



Achieving **more** *together*

Business Plan
Updated August 2021

Contents

About us	3
Range of products and services	4
Our vision, ambition and values	5
Opportunities and challenges	6
Our goals and achievements so far:	9
• More and better homes where people love living	10
• More opportunities for colleagues	11
• More influential	12
• More efficient	13
The next stage of the Business Plan:	14
• More and better homes where people love living	15
• More opportunities for colleagues	17
• More influential	19
• More efficient	21
Risk and responding to external changes	22



About us

Anchor is England's largest provider of specialist housing and care for people in later life.

We are proudly not-for-profit, which means every penny we make is reinvested into our properties and services, building more and innovating for the future.

As the largest provider of housing for older people and one of the largest providers of residential care in England, we run great homes and support so residents can enjoy living in thriving communities. We are leaders in creating choice and opportunity for people in later life.



We manage
54,000
homes for
older people



Operating in
more than
85%
of local councils
in England

Across almost

1,700 sites



A leading employer of
more than

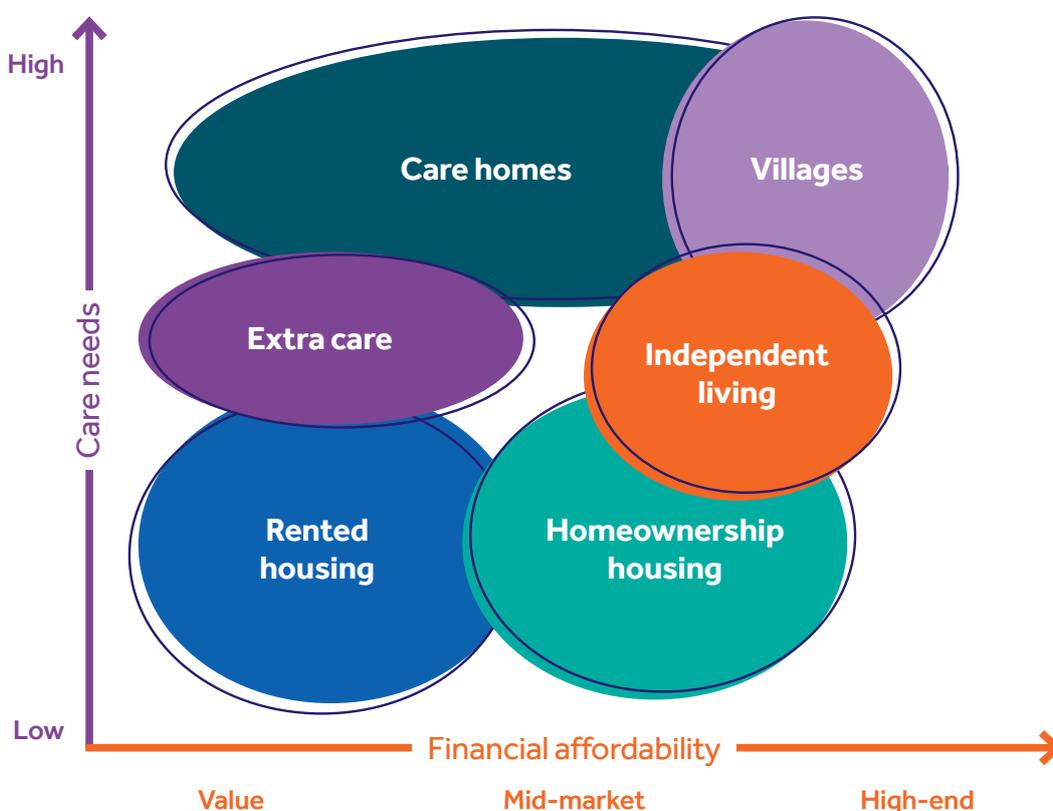
**9,000
people**



Range of products and services

We are committed to providing all residents with the right level of care and support, where and when it is required, and offer choice to older people across a range of tenures and price points.

We are focussed on our areas of experience, and do not provide domiciliary care to non-residents, or operate nursing homes and acute services, and are therefore not exposed to the risks associated with those services.



Graphic indicates intersection of care needs and affordability, not the relative scale of services

Rented housing: socially-rented specialist housing for older people

Homeownership housing: Retirement housing for homeowners/leaseholders

Extra-care: Specialist housing with onsite care provision, usually state-funded

Independent living: similar to extra-care but usually privately/self-funded

Care homes: specialist residential care for older people, including dementia, both private fee payer and local authority funded provision

Villages: Retirement communities often including on-site facilities such as shop, leisure/beauty, home care and/or a care home

Our vision, ambition and values



Our Values

All colleagues, including our Board and Executive Board are guided by our values and champion them in the way we work within the organisation and everyone we come into contact with.



Accountable: We are positive about our work, each taking responsibility for doing a brilliant job and we focus on and celebrate our successes. We are personally accountable for our actions and keep our promises.



Respectful: We care about people and show kindness, putting excellent customer service at the heart of what we do. We listen and encourage a variety of perspectives to be shared. We are inclusive and value everyone for who they are in helping us succeed as an organisation.



Courageous: We demonstrate courage to shape a better future by constantly seeking to move forward, improving, and innovating in our services to make a difference. We break down barriers and build connections through collaboration. We're pioneers in our services.



Honest: We show integrity and demonstrate openness and transparency in everything we say and do. We are reliable, keep things simple and have honest conversations about what matters. Residents and colleagues trust us to keep to our word.

Opportunities and challenges

The market for housing, care and support for those in later life is growing. Latest figures show that, in 2018, 18.2% of people were aged over 65 and this is projected to increase to 1 in 4 people by 2037. We are continuing to see higher numbers of people aged 90 years and over in the UK. In 2019 there were more than 600,000 people aged 90 years and over, including 13,330 centenarians.

The Alzheimer's Society has said that there are 850,000 people living with dementia in the UK. Every three minutes, a person in the UK is diagnosed with dementia.

Within these dramatic demographic trends there are big variations. For example, some people have income from final salary pensions and own their homes giving them choice in where they live. However, some are seeing the value of their pensions and savings deteriorate so have more limited choices.

The care home market in the UK is mature and funded from a range of public and private sources. Current provision varies in quality and cost so it is key that we provide great services which have an extremely strong reputation for quality and value for money.

We know lots about the increasing pressure on health and social care services as more people live longer with multiple conditions. The Personal Social Services Research Unit reports that the number of older people in local authority-funded residential care will need to rise by 67%, from 157,000 in 2015 to 262,000 in 2040 to keep pace with demographic changes. The number of privately funded residents is projected to rise by 87% over this period.

Local authority funding is increasingly stretched. However, decades of rising house values will support private fee-payers' increasing financial responsibility for funding their own care. According to Knight Frank, despite the impact of the pandemic, the long-term demographics will continue to drive demand.

It is widely acknowledged there is a housing crisis in the UK. The Government's Housing White Paper published in 2017 identified the need to build 225,000 to 275,000 new homes each year. The UK has the lowest proportion of older people living in specialist housing in Europe.

A range of housing providers target those in later life. We need to build more homes and clearly communicate the benefits of what we offer. This includes the fact that we stay involved for the long term to maintain the quality of homes and provide services targeted at residents' health and wellbeing.

Across the sector there is strong attention to compliance regarding service standards, resident engagement, health and safety and financial viability. The tragedy of the Grenfell fire has, rightly, given a focus to ensuring good fire safety practice by landlords, giving residents sufficient voice for their concerns and the role of regulation in taking action when poor performance is identified. Our strong approach to compliance is regularly reviewed as part of being a well-run organisation.

This and the greater focus on environmental responsibilities add to costs at a time when value-for-money for residents has never been more important.

Through the Climate Change Act, the Government set a legally binding target of net zero greenhouse gas emissions by 2050. In the 2019 Spring Statement, the UK Chancellor stated a new standard would be introduced by 2025 (the Future Homes Standard) to future-proof new build homes to at least halve the energy use of new buildings by 2030. In addition, the government has announced its intention to introduce a new tax for the residential property development sector in 2022, which could impact on some of our developments.

The political environment remains uncertain. Successive governments have promised social care funding reform for many years though it has yet to materialise. We look forward to working with government on its promised reform of social care funding following its inclusion in the Queen's Speech.

Given this uncertainty, our strong financial base and diversity of service types give us a strong foundation to respond to any sudden shocks in our operating environment.

We welcome political support for the development of a range of tenures for older people including social rented homes and shared ownership and continue to urge government to provide guidance to local authorities to enable supply to be substantially increased to meet demand. We also value the focus in the NHS 10-year plan on out of hospital healthcare and the commitment to increase the integration between health and social care services. However, this is undermined by the lack of sustainable policies for how social care will be delivered and paid for.

Local authorities are key partners in many of the services we deliver. Maintaining effective relationships is important so we have a shared view of what services should be commissioned and how individuals will access them.

Our services are dependent on having the right people and we face increasing competition for great colleagues, particularly as other sectors such as hospitality recover from the effects of the pandemic. To respond we will continue to strive to be the leading employer in the housing, care and support sector, understanding what is required to be an employer of choice.

We want to be an employer of choice for all and have made significant strides in our commitment to equality, diversity and inclusion since the start of the business plan. It will be crucial that we build on that, with support from our colleague networks.

We are also committed to ensuring we provide a welcoming and inclusive environment for all the residents we serve and ensuring we are attractive to all older people. Our experience from a colleague EDI perspective as well as our existing work with residents will help us ensure we continue to develop in this area.

We already use technology widely in what we do. This includes alarm call systems that provide assurance to residents and the operational systems we use in delivering services. The pandemic has increased the proportion of older people who will expect to engage with us via digital channels though we recognise there will always be a proportion who will not be able to embrace technology. While the pandemic had significant short-term implications, it also drove changes in people's ways of life that may well prove to be longer-term.

We will work with residents to understand where we can make the best use of technology.

The challenge of an ageing society is seen in many countries. We are an innovative organisation and will develop new approaches informed by the experiences of our residents and colleagues as well as learning from models and solutions seen elsewhere.

Our goals and achievements so far

Our approach can be described very simply. **We'll provide:**



It's a virtuous circle. In short, **it's about:**



The following pages highlight just some of the achievements against the Business Plan and our priorities for the future.

Achievements so far: More and better homes where people love living

Our “more homes” strategic objective has always been about creating new homes as well as investing in our existing homes and services to enable more people to love living in later life. For this update to the Business Plan, we’ve inserted the words “and better” to make that clearer.

Since 2019 we have:

-  Expanded a range of ways to support housing residents' wellbeing, including tackling loneliness and supporting digital inclusion. This includes the expansion of the BeWise service, which supports housing residents and all colleagues to claim the benefits they are entitled to and get the best deal on energy.
-  Separated the management of our rented housing and homeownership and engaged with residents to trial different ways to better-support housing residents' changing needs.
-  Rolled out new technology to support more mobile working in our housing service.
-  Maintained Gold in the RSPCA Pawprint Awards, recognising and celebrating public service organisations that go above and beyond to ensure high animal welfare standards in their communities.
-  Ensured customer satisfaction in our existing housing remains strong.
-  Maintained high levels of compliance with the requirements of the Care Quality Commission and positive reviews for our care services on www.carehome.co.uk.
-  Added five care homes to our family, broadening our offering of quality residential care across England.
-  Announced a deal with McCarthyStone to initially deliver 482 new homes in Hampshire, Leicestershire, West Yorkshire, Greater Manchester and Cheshire. This growth supports the Government's objectives of increasing housing supply and improving access to care and support for older people, and we will seek to expand upon the partnership through the identification of additional opportunities.

Achievements so far:

More opportunities for colleagues

Our bigger scale and the many changes we are making are creating more opportunities for colleagues to develop their careers without needing to leave the organisation. And, at the same time, our Listening & Acting Colleague Surveys are giving us lots to work on to ensure we're an employer of choice.

Since 2019 we have:

-  Created the role of Equality, Diversity and Inclusion Manager, developed an EDI strategy, delivered training to senior colleagues including Board members and supported the growth of a network of groups to support EDI. Gained Bronze accreditation in the Inclusive Employers Standard, which supports and assesses organisations' inclusivity.
-  Supported colleague wellbeing with a wide and growing range of benefits available via our www.ahbeingwell.org.uk site.
-  Created and launched a framework to ensure our values are shaping the way we behave as colleagues and achieved high levels of colleague engagement in our organisation-wide Listening and Acting colleague survey.
-  Launched a new approach to recruitment and refreshed employer brand which is helping us attract more people to our organisation.
-  Introduced Welcome days, introducing new recruits to the Chief Executive and other colleagues.
-  Boosted our apprentice programmes significantly, including for more experienced colleagues, and ensured that, more often than not, they lead to a full-time role. With around 100 learners joining us as apprentices a year, around 75% of those who complete their apprenticeships will go on to enjoy a full-time post with us.
-  Developed the MyFuture programme which has supported many of our more experienced colleagues to further their careers and move to more senior roles within the organisation.
-  Building on changes in ways of working introduced during the pandemic, many central support colleagues are increasingly 'smart working'. Improvements in technology are enabling more home working where practical to meet business needs and support colleagues to get the right balance from their work and family lives.

Achievements so far: More influential

Listening to residents and sharing our experiences and thinking with policy makers is already driving improvements in older people's lives. And we're telling everyone about the great things we are doing.

Since 2019 we have:

-  Commissioned research showing the huge value of retirement housing to society and the savings it generates, particularly for the NHS, and shared the findings at the highest levels of government.
-  Worked with the All-Party Parliamentary Group on Housing and Care for Older People to make recommendations to government on how to ensure housing policy reflects the needs of the rapidly rising number of people with dementia.
-  Gained huge amounts of media coverage for our 10 Today campaign supporting older people to stay physically active, including coverage on the BBC throughout the pandemic.
-  Built on it with a wide range of ways to support residents' physical wellbeing through our Be Active and Zest sessions.
-  Launched our hugely successful Get Set, Cycle initiative showcasing the innovative ways we support residents in our care homes to stay active.
-  Developed our Programme for Change, setting out 10 calls to improve society for older people – and already seen government act to create awards recognising those working in social care.
-  Worked with leading think-tanks to hold events at the Conservative and Labour conferences and met with Ministers, MPs, civil servants and local council leaders.
-  Twice won the best large provider category at the prestigious LaingBuisson Awards.

Achievements so far: More efficient

Many colleagues have been involved in work to challenge ourselves to innovate and do things better. Making ourselves more efficient ultimately saves us money that we can then reinvest into providing more great services.

Since 2019 we have:

-  Aligned our systems, including manager direct, AskHR and recruitment.
-  Moved to a single core finance system.
-  Created a single intranet and a website providing details of all our services and locations.
-  Rolled out standardised tender, vendor and supplier processes, as well as travel bookings.
-  Restructured central support services and rationalised our offices - with all customer queries managed through our Bradford-based centre.
-  Consolidated our insurance policies through fewer brokers and providers, reducing the number of mobile phone providers, renegotiating and changing suppliers for some of our food service provision and running tenders for gardening and window cleaning provision.
-  Become early adopters of the Sustainability Reporting Standard for Social Housing, and a founder member of the Green Futures Partners, a group of five Housing Associations that intends to develop a single credible approach to assessing the sustainability of homes.
-  Refinanced our entire banking portfolio with a ground-breaking £300m unsecured sustainability linked loan, and a £350m sustainable bond.
-  Driven efficiency savings through procurement of £6.8m and remain on track to achieve our target savings of £12.7m by the end of 2022.

The next stage of the Business Plan

While we have done a great deal, we have a way to go to achieve our vision of transforming housing and care so everyone can have a home where they love living in later life.

Ensuring the changing needs of residents are at the heart of our approach will be crucial. The pandemic has accelerated many residents' adoption of technology, for example, and many colleagues who have moved to more agile working have valued the improvements it has brought in terms of work-life balance.

In our rented housing, we're focussed on evolving our service to offer a more personalised approach through our 'Be Me' programme. Our housing residents are aged from 55 to over 100, with a varying range of individual needs, so we're developing our services to cater for these differences and support residents to live how they want to – hence the programme's name of 'Be Me'.

In our care homes, there is a similar focus on supporting residents' wellbeing, supported by a strong focus on engaging with residents and relatives to ensure truly person-centred care.

Our Business Plan is underpinned by the interconnected and complementary strategic pillars of Technology, People, Asset Management, Treasury and Development and we say more about how they all feed into the "four mores" on the following pages. Running through the entire Business Plan is our commitment to sustainability, which must be reflected in all parts of the organisation.

Crucially, having refinanced, we have increased our aspirations to develop more new services, building on the successful partnership working developed already. We also plan to bring more care homes into the organisation.

The refinancing supports delivery of our wider strategy and reflects our values, with incentives linked to performance in five areas:



We have engaged a climate consultancy as our first step towards planning for Net Zero Carbon and established an Executive Sustainability Committee supported by a Sustainability Steering Group, drawing on expertise and passion of colleagues and advisers.

The next stage of the Business Plan: More and better homes where people love living

Creating new homes where people can live happily and healthily in later life is at the heart of our strategy.

The Business Plan published in 2018 intended to create 3,200 new homes for older people over eight years across a range of tenures to meet varied needs. Of these new homes the anticipated split is approximately one third affordable/socially rented, one third will be affordable shared ownership and one third outright sale.

We will increase our development programme to 5,700 units over 10 years.

This represents an increase in our ambition, reflecting our desire to build more homes. Our focus is on developing retirement communities of 60+ apartments for sale and rent, with on site wellbeing and care services, and facilities to promote independent living in all tenures.

The outright sales strategy of both Anchor and Hanover prior to merger was to focus on the circa 15% of retired homeowners with property assets worth £350-600k. Our offer is aimed at property assets in the range of £100-300k, representing around half of retired homeowners as a target market.

We will build in residential suburban and urban locations, with a population of over 20,000 within 3 miles, that are close to communities with shops, facilities and public transport.

We will grow our care home portfolio to around 140, ensuring we can maintain close oversight of quality and governance. Growth will be via acquisition of quality trading assets supplemented by turn-key opportunities.

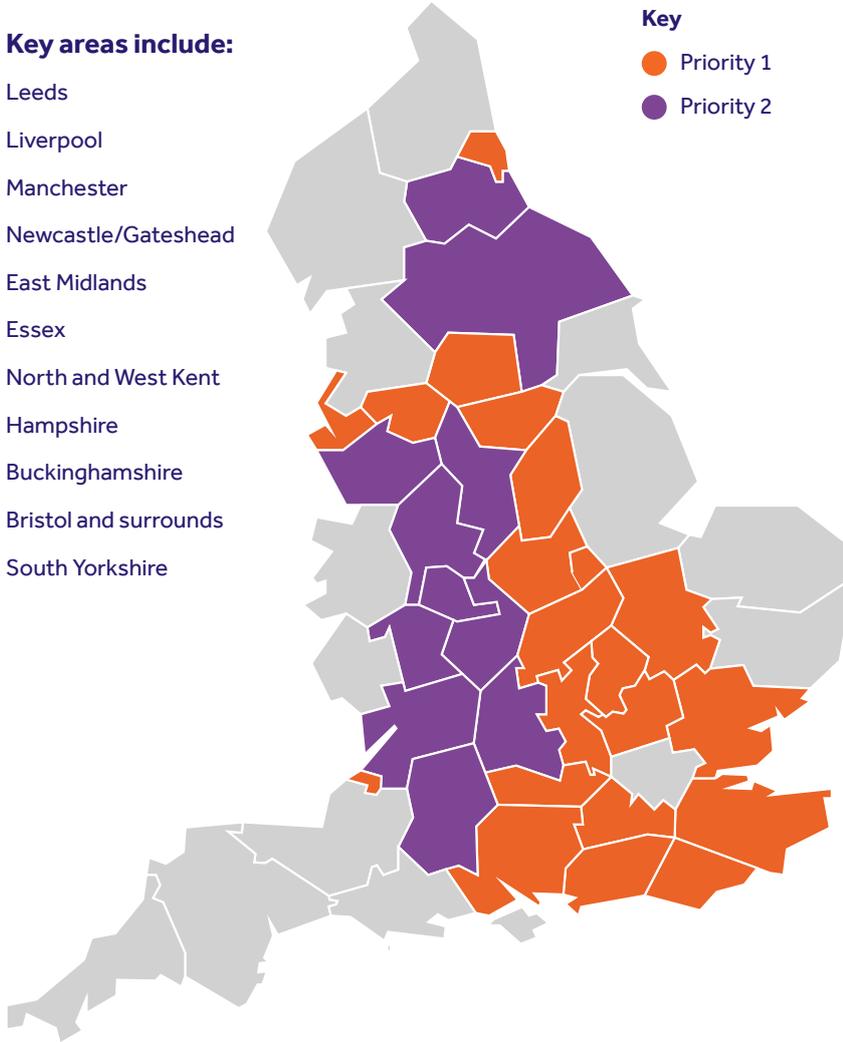
Development priority areas

Key areas include:

- Leeds
- Liverpool
- Manchester
- Newcastle/Gateshead
- East Midlands
- Essex
- North and West Kent
- Hampshire
- Buckinghamshire
- Bristol and surrounds
- South Yorkshire

Key

- Priority 1
- Priority 2



Development Strategy | Focus

We have identified priority areas for development

Priority 1 are areas where we currently have an Extra Care, Independent Living Scheme or Care Home from which we could support service offerings to a group of properties or have adequate presence and strong local relationships

Priority 2 are areas where we may have a more limited presence but development within these areas would be sustainable and realistic taking into account local staffing, construction, resource centres In London our priority areas are those where we have a presence and strong local relationships

We currently spend around £100m a year on investment and repairs to our properties.

We will develop and deliver a comprehensive strategy for our property assets.

This will include defining where to focus investment, the space and other standards we want to provide and our environmental obligations and aspirations.

Fundamentally, this will provide a framework for the management of homes that are designed for later life and efficient and effective delivery approaches suited to different needs rather than 'one size fits all'. It will be based on an understanding of the long-term demand for and needs of the portfolio to secure revenue streams and meet the demands of current and future residents.

We will grasp the opportunity to play a place-shaping role in key areas, working with our partners.

The next stage of the Business Plan: More opportunities for colleagues

Our aspirations to grow and invest in our existing services will create more opportunities for colleagues. Our People Plan sets out five areas of focus:

-  Being an employer of choice
-  Developing greater leadership capability
-  Improving personal and organisational development
-  Driving higher colleague engagement
-  Creating an environment that supports colleague wellbeing

We will constantly review our approaches to attraction and retention, offering competitive reward and benefits and initiatives that engage colleagues and make us a first-choice employer. That includes career development, internal opportunities which enable colleagues to benefit from our breadth and scale and constantly reviewing our wellbeing offer for colleagues.

We want to make it much easier for colleagues to work in an agile way and for residents to engage with us whenever and however they choose. Supported by the Technology Strategy and building on the lessons from the pandemic, **we will support more agile working for colleagues wherever possible**. That includes looking at our systems and processes to make them easier to use.

Our values of Accountability, Respect, Courageous and Honest run through everything we do. **We will ensure senior leaders are more visible and motivating colleagues to deliver the best possible service for our residents**, using Workplace to share good practice and positive stories.

We are also focussed on developing effective leaders of the future who can empower their teams and create a culture that inspires creativity and innovation. That includes providing the necessary skills for managers to manage their teams and act with autonomy and confidence in decision making. **We will design effective approaches to learning and development to help colleagues reach their full potential**.

We will continue to focus on engaging colleagues, using our Listening and Acting colleague survey and a range of other communication channels to understand the issues that matter to colleagues and work hard to address them. The most important part of this is supporting and encouraging managers to take ownership of colleague engagement locally and in their teams.

Together, we will drive a colleague engagement score that puts us among the top employers for colleague engagement.

We are absolutely committed to being an organisation that is welcoming for all and have set targets for the number of colleagues' lives that will be impacted positively through our diversity projects, with the target increasing year-on-year.

By the financial year 2025/26, more than 670 colleagues' lives will have been impacted positively through this work.

The next stage of the Business Plan: More influential

Our scale, range of services and constant focus on meeting the needs and aspirations of our residents are making us more influential. Being a trusted provider is increasingly important, and having a well known identity and set of values which are clearly delivered is part of this.

We want to be the most well-known and well regarded organisation in our sectors. We have tracked prompted awareness of our organisation bi- annually using an online survey of people aged 45+ in England, so we know where we stand in comparison with our peers, and also that we need to be consistent in how we represent ourselves.

With awareness among the general public significantly higher for Anchor than it is for Anchor, **we will call ourselves Anchor for everything we do, using the same branding we developed at the start of the business plan for all our services and recruitment advertising.** We will develop a plan to implement this in the most cost-effective way later in 2021.



We will conduct an audit of our stakeholders to understand how they perceive us and how we can continue to build strong relationships with them.

We are going through a period of significant change, as we adapt to a world with Coronavirus, evolve to meet residents' changing needs, manage increasing costs and respond to changes in government policy. We need to be at the fore of understanding what our changing environment means for our residents, our services and the commissioners and partners we work with.

We will speak up about the issues that matter to our residents and ensure changes to our services are informed by our residents through a wide variety of resident engagement channels, including regular residents and relatives meetings in our care homes.

We will run campaigns and publish research showing how our services enable older people to love living, how we support government objectives and we will continue to influence on issues such as social care funding reform.

The next stage of the Business Plan: More efficient

As we set out earlier, there is a wide range of factors which are increasing our costs. As a not-for-profit, any savings we make can be reinvested into the creating more and better homes where people love living in later life.

We committed to saving £12.7m through procurement and will remain on track to deliver that. Every colleague also has a responsibility to identify ways we can be more efficient.

Being more efficient is not simply about reducing our costs, though. More efficient buildings, for example, are better for the environment and can save our residents money in terms of energy costs.

We will achieve a minimum Energy Performance Certificate rating of B or above for every new home we develop and all new homes will include solar panels. By the 2025/26 financial year, the average EPC score for all new homes reaching practical completion will be 87.

Our Technology Strategy will play an important role in helping us become more efficient. We will take a 'One Plan' approach to delivering system and process simplification. This will reduce unnecessary administration and inefficient processes and enable us to develop technology platforms alongside new support models. Investing in better 'connectivity' will enable us to deliver our services in new ways. Technology will also help us to better-support residents' wellbeing.

We will develop a comprehensive approach to wellbeing for our residents and have set targets for the number of lives that will be impacted positively through our wellbeing projects. This means more than 13,000 lives will be impacted positively through our resident wellbeing initiatives by the financial year 2025/26.

The pandemic placed significant restrictions on our ability to welcome new residents to our services, particularly in our care homes. It is crucial that we support as many residents as possible to love living in later life.

We will use cost-effective marketing techniques to drive occupancy in our care and housing back up to pre-pandemic levels.

Risk and responding to external changes

The early years of our Business Plan have demonstrated we live in uncertain and challenging times and we need to recognise that external factors can throw plans off course.

As a large organisation with more than 50 years of history we have the stability and resilience to respond to potential changes. Committed and passionate colleagues, our underpinning financial strength, culture of resident focus and specialist skills all combine to ensure the organisation remains remarkably resilient.

We carry out regular robust stress testing of the plan and are confident in our ability to deliver it. Changing circumstances can bring opportunities as well as risks and our strong foundations and openness to innovation mean we are well-positioned to ensure an increasing number of people can love living in later life for many years to come.

This document was updated in October 2021 to reflect the fact that Anchor Hanover Group now trades as Anchor.



