

thirteen

Building a Stronger Business

Providing homes, support and opportunities to grow



We promise a home for your life

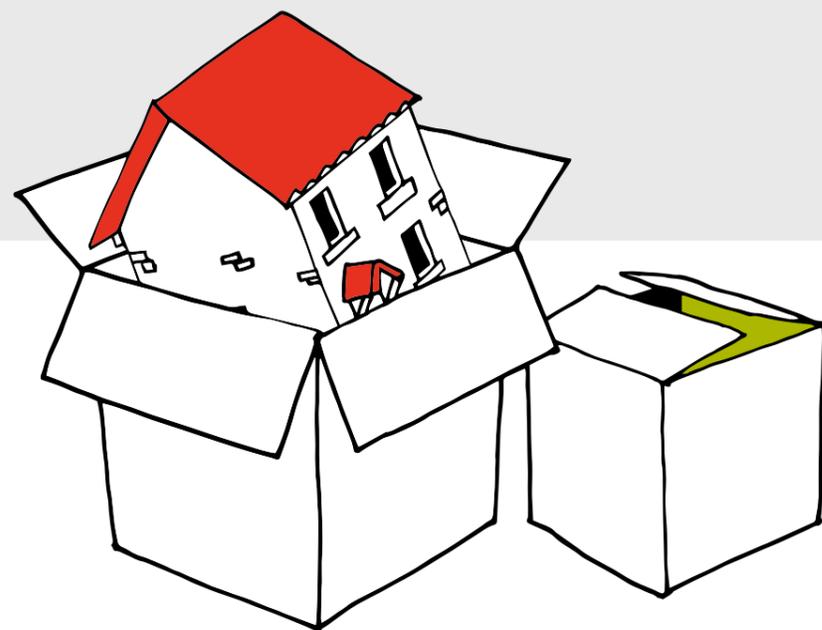
Home means different things to different people. Somewhere safe and secure. Somewhere close to friends and family. Somewhere to settle and get on with life. Somewhere we can reach our potential. Whatever it means – we provide homes for as long as they're required, and for whatever life requires of them.

The people who rent or own Thirteen properties are all individuals. They are unique. Many are employed. Many are retired. Some are full time carers. Some receive financial support. We're for anyone who maybe needs a little extra help. A little extra help to get on the housing ladder. A little extra help to pay the rent. A little extra help to keep their home in good repair.

We are a caring landlord and housing developer.

Whether you're looking to rent or buy, we have a range of properties to suit all needs. We care about people and provide a range of services that make the world a simpler, safer place. Thirteen provides support and encouragement, whether buying a home or managing finances, which enables customers to overcome challenges and progress towards better living.

Thirteen is equally dedicated to organisational progression – whether it be its staff or its stock.



The need for a strategy to Build a Stronger Business

At Thirteen our reason for being is to provide good quality homes and support for those in housing need. We are in the business of meeting the basic human needs for shelter, warmth, security and belonging. It could hardly be more important. The places where people live influence how they feel and behave. They have the power to inspire and to dishearten.

Homes that are in a good location, of a good size, with good neighbours and in good repair improve the lives of our customers. So the better we go about our business, the better for everyone. That's what this strategy is all about.

It starts with who we are, our philosophy, our progress so far and the issues we face. Then comes the action plan with four priorities and how we'll deliver them, going to the core of our business; property, customer service, development and regeneration.

We are still a young organisation with the fluidity to make changes in order to become a stronger business. At the same time we can build on the platform of the group's rich collective experience, firm partnerships with community groups, third sector organisations and the public and private sectors. And draw on the resources of people who are passionate about what they do and are careful, caring and creative in how they do it – Thirteen people.



Who we are

A social heart with a commercial head



Thirteen is a social purpose business that values and uses commercial skills to meet our priorities.



We're the largest landlord group in the North East, owning and managing more than 33,000 homes in an area spanning North Tyneside to York, with the majority of properties in the Tees Valley. Our asset base alone is almost £1bn.

Over
33,000 homes

Our 1,500 people reach out to more than 70,000 customers. Putting them at the heart of everything we do helps us shape the business and make us strive to be our best and constantly make improvements.

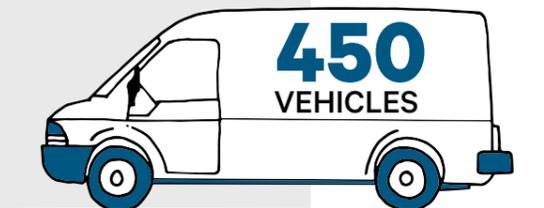


We work in a number of regeneration areas where land values and property values are low. Although making home ownership a viable option is a challenge, we have a track record in providing homes for outright sale, shared ownership and deferred sale, and we've completed just under 2,000 new homes since 2011, with around 1,600 for rent and 400 for shared ownership or outright sale.

We also have plans to build at least 2,000 new homes over the next five years, as well as investing over £100m in improving the homes we manage. With 450 vehicles on the road, we're already on course to deliver 158,000 repairs this year alone.



But we're not just about providing and building homes. We offer a range of housing support services including money advice, extra care schemes to help people live independently for longer, adaptations to homes, help with anti-social behaviour and more.



What we believe

We are human. We understand our customers, their needs and the problems they face. This teaches us to be flexible and reliable in finding solutions. But alongside empathy sits philosophy, a fivefold set of principles that drives our quest to build a stronger business.

Our Thirteen philosophy

1. Our mission – why we are here

We provide homes, support and opportunities to grow.

2. Our vision

We are a caring landlord and housing developer. We're for anyone who needs a home and maybe a little help to get it. We're about investing in neighbourhoods and making a major contribution to the regeneration of Tees Valley.

3. Our priorities

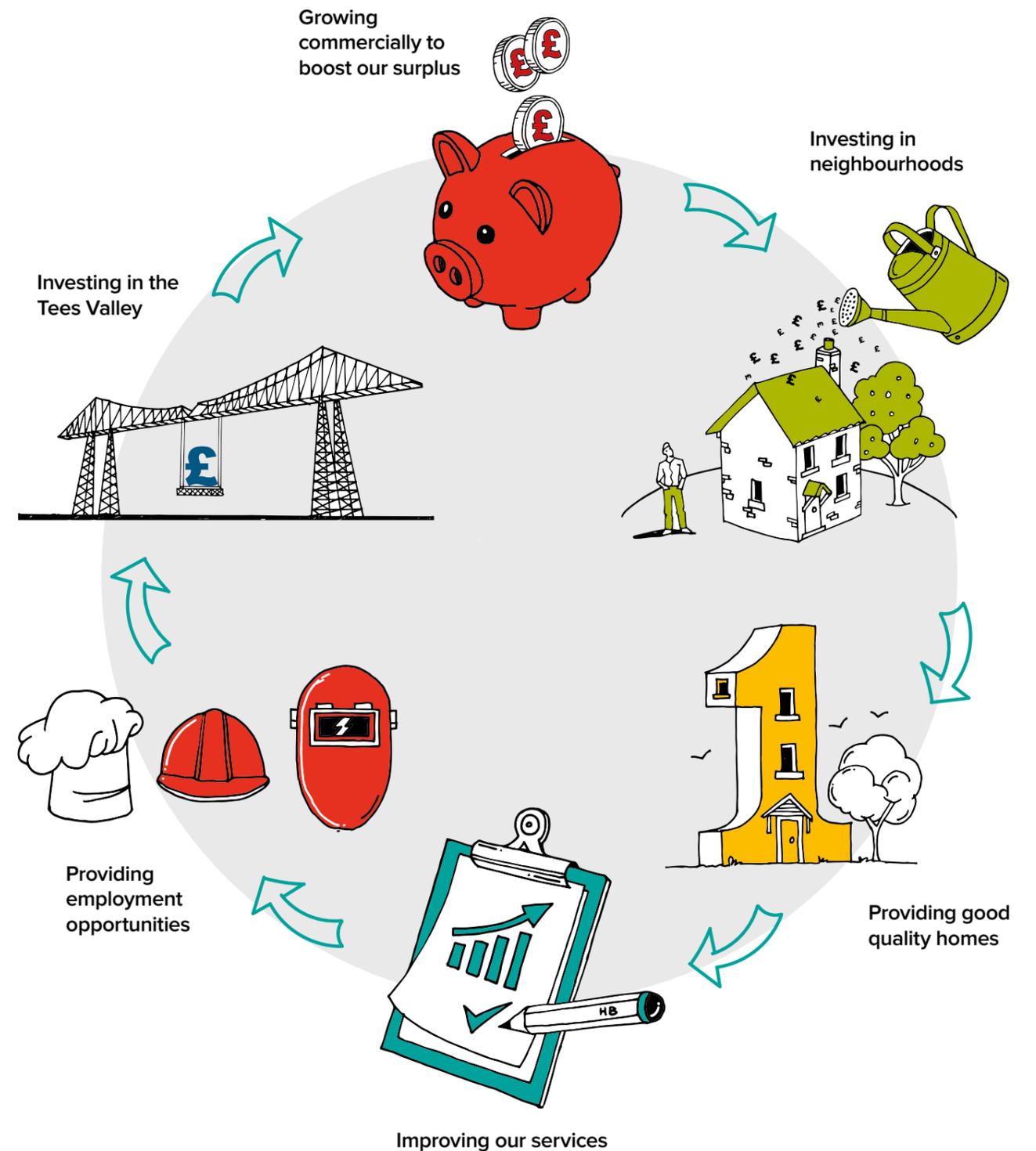
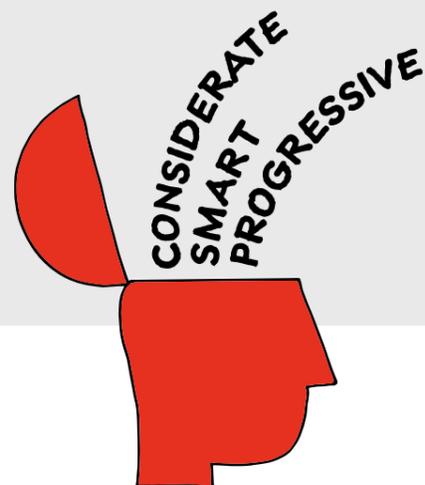
- Delivering great customer service
- Growing our business as a social entrepreneur
- Contributing to regenerating the Tees Valley
- Being Team Thirteen – high performing, collaborative and efficient

4. Our geographic focus

Our new affordable housing development work will focus on the Tees Valley. We will consider developments and services outside the Tees Valley if they cover costs and generate profit. On the whole, we will not seek to be the landlord of properties beyond our core operating area of Tees Valley.

5. Our values

- Considerate
- Smart
- Progressive



What we've achieved

Thirteen was created in 2014 from a joining of equals – Erimus Housing, Housing Hartlepool, Tees Valley Housing, Thirteen Care and Support and Tristar Homes - into a single stronger organisation with the collective scale and expertise to do and achieve much more. For 2015/16 we set out our strategic ambitions - building a great organisation, promoting resilience and sustainability and a commitment to growth and added value. We've been busy. Here are just some of the achievements.



Building a great organisation

- Since the merger, we've delivered £10m of efficiencies targeted in year two.
- An integrated property and customer ICT system has allowed us to scrap more than ten existing systems, saving maintenance and network resource, reducing waste and duplication in procedures and giving a clear picture of demand for our services and how to improve them.
- We've established customer involvement panels including the Thirteen Customer Council, a new Complaints Panel and a Scrutiny Panel which has already carried out three reviews, made 84 Board-approved recommendations and saved £20,000 on consultancy fees.
- Our repairs service has been improved and we've increased value for money by reducing agency costs, increasing our own trade staff productivity, reducing the use of sub-contractors, introducing multi-skilling and procuring a new vehicle fleet with a predicted saving of 10-15%.

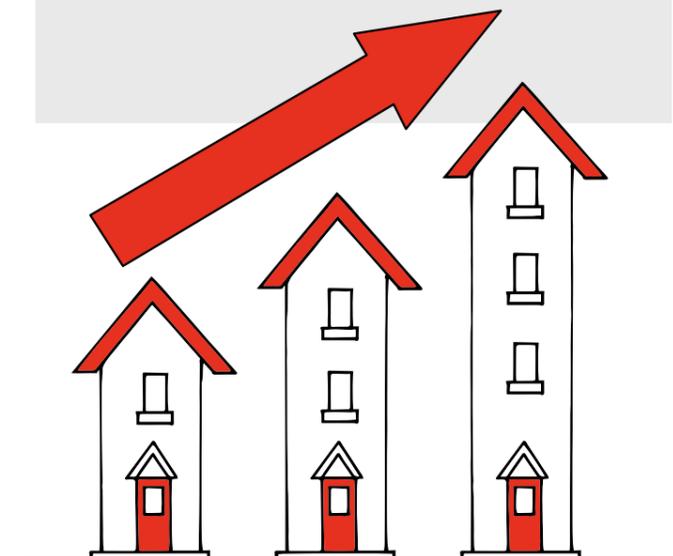


Promoting resilience and sustainability

- Launching three managed stores facilities in Middlesbrough, Stockton and Hartlepool has reduced traveling time and improved facilities for trade staff and will ultimately deliver a better repair service for customers, as well as a saving of £2m a year.
- We've improved our local discretionary housing fund, which helps tenants maintain their rent accounts, securing a rental income of £2m and reducing rent arrears by £76,000.
- Our New Directions youth employment project was launched after we secured external grant funding. We worked with more than 563 young people within just three months, to help them into vital work, training or education.

Committed to growth and adding value

- Our first properties built specifically for students at Cleveland College of Art and Design were launched and continue to be a popular choice as a student's home-away-from-home.
- We unveiled vital apartments, houses and bungalows designed as transitional housing to prepare people with a range of medical conditions to move back into independence.
- Investing in specialist housing has been a focus and has included extra care housing and a dedicated community village for people with a range of support needs, including learning disabilities.
- More than 1,700 customers have had support with their finances to put £3.2m of additional benefits into their pockets, reducing rent arrears by £110,000 and generating added social value of £273,000.
- Converting 385 properties from electricity to gas has saved each tenant around £562 on their fuel bills.



What issues affect building a stronger business?

We face a number of risks and uncertainties in the delivery of our priorities for tenants and customers and we continue actively to identify these issues so we can deliver on our promises. This will involve continuing to get our services right first time and make the most of opportunities or business growth and regeneration to maximise social and financial return.



Governmental

- A 1% reduction in rent each year until 2020 affects our revenue stream
- The ability to address the national housing shortfall is exacerbated by the voluntary Right to Buy scheme
- Welfare reforms, particularly the 'bedroom tax' and Universal Credit put mounting financial pressure on many of our customers and local communities

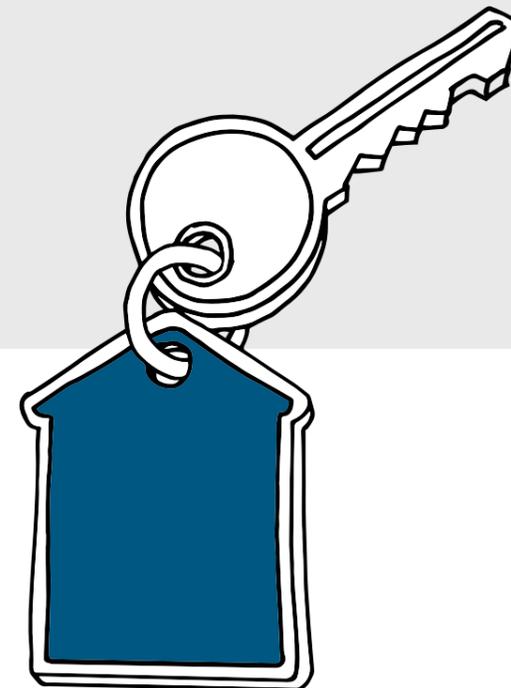
Demographic

- By 2023 a 5% increase in the number of children and young people
- A demographic shift is underway, with one in four people being 65+ in 2032
- 12.5% of households are 'fuel poor' (35,000 households); one of the highest figures in the country
- One in three people want to move out of the Tees Valley to live in a better neighbourhood or more pleasant area



Property related

- There are 182,000 owner occupied homes; 55,000 in social rent and 41,000 private rented
- The level of social rent is higher than the national average (20% compared to 12.5%)
- The private rented sector is lower than the national average (15% compared to 16.8%)
- First time buyers struggle to access the market, needing household income of over £34,000 to buy a median priced property
- 47% of households fall in Council Tax Band A; double the national average
- 2,000 new homes are constructed across the Tees Valley each year, mostly on greenfield sites, making it difficult to cross-subsidise brownfield and regeneration sites
- There are more than 12,000 vacant homes



Customer care

A tenant-wide survey revealed satisfaction with Thirteen Group services was 87.2%. However we're not complacent; in fact, we're committed to improving by focusing on a range of priorities, including carrying out repairs when we've promised, at a time convenient to the customer, ensuring customers can get hold of the right person at the right time, have their calls and emails answered in a timely manner and that we respond to service requests overall.

Customers are what make us - and caring for their needs effectively and efficiently is at the heart of our business.



What we are going to deliver

In the light of the key issues and the resources we can draw upon, four priorities are our focus, with action plans to deliver each one.

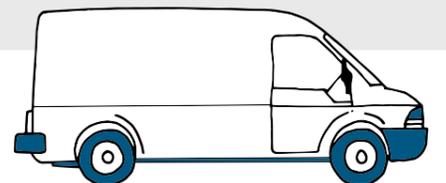


Priority One: Delivering great customer service

We don't have shareholders; we have customers. It's for you that we exist. That's why we genuinely care that we get things right, so customers trust us to be the provider of choice. You will get a clear and prompt response across organisational boundaries, being able to access more services digitally: to report issues, request services, book appointments and track progress. But you'll always be able to talk to a real person who understands and can sort things out.

Key actions:

- Ensuring that you have the best start to your tenancy, including quicker sign-up, leading to higher satisfaction and more people staying in their homes
- Reviewing best practice to improve neighbourhood service delivery and looking at options to improve environmental conditions so people take more pride in their area
- Delivering a CustomerPlus programme to enable tenants to do more online and simplify processes to better meet your needs
- Creating a marketing plan to promote our broad range of housing to existing and prospective tenants, retaining customers and attracting new ones
- Delivering a new repairs system to improve response times and tenant satisfaction



Providing homes, support and opportunities to grow

Priority Two: Growing our business as a social entrepreneur

Yes our primary purpose is social. And yes, we run on business principles, using our surplus to support housing services and regenerate neighbourhoods. We will apply our financial strength to grow our commercial activities, including residential developments across the North East and North Yorkshire at increased profit margins, and to improve our housing support services and secure external funding. Working with both established and new partnerships, with a complete focus on outcomes for our customers, we can create more value and maintain our financial health.

Key actions:

- Developing a flexible product allowing people to rent, part rent and buy at any time, regenerating areas and increasing home ownership
- Growing our health and housing services to offer support to people and partner organisations, as well as increasing our financial and social return
- Accessing new funding opportunities to expand our training, employability and enterprise offer
- Selling our services to other organisations



Priority Three: Contributing to regenerating the Tees Valley

The Tees Valley is our heartland. We can help put more heart into it by intelligent asset management to create high quality homes to improve neighbourhoods. By growing our commercial activities to boost surpluses, we will invest in the housing and the place and make a major contribution to the regeneration of Tees Valley.

Key actions:

- Using business intelligence, customer insight and our sustainability model to inform investment and disinvestment and make the best use of our 33,000 homes
- Developing a delivery plan for each Tees Valley local authority to build more homes, develop neighbourhoods where people want to live and boost employment and training opportunities in the Tees Valley
- Supporting customers into work and skills opportunities through our supply chain



Priority Four: Being Team Thirteen – high performing, collaborative and efficient

We aim to become an employer of choice focused on the continued development of board and committee members and colleagues with the skills and experience to deliver this strategy. We will simplify the way we work by consolidating into one landlord. There will be smarter working with transferable skills, more in teams and with less individual job descriptions. There will be clear links between capabilities and skills, behaviours, beliefs and values and the Thirteen vision.

Key actions:

- Consolidate the group into one landlord to increase financial stability, spending and bargaining power and save money to fund new services to benefit customers, boost local communities and make more improvements to homes and estates
- Ensuring staff members deliver the proposed new Thirteen structure, with the right systems and processes in place to work collaboratively and smarter
- Improving our business intelligence and market research to inform our customer knowledge and therefore, our business delivery

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