



Strategic Plan

Seascope Group Limited

2020 - 2025



A Wholly owned subsidiary

Foreword

In April 2019 Bournemouth Christchurch and Poole Council (BCP Council) was created, becoming the 12th largest unitary Local Authority in England.

The ownership of Seascope Group Limited transferred to the new Council and this has created an opportunity to deliver on a larger scale of ambition and opportunities across an urban population of nearly 400,000 residents and a strong commercial and tourist economy.

The opportunities – and challenges - facing the Council in the provision of its housing and community services have never been greater. Faced with high housing and care demands, and rising homelessness, together with a challenging financial environment it is more important than ever that our business continues to adapt and be responsive whilst operating in a responsible and sustainable manner.

Seascope Group Limited enables the Council to trade and generate income in order to support its statutory services through surpluses.

This capability allows the creation of new, innovative quality services that complement, grow and help sustain the heart of our business, representing real value; not just for our customers and shareholders, but also for the wider communities.

This five-year strategic plan sets out how we will ensure we stay true to our values and achieve our ambitions across Bournemouth, Christchurch and Poole, within the context of the corporate strategy and priorities of the Council.



Vikki Slade
Seascope Group Limited
Board Chair

Summary

Seascope Group Limited's Strategic Plan sets out our five-year vision for the period 2020-25 for how we will continue to deliver quality services whilst supporting our communities and BCP Council through the challenges they face.

The objectives we have set are based on the Council's new Corporate Strategy which includes the declaration of a climate and ecological emergency, a review of the wider external environment, the needs of our communities and our own strengths and weaknesses.

The Council's Corporate Strategy sets out its key objectives as follows :-

- **Sustainable Environment**
- **Dynamic Places**
- **Connected Communities**
- **Brighter Futures**
- **Fulfilled Lives**

The activities within Seascope Group Limited will contribute towards these key objectives in many ways but primarily by ensuring investment in the homes needed, tackling homelessness and rough sleeping and supporting people to live safe and independent lives.

This Seascope Strategic Plan sets out a five year plan which allows a more longer term ambition to be articulated in addition to agreeing plans on an annual basis. It is critical however that this plan, including the financial forecasts, remains flexible and fluid over time as external factors impact and different opportunities are presented.

The Group Board reviews progress quarterly and will aim to undertake a more comprehensive review of this Plan each year.

The current Covid-19 context is clearly having a very significant impact on the business activity set out here and indeed on companies nationally. We need to understand the full impact of this context in due course and consider how we respond and recover from this.

Seascope Group Limited 2020 to 2025

Having developed a successful track record of delivering services in Bournemouth through Seascope South Limited and Seascope Homes and Property Limited we are confident in, and excited by, the prospect of accelerating this growth over the next five years. With the creation of BCP Council and the bringing together of services, this context provides a great base to further develop our company activity over the coming years.

This will be achieved by;

- Providing services across the expanded geographical area of the Council, stretching to cover Christchurch and Poole, automatically creating a larger customer base;

- Expanding our activity by utilising our existing skills and resources, and investing in additional capacity to ensure sustained growth;
- Pursuing new business opportunities to achieve growth and maximise our potential, including directly building new homes for private rent and sale;
- Gaining external accreditations from trade bodies for the provision of new services

We will be focused on the Customer throughout. Our customers will be satisfied that our services are being delivered reliably, to a high standard, to achieve quality outcomes, with a concern for their wellbeing. They will feel that our staff are friendly, approachable and have the customers best interests at heart. They will find our services inclusive, easy to access, and appropriate to their needs, and they will feel confident that we will get things right when they need to contact us. Our customers will be treated fairly and with respect and the services we provide will improve their lives

In terms of staff employed to deliver the company activities, we will be focused on ensuring that we continue to develop the skills and expertise within the workforce. We will make sure that a clear apprenticeship programme is supported across the teams to help enable this and make sure we continue to invest in the staff who deliver these valuable services.

Disabled adaptations

To date, the company has delivered disabled adaptation works to approximately 300 customers in Bournemouth. Seascope South Limited has been offered as a contractor of choice for Bournemouth customers receiving Disabled Facility Grants (DFGs) from the Council to adapt their homes for independent living.

With the creation of BCP Council, a single service offer is being developed for one consolidated DFG programme for the BCP area. With a DFG funding programme which is now almost three times bigger, from 1 April 2020 Seascope South Limited will be offering services to all customers and therefore expanding into Christchurch and Poole over the next 5 years.

Whilst the customer chooses the contractor to carry out the work and some work is not of a construction nature, the company will further position itself as a trusted contractor of choice for all DFG customers. It will mobilise the workforce and infrastructure in order to do so and grow activity incrementally, aiming to secure a 50% share of the DFG programme over the next few years, generating over £900k turnover per year. The ambition is to grow this element of the service as quickly as practically possible.

Additional private construction business

With the creation of BCP Council, work that would previously have been carried out through Seascope South Limited for the legacy Borough of Poole and Christchurch Borough Council is now still undertaken but managed as internal construction works. This is no longer a business area for Seascope South Limited but there are other business opportunities we aim to pursue in addition to the core business of disabled adaptations.

Seascope South Limited is committed to seeking to grow the provision of construction services to additional private sector customers by 2025 across BCP. This includes expanding its grounds and amenity maintenance services, by offering the removal of Japanese Knotweed, having recently gained accreditation from the Property Care Association.

During year one (2020/21), core services will be consolidated as the DFG is expanded. The service will be streamlined to drive through efficiencies and secure an excellent base on which to further grow.

Work will be carried during this time to plan additional staffing during Year 2 involving an additional £100k investment of staff. Additional investment in terms of both staffing capacity and entrepreneurial expertise is essential to bring an exciting step-change in activity as we move forwards over the next few years. This is needed to develop and deliver a marketing strategy, test the local market, ensure access to the labour force we need and to secure the additional business in what is a competitive market.

The ambition is to invest in additional capacity within Year 2 whilst delivering the current business commitments alongside an expectation of securing 20% existing works with tenders submitted. The ambition is for turnover to grow incrementally from here over the coming years. It is expected that the skills already in place together with additional capacity can help secure further business opportunities and profit over the 5 year plan.

Whilst works will not be limited to the BCP geographical area, it is expected that the vast majority of business over the next 5 years will take place in this immediate area. There may be instances where it makes sense to work further afield and these opportunities should not be discounted but services delivered in the immediate locality of BCP will help to ensure the efficient delivery of services and a concentrated local presence will help roll out the branding across the geography.

Seascope Homes and Property Limited to 2025

Homeless rented offer

Seascope Homes and Property Limited is committed to growing and providing housing options to the BCP community by providing a lettings solution for homeless households. This is critical to provide the most vulnerable households with safe and well managed homes when they most need it.

The lettings activity for Seascope Homes and Property Limited is based on homeless property acquisition programme delivered by BCP Council. This financial model has been reviewed and aligned in 2019/20 with £12m of a £44.5m acquisition programme remaining. The property profiles and financial assumptions have been right-sized and reviewed to consider options going forward.

Seascope Homes and Property Limited will continue to expand its portfolio of properties for homeless purposes in line with the remaining acquisition programme with properties to be secured across the wider Bournemouth, Christchurch and Poole area. This will include securing a further 26 homeless properties over the next few years.

The additional homeless properties to be added to the portfolio will deliver much needed homes to further scale up the delivery of Housing First for our most vulnerable residents who would previously have been rough sleeping as well as providing valuable homes for other homeless households. The accommodation will be provided alongside essential wrap-around support services. Some of the properties will be shared move-on accommodation whilst the majority will be self-contained homes. The larger family properties within the expanded portfolio will deliver affordable homes for tenants as an alternative to homeless leased properties currently in place across Poole and Christchurch.

A strategic review of housing options for homeless households is underway as the services across BCP come together and it is likely that there will be scope for further growth of this portfolio in future years. The opportunities for growth of this element of the portfolio will be reviewed over time with an ambition to expand where possible.

Private rented sector – market rents

Seascope Homes and Property Limited will grow its Private Rent Sector (PRS) activity by renting properties out at full market rent levels. This portfolio will grow from the 12 existing portfolio to more than 90 by 2025. This will include the letting of 46 PRS homes coming forwards St Stephens Road, approximately 34 homes coming forwards as part of the large housing development at Princess Road and the PRS homes developed as part of the Winter Gardens scheme.

Additional investment is needed at key points during the 5 year plan to secure further staffing capacity and marketing expertise, as reflected in the financial plan, to help ensure the delivery of a robust upmarket rental offer to this client group. This will help ensure a timely and efficient housing management landlord service.

Building homes for private rent and sale

Our ambition is for Seascope Homes and Property Limited to directly build homes on Council owned land, primarily homes for private rent and private sale.

The resulting homes will be built to high standards of sustainability in response to the Climate and Ecological Emergency. Homes will be built using standards such as 'Passiv Haus' principles to make sure we are building sustainable, good quality homes that are fit for the future.

Due diligence work will be undertaken during 2020/21 to set Seascope Homes and Property Limited up to directly build new homes as part of the Council's emerging Housing Development Strategy. Council owned sites have already been identified which could deliver approximately 1,000 new homes over the next 5 years and the ambition is that a proportion of the private homes within that programme would be built within Seascope.

This activity will generate financial surpluses for the Council to reinvest in its services for vulnerable residents. The financial benefits of this activity cannot yet be quantified but the ambition is for this growth area to significantly contribute to the short, medium and long term financial pressures faced by our shareholder, BCP Council.

The resulting PRS homes built within Seascope Homes and Property Limited will also be let through the company and added to the existing portfolio.

About Seascope Group Limited

Seascope Group Limited (the Group) was established in October 2013 by Bournemouth Borough Council initially as a holding company to Bournemouth Community Finance Company Limited and Bournemouth Building and Maintenance Limited (BBML).

As Bournemouth Building and Maintenance Limited (BBML) evolved it focused its activity on providing building and maintenance services solely to the Council's housing stock and corporate assets and as such is a TECKAL company, which is not subject to corporation tax and was moved outside of the Group Structure in November 2014.

In April 2019 the ownership of the Group transferred to BCP Council with local government reorganisation.

Seascope South Limited was created within the Group in December 2014 to provide similar building maintenance and construction services to external customers and the wider community.

Seascope South Limited's core service is the undertaking of adaptations and conversions to accommodate client accessibility needs to their homes, which are funded through the Disabled Facilities Grant (DFG) scheme. Currently this accounts for 85% of company turnover.

The company can provide building maintenance and construction services to other public bodies, educational establishments, commercial organisations, and private residential customers within the Bournemouth, Christchurch and Poole Conurbation.

Seascope Homes and Property Limited was incorporated in February 2016 with the aim of providing housing solutions to a variety of client groups. It focused initially, but not exclusively, on homeless customers in the Bournemouth area. It manages properties with the flexibility of a private landlord and lets them to households for whom the Council has a statutory homeless duty.

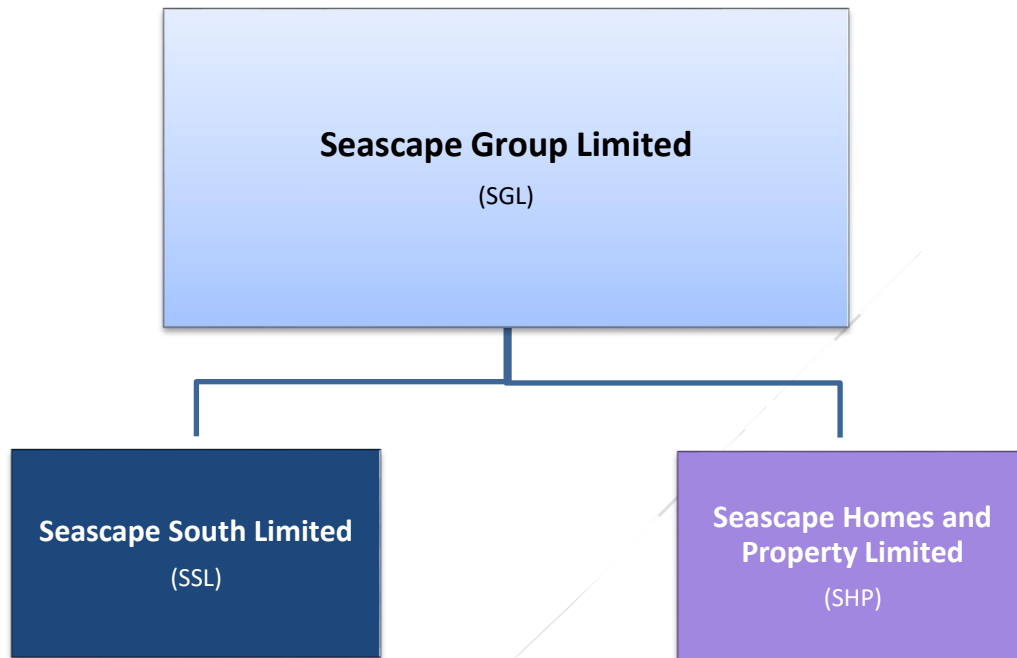
By 31 March 2017 the company had leased 19 properties, this increased to 31 properties by 31 March 2018, as a result the company met its original three-year business plan expectation of leasing 32 properties during this period a year ahead of schedule. By 31 March 2019 a total of 51 properties were leased by the company. The properties are a mixture of 1 and 2 bed flats and 3 bed houses.

The Company also hold leases on residential properties to let to private sector customers at market rents. As at 31 March 2019 12 properties were leased at market rent to private tenants.

The Group provides a range of services to people who live in Council-owned homes, people who are homeless or facing homelessness, the wider BCP community and private customers.

The Group is wholly owned by BCP Council as its sole shareholder, and reports to Council's Cabinet.

As a holding company the Group is not a trading entity itself and consequently has minimal expenditure associated with it. The consolidated accounts are formed almost exclusively from the subsidiaries financial statements.



Our Vision

Our vision is to sustainably grow our business delivering the best customer experience in the services we provide, supporting the delivery of the objectives of BCP Council's Corporate Strategy.

Our Mission

Our customer focused mission is to be the trusted provider of choice to our community for the services we offer.

We will achieve this and support our vision through our strategic aims of;

Providing community focused services

- We will put our community at the heart of what we do, providing customers with high quality, reliable and sustainable services that support their aspirations and achieve positive outcomes;
- We will meaningfully engage and listen to our customers to improve services and decision-making, and empower individuals and communities;
- We will deliver services in ways that are cost-effective, accessible, easy to use, inclusive, and offer choice to our customers;

- We will build a reputation for quality to become a dominant provider in the local market place, delivering services in an efficient and profitable manner.

Sustaining our business through growth and creating dynamic places

- We will sustain our business through seeking new opportunities that build on existing strengths and capabilities and support us to achieve our vision;
- We will improve our financial strength in order to sustain our core services and increase our opportunities for growth, making a larger return to our shareholder, BCP Council;
- We will combine our expertise and ethos with insight, innovation, and technology to deliver efficient, effective, and consistent services;
- We will support skills development and innovation and provide apprenticeship opportunities within its companies;
- To make a positive contribution to the delivery of housing to meet housing needs in all segments of the market;
- Providing effective governance of the subsidiaries within the Group

Our Values

At the heart of our business are the BCP Council Values, aiming to be a modern, accessible and accountable organisation committed to providing effective community leadership. We will make sure these are delivered through our Behaviours.

The Values are key in setting out the way we will conduct ourselves and how we do business:

- We are **passionate** about our communities
- We have **integrity**
- We take **pride** in what we do
- We embrace **innovation**
- We treat everybody with **respect**

Responding to the future

We believe that understanding our operating environment is crucial to making the right decisions about the Group's future. In addition to the Covid-19 context, in recent years we have seen other significant change, including housing supply and affordability, cost of living pressures, welfare reform, legislation and regulation affecting both social housing and adult social care, local and national politics, and a reduction in government funding.

Whilst we constantly monitor our performance, effectiveness, efficiency, and the outcomes we deliver for our customers, we also take into consideration the world in which we operate and adjust our approach to keep pace.

As the Council is our sole shareholder it is important that the activities of the Group support the priorities of BCP Council and support the delivery of key strategies including but not exclusively;

- The Local Plan;

- Housing Strategy
- Homelessness and Rough Sleeping Strategy
- Medium Term Financial Plan

We must rise to the challenge of ensuring positive outcomes for our growing customer base with its changing demographics and expectations.

Bournemouth, Christchurch and Poole's population is around 395,800¹. Its population driven by net migration is expected to increase by 5.5% to 420,900 by 2028², putting pressure on the demand for new homes and other Council services.

Although there is currently uncertainty in the housing market, the average house prices in BCP are higher than the national average and have increased significantly in the last ten years. The average house price (Feb 2019) for Bournemouth is £255,900, Christchurch £346,900 and for Poole £312,300³. In Bournemouth and Poole, the median house price has increased at a higher rate than the median wage, which has led to an increase in the affordability ratio.

Private sector rents are also high, the median rental price across the BCP area is consistently more expensive than for England for one, two and three bed properties. Within the conurbation Christchurch is the most expensive area at £1050⁴ per month for a three-bed property. This results in significant demand for affordable rented housing in both the social and private sectors. The demand for homelessness services across the BCP area is high.

The majority of our customers continue to be the most economically disadvantaged within the borough, and as a result the most impacted by both welfare reform and the squeezing of disposable incomes. As such it will continue to be important for us to seek to build community resilience and enable opportunity through our services.

In terms of the construction sector, we seek to better understand this local sector as we pursue additional business opportunities. It is important to note that many national factors affect this which we need to track carefully. For example, Brexit may affect on our ability to secure the workforce that we need.

Financial plans

The following sets out the anticipated financial position over the following 5 year period. This is based on the assumptions and ambitions noted in this plan.

End notes

1 Mid-Year Estimates, 2018, ONS

2 2016 Based Sub-National Population Projections, ONS

3 Land Registry 2018

4 Valuation Office Agency 2018