

Resident's Frequently Asked Questions

Our exciting partnership with Sanctuary

Your questions answered...

Our decision to look for a partner

1. Can you explain a little more about why the Board decided to seek a partner?

We constantly review our 30 year business plan and we have always been really open about the challenges we face as a business when balancing our ambitions and the budget available to us each year. These challenges have significantly increased due to the economic climate we find ourselves in.

Both the Board and Executive Team recognised the value that could be delivered to both residents and colleagues, if we found a partner that shared our values and had more financial capacity than we do over the coming years. And that's really where the Board collectively came to a decision that finding a partner was the best option to enable our colleagues to keep doing fantastic work providing homes that you love to live in.

2. Can you tell us a little about the process the Board have been through in seeking a partner?

Absolutely, the process started with the Board and Executive agreeing what our 'asks' would be of a partner. This partnership is about creating strength and continuity in the transformation we have seen over the past five plus years.

Working with an external partner we reviewed and met with a number of potential partners, making sure that we would be proceeding with a partner that is the best fit for our customers and our colleagues.

Since then, we have been working hard on a process called 'Due Diligence' which both Sanctuary and Johnnie Johnson are undertaking. This process provides an opportunity for both organisations to do an in-depth assessment across all areas of the business, including people, assets, finance, cyber, ICT and governance. This process takes time, and we will update you as this moves forward. The important thing to note here, is that both organisations must be satisfied with the assessment undertaken.

Our approach to partner selection

3. What led the Board to choose Sanctuary?

You'll remember above, we mentioned we developed an offer document that clearly specified our asks of a potential partner and I'm pleased to say that Sanctuary were not only the best fit for us from a culture and values perspective but even more importantly they have gone above and beyond in

   

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matching our asks. Their offer is incredible for both residents and colleagues and that's why we are so excited to announce this partnership.

4. When due diligence is completed, will the findings then go to the Housing regulator to agree and the merger to be signed off?

Our CEO, Yvonne Castle, is in regular contact with our JJ Relationship Manager at the Regulator. Whilst the Regulator no longer approves a merger, it is good practice to work with them during the process. We have already sent an Outline Business Case. We will send them a Final Business Case on completion, possibly around September. We will also share with them the Legal Agreements as they are approved. At this point we will keep in conversation and provide them with anything that they feel is helpful to them.

5. What is the proposal of a partnership between Sanctuary and Johnnie Johnson Housing?

The proposal is for Johnnie Johnson Housing to become a subsidiary of Sanctuary towards the end of this year. This means that Johnnie Johnson Housing will continue as a legally as a distinct legal entity, and will continue as your landlord and will maintain its registration with the Regulator of Social Housing. In due course, there may be further integration between Johnnie Johnson Housing and Sanctuary; however, we will consult you separately on any proposals at the appropriate time.

6. What do you mean by a 'subsidiary'?

A subsidiary is an organisation that is owned – either partly or wholly – by another company. In this case, Johnnie Johnson Housing will be wholly owned by Sanctuary, and will operate in the same way as Astraline currently do now, as a wholly owned subsidiary of Johnnie Johnson Housing.

7. Is the partnership basically a merger?

In summary, yes and as we move forward with the full integration that will be the point in which we will officially merge fully into Sanctuary.

8. What is the difference between a merger and a subsidiary?

There is no difference, it's more of a technical term. We will join them as a subsidiary and as we move to integrate fully, that's the point at which we would say we have merged.

Sanctuary's offer to residents

9. Can you tell us more about Sanctuary?

Sanctuary is one of the largest not-for-profit providers of housing and care in the country. Sanctuary owns and manages around 120,000 homes across England and Scotland, including social housing, care homes, supported housing and student accommodation. Sanctuary's size, financial strength and similar way of working to ourselves makes them a good match. Like Johnnie Johnson Housing, Sanctuary doesn't just provide homes; they transform communities by listening to residents and putting their needs first. Sanctuary also invests any money they make into their homes and communities for the benefit of its customers. You can read more about Sanctuary on its website www.sanctuary.co.uk.

10. What were our asks in the offer document?

Our asks included:

- £60m investment over 30 years to deliver our fully developed zero carbon plan for all our homes.
- £42m investment to fill the gap of our recent stock condition survey.
- £10m investment over the next seven years to complete our Fire Strategy works.
- £3m investment over the next couple of years to complete our analogue to Digital Programme (Well Connected programme).
- Demonstrate commitment to building 21st Century older persons homes, using the 5 existing sites we already have, such as Astra House and Lancaster House.
- Investment to modernise, remodel or develop a number of our schemes.
- Action our £40m additional funding requirements for the next 5 years.
- Increase our resident satisfaction.
- Keep funding our enhancements to technology including our finance and housing management system reviews.
- Provide fantastic opportunities for our talented colleagues.

11. If the partnership progresses, what would this mean for residents?

It's such positive news for you as residents, Sanctuary have committed in their offer to meet our shorter and longer term aspirations with a fantastic circa £115million investment.

When we think about what we hear in terms of feedback from you, the key themes are repairs and investment in your homes and the management of contractors.

Having access to an in-house property service team opens up so many more possibilities and improvements than ever before, which ultimately will allow us to provide a better service and increase resident satisfaction. And as for investment in our homes, Sanctuary have gone above our asks, and this will enable us to accelerate all of our programmes, whether that be planned maintenance, implementation of our well connected systems, remodelling and modernising homes, and vital safety works to ensure we have a solid base on which we can build on as we then progress with fit for the future items, such as our decarb programme.

This partnership really will fulfil our ambitions, much quicker than we could have ever done alone and we hope you will be excited with the level of investment committed by Sanctuary.

12. Will Sanctuary keep their promises, how will the £115m be used and will it be ringfenced? How will it be reported on so residents can be assured?

The due diligence process will provide us with the Information we need to be confident that the partnership will benefit our customers and that Sanctuary can deliver on its commitments to invest in

your homes. Should the partnership go ahead, we will communicate regularly with you through our usual channels about how Sanctuary is meeting its commitments.

How could this impact residents in the future.

13. Do Sanctuary have their own property services and maintenance team?

Yes, they have their own in-house team, but are also keen to discuss opportunities with our existing contractors. Sanctuary customers really enjoy and benefit from the certainty that the maintenance activities are predominantly delivered by its in-house team. Whilst Sanctuary can't guarantee an in-house colleague will attend every property, it does deliver more than 80% of its repair and maintenance works, with the rest being delivered by trusted supply chain partners.

14. If we move to Sanctuary would residents be able to arrange for repairs after 5pm or at weekends?

Sanctuary provides an 'out of hours' repairs service for emergency repairs. Non-urgent repairs are completed during working hours Monday to Friday. Should the partnership go ahead we will continue to operate our usual repairs service for at least 12 months and will notify you in advance of any changes to your repairs service.

15. Will my rent or service charge increase?

There will be no changes to your rent or service charge because of the partnership. Rents will continue to follow the Government rent setting rules that set out a maximum percentage increase that housing associations can charge each year. We will complete an annual rent and service charge review as usual, which is laid out in your tenancy or lease agreement with us, and we will inform you about that in the usual way.

We've undertaken a piece of work with Sanctuary to understand how our rents and service charges align and we are also working to understand their terminology more, as we recognise that we use different terms and this could cause some confusion.

From the work undertaken we've seen a mixture of both higher and lower charges across our homes and we have detailed the reasons behind this below, which we hope provides some additional clarity.

1. There are several types of rent available, all of which have different parameters for how rent is set. We've summarised these for you below.

Rent Type	Basis for rent calculation
Social Rent	Is set based on a 1999 property value (the value of property as it was in January 1999) and local income levels. A weighting is applied based on the number of bedrooms, so smaller properties will have lower rents. The majority of our homes have their rent calculated using this method.
Affordable Rent	Is set using a current RICS valuation (which is an assessment of the value of a property, usually conducted by a chartered surveyor). Affordable rent cannot exceed 80% of Gross Market Rent (which is

	the value that the property could be rented for in the private rent market).
Fair Rent	These rents were set for any tenancies that are pre 1989 and they are set every two years by the rent valuation office.
Shared Owner Rent	Is calculated using full market rent and is based on the share of equity retained by Johnnie Johnson Housing. For example: If the gross rent is £10,000 per annum and a 25% Share is purchased, the annual rent paid (the Specified Rent) would be 75% of this, being £7,500.
Intermediate Rent	This cannot exceed 80% gross market rent, the same as affordable rent, however it has a different letting criteria.

2. Location and area play a huge factor in rent costs, as they do with property prices in general across the country. We've put some examples below, which shows how charges can vary. This would be the same for any housing organisation.

Social Rent Example – Sheffield, Independent Living Scheme

- A studio at, Scampton Lodge, situated in the North of Sheffield has rent of £67.87 per week.
- A studio at our Coningsby Lodge, situated in the South of Sheffield has rent of £79.50 per week.

The difference in weekly rent of £11.63 is driven by property value and location.

Affordable Rent Example

- A three-bed home in Doncaster has weekly rent of £119.08 per week.
- A three-bed home in Cheshire East has weekly rent of £141.61 per week.

The difference in weekly rent of £22.53 is driven by local property value and location.

We've had some feedback from residents that they have seen higher rents advertised on the Sanctuary website, however we'd ask that you bear in mind this is likely to be accommodation with care provision included, which does come with a higher charge, even though it might be listed as retirement or independent living.

We hope this information is useful and provides some background as to why rents will vary across the housing sector.

16. Will we continue with fixed service charges when we merge or will Sanctuary variable charges?

We believe Sanctuary have a mixture of variable and fixed service charge agreements in place. Essentially your service charges will be dependent on what's in your current tenancy agreement and/or your lease agreement.

17. Can Sanctuary share any performance information and explanations on repairs and maintenance?

In 2022/2023 Sanctuary committed £100m to a reinvestment programme – maintaining and improving its homes. Over the last six years, Sanctuary has spent 90 per cent of its available cash flow on reinvesting in its existing properties. Sanctuary prides itself on delivering a positive customer experience, successfully delivering circa 95% first time fix repairs. Sanctuary employs around 2,000 front-line engineers, technicians, and support staff who across a wide range of services.

18. Will independent living schemes disappear?

No, Sanctuary has committed to such an investment as they see huge value in Johnnie Johnson Housing strengthening their older persons' provision, which is fantastic news for residents and colleagues. Our experience and expertise in this area is a real positive for Sanctuary.

19. How will this affect residents living at The Bury, which is outside your main three regions?

The Bury is one of our closest schemes to Sanctuary's central office in Worcester, so we will be looking to bring some of the Sanctuary team to site to visit The Bury soon. It's business as usual, so there will be no changes for residents at The Bury.

20. Could partnership talks fall through?

Yes, either organisation can pull out at any time before both organisations submit their final business cases to their Boards for approval. However, we are progressing well currently, and we hope that the great work done so far continues.

21. Will general let housing be sold off?

No, Sanctuary manages around 120,000 homes across England and Scotland, including over 19,000 general let social housing units across the North West, North East and Yorkshire and the Humber.

22. Customer satisfaction scores on Trust Pilot seem low, which might cause concern, can Sanctuary share any more with us in terms of their current resident satisfaction and how it's measured?

We will only continue with the partnership discussions if we are confident that it will benefit our residents. The due diligence is aimed at providing our Board with the information it needs to decide whether Sanctuary is the right partner for us. While Sanctuary is disappointed that a small number of customers have chosen to use Trust Pilot to provide negative feedback, these reviews only account for 0.1% of its customer base.

23. How will this affect our contractors?

It's doesn't whilst we are a subsidiary and as we move to integrate it could potentially open up opportunities for them to do work with Sanctuary.

Our approach to keeping you informed and engaged.

24. How will we be kept informed of the progress as we move forward?

We will continue to keep you informed in the usual way and will be working to add in additional digital sessions as well as face to face sessions, such as our regional customer events in October which will replace the annual event, we did in York last year. As soon as we have more information, we will let you know, and we will make sure you have plenty of notice of upcoming events and engagement opportunities.

In the meantime, the October face to face regional sessions, have been scheduled as follows, so please save the date. Further information will follow in due course.

North West	Yorkshire and Derbyshire	North East
Tuesday 10 October at Spey House in Stockport	Thursday 12 October at Vulcan House in Rotherham	Tuesday 17 October at Boulmer Court in Durham

25. Will we have the opportunity to meet members of the Sanctuary team as we move forward to becoming a subsidiary?

Absolutely and this is something both organisations are incredibly keen on. Emma Midgley, our Assistant Director of Customer Experience, Communications and Change, and Rosie Park, Sanctuary’s Director of Communications, have been building a comprehensive joint communications and engagement plan of activity that provides so many opportunities to learn more about Sanctuary and more importantly meet the team as well as providing Sanctuary with the chance to get to meet our own teams, residents and visit our properties. Craig Moule, Sanctuary’s Chief Executive, has now been to visit a number of different properties across Johnnie Johnson Housing’s portfolio. He also spent time talking to residents at Spey House in the North West and Wansbeck Court in Northumberland in the North East.

26. Will there be any Board Members attending any of the forthcoming meetings and events with residents apart from at the Annual General Meeting?

Our Board Members do try to attend a range of operational meetings, in addition to their decision making meetings at either Board Meetings or the Committee Meetings that they are responsible for. However, this is not always possible. At the moment it is our Board Member’s priority to focus on making sure that our due diligence on Sanctuary is thorough and that all our work is aligned with Regulation and Legislation. If you do see them, please do make a point of introducing yourself and sharing your views.

27. Can we deliver an evening session to allow for more attendance from residents who may work during the day?

Yes, we recently held an event on Thursday 03 August at 6.00pm. A recording of the event is available upon request.

28. Will residents be consulted on the potential partnership?

Yes. We have written to all residents to ask for feedback, comments, and for any further questions, which is our usual JJH consultative approach. The results of this consultation can then be analysed by

us and reported back to our Board in September. Our residents can be assured that we will continue to engage in our usual ways. As well as our work with you, our Social Housing Regulator, will check that we do this to adhere to the Tenant Involvement and Empowerment Standard.

How could this impact colleagues and wider business in the future.

29. What does this mean for colleagues?

It's very much business as usual for colleagues as we move forward.. If we join Sanctuary as a subsidiary, we will then move forward with our full integration into Sanctuary and as can be expected, this will bring about the possibility of change, which we know is the same for any business embarking on a new partnership. Our priority is to continue to engage with our residents and colleagues every step of the way.

30. Will our name branding and name change?

It is likely that our branding will change if we join Sanctuary and as as we integrate fully and therefore, we will transition into being known as Sanctuary and no longer Johnnie Johnson Housing. We will ensure that you are kept informed of any changes as we move through integration. During the time we are a subsidiary our branding will remain unchanged.

We also want to highlight the questions which remain unanswered at the current time as it is simply too early to say anything, however, we will continue to keep you informed and updated as we move forwards. We've noted these questions below for your information.

1. Will my tenancy change?
2. What would happen with my lease?
3. Will TUPE apply to colleagues?
4. As a leaseholder, will we still own our own properties and pay service charge and have a sinking fund? Will our costs go up?
5. How can residents contact Sanctuary once we become part of their group?