

Joining Sanctuary

Residents' Frequently Asked Questions

Updated August 2024

Our decision to join Sanctuary

1. Can you explain a little more about why the Board decided to proceed with the partnership?

We constantly review our 30-year business plan and have always been 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 in which we now find ourselves.

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 greater financial capacity for the coming years. The Board collectively came to a decision that finding a partner was the best option, to enable our colleagues to continue to deliver an important service, providing homes that you love to live in.

2. What led the Board to choose Sanctuary?

As mentioned above, we developed an offer document that clearly specified our requirements from a partner. 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 meeting our requests. The offer is significant for both residents and colleagues and that's why we are so positive about this partnership.

3. What happened once Due Diligence was complete?

We were in regular contact with our Relationship Manager at the Housing Regulator. Whilst they don't approve mergers, it is good practice to work with the Regulator during the process. They had visibility of the outline business case, as well as the final business case once the acquisition was finalised at 'Day One' on 29 February 2024 and the legal agreements as they were approved.

4. What does the partnership between Sanctuary and Johnnie Johnson Housing mean for you?

At this point, your landlord remains to be Johnnie Johnson Housing and our teams will continue to provide their regular services to you. There will be no change to your rent or service charge, or how you report a repair, because of the partnership. Johnnie Johnson Housing continues to run as a subsidiary, whilst our teams work together on our



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integration plans. We will be sure you keep you updated on our plans as they progress and as always we encourage you to get involved in any of our resident engagement activities, more details of which can be found at www.jjhousing.co.uk.

5. If the proposal to transfer customers to Sanctuary goes ahead, what does that mean for you?

When the Transfer of Engagement (ToE) occurs your landlord will become Sanctuary Housing Association, otherwise there will be no immediate changes to your tenancy terms.

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 is now wholly owned by Sanctuary, and will operate in the same way as Astraline, a wholly owned subsidiary of Johnnie Johnson Housing, has done before now.

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 have joined Sanctuary as a subsidiary, and as we move to integrate fully, that's the point when we will 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. The organisation owns and manages more than 120,000 homes across England and Scotland, including social housing, care homes, supported housing and student accommodation. Being part of Sanctuary will help to secure much needed additional investment to enable us to continue to deliver our services and invest in your homes both now and in the future. You can find out more about Sanctuary at www.sanctuary.co.uk

10. What did we ask for in our offer document?

- £60million pounds of investment over 30 years to deliver our fully developed zero carbon plan for all our homes.
- £42million pounds of investment to fill the gap of our recent stock condition survey.

- £10million pounds of investment over the next seven years to complete our Fire Strategy works.
- £3million pounds of investment over the next couple of years to complete our Analogue to Digital Programme (Well Connected).
- A commitment to building 21st Century older persons homes, using our five existing sites, including Astra House and Lancaster House.
- Investment to modernise, remodel or develop a number of our properties.
- Actioning our £40million pounds of additional funding requirements for the next five years.
- Increasing our resident satisfaction.
- Funding of our continued enhancements to technology, including our finance and housing management system reviews.
- Opportunities for our talented colleagues to progress in their careers.

11. What does all this mean for residents?

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

The key themes from customer feedback are repairs, investment in your homes and the management of contractors. Having access to an in-house property service team creates many more possibilities and potential for improvements than ever before, which will allow us to provide a better service and increase resident satisfaction. As for investment in our homes, Sanctuary offered more than we had requested, so 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, or vital safety works, providing a solid foundation on which we can build, as we progress with 'fit for the future' items, such as our Decarbonisation programme.

This partnership will allow us to realise our ambitions much faster than we could have done alone, and we hope you will be excited with the level of investment committed to by Sanctuary.

12. What would happen with my lease?

When the Transfer of Engagement (ToE) occurs Sanctuary Housing Association will assume any rights and obligations formerly held by JJH and will take over any housing management services previously provided to you by JJH. All other terms of your lease will remain the same.

13. Will Sanctuary keep their promises? How will the £115million pounds of investment be used and will it be ringfenced? How will it be reported on, so residents can be assured?

The due diligence process has given us confidence that this partnership will benefit our customers, and that Sanctuary can deliver on its commitments to invest in your homes. We will continue to communicate regularly with you through our usual channels, about how Sanctuary is meeting its commitments.

How could this impact residents in the future?

14. 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 staff member 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.

15. If we move to Sanctuary's in-house team, 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. At the moment, we are continuing to operate our usual repairs service. We will notify you in advance of any changes to your repairs service.

16. 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 worked with Sanctuary to understand how our rents and service charges align and we are also looking at the terminology that they use, as we recognise there are different terms, which we understand 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 should provide 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	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	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	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 Property

- 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 feedback from some residents that they have seen higher rents listed on the Sanctuary website. 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.

17. Will we continue with fixed service charges?

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

18. As a leaseholder, will we still own our own properties and pay service charge and have a sinking fund? Will our costs go up?

All terms of your lease will remain the same, Sanctuary Housing Association will simply assume the rights and obligations of JJH as part of the ToE. Costs may change annually through the usual approach to rent and service charges.

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

In 2022/2023, Sanctuary committed £100million pounds to a reinvestment programme – maintaining and improving its homes. Over the last six years, Sanctuary has spent 90% 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 across a wide range of services.

20. Will independent living properties 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 good news for residents and colleagues. Our experience and expertise in this area is a real positive for Sanctuary.

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

The Bury is one of our closest properties to Sanctuary's central office in Worcester. It's business as usual, so there will be no changes for residents at The Bury.

22. 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 Derbyshire.

23. 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 only entered into this partnership because we are confident that it will benefit our residents. The due diligence provided our Board with the information it needed to decide whether Sanctuary was 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.

24. How will this affect our contractors?

It's doesn't affect our contractors at the moment, however as we move to integrate in 2025, it could potentially create opportunities to do work for Sanctuary.

Our approach to keeping customers informed and engaged

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

We will continue to keep you informed in the usual ways and will be working to add in additional digital as well as face to face sessions, such as our regional customer events. As soon as we have new information, we will let you know, and we will make sure you have plenty of notice of upcoming events and engagement opportunities.

26. Will there be any Board Members attending any of the forthcoming meetings and events with residents?

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 for which they are responsible.

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

Yes, we held an event in February, and will do this again. Recordings of events are also always available upon request.

28. Have residents been consulted with?

After the announcement last year, we wrote to all residents to ask for feedback and to invite further questions. The results of this consultation were analysed and reported back to our Board. In August of this year, we wrote to residents to explain the proposal to transfer customers to Sanctuary, known as the Transfer of Engagement (ToE), again asking for feedback.

29. How can residents contact Sanctuary once we become part of their group?

Once JJH transfer over to Sanctuary all customers will have access to the Customer Services Hub at Sanctuary, which includes a dedicated call centre and website. Prior to that, our Johnnie Johnson Housing customer contact points remain the same.

How will this partnership impact staff at JJH and the business in the future?

30. What does this mean for JJH staff?

It's business as usual at the moment for staff as we are moving forward with our full integration into Sanctuary. Our priority remains to engage with our residents and colleagues every step of the way.

31. Will TUPE apply to colleagues?

Employees of Johnnie Johnson Housing will transfer to the appropriate teams within Sanctuary where possible

32. Will our branding and name change?

It is likely to change once we have integrated fully next year. This will mean JJH becoming known as Sanctuary and no longer as Johnnie Johnson Housing. We will ensure that you are kept informed of any changes as we move through integration. While we are a subsidiary, our branding remains unchanged. Our heritage is important to us and we will make sure that Johnnie Johnson's legacy is recognised and wherever possible, celebrated. We will work with the veteran charity SSAFA to mark Johnnie's history.