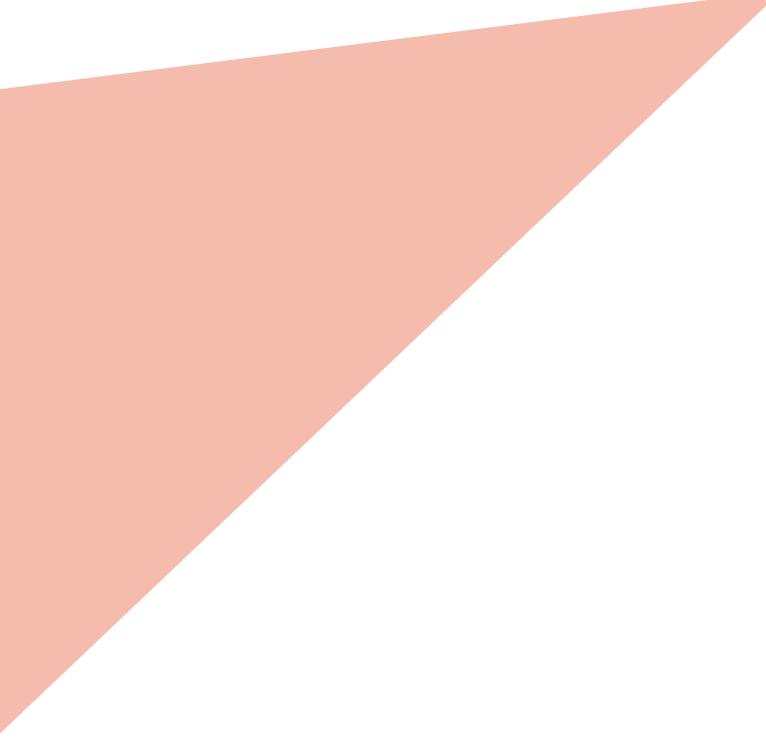
through a risk-based approach.

Reducing our carbon footprint

We remain committed to improving the energy efficiency of our homes. We are updating our asset management strategy to meet the net-zero carbon target by 2050 and building on recent work to improve the thermal efficiency of our buildings and reduce our carbon footprint. A key outcome will be providing affordable warmth for residents. We are proud to be accredited with the SHIFT Gold standard for commitment to sustainability, in recognition of our success in delivering against our environmental targets.

Listening and learning

Driven by our values to be responsive, respectful, reliable and resourceful, resident engagement is at the heart of everything we do. Accountability to residents was a key theme of the 2020 Social Housing White Paper, and we are committed to



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involving our residents in shaping and developing our services. We are an early adopter of the National Housing Federation's Together with Tenants initiative and involve residents in strengthening our engagement with them, and ensuring their voice is strong and heard.

Tackling inequality

The economic and social impact of the pandemic has been the biggest health emergency the world has faced in over a generation. The disproportionate impact on some groups of society has laid bare pre-existing inequalities. Addressing the economic and social impact on our residents and communities is a key consideration in shaping our corporate strategy.

Through our social purpose, rooted in social justice, we will do all we can to help our residents and the people we work with to recover from impact of the

pandemic. We will harness our services to target underlying inequality of outcomes for disadvantaged groups. We will make these commitments our priority for as long as needed.

Investing in communities

We will exploit opportunities through our community activity to provide better outcomes for people, fostering partnerships that deliver social value and build resilience. We will support wellbeing and tackle loneliness and isolation of vulnerable people and promote skills development and better life chances for younger people through inspiring opportunities. We will expand our employment support to increase our impact, facilitate entrepreneurship and provide training to help people to develop their careers and take up new opportunities.

Foreword

Our ambition is to be an exemplar organisation

Our residents tell us they want good quality, reliable services that provide value for money. Our modernisation programme will focus on ensuring the work we do delivers value, enabling us to invest more in our homes and services. We will emphasise resourcefulness through modernising our operations, using business insight to improve and streamline how we deliver our services. We will empower our colleagues and our volunteers by equipping them with the right skills and tools to deliver outstanding services and positive outcomes for the people we serve.

We will use what we have learnt during the pandemic to be more agile and to better build our services, all the while investing in our people to help them realise their potential.

Our ambition is to be an exemplar organisation, harnessing the skills and commitment of our people and stakeholders as stewards of our legacy. We will build sustainable homes and places that future generations will enjoy and be proud of, for the common good.

Your voice - a resident's view



Keith has been an Octavia resident for over 30 years. He is a member of our resident strategic group, Your Voice, and a member of our Complaints Panel.

“I applied and joined Your Voice four years ago and it’s been a really good experience, finding out what is going on with Octavia’s service and being part of a team that scrutinises Octavia’s work in a constructive way. Octavia actively encourages this. Board members and our Chief Executive have joined our

meetings. It’s clear Your Voice and residents mean something and Octavia genuinely values what we say.

Building a greener future

“Going forward, the environment is something many residents feel strongly about. Your Voice has made a contribution through working with Octavia to develop its Environmental Sustainability Strategy. Octavia wants to be as green as possible and we are helping with those plans.

Responding to Covid-19

“Of course, responding to Covid-19 has been, and will continue to be, very important. The crisis has brought home to all of us how important resident engagement is.

“There are lots of questions to be asked about what ‘the new normal’ looks like for services, and how residents and staff are supported. It’s important that residents of all ages and backgrounds take part in asking these questions and having a dialogue with Octavia.

“Lastly and importantly, so many residents and local people are struggling financially, many have lost jobs, and young people especially are facing lots of challenges. Octavia do a lot already to help through the Foundation, but even more support will be needed now, as we start to recover from Covid-19.”

Octavia

We are Octavia. Founded by the Victorian philanthropist Octavia Hill in 1865, we have a strong legacy and an equally strong commitment to move forward with our work, keeping it just as relevant today. We are for people, not for profit. Through our work covering homes, support, and care, we empower people with opportunities for a better life and enable communities to be thriving places to live. Like our founder, we believe in the power of connections to improve lives. We believe in building and sustaining diverse communities that enrich the lives of everyone.

Our vision

Vibrant communities, better lives for all

We know that more equal societies benefit everyone. The homes and services we provide directly benefit individuals and neighbourhoods as a whole. We support mixed communities by helping people to remain living in areas where they feel connected, while at the same time empowering them to be independent and make their own contribution to the neighbourhoods where they live.

Our purpose

Delivering equality through homes, support, and opportunity

Our aim is to be an exemplar as a landlord, in our communities and as an employer, and to lead the way in responding to the current issues that impact on people we work with and the communities we serve. Our strategic pillars, and the goals under each pillar, form the roadmap towards achieving our purpose.

Our strategic pillars

- ▶ Tackle inequality
- ▶ Optimise our impact
- ▶ People-centred
- ▶ Modern and engaging
- ▶ Build our legacy

We will accelerate the delivery of our goals through a modernisation programme centred on increasing connections and improving collaboration with residents, partners and communities. We will deliver the programme, staying true to our purpose and underpinned by the values that we live and breathe.

Our values

RELIABLE

RESPONSIVE

RESPECTFUL

RESOURCEFUL

Our Vision

Vibrant
Communities,
Better Lives for All

Our Purpose

Delivering equality through homes,
support, and opportunity

Our Strategic Pillars

Tackle inequality

Optimise our impact

People-centred

Modern & engaging

Build our legacy

Our Values

Reliable, Responsive, Respectful, Resourceful

Tackle inequality



Everyone deserves opportunities to reach their full potential, to be supported and hopeful, able to imagine and plan for a better future. With 14.5m people in the UK living in poverty (Joseph Rowntree Foundation, 2020), Black and Asian communities disproportionately affected by Covid-19, and the gender pay gap significant across sectors, we know there are inequalities that impact on our people and these have been exacerbated by the health, social and economic effects of the pandemic.

Promoting equality

Going forward, we will drive equality, both within our organisation and in the communities we serve, by meeting the ambition captured in our Equality, Diversity and Inclusion commitments.

Our new Communities Strategy will address the unequal outcomes for disadvantaged groups. We will promote more work opportunity and help to build generational wealth by supporting entrepreneurship, financial literacy and providing homes across tenures, including affordable home ownership.

More quality homes

Insufficient affordable housing remains a challenge in London, contributing to the inequalities in our neighbourhoods. We will continue to be focused on providing more affordable homes to people who would otherwise be priced out of our communities. We will build and maintain quality homes across tenures, and our homes will be built to modern specifications that support sustainability. Our plan is to deliver up to 100 new homes each year; 40% of our new homes programme will be for affordable rent.

Our goals to tackle inequality



Access to service / tackling income inequality

We will ensure our service is accessible to those who need it, to support diverse communities. We will provide financial inclusion support, work opportunity, and facilitate entrepreneurship, to help build financial resilience.

More, and maintain, quality homes

We will build and maintain more quality homes across tenures, providing affordable homes for people who need them, and creating spaces for people to thrive.

Catalyst for inclusion and social justice

We will work with our partners to be a catalyst for inclusion, opportunity and social justice in our communities.

Talented and representative staff

Our staff and the Board will be representative of our diverse communities at all levels. We will recruit, promote and retain the best talent.

Optimise our impact



Our service will have the optimal positive impact on people's lives, empowering people to connect with others and to their community. Last year, we maintained our high-quality landlord service throughout Covid-19 restrictions, and our support and community projects reached over 2,500 Londoners to support isolated and vulnerable people during the pandemic. Our Financial Inclusion team supported families whose income fell or were claiming benefit for the first time.

Affordable homes

We understand the demographic changes to our customer

base and the challenges facing residents in different tenures; those in social rented, intermediate rent and our homeowners. We will be focused on delivering value for money in the schemes that we directly manage and in those managed by third parties, ensuring our homes are affordable across all tenures to the people who need them.

Efficient and effective service

The agility and innovation we demonstrated in the last year shows we have the ambition and capacity to provide an outstanding service as a landlord, as a provider of care and support, and in our communities. We will utilise insight gained during the pandemic to build back better and be more efficient and effective. Our aim is to be a leader in addressing current issues, to build on our strong partnerships, and to speak with a respected voice, positively impacting as many lives as possible.

Our goals to optimise our impact



Exemplary services

We will listen and respond to the people who use our service to ensure it is responsive, reliable, respectful, and resourceful. We will lead our sectors in responding to current issues.

Impact in communities

We will offer opportunity that increases people's chances of having positive outcomes and enables communities to thrive. Our homes will be affordable to the people who need them.

Economic, efficient and effective

We will embed value for money in our working culture through our economic, efficient and effective operating model.

Strong partnerships, respected voice

We will be resourceful with the connections we have formed and the influence we have, to deliver more for the people we seek to help.

People-centred



Octavia will foster an inclusive and diverse workforce where development and reaching your potential is actively encouraged. We want our colleagues to be happy and committed in their work, and to deliver on our shared objectives together. The continuing impact of the Covid-19 pandemic and the learning from this experience prompts us to review how we organise our work and bring out the best in people. We will support our staff and the people who use our service to maintain their wellbeing in these challenging times.

Safe and supported communities

Ensuring our people are safe and supported remains paramount. Our colleagues will develop in a culture of growth with shared values. Our residents will be safe in their homes and know we are focused on building and fire safety. Our neighbourhoods will be supported to be places to be enjoyed. The wellbeing of our communities in London needs attention to tackle the unequal impact of Covid-19. We have all felt insecurity in 2020, but the impact has been disproportionate and greatest on individuals and groups already disadvantaged before the pandemic.

Listening to residents

We will be focused on ensuring the resident voice is heard at all levels of Octavia to deepen our understanding of what people and communities need to thrive. Resident engagement will be integral to how we design and deliver our service to gain the best outcomes for the people we serve.

Our goals to be people-centred



Strong resident voice, greater customer insight

We will respect the resident voice at strategic and local levels. We will listen to feedback to deepen our customer insight and use this knowledge to target support in our communities.

Safe and supported

We will focus on safety and wellbeing so that our residents are safe and secure in their homes, community wellbeing is supported, and people have confidence in their futures.

Maximising potential

We will create opportunities to grow skills and abilities to support people to reach their potential.

Destination employer

We will be the employer of choice, supporting our colleagues to thrive and to deliver on our shared objectives.

Modern and engaging



Engagement and trust form the foundations of our plans to modernise and remain relevant. Resident expectations are changing fast and Octavia will keep pace and anticipate the changes to be agile, ensure the best use of technology and to innovate. Our modernisation programme will focus on four areas: technology, data, people and delivering value. We will be digitally inclusive across our service and support those who are currently excluded. Our understanding of customer journeys gained from smart systems, robust data, and insightful reporting will help us to enhance everyone's experience of Octavia, at work, for stakeholders, and for those using our service. Our shops will maintain a presence on the high street supported by an on-line presence, with surpluses invested back into our work in communities.

Agile and modern service

Our success in overcoming the challenges of Covid-19 restrictions has provided valuable insight into how we can work more effectively and meet people's expectations of a modern workplace. In response to Covid-19 restrictions, we demonstrated abilities to tailor our service at pace, refine our processes, use technology in smart ways, collaborate virtually, and cascade communication quickly, to keep everyone included. We will build on this agile model of working with our modernisation programme, informed by an approach to change management that facilitates dialogue, openness and builds trust.

Our goals to be modern and engaging



Smart technology and digital future

We will optimise the benefit from existing and new systems. We will use technology and digital services to be inclusive, and to enhance the customer experience and the customer journey.

Agile and evidenced based

Our robust data and agile processes will enable us to make evidenced based decisions, provide assurance, and support strong governance.

A workplace for today and for the future

Our workplaces will enable connection and collaboration. Everyone will have the same experience wherever they work.

Culture of engagement and trust

We will promote a culture of engagement and trust, enabling open dialogue and connections for our people.

Build our legacy

We believe in creating sustainable homes and places that future generations will be proud of, to be enjoyed now and in the future. Octavia holds the SHIFT Gold standard for commitment to environmental sustainability and will continue its commitment to help tackle the climate emergency.

We will reduce our carbon footprint and promote individual responsibility on environmental sustainability to colleagues and service users. Technology will play a key role in our ambitions to use sustainable materials, increase energy efficiency, and be paperless in our workplaces.

Our aim is to be net-zero carbon on our existing homes by 2050, and earlier for new homes and our workplaces. Our Financial Plan includes an annual element to help us achieve this net-zero carbon ambition.

Preserving our legacy

We will be focused on being the stewards of a proud legacy dating

back to 1865 through strong governance led by our Board and Executive team. This is supported by robust risk management and transparency in our approach to working with all stakeholders, including with our Board and Regulator.

We have in place our 30-year Long Term Financial Plan which models financial risks and is subjected to stress testing to ensure it is sound and robust. Our financial strength comes from responsible operational and planned financial management. We will improve our operating margin, increase our operating surplus over the period of this plan, and invest the surplus back into maintaining the quality of existing homes and building new homes.

Investing in homes

In addition to sound financial management, Octavia's underlying financial strength comes from the quality of our housing portfolio, built up over 150 years in the most highly valued areas in the

country. An independent desktop valuation of our housing property portfolio by Jones Lang LaSalle in 2020 valued the portfolio at £2.5 billion. We will continue to invest responsibly to maintain these valuable assets and to meet changing health and fire safety requirements.

In 2019, we undertook a restructuring of our borrowing portfolio, including £100m bond financing during that year and a further £50m drawn down over 2020 and 2021. Our 30-year Long Term Financial Plan models financial risks and is subjected to stress testing, to ensure we have built-in flexibility and resilience. We are reviewing our business model to ensure we make efficiency gains where these are identified, remain financially strong and meet our objectives over the long term. The treasury strategy is reviewed annually by the Board and our current loan facilities cover all contractually committed development schemes.

Our goals to build our legacy



Invest in sustainability and the future

We will invest in the future, focused on people, services, property, technology and sustainability, and towards our net-zero carbon ambition.

Our Golden Rules

We will keep well within our Golden Rules, monitoring performance against the rules continuously, with triggers in place to anticipate adverse trends, to secure our financial future.

Transparency and strong governance

Our governance will remain strong, with robust risk management and stress testing in place. We will be transparent with stakeholders, and meet all legislative and regulatory expectations.

Financially strong

We will adhere to our long-term business plan, deliver value for money across our business, improve our operating margin, and will continue to be focused on being financially strong.

Legal structure

Octavia is registered as a Co-operative and Community Benefit Society with the Financial Conduct Authority and as a Private Registered Provider of social housing with the Regulator of Social Housing. As an exempt charity, Octavia enjoys the benefits of full charitable status. Octavia has four subsidiaries:

- a) Octavia Living Limited, which develops homes for outright sale on housing developments led by Octavia. It also markets and manages property sales for Octavia and provides related commercial advice.
- b) Octavia Development Services Limited, which develops social housing for Octavia on a design and build basis. This is currently dormant.
- c) Octavia Foundation, a registered charity which provides community support in central and west London, often to Octavia residents.
- d) Octavia Hill Limited, a registered subsidiary which is currently dormant.

Corporate governance

Octavia is governed by a Board of 10 non-executives plus the Chief Executive. Octavia has adopted and works to the National Housing Federation's Code of Governance, and the Octavia Board has a clear Terms of Reference. The Board is supported by five committees, all of which include Board and independent members. These are:

- Estates Committee – property related matters;
- Services Committee – housing, care and support, and communities matters;
- Corporate Committee – technology, people and culture, and governance matters;
- Finance Committee – finance and treasury matters; and
- Audit and Risk Committee – health and safety, compliance, audit and risk management matters.

Steward and pioneer

In 1865, Octavia Hill took management of her first three properties to provide housing for low income families. By the time of her death in 1912, she managed just under 2,000 homes and had started the social housing movement. Today, over a quarter of households in the UK live in social housing.

Octavia Hill also co-founded the National Trust, and was a pioneer in extolling the belief that shared spaces and healthy places are critical to achieving better lives. We want to build on this legacy of innovation and continue her pioneering spirit over the next 100 years and beyond.

Octavia Hill recognised, as we do today, that the context in which we work changes over time bringing new challenges and fresh opportunities. To continue her legacy we need to anticipate change, modernise, and play our part in moving forward the sectors in which we work. We will do so keeping in mind the impact on wider society and always act for the common good.



New circumstances require various efforts, and it is the spirit, not the dead form that should be perpetuated... What we care for most to leave them is not any tangible thing, however great, not any memory, however good, but the quick eye to see, the true soul to measure, the large hope to grasp the mighty issues of the new and better days to come — greater ideals, greater hope and patience to realise them both.

Octavia Hill

OCTAVIA 

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