

# thirteen

Managing and building homes

## Homes and So Much More

Strategic Plan 2019-2024



# Contents

1	About Thirteen .....	4	7	Partnership and Growth.....	32
2	Our Philosophy .....	6	8	Consultation and Engagement.....	33
	- Thirteen at a Glance.....	7	9	How we will Deliver the Plan .....	36
3	Our Homes and Services.....	8	10	How we will Pay for the Plan's Delivery .....	40
4	Progress we have Made.....	12	11	How we will Measure our Impact.....	41
5	Key Issues for us to Consider .....	16	12	How we will Communicate and Market our Services .....	43
	- Key Issues about our core operating area .....	17		Appendix I - Financial Plan Assumptions .....	44
	- Key issues impacting on our strategy .....	19		Appendix II - 30 Year Financial Projections.....	45-49
6	Our priorities .....	21		Appendix III - Board Directors.....	50-51
	• Priority One - Great Customer Experience.....	21		Appendix IV - Leadership Team .....	52-54
	• Priority Two - Delivering Quality Places to Live and Improving Neighbourhoods.....	24			
	• Priority Three - Being Team Thirteen.....	28			



At Thirteen, we've been working to help improve the **lives** of people in our **neighbourhoods** for years.

Our purpose is to provide **homes, support and opportunities to grow.**

We are **not-for-profit** and focus on delivering our **charitable objectives** of providing housing, care and support for those who need it.

Over the next five years we will invest over **£1billion** to improve our services, tenants' homes and their neighbourhoods as well as delivering new affordable homes.



# 1. About Thirteen



Thirteen is a housing association. A housing association with strength, capacity and ambition. Strength, capacity and ambition to deliver for our customers who are always at the centre of what we do. They're why we exist.

In fact, Thirteen is the largest housing association in the North East and among the biggest 25 nationally. That's the result of a succession of mergers between social housing providers over 20 years. Today, we own and manage some 34,000 properties in the North East region, 30,000 of them in the Tees Valley.

We're more than just a landlord. Our scope extends to supporting vulnerable people with thoughtful and effective services, improving our homes and estates and building

new places for people to live. Our skilled colleagues and committed board directors all work tirelessly to support 70,000 tenants and customers, bringing a breadth of experience and a can-do attitude.

Up to 2017 Thirteen was made up of a group of social landlords and a care and support service. In that year we consolidated into one single landlord for all our tenants and customers. The change made things simpler. It increased financial stability, spending and bargaining power, saved money to fund new services, and released financial capacity to invest in our homes and neighbourhoods.

We are still very much local at heart. And our heartland is the Tees Valley. Now that we're a single stronger organisation, rather than a federation, we have the scale, expertise and

funds to do much more to regenerate the whole area. We are continually innovating, improving and growing. Where it helps, we form alliances rather than work alone. That's why we welcomed Gus Robinson Developments to the Thirteen family in 2018. Not only will it play a significant role in the development of Thirteen's housing offer, it also enables us to assist other North East England organisations needing construction and building services.

## How we became Thirteen

The history of Thirteen is rooted in communities across the North East. We grew from traditional housing associations and local authority housing which provided safe and sustainable homes for thousands of people in the region.

The story begins with the formation of Tees Valley Housing Association over 20 years ago by merging Cleveland and Teesside Housing Society and Phoenix Housing, bringing together properties across the North East and Yorkshire.

In April 2000, Tees Valley Housing Group was formed by Tees Valley Housing Association, Tees Valley Trust, and joined by Sunderland-based Banks of the Wear Community Housing. Tristar Homes was created in 2002 to manage council housing stock on behalf of Stockton Borough Council and went on to take ownership of the Council's stock in 2010.

A little further down the Tees in Middlesbrough, Erimus Housing was created from the transfer of Council housing stock in November 2004. Meanwhile in Hartlepool, the housing stock was transferred from the Council to Housing Hartlepool in March 2004.



Four years later, Fabrick Housing Group was created by the joining of Tees Valley Housing and Erimus Housing. Tristar Homes and Housing Hartlepool joined in partnership in 2010 to form Vela. In 2012 Newcastle-based charity Norcare (later to become Thirteen Care and Support) joined Fabrick.

The Thirteen Group was formed in 2014 by bringing Fabrick and Vela together. Now we had the collective strength to thrive in a changing and ever more difficult environment, share resources and costs, and deliver a greater number of enhanced services and initiatives. In the first year alone we saved £7.5m. We consolidated in 2017 to become one landlord as Thirteen, bringing further strength and a simpler, easier business to work with.

### So why Thirteen?

There may be preconceptions about the number, just as there are with some people and places. Adopting the name was a signal that we challenge set assumptions and take a fresh look to create opportunities and seek out the potential in everyone.

We have the strength, capacity and ambition to deliver what our customers need. They are always at the centre of what we do. The reason we exist.



## 2. Our Philosophy

At Thirteen we're all about providing homes, support and opportunities to grow. With a vision of a caring landlord and housing developer, we understand that everyone is an individual. We promise a home for their life. Whether that's a space to enjoy with family, a haven to return to every night or somewhere to put down roots, we're there to provide what customers prefer.

Putting customers at the heart of our business helps us shape the organisation and continue to ensure we're there for anyone who needs a home, and maybe a helping hand too. Our vision extends beyond homes to investing in their neighbourhoods and the wider Tees Valley too.



### 1. Our mission – why we are here

We provide homes, support and opportunities to grow.

### 2. Our vision

As a housing association, we are a caring landlord and housing developer. We're here to help anyone who needs a home. We're about investing in neighbourhoods and making a major contribution to the regeneration of the Tees Valley.

### 3. Our priorities

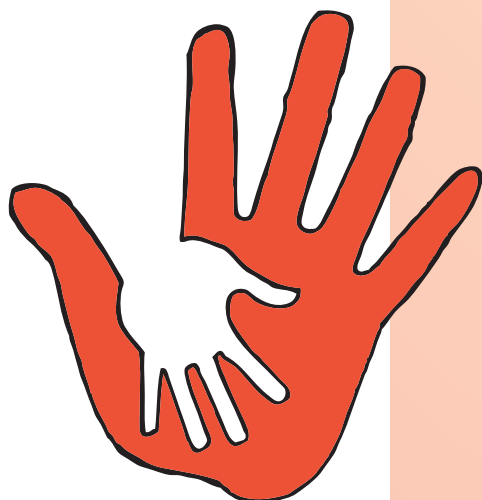
1. Great customer experience
2. Delivering quality places to live and improving neighbourhoods
3. Being Team Thirteen - considerate, smart and progressive

### 4 Our geographic focus

We operate across the North East and North Yorkshire. Our regeneration and social value work has a focus on the Tees Valley.

### 5. Our values

- Considerate: in our behaviour
- Smart: in the way we do things
- Progressive: we move things on



Putting customers at the heart of our business

## Thirteen at a Glance

Just under



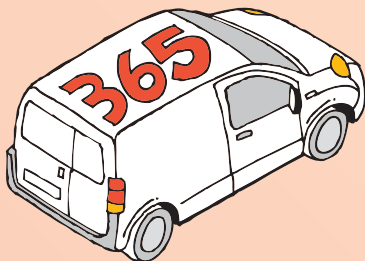
Over **£400m** to be invested  
in our homes



On course to deliver  
**151,000** repairs this year



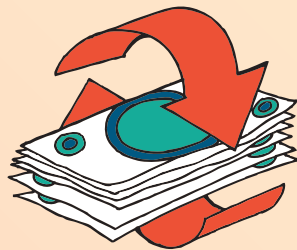
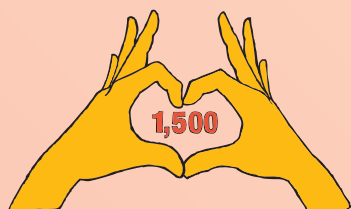
**365** vehicles



**£151,000** of support for projects run by  
community groups



Care and support service help almost  
**1,500** people, giving  
**29,000** hours

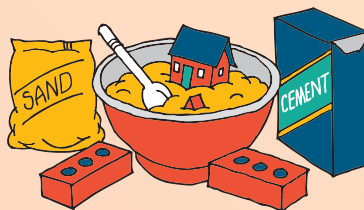


**£160m** turnover

Creating **3,300** homes



**£6.5m** in efficiency  
savings last year



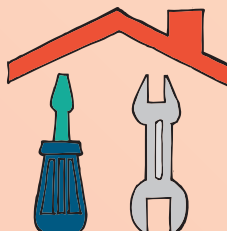
**£57m** into the Tees Valley  
economy last year through  
spending on staff and  
suppliers



Additional services help  
more than **6,500** people



We complete more than **2,500** major and  
minor adaptations a year



We reach out to more than



Asset base of **£1bn**



gained for customers by our money  
advice service

Found jobs, employment or training for  
more than **600** young people



## 3. Our Homes and Services

The range of properties in our neighbourhoods offer something to suit all needs, from renting, buying, or even part-buying a home. We don't just offer a choice of home. Extra services are on hand to help people live safely, happily and be part of a real community.

### OUR CORE SERVICES

#### Looking after our homes

Thirteen's housing properties are worth almost £1bn. To keep them in good order, 365 vehicles transport our 450 plumbers, plasterers, electricians, joiners, gas fitters, decorators and bricklayers to carry out tens of thousands of repairs every year – 97.79% of them completed on the first visit.

#### Improving neighbourhoods

Tenants and customers have told us they want our staff to be more visible in their neighbourhoods, helping them to deal with day-to-day issues. This has prompted the radical rethink of how we work within our communities - putting neighbourhoods at the heart with a new operating model introduced in April 2018.

#### Neighbourhood coordinators

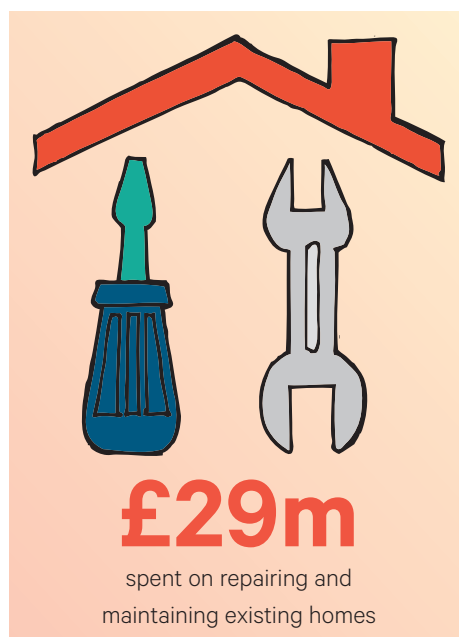
The face of Thirteen on every estate is the Neighbourhood coordinator who can help with tenancy matters and concerns, including bills or rent accounts; work with the council or police to improve the neighbourhood; and lead tenants in estate walkabouts, keeping an eye open for issues such as fly-tipping, minor damage to properties and graffiti.

### Environments and grounds

Our Grounds Maintenance team looks after the public and communal areas, keeping the grass cut and trimming hedges, trees and shrubs. We have also introduced grounds maintenance inspectors - customer volunteers who check on the quality of the work and report their findings. We also work with partner organisations on projects to transform local areas, with £5m of environmental work in the pipeline.

### Anti-social behaviour

This can range from barking dogs or loud music next door to threatening behaviour and hate related issues. Customers can report this to us via a form on our website or by phoning us. A dedicated officer will contact people within a day to plan a solution and support them in implementing it. Customers scored the service 9.7 out of 10 for overall satisfaction.



### Bespoke residential services

Our specialist team offers a range of accommodation from student properties and NHS accommodation to supported properties for people with learning disabilities. The team also offers a service working with private landlords to manage their homes for them, including renting and repairing.

### Building new homes

We build a range of new homes from social rent, affordable rent, buy-in part through shared ownership, rent-to-buy and homes for market sale. Through Gus Robinson Developments we also build homes for housing associations and developers.

### Building contractor

Gus Robinson Developments provides a wide range of construction and building services, working with Local Authorities, Health Trusts, Education Authorities and Private Businesses to deliver high quality, cost effective and award winning construction projects meeting the aspirations of clients and their customers.

### INDEPENDENT LIVING

#### For younger people

Because housing is our business, we are perfectly placed to use our skills and resources to construct or convert buildings tailored to particular groups of young people who would welcome a protective roof over their heads.

#### Leaving care

We provide a bridge to ease a young person's passage into the working world: secure and supported accommodation in houses with



en-suite bedrooms, communal kitchen and lounge, and staffed 24/7. Key workers help people deal with issues such as health and relationships and develop life skills - from cooking to managing money - to help them stand on their own two feet.

### **Teenage parents and young families**

Becoming a parent is never easy, especially for a teenager – whether single or in a new relationship. That's why we provide high quality accommodation that's safe and secure, and work with young parents to develop personal support plans and a range of guidance and life skills to help them live independently.

### **Profound learning disabilities**

It's right for people with complex needs to move from institutional settings out into the community wherever possible. That is why, along with our NHS partners, we plan and build high quality housing that allows maximum independence cushioned by expert care and support and also find appropriate homes for people with mental health and physical disabilities.

### **Older people**

The proportion of older people in the Tees Valley's population is growing, with the number of over-65s predicted to increase by 41% in the next 20 years. But that doesn't mean their quality of life has to diminish. We offer a range of affordable housing options to match the needs of people as they grow older, as well as adaptations not just for older people but for customers needing a change



to their home to enable them to stay living there independently.

### **Supported living**

We manage purpose-built self-contained one or two-bedroom apartments or bungalows across the North East. Available for a range of tenures, they're grouped in supported living communities, featuring full wheelchair access, lifts, CCTV and secure entry, out-of-hours repairs service (some with a part-time caretaker) and regular social activities.

### **Sheltered housing**

On-site support officers assist with housing management, coordinate repairs, respond to queries and look after the building's health and safety. They're linked to community

monitoring centres which respond to emergencies with telecare options to monitor long-term health conditions. We offer similar schemes with special features for Chinese elders.

### **Extra care housing**

Extra care schemes allow people to live independently for longer, through the provision of on-site care and support to meet individual needs. Schemes feature communal spaces to encourage social integration, bistros and even commercial units.



**6,500**

people benefitted from  
additional services

## REACHING OUT A HELPING HAND

### Thirteen's support services

We believe that people can make the most of life's opportunities, given the right extra help at the right point in their life journey. Our support services reach out to people in our own properties, as well as to others struggling with life's challenges.

### Preventing homelessness

Our specialist teams work with people who are homeless or at risk of becoming homeless to improve their lives by offering advice and practical support. This can include help with finding a home or a job, building resilience or working towards personal independence. Having won £712k of government funding in 2017 we launched the trailblazing Key Step programme, offering fully furnished properties for single people to share for up to six months, with utility bills included in a weekly charge. Prison leavers of any age with nowhere to go can also be helped with single person accommodation.



### Gaining employment

Our specialist teams help people from the age of 15 who want to work, learn or train for a job. Team members create a personal training and development plan and provide one-to-one mentoring and coaching in interview techniques, personal presentation, CV writing and job search skills.

### Apprenticeships

As one of the largest employers in the North East, Thirteen is playing a major role in offering apprenticeship opportunities to gain work experience, earn a salary and work towards a recognised qualification in plumbing, joinery, gas or electrical engineering, business administration, finance and much more.

### Money management

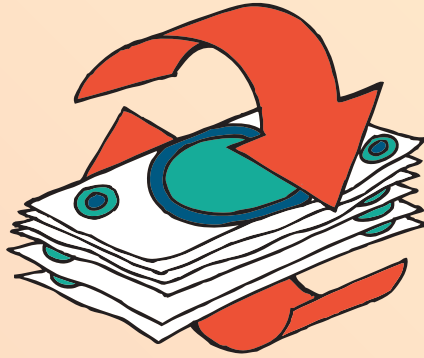
Our Money Advice team provides information about budgeting, bank accounts, savings and loans and credit unions. The team helps more than 2,000 people a year claim the benefits they're entitled to and deal with benefit and debt problems.

### Support to Stay

Our expert team visits people falling behind with rent payments to explore what's putting their tenancy at risk, for example financial issues, welfare benefits or health problems. We work with them over the following three to six months to overcome these issues. In just its first year the team helped more than 200 residents and was recognised for its pioneering work at the UK Housing Awards.

Our specialist teams work with people who are homeless or at risk of becoming homeless to improve their lives by offering advice and practical support

Growing commercially to  
boost our surplus



Investing in the Tees Valley



Investing in neighbourhoods



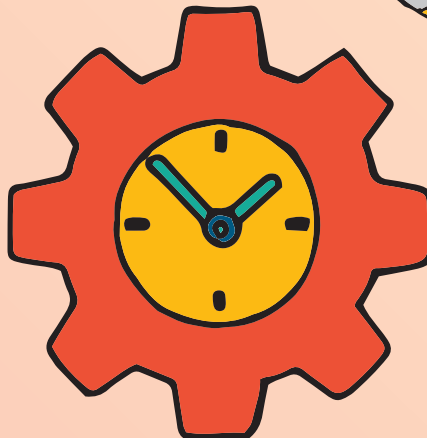
Providing employment  
opportunities



Providing good quality homes



Improving our services



## 4. Progress we have made

Our plan for 2018-2023 had four priorities for the organisation and we made significant progress.



### Priority 1 - Delivering Great Customer Satisfaction

- Overall customer satisfaction improved to 87.4%, which was an increase of 2.8% since the last survey in 2017
- Nine out of ten customers said they were happy with the quality of their home
- Nine out of ten customers said their rent provided value for money
- We introduced a new repairs IT system in September 2017 and, along with improved ways of working, this allowed us to make progress on two key indicators: a total of 97.7% of repairs were completed right first time and the average time to complete a repair was cut to 9.7 days
- Learning from customer feedback, we introduced a new operating model, which put tenants and neighbourhoods at the heart of our business, enabling us to have a more visible presence, an even bigger impact in our communities and give tenants a greater voice
- Satisfaction testing achieved strong results in key areas such as gas servicing and repairs, helping ensure we're meeting customer expectations
- We reduced average customer service call-waiting times from 59 seconds to an average of 17 seconds in May 2018. On average all calls were answered in 30 seconds - an improvement from 59 seconds the previous year
- We continued to be fully compliant with gas servicing legal requirements, with 100% of landlord gas safety certificates in place
- We improved complaints management with a centralised approach, reducing the average response time from 8.3 days to 2.5 days, and 100% were dealt with inside the target time of five working days
- Tenancy turnover for Thirteen's standard properties was reduced from 11.3% to 10.8%
- We reduced re-let times for standard properties from 65 days to 45 days
- We introduced weekend working for some teams and we are looking at piloting later working for others
- We improved training and education on our internal systems to ensure more customer queries were dealt with at the first point of contact
- We enhanced our website to make it easier to navigate and understand what we offer; and we started to improve how we map out our customer offer to promote and market our homes and services to existing and potential customers in the best way possible
- Our target for customers using our self-service portal was achieved and we are about to start to implement a new digital approach



- We completed 511 formal estate walkabouts, enabling us to engage with residents to identify, and then rectify, any issues
- We contacted 3,355 new tenants within 24 hours of starting their tenancy
- Within four weeks of starting their tenancy, 5,886 tenants were visited
- In our high-rise blocks, 2,688 visits were made to customers about fire safety
- Our contact team answered 334,389 calls
- Our customer scrutiny panel made 74 recommendations to improve services.





## Priority 2 - Being a Social Entrepreneur



Any surplus generated is being reinvested into our existing homes and neighbourhoods, as well as into developing new properties and enhancing services

- Thirteen remained financially robust and able to withstand the challenges constantly facing us. We generated a surplus of £27.7m (2017: £37.5m), which is being reinvested into our existing homes and neighbourhoods, as well as into developing new properties and enhancing services
- Our operating margin was around 30%, which is in line with our peers in the sector
- Thirteen's gearing, calculated as total loans as a percentage of total assets less current liabilities, was reduced from 30% to 24%, releasing capacity to build new homes, invest in existing properties and improve services
- The group consolidation and subsequent restructure of the loans portfolio reduced the overall cost of capital and released capacity to invest in new areas of business
- There were 618 referrals to support services - £2.7m worth of benefits and £1.3m in Universal Credits were gained for claimants
- Last year, Thirteen's New Directions programme, which provides support for people aged 15-29 to find work, training and education and works to match young people with jobs, achieved a number of successes including:
  - 527 new sign-ups
  - 321 people received an offer of employment, apprenticeship or training
  - 309 people took up the offer or employment, apprenticeship or training.





### Priority 3 - Contributing to Regenerating the Tees Valley

- During 2017/18 we achieved 295 on-site starts on affordable new build homes and completed 206 new build affordable homes
- We agreed a new standard for the quality of a Thirteen home
- We focused on estate regeneration and reduced empty properties
- We agreed our approach to the management and maintenance of five of our high-rise blocks
- We delivered environmental improvement schemes in some areas, with some activities still in progress
- New house types are underway and we now have an in-house architect. The design team's initial plans were upgraded following consultation with colleagues and customers. The team is including not just the property, but the overall estate environment, in its review
- A total of 20 empty properties were purchased and are now either occupied or in the process of being refurbished in North Ormesby, Middlesbrough
- At Bishopton Road in Grove Hill, Middlesbrough, 92 new homes have been started on site with a target completion date of mid-2020
- A new procurement framework was implemented with Prosper (formerly North East Procurement) to help reduce costs and increase value for money in the investment programme
- We continue to identify people at risk of homelessness:
  - 449 people/families have been prevented from becoming homeless
  - 669 referrals have been made to the Key Step homeless project

We achieved  
295 on-site starts  
on affordable new build  
homes and completed  
206 new build  
affordable homes

- 11 formal homeless cases have been dealt with
- 1,458 advice cases have been handled
- 81 people have been helped from supported accommodation into a home.





## Priority 4 - Being Team Thirteen

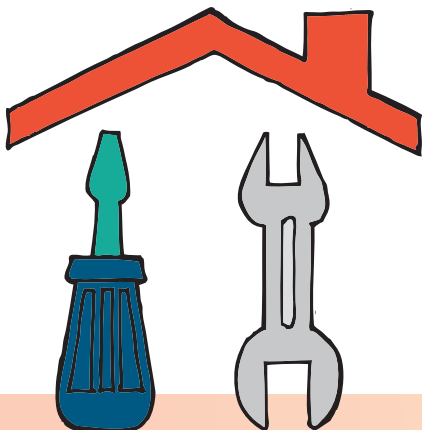
- We ensured we remain legally compliant and safe
- We retained our top level G1 and V1 regulatory judgement, confirming that governance and financial arrangements remain strong following the consolidation of the group
- We completed a self-assessment on compliance with regulation and legislation and continue to operate an appropriate set of performance measures, including gas and fire safety
- We set up a specific team responsible for cyber security to help us better understand the threats, prepared for the introduction of the General Data Protection Regulations and reviewed and improved our disaster recovery plan
- Our continuous value for money (VfM) programme was delivered and we made £6.5m in savings



We kept our top level G1 and V1 regulatory judgement, confirming that governance and financial arrangements are still strong following the consolidation of the group

- We reshaped our internal structures to ensure we have sufficient capacity and skills
- Work to review systems and processes is ongoing and e-enablement is implemented wherever possible and appropriate as part of any process review
- The Board now has access to digital information packs, increasing efficiency and improving access to information
- We introduced tablets to enable us to work more effectively within the digital environment
- We began to implement an organisational development programme

- Our staff satisfaction levels improved. A recent staff survey with a 79% response rate resulted in an average score of 7.6 when colleagues were asked if they would recommend Thirteen as a place to work
- We introduced annual impact reports showing our delivery and the differences we have made in local authority areas.





## 5. Key Issues for us to Consider

Following the development of our five year Strategic Plan 2017-22 and the successful consolidation of Thirteen into one landlord, the Thirteen Board, together with the wider management team, aligned itself to 'Building a Stronger Business'.

In 2018 the Board, colleagues, tenants, customers and partners helped update our Strategic Plan for 2018-2023, our route map of how our business can achieve its priorities.

This plan for 2019-24 enables us to continue to adapt and grow our business, delivering more investment in places to live and ensuring we remain financially resilient.



### Key issues about our operating environment

The uncertainty around Brexit and its impact on the national economy, together with rising inflation, is a potential risk which we will be closely monitoring. The housing market seems to be sustaining itself locally despite negative national commentary. The changing housing policy is welcome with additional investment for affordable housing, flexibility on tenures and clarity on Local

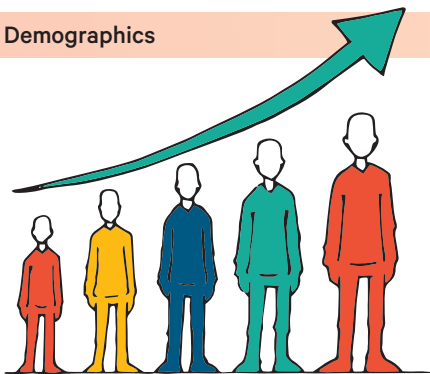
Housing Allowance and supported housing. The regulator's value for money metrics are pragmatic and the co-regulatory regime is mature. The findings and recommendations of the Grenfell and Building Regulations enquiries will be important through 2019 for our asset management and housing operations. Overall, conditions are fairly positive to support our business strategy, although we are mindful of local economic headwinds and market confidence.





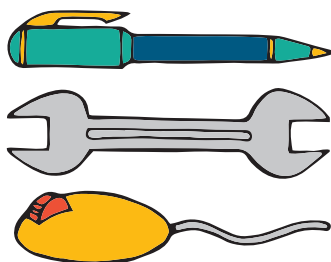
## Key issues about our core operating area

### Demographics



- The Tees Valley population stabilised at over 670,000 and is expected to grow to 701,000 by 2037
- A demographic shift is underway with a decrease in the numbers of 20 to 65s by 2037
- Increase in the number of children and teenagers by 2037
- Number of people aged 65+ is expected to increase by 41% in the next 20 years
- 96% of households describe themselves as White British with 1.4% Asian/Asian British, other white groups 1.2% and other ethnicities at 0.8%.

### Jobs and skills



- 17,100 enterprises and 220,000 jobs
- Median weekly earnings in the Tees Valley have increased to £507
- Large rise in private sector employment (80%)
- 127,000 jobs need filling by 2022
- 87.9% of people who work in the Tees Valley live within the area
- The employment rate in the Tees Valley is 68.8%, lower than the UK average of 73.5%.

### Business and finance



- The Tees Valley contributes over £10.6bn to the national economy
- England's largest port and an international airport
- Extensive supply of enterprise zones
- Low business density
- Highest business start-up rates in the UK
- A 20% rise in digital companies.

### Properties/Property types



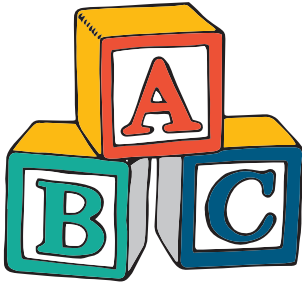
- 306,500 occupied homes in the Tees Valley
- 47% of households fall in Council Tax Band A (double the national average)
- 2,000 new homes each year need to be constructed across the Tees Valley
- Over 5,000 vacant homes
- Greenfield locations have become the predominant sites for new housing supply as this is where the demand is for new homes, making it difficult to cross-subsidise brownfield and regeneration sites.

### Rental/Ownership options



- 182,000 owner-occupied homes, 55,000 in social rent, 41,000 private rented
- Level of social rent is higher than the national average (20% compared to 12.5%)
- Private rented sector is lower than national average (15% compared to 16.8%)
- Housing in the Tees Valley is more affordable than most parts of the country. In 2015 the price of a median priced property was £136,000, 5.3 times the median average salary of £25,530. In England as a whole the ratio is 9.9. In the Tees Valley, only 27% of take-home pay would be spent on renting a two bedroom home, whereas it would be 41% of pay in England.

## Education



- Tees Valley primary schools are above the national average, with high quality schools and excellent performance
- 90% of primary schools are rated good or outstanding by Ofsted
- One in three secondary schools require improvement or are classed as inadequate by Ofsted
- Take-up of apprenticeships is much higher in the Tees Valley than nationally with 5.2% of 16-35 year olds starting an apprenticeship in 2014/15 compared to 3.4% nationally.

## Moving home



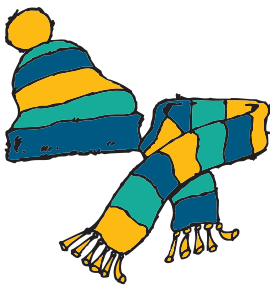
- In 2012, most people wanted to live within the Tees Valley, with only 16% of people wanting to move out to live in a better/more pleasant neighbourhood
- Projected housing need for the next 15 years across the Tees Valley is almost 30,000 dwellings
- Older people are needing to downsize, preferring bungalows rather than flats.

## Housing market



- Properties are selling and letting in the Tees Valley, although we have to be realistic that price and location are sensitive.

## Standard of living



- Areas of severe deprivation with polarity increasing
- 12.5% of households are 'fuel poor' (35,000 households – one of the highest in the country).

## Changes in our operating environment since last year



- New entrants into our operating environment such as 'for profit' organisations purchasing Section 106 properties from housebuilders
- Local authorities creating their own housing companies
- Lifting of the housing revenue account borrowing cap as councils look to build houses themselves
- Competition for certain skill sets
- The pool of building contractors becoming smaller
- Our move to 'land-led' development
- Our purchase of Gus Robinson Developments.

## Key issues impacting on our strategy

- A stabilised and growing population makes our existing stock more sustainable and creates new housing needs and demands that we can satisfy by building more homes and delivering support services
- We can support the local economy by providing a housing offer that retains and attracts people to the area
- We can deliver regeneration projects to improve the area's economic output, as well as its environment as a place to live, work and visit
- We can do more to help provide specialist places to live
- Potential tenants have more choice in the market and we need to compete with others with an attractive offer in terms of the house and surrounding neighbourhood
- Public sector budget cuts and welfare reform changes are adversely affecting some tenants, with crime, fear of crime and financial distress being real issues in some neighbourhoods
- We can provide assistance to tenants to help with money matters and to find employment
- We need to meet any specific accommodation needs based on household ethnicity
- Affordability through benefits is changing the demand for certain types of homes and this is being planned for within our asset management and development strategies
- We can do more to help people in work to access good quality accommodation, be it rented, shared ownership or market sale
- We have released additional capacity to invest in existing homes and neighbourhoods as well as the supply of new homes
- Whilst customer satisfaction is improving, we need to work hard to continue this trend.

## Moving from four to three priorities

We have had the same four priorities for the organisation since 2016. This has been helpful to provide clarity as we have delivered so much change and improvement within Thirteen.

We reflected with colleagues and board members over the summer and concluded that priority two – being a social entrepreneur - is much more part of day-to-day operations now.

Because of this we are focusing on three priorities, which all have intrinsic elements of being a social entrepreneur. The three priorities are:

### 1. Great customer experience

### 2. Delivering quality places to live and improving neighbourhoods

### 3. Being Team Thirteen - considerate, smart and progressive



## Summary of key issues informing our strategy

Strengths:	Weaknesses:
<p><b>External</b></p> <ul style="list-style-type: none"> <li>Improving local economy</li> <li>Significant inward investment pipeline</li> <li>Housing needs</li> </ul> <p><b>Internal</b></p> <ul style="list-style-type: none"> <li>Financial capacity</li> <li>Simpler group structure</li> <li>Reputation, skills and experience of our boards and colleagues</li> <li>Foundations of new neighbourhood operating model</li> <li>Stock sustainability model</li> <li>Our experience and ability to continually adapt and change</li> <li>Sound internal systems and control environment</li> <li>Ability to build the right partnerships</li> <li>Reputation for attracting external funding</li> <li>Specialism in providing innovative support service solutions</li> <li>Improving KPIs – e.g. satisfaction and repairs</li> </ul>	<p><b>External</b></p> <ul style="list-style-type: none"> <li>Cuts in public sector funding and withdrawal of services impacting negatively on some tenants' and customers' lives</li> <li>Gaps in the local economy</li> <li>Poverty</li> <li>Changes to welfare system</li> <li>Desirability of some areas due to high crime, anti-social behaviour and perception</li> </ul> <p><b>Internal</b></p> <ul style="list-style-type: none"> <li>Level of debt some households face and money they owe us</li> <li>Turning around void properties</li> <li>Lower market demand in some areas</li> </ul>
Opportunities:	Threats:
<p><b>External</b></p> <ul style="list-style-type: none"> <li>Homes England Strategic Partnership</li> <li>Delivering more homes of different tenures</li> <li>Partnerships with local authorities, health and other housing associations</li> <li>Growth in the local population</li> <li>Strength of economic development pipeline</li> <li>Modern methods of construction</li> </ul> <p><b>Internal</b></p> <ul style="list-style-type: none"> <li>Level of investment in existing homes</li> <li>Using Gus Robinson Developments within the Group to reduce our build costs</li> <li>Intensive neighbourhood management</li> <li>Building on the learning from the voids pilot and the Clean Sweep initiative</li> <li>Responding to changing housing needs with service offers</li> <li>Our ability to help with fuel poverty</li> <li>Digitisation</li> <li>Further efficiencies</li> <li>Ability to build new homes</li> </ul>	<p><b>External</b></p> <ul style="list-style-type: none"> <li>Impact of Brexit on the housing market</li> <li>Further changes to policy environment</li> <li>Changes to welfare policy</li> <li>Further public sector funding reductions</li> <li>Offer from the private rented sector</li> <li>Lack of medium/long term commissioning intentions from LAs and health</li> <li>Skills shortages</li> <li>Material shortages – i.e. bricks</li> </ul>



## 6. Our Priorities

### Priority One - Great Customer Experience

#### Why this is important to us

We aim to ensure that our customers see us as the housing association of choice. We believe that everyone should get the same quality of service, no matter where and how they come into contact with us.

#### Progress so far

A survey of overall satisfaction show customers would recommend us to others, but also that they want a closer relationship with our teams. That's why we introduced the new operating model in April 2018, putting neighbourhoods at the heart of our business, having a more visible presence, developing closer relationships and creating an even bigger impact on our communities, as well as giving tenants a greater voice. As part of the new model we have reshaped many of our teams, making us much easier to do business with. Learning from customer feedback, we've significantly improved core services such as delivering repairs right first time - the number one request from tenants. We implemented a new repairs system in September 2017 which is better for allocating jobs. To fit in with busy lives, we now offer Saturday appointments for routine repairs. Together these improvements have earned us a 96% approval rate.

We know that some people need a helping hand and that's why we continue to focus on accommodation-based support and specialist support services.

#### Outcomes we will deliver

- More of our tenants staying with us longer
- Letting more of our homes and more quickly
- Improved customer experience
- Less debt owed to Thirteen.

#### Maintaining performance improvement in these areas

- Maintain percentage of repair jobs fixed first time at above 90%
- Maintain 100% valid landlord gas safety certificates
- Maintain 100% of complaints resolved within five working days
- Maintain calls to our contact team being answered on average within 30 seconds.

#### Areas for improvement (to achieve these outcomes)

- Improve overall customer satisfaction from 87.45 to 90%
- Improved average time to complete a repair by one day to achieve top quartile performance
- Reduce tenant turnover - sustainability
- Reduce the number of voids by 100 on average to get to top quartile performance and increase rental income
- Reduce the average days to turnaround a void from 45 days to 30
- Reduce the level of debt owed by current and former tenants to median quartile
- Improve first contact resolution to our target of 80% (currently 74%)
- Promote and focus our support services to sustain tenancies.



## Major activities we will deliver to achieve this priority

### 1.1 Touchpoint Programme

We believe everyone should get the same quality of service, no matter where they come into contact with us. That's why we're investing in our Touchpoint programme, including a high street presence and new digital approach, and investing in our contact team at the end of the phone, to make all our services more accessible, direct, quick and easy.

#### Our Touchpoints

You can access a consistent, high level of customer support and services **wherever** you are, **whenever** you wish, for **whatever** you need through any **Thirteen Touchpoint** - giving you Thirteen at your fingertips.



#### Impact:

- More of our tenants staying with us longer
- Letting more of our homes and more quickly
- Improved customer experience
- Less debt owed to Thirteen
- Efficiencies
- Pilot customer outlet on Stockton High Street

#### Lead:

Executive Director of Service Delivery and Development (EDSD&D)

#### When:

2019

### 1.2 Replace choice based lettings

The current choice based lettings approach as part of the Compass partnership does not meet current and prospective tenants' expectations. We will deliver a new digital letting platform making it easier for people to get a home with us, manage their tenancy and access our services.

#### Impact:

- More of our tenants staying with us longer
- Letting more of our homes and more quickly
- Improved customer experience
- Efficiencies

#### Lead:

EDSD&D

#### When:

2019-22

### 1.3 Further improvements to our repairs service

We implemented a new repairs system in 2017 which is better for allocating repair jobs and has contributed to improving the effectiveness of the service. We are now planning to make further improvements to the repairs system to improve productivity and effectiveness.

#### Impact:

- Improved productivity

#### Lead:

Executive Director of Property Services (EDPS)

#### When:

2019

#### 1.4 Promote our total service offer

As well as the core services we provide as a housing association landlord we need to promote the range of additional services that are available to current and potential tenants and customers, including specialist housing, support services and independent living.

##### Impact:

- Improved take up of services
- More of our tenants staying with us longer
- Letting more of our homes and more quickly
- Improved customer experience
- Less debt owed to Thirteen

##### Lead:

EDSD&D

##### When:

2019

### Measuring What Matters

Ref	Key Performance Indicator	Targets					Lead
		2019/20 Current Year	2020/21	2021/22	2022/23	2023/24	
1.01	Satisfaction with our service	90%	90%	90%	90%	90%	SDCE
1.02	Satisfaction with repairs	82%	83%	84%	85%	86%	SDI&M
1.03	First Contact Resolution	80%	80%	80%	80%	80%	SDCE
1.04	No. of Digital Accounts in active use	7,000	9,000	12,000	13,500	15,000	SDBD
1.05	Repairs First Time Fix	98%	98%	98%	98%	98%	SDI&M
1.06	Average Calendar Days to complete a Repair	8.00	7.75	7.50	7.00	7.00	SDI&M
1.07	Valid Gas Safety Certificate	100%	100%	100%	100%	100%	SDI&M

## Priority Two - Delivering Quality Places to Live and Improving Neighbourhoods

### Why this is important to us

The quality of neighbourhoods is as important as the quality of the housing and contributes to overall quality of life. We can't create a sense of community but we can help put in place the conditions to help make it happen. That is why our operating model puts neighbourhoods at the heart of everything we do, ensuring we work with partners to deliver exactly what's right to help communities thrive.

We will continue to maintain and invest in our houses and estates, providing a range of new homes and tenures to address the housing needs in our operating area. By being more efficient, we will invest in neighbourhoods to improve the housing offer and the place and provide employment opportunities to make a major contribution to the regeneration of the Tees Valley.

### Progress so far

We have a 30 year investment programme of over £1bn to update our homes and we invest more in our homes than many of our peers replacing roofs, kitchens and bathrooms. We are starting to pilot new investment initiatives within our neighbourhoods such as street cleaning to improve the area for tenants and customers. Our new affordable homes programme continues to grow. We spent £29m developing new homes last year and there is a pipeline of new development schemes across the North East and North Yorkshire. This year we will build almost 330 new affordable homes. We have recently secured a strategic partnership with Homes England to increase our development programme by another

1,000 homes. Providing specialist places to live for older people and those with learning or mental health issues remains part of our development programme. Alongside our programme of affordable homes, we have established our subsidiary Thirteen Homes which offers homes for outright sale with our first site in Whitby and more in the pipeline, with the profits Gift Aided to the group to invest in our charitable activities.

### Outcomes we will deliver

- Improved customer experience
- More tenants staying with us for longer

### Maintaining performance improvement in these areas:

- Maintain 70% of our homes having a high energy efficiency rating
- Maintain green grade compliance with Homes England for our development programme

### Areas for improvement

- Increase the pipeline of sites for new homes under contract
- Spending to funding profiles
- Improving tenants' perceptions of their neighbourhood as a place to live



## 2.1 Investing in our homes

We have a continuous programme of improving our stock. Last year we invested £34m in our homes and neighbourhoods which compares very well with our peers. A typical year sees 4,000 homes receive work, including new roofs, kitchens, bathrooms, windows and doors and energy efficient boilers installed.

### Impact:

- £411m spent in our current homes for tenants over the next five years through repairs and investment
- Introduction of a new home re-let standard
- Improved customer satisfaction
- Less tenancy turnover

### Lead:

EDPS

### When:

2019-24

## 2.2 Neighbourhoods at the heart

Neighbourhood improvements will be undertaken in a number of pilots with intensive neighbourhood management to ensure tenants have a safe home in a quality neighbourhood, leading to a sustainable tenancy.

### Impact:

- £50m invested over the next five years
- Improved customer satisfaction
- Less tenancy turnover
- Reduction in voids
- Intensive neighbourhood pilot undertaken in Hemlington including:
  - street cleaning/deep cleans
  - improvements so that people feel safe and comfortable in their homes

### Lead:

EDSD&D

### When:

2019-24

## 2.3 Building new homes

As people move through life they want more choice. Last year we spent £29m on developing new homes. Our plan is to build 3,300 places for people to live over the next five years including affordable, shared ownership and homes for market sale.

### Impact:

- Building almost 3,000 new affordable and shared ownership homes by 2024
- Building 298 new homes for market sale by 2024, with the profit being reinvested back into our social purpose
- Relocating 340 households from five high-rise blocks which will then be decommissioned and replaced with new homes
- Creating 6,000 jobs from construction investment
- Creating 300 apprenticeships for local people

### Lead:

EDSD&D

MD of TH

EDSD&D

### When:

2019-24



## 2.4 Thirteen Plus - health and independence

People's lives are changed as we help them into healthier independent living. Our range of specialist accommodation is tailored to the needs of people including care leavers, the homeless, teenage parents, people with profound learning disabilities and victims of domestic abuse. We offer home adaptations to enable older people to stay in their homes longer and supported accommodation when they choose to move on. We will build 700 homes for people with specialist needs.

### Impact:

- Building 700 new independent living places to live by 2024
- Investing £5m by 2024 for home adaptations so older people can stay in their homes for longer
- Creating 1,400 jobs from construction investment
- Investing £10m in support services to improve the health and independence of our clients and customers

### Lead:

EDSD&D

### When:

2019-24

## 2.5 Thirteen Plus – additional support services

We go beyond bricks and mortar to develop targeted help and support so people who need some help can live more successfully. The ever growing range of support services includes money advice, help with Universal Credit, tenancy enforcement, financial planning and help to get into work or training, gardening services and homeless support.

### Impact:

- Helping residents sustain their tenancies
- Investing £11m in tenancy support services for tenants
- Securing at least £6m in additional benefits for tenants
- Helping 2,000 tenants get help into work or training
- Reducing the level of debt owed to Thirteen

### Lead:

EDSD&D

### When:

2019-24

## 2.6 High-rise

During 2018 we undertook a review of our 18 high-rise blocks and concluded that we would re-home households from five high-rise blocks, demolish them and replace them with new housing. We are part-way through finding new homes for the affected households. We are also going to deliver fire suppression to our remaining high-rise blocks with one block already completed.

### Impact:

- Rehousing 340 households
- Agreeing proposals to demolish the affected five high-rise blocks
- Securing planning consent to replace the affected high-rise blocks with new homes
- Deliver new homes on the sites of the high-rise blocks
- Deliver fire suppression (sprinklers and misting) to all our remaining high-rise blocks

### Lead:

EDSD&D

EDPS

### When:

2019-21

2018-24

## Measuring What Matters

Ref	Key Performance Indicator	Targets					Lead
		2019/20 Current Year	2020/21	2021/22	2022/23	2023/24	
2.01	Reinvestment – major repairs cost per unit	£1,600	£1,441	£1,456	£1,484	£1,492	SDA&S
2.02	Voids available to let	220	200	200	200	200	SDN
2.03	Tenant turnover	11%	11%	11%	11%	11%	SDN
2.04	New affordable homes delivered	400	550	625	700	725	SDNHD
2.05	Income from shared ownership; first tranche and stair casing	£3,898k	£4,796k	£1,651k	£11,164k	£19,206k	MDTH
2.06	New independent living homes built	0	0	140	102	0	SDNHD / SDCSS
2.07	New private for sale homes built	0	65	79	77	77	MDTH
2.08	Gross profit margin from private for sale homes	15%	15%	15%	15%	15%	MDTH

## Priority Three - Being Team Thirteen

### Why this is important to us

Team Thirteen is about being high performing, collaborative and efficient. We want to be an employer of choice, focused on the continued development of board directors and colleagues with the necessary skills and experience to deliver this strategy. The ability to deliver high quality services to our 70,000 customers in a coordinated way depends critically on attracting and retaining the right people with the right skills who are ambassadors for Thirteen. Part of that means providing a supportive and motivating environment for our 1,500 colleagues.

### Progress so far

Following the consolidation of Thirteen into one single integrated business, during 2017 and 2018 we reshaped teams to ensure we have the right capacity, resilience, skills and aptitudes to deliver, centred around our new operating model. People are situated in the right place and roles for optimum performance, with any structural obstacles to performance and growth removed and the expectations of colleagues made clear. So far, this has included:

- The development of 'role profiles' including expectations of behaviours and accountabilities at each level across the business
- The implementation of a digitised performance management framework for all colleagues
- The introduction of a suite of employment policies, procedures and toolkits
- A 'reset' programme for colleagues following reshape

- A new colleague induction process
- Be Thirteen, a campaign based around our values of considerate, smart and progressive
- Manager of Thirteen training
- A review of our reward strategy and subsequent frameworks
- A Rising Stars programme to develop future talent and leaders
- A colleague Net Promoter Score of +16 when colleagues were asked if they would recommend Thirteen as a place to work.

### Outcomes we will deliver

- Remain financially sound
- Employer of choice
- Invest in our people
- Strong governance, ensuring we remain legal and safe and fully compliant
- Embed agile working arrangements

### Maintaining performance improvement in these areas

- We want to retain our G1 and V1 rating from our regulator because governance, finances, value for money and being more efficient are key drivers in everything we do.
- One of our aims is to maintain an operating margin of above 30% and continue to make efficiencies across the business.





### **Great days at work in Thirteen**

We are aiming to create an experience where working at Thirteen makes colleagues feel:

## **PROUD**

A sense of achievement in our ability to positively impact our colleagues, customers and region.

## **ENERGISED AND IN CONTROL**

Feeling that the demands we face are clear, realistic and consistent.

We truly believe in what we are doing and trust that decisions made that impact us are informed and considered.

## **CONNECTED AND INFORMED**

We understand what is important to focus on and why.

We really feel like we are part of making a difference to our customers.

## **CHALLENGED**

So we feel we are part of a real effort to make a difference, in a business that allows us to feel stretched and positively challenged.

We are supported to build our professional skills and experience in delivering excellence.

## **VALUED**

Recognised and appreciated for the effort we make and the impact we deliver.

We have a clear sense that those around us appreciate the energy required to deliver what we do.



## Major Activities we will deliver to achieve this priority

### 3.1 Be Thirteen – improving our colleagues' experience of working with us

Thirteen colleagues are passionate about what they do. They care about making a difference and striving to improve. Proud of our achievements, we also know we have areas to improve and these are firmly in our plans. We need to remain flexible, with a clear focus on our role in helping to address housing need and improving services for the people in our area. Each element of the employee's life cycle is of vital importance; from 'attract me', to 'get me started', to 'develop me', right through to 'wish me farewell', enabling us to attract and retain excellent colleagues.

**Impact:**

- Improve colleague Net Promoter Score to +18 in 2019-20
- Improve colleague Net Promoter Score to +20 in 2020-21

**Lead:**

Executive Director of Resources (EDR)

**When:**

2019-24

### 3.2 Right space, right place

Following the introduction of the new operating model, not as many colleagues are using our two main offices. We will conclude a review on what is the most efficient way to run our support office. We will also explore providing more accommodation within neighbourhoods and support agile working with investment in systems and equipment.

**Impact:**

- Desk ratio from 1:1 to 0.75
- Reduce running costs

**Lead:**

EDPS

**When:**

2019-20

### 3.3 Doing things differently

We have a track record of making efficiencies so that we can deal with cost and income pressures without impacting on service delivery. Whilst many of our services are already low-cost compared to other housing associations, we know we can still explore doing things differently to achieve additional cashable efficiencies that can be reinvested back into the business. We will continue to investigate high cost areas and explore ways of delivering services differently.

**Impact:**

- Achieve cashable efficiencies of 3% of turnover each year to be reinvested back into the organisation to make further service improvements

**Lead:**

EDR

**When:**

2019-24

### 3.4 Financing the plan

We have significant financial capacity to deliver this plan following the consolidation of the landlords. To deliver the level of investment planned within our existing homes and neighbourhoods as well as in new homes, we will need to secure additional borrowing (within our financial capacity) so that we can achieve the ambition of the plan.

**Impact:**

- Increase available funding facilities to maintain headroom in the financial plan
- Enable investment in current and new homes and neighbourhoods

**Lead:**

EDR

**When:**

2019-22



## Measuring What Matters

Ref	Key Performance Indicator	Targets					Lead
		2019/20 Current Year	2020/21	2021/22	2022/23	2023/24	
3.01	Colleague Net Promoter Score	+18	+20	+22	+25	+25	SDP
3.02	Learning and Development Investment per employee	£417	£426	£434	£443	£452	SDP
3.03	Staff sickness	2.50%	2.50%	2.50%	2.50%	2.50%	SDP
3.04	EBITDA – Interest Cover	213%	243%	251%	249%	249%	SDT&I
3.05	Operating Margin	20.83%	23.45%	24.51%	23.85%	24.74%	SDP&T
3.06	Capital Funding Liquidity	24 months	24 months	24 months	24 months	24 months	SDT&I
3.07	Gearing	31%	30%	29%	29%	28%	SDT&I
3.08	Current Tenant Arrears	£6.25m	£5.92m	£5.62m	£5.39m	£5.07m	SDN
3.09	Former Tenant Arrears	£5,289m	£5,684m	£6,009m	£6,296m	£6,576m	SDP&T
3.10	Office overhead / cost per person	£1,022	£887	£774	£702	£702	SDFM
3.11	Efficiencies delivered	3.00%	3.00%	3.00%	3.00%	3.00%	SDP&T

# 7. Partnership and Growth

Partnership and continued growth is our future. Links between Thirteen and private companies, social enterprises, health trusts, local and national government open up opportunities for special projects delivering mutual benefit. The Board has agreed that this will be focused around four areas to support the three priorities of this strategic plan.

**thirteen**  
Managing and building homes

**Thirteen as a housing association**

<b>Current:</b> 34,000 properties	<b>By 2024:</b> 37,000 properties
--------------------------------------	--------------------------------------

**thirteenplus**  
Support for living

**Providing places for independent living - health and housing**

<b>Current:</b> 3,000 places for people to live independently	<b>By 2024:</b> An investment of £58m to create an additional 700 places for people to live independently
--	--

**thirteenhomes**

**Providing homes for market sale**

<b>Current:</b> 98 homes for sale in Whitby, a scheme in County Durham with planning permission and further sites in the pipeline	<b>By 2024:</b> 298 market sale homes delivered and the profit gift aided to the Group for investment in services that meet our charitable objectives
--	--



**Providing contracting services for housing associations, developers, local authorities and others**

<b>Current:</b> Turnover of £25m pa	<b>By 2024:</b> Turnover of £35m pa
--	--

## 8. Consultation and Engagement

To succeed and develop, it's vital to ensure that we listen to the views of our range of stakeholders, including customers, staff and partner organisations.

Effective consultation not only gives us valuable input, it also gives us insight from outside the business, which can help us reflect on issues we may not have considered, helps gain buy into what we are trying to achieve, build relationships and ultimately help us deliver.

### Customers

We're committed to listening to the tenants' voice. After all, our customers are why we exist. Our customer involvement framework puts customers at the centre of our business, ensuring that throughout the year, they can have a say, can input in a variety of ways that suit them and can even scrutinise our services where necessary.

Not just listening but responding and acting where necessary is a key element of preparing our strategic plan.

A wide range of customers gave input into our plan while it was in its draft format, talking to us face-to-face at specially-arranged focus groups.

We asked them their thoughts on each element of the plan, from our philosophy to each of the priorities and the associated actions, as well as any additional comments they'd like to add.

Customers told us that overall they were happy with our proposals for the actions under each priority and made some additional comments; with the largest amount telling us they were happy as a Thirteen customer.

The results of the customer engagement and consultation are listed below:



### Priority One: Great Customer Experience

Customers told us they want to Thirteen to be the landlord of choice. They also want us to ensure there's a focus on retaining customers as well as attracting new ones and told us they valued our plans to reduce the time to complete a repair further.

### Priority Two: Delivering Quality Places to Live and Improving Neighbourhoods

Delivering affordable housing is key for customers and they want us to ensure the tenants' voice is heard when it comes to not only their views and concerns but also sharing their knowledge. Delivering sheltered housing and adaptations is also important to them under this priority.

### Priority Three: Being Team Thirteen

Job vacancies are of importance to customers within this priority, ensuring we maximise the promotion of them so residents and tenants are also aware of opportunities. They also feel that being a landlord of choice and employer of choice are both of real importance.



## Staff

Our colleagues are what makes Thirteen work; they're the people that make things happen. Ensuring teams and individuals are fully engaged and committed to the priorities, values and behaviours of the organisation is vital to its delivery.



Our colleagues have a vast understanding of frontline service delivery, as well as what's needed behind the scenes to make that happen; so it's vital they have a say about our priorities and the actions that will help us achieve them. This in turn gives people the chance to fully understand how they play a part in delivering the plan.

During the creation of this plan, every colleague across the organisation could give their views through meetings and online methods, including anything they felt was missing and anything that could help or hinder its delivery.

Some key themes emerged, as shown below:

### Priority One: Great Customer Experience

- Colleagues are keen to see us maximising the research we've carried out on customers, what they expect from us and what a great customer experience looks like
- Staff members are happy to see us using the words 'housing association' to describe Thirteen.

### Priority Two: Delivering Quality Accommodation and Regenerating Neighbourhoods

- Ensuring we fully promote our range of support services is a priority for staff
- Colleagues feel we need to look wider at estates to improve them, including cleanliness and social aspects
- People are positive about Thirteen's description of offering 'homes and so much more'.

### Priority Three: Being Team Thirteen

- Ensuring colleagues have the right kit to work in a more agile way is key for staff members
- Colleagues are keen to see a focus on expanding and growing the business
- Being a great employer is also important to staff members.

## Partners

Our wide range of partners is vital in how we operate as a business and deliver for our customers, the Tees Valley and wider area. Our stakeholders can give us unique insight into issues and external influences that will affect us as a business.

We sent a draft of this plan to our partners to get their thoughts and feedback on our direction and key projects that are planned.

While their responses weren't given in line with each of the priorities, they were generally positive about the strategy and our upcoming plans.

Comments were made that putting money from home sales back into services and affordable homes was welcome and that they believed overall the strategy has good plans to reach its aspirations.

There were also some useful comments relating specifically to support for customers to ensure more tenancies are sustained, anti-social behaviour is dealt with and rent debts are addressed appropriately.

Overall there was a real appetite for Thirteen to continue working collaboratively with our local authority and key partners such as health agencies; something we are committed to and that's vital for our success.



## 9. How we will Deliver the Plan

### Our Approach to Delivering Value for Money in Meeting our Priorities

#### Value for Money

Value for Money (VfM) is about obtaining the maximum benefit over time with the resources available. Spending less. Spending well. Spending wisely.

Our aim through our VfM programme is to create the optimum balance where costs are relatively low, productivity is high and successful outcomes have been achieved.

#### We will achieve further VfM by:

- Reducing costs (labour costs, better performance and commissioning) for the same outputs
- Reducing inputs (people, assets, energy, materials) for the same outputs
- Greater outputs with improved quality (additional services or production) for the same inputs
- Getting more outputs or improved quality in return for an increase in resources.

Having delivered a significant amount of efficiencies since the formation of Thirteen; In 2019 we will commence a three to four year programme of VfM MOTs to ensure that approach taken in delivering those efficiencies becomes further embedded and normalised.

Looking at the performance from a financial (including cost per unit), performance, regulatory and customer satisfaction perspective, we will work through all service areas across the business, taking four to



five areas per annum to ensure we have truly uncovered the most effective ways of working, reducing any delivery gaps whilst also increasing satisfaction.

#### Business planning and strategic fit

The Board and Leadership Team are able to challenge the budget and reporting cycle, routinely reviewing performance outcomes, VfM and efficiencies, by using rolling forecasts, linked to performance management on a quarterly basis.

We have a clear understanding of how our procurement strategy aligns with the strategic plan, neighbourhood plans and team plans and what it is designed to achieve.

We have up-to-date need assessments across relevant services, which look at

future as well as current needs. We can demonstrate a good level of engagement with local communities in identifying priorities for local improvement and a strong understanding of inequalities and identify how Thirteen can contribute to narrowing the gap between vulnerable groups and the rest of the community. Neighbourhood need assessments will drive forward decisions and partnership objectives, aligning resources and priorities around the areas of greatest need.

We will continue to work with partners to establish a shared understanding of the totality of resources that they can bring to bear in neighbourhood patches, with a view to efficient and effective use of resources to narrow gaps.

## Whole life costs

We consider VfM over the whole life of the service, taking into consideration whole life costs and benefits by:

- Having a considered approach to whole life costs of assets and services. This incorporates the direct and indirect costs of acquiring, valuing and disposing of assets
- Having clear criteria when to apply such an approach, for example, in relation to significant procurement decisions
- For major decisions, we appraise options for their impact on wider social, environmental and economic factors and how these achieve sustainable development.
- Investment decisions are based on an analysis of whole life cost benefits, appraised for their impact on the wider social, environmental and economic factors.

## Costs and benchmarking

We regularly review our costs and assess whether they are proportionate with the range, level and quality of services provided. We use benchmarks to help us assess and to challenge performance. Areas of high costs are identified and scrutinised on a regular basis. As mentioned above, the VfM programme, in addition to the quarterly review by the Boards, will ensure costs correspond with performance.

Costs for key services will not be significantly higher than other organisations providing similar levels and standards of service,

allowing for local factors. Within our project and programme management framework (covered later) we have processes in place to identify and hence realise planned efficiencies from the services and projects we undertake.

## Doing things differently

We actively seek and evaluate new ways of delivering services to achieve efficiencies by using business process re-engineering techniques to improve processes and structures. We have set some challenging targets.

Efficiency targets aim to be stretching yet achievable and reflect a good understanding of how costs behave and how they can be managed. We will meet and exceed our efficiency targets.

We can achieve the planned outcomes in the Strategic Plan and across services, moving to relatively low costs overall in most instances other than major investment and this responds to our stock condition survey. We all understand that we may need longer

timescales for some outcomes and that they might cost more initially - but lead to better outcomes in the longer term.

We have put plans in place so that the relative total and unit cost of delivering the same level of services are planned to reduce over time. We continue to make use of comparison and benchmarking to increase awareness of costs and improve service effectiveness.

We actively identify and implement new ways of working and delivering services, and invest in new technology to benefit service delivery. We work with partners where this can improve the customer experience of services and help to secure efficiencies.

## Strategic risks during this time of challenge and change

The Board has agreed, and continually reviews and monitors, a set of strategic risks, taking into account the sector risk profile, the regulator's expectations and key themes from Board risk discussions and stress testing exercises. The board directors have also





articulated their risk appetite and tolerance for each of those risks.

### Assurance Mapping

The Board has agreed, and continually reviews, a set of strategic risks, which reflect our operating environment, external factors and influences, the sector risk profile, the regulator's expectations, and key themes from board risk discussions and stress testing exercises. The Board has also articulated its risk appetite and tolerance for these risks.

At each meeting the Board considers the impact of any of its discussions and decisions on the status of the strategic risks – both positive and negative – and whether any additional mitigating actions are required as a result.

The risks are grouped under our strategic priorities as follows:

### Priority One: Great Customer Experience

- **Risk 1:** Failure to manage the impact of welfare reform changes
- **Risk 2:** Inability to let and sell our homes
- **Risk 3:** Significant financial loss or variation to existing financial arrangements impacting on ability to deliver
- **Risk 4:** Failure of governance arrangements across the group

### Priority Two: Delivering Quality Accommodation and Regenerating Neighbourhoods

- **Risk 5:** Inability to adapt to a changing housing market, customer groups and demographics
- **Risk 6:** Failure to manage a growing development programme
- **Risk 7:** Failure to manage our asset base, repairs and investment programme for the benefit of tenants

### Priority Three: Being Team Thirteen

- **Risk 8:** Information governance and data protection arrangements are compromised
- **Risk 9:** Failure to keep tenants, customers and colleagues legal and safe
- **Risk 10:** Failure to implement the new neighbourhood operating model

Our risk register incorporates details of the controls in place and plans, our three lines of defence, the status of financial golden rules and risk KPIs. Mitigating action plans are monitored by the Audit and Risk Committee on behalf of the Board.

Executive and service directors own and monitor the strategic risks controls and associated action plans, and these are informed and supported by service risk registers.

We have also developed a compliance assurance policy and dashboard to enhance our strategic assurance framework. This brings together all compliance indicators relating to customers, clients and colleagues, and includes matters such as gas and fire safety, safeguarding and GDPR requirements. It enables the Board to see at a glance the current status of compliance performance indicators, who is responsible, what the triggers for escalation are and whether the matter is reportable to the regulator or another regulatory body.

### Internal control

We have clearly defined policies and procedures governing all aspects of our business. We continue to review and refine these to meet changing operational requirements. Defined authority limits are in place. Significant investment needs committee/board approval based on sound and robust business cases. There is a clear organisational framework in place and this will continue to be reviewed to ensure we are best-placed to deliver our priorities.



**The governance framework** primarily ensures that we remain **legal and safe** and includes our standing orders and financial regulations, business continuity, disaster recovery, code of governance and risk and assurance framework.

The Value for Money (VfM) programme, as set out earlier in this plan, underpins our financial viability and includes our financial business plan, treasury management, investment and tax planning strategies

### Our Regulator

The Regulator of Social Housing is responsible for regulating registered providers of social housing in England. Its objectives are set out in the Housing and Regeneration Act 2008.

The regulatory standards for social housing in England are the core of the regulatory framework requirements with each standard setting out required outcomes and specific expectations of registered providers.

The Board is responsible for ensuring that we meet the requirements of the regulatory standards, embracing a co-regulatory and transparent approach to regulation and ensuring we remain open and accountable in how we meet our objectives.

The Board reviews performance against the Economic Regulatory Standards to confirm compliance and our involved customers are responsible for assessing compliance with the Consumer Standards

# 10. How we will Pay for the Plan's Delivery

## Financial Plan Summary

Inline with our regulatory requirements and also to satisfy the loan requirements of our funders, we prepare a 30 year financial plan on an annual basis. This plan takes into account our current financial position, assesses what is required to deliver the strategic objectives and then projects this over 30 years to ensure that we have the financial capacity to deliver what is required.

Paragraph on rent position, income assumptions and all other assumptions as set out in detail in Appendix I.

The key assumptions are set out in Appendix I and include economic Consumer Price Index (CPI), Retail Price Index (RPI), interest rates, increases in real costs (i.e. above CPI), income assumptions (voids and bad debts), along with expected property sales and new property developments.

The Financial Plan is attached in Appendix II and includes projections of activities for the period 1 April 2019 to 31 March 2049. The Appendix includes a Statement of Comprehensive Income, a Statement of Financial Position and a Cash Flow Forecast. The financial plan is covenant compliant in each year and has significant headroom to our golden rules. The plan includes significant investment for our existing homes, including over £411m over the next 5 years on repairs and investment maintenance and over £159m on management and service costs.

## Golden Rules Dashboard

Financial Measure	Covenant (or equivalent)	Golden Rule
Minimum Cash & Cash Equivalent	£3.6m	£9.0m
Capital Funding Liquidity	18 months	24 months
Intragroup On lending limit	£25.0m	£20.0m
Interest Cover – minimum	110%	165%
Gearing – maximum	54.0%	40.0%
Asset Cover – minimum	135%	200%

Stress testing has been carried out on the financial plan with the Board in January 2019. The stress testing included a number of single and multi-variant scenarios and demonstrated how robust and resilient the financial plan is, as a number of scenarios did not break the plan. For the scenarios that did break the plan, which in the main were multi variant scenarios, there are mitigations in place, which also consider how soon the solution could be in place to get the plan back in to recovery state.

# 11. How we will Measure our Impact

## What we are doing

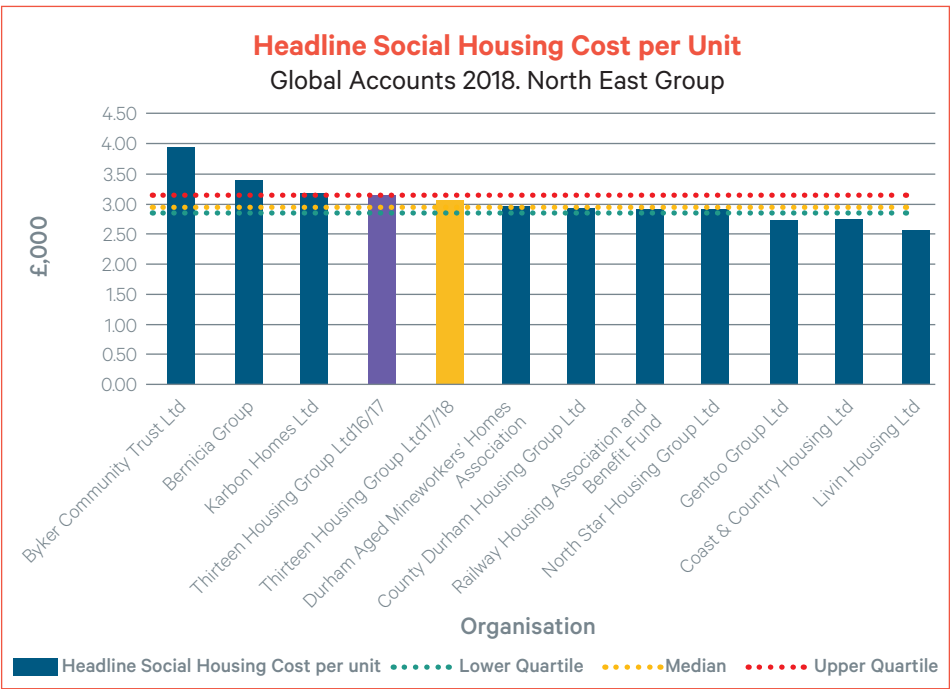
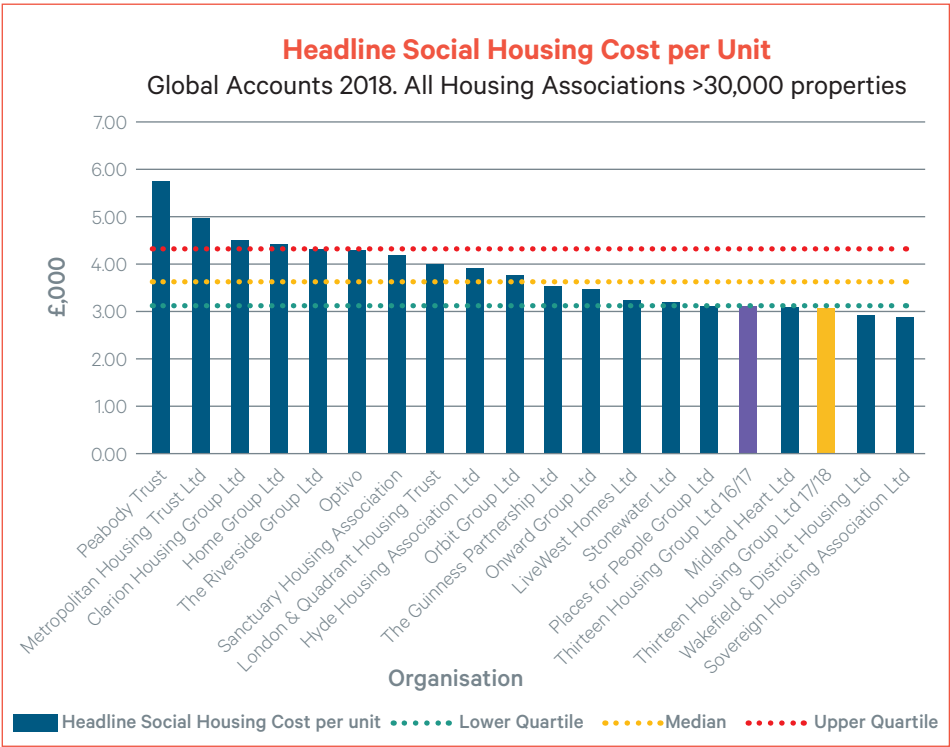
### Milestones and key performance indicators

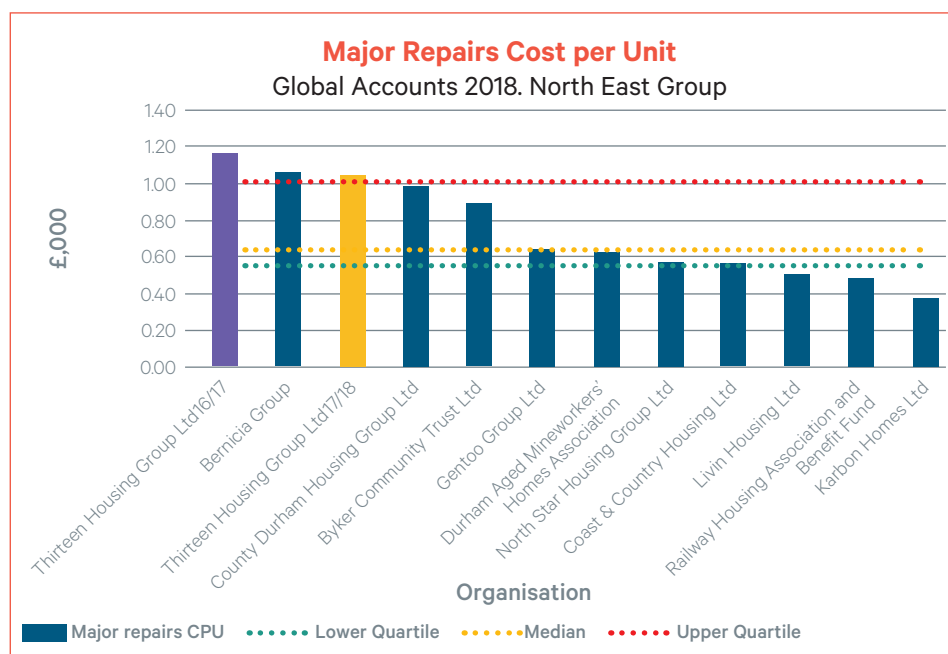
Progress in achieving our priorities is reviewed at each board meeting where financial information is considered alongside key performance indicators (as set out in the measuring what matters section). The Leadership Team and service directors review performance against targets and take remedial action as required.

### Benchmarking and unit cost

Thirteen makes full use of a number of benchmarking data sets, including Global Accounts, Housemark and Sector scorecard. Using this data, particularly Global Accounts we know how we compare with specific peer groups, for instance organisations over 30,000 units and organisations within the North East. In more detail, we are at the lower end of costs when compared with organisations with over 30,000 properties. Within the North East our costs are at the higher end; this can in part be explained by higher than average Major Repairs Cost per Unit. We continue to work to understand the underlying reasons for this.

We are considering locking in 3% efficiencies cost efficiencies per annum for the next 5 years and are evaluating the 2017/18 outturn from HouseMark and the global accounts, whilst modelling what the 3% cost reduction would do to our Cost per Unit when compared to the top 10 in the sector.





The headline cost per unit has been broken down further and the baseline data has been used to understand and anticipate how changes within the Financial Plan will impact on the full set of value for money metrics. These are monitored by the Board, alongside other Strategic measures and are an integral part of the value for money MOT framework. Continued review of the data shows that we need to concentrate on reducing bad debts and the income lost through properties being empty; these remain key strategic projects.

### Project management approach – structure to our improvements

To deliver and manage this plan, Thirteen has adopted a programme approach to its delivery.

Each of the priorities within the plan will have its delivery overseen by a programme group that will track delivery, monitor

progress and ensure alignment of resources – both financial and non-financial to ensure successful delivery.

We have underpinned this approach with managing successful programmes, Prince and UIMPROVE project and programme methodologies.

The programme groups will report up to the service directors and Leadership Team on a monthly basis which will inform the quarterly update to the Board and will inform our ongoing approach to value for money.



## 12. How we will Communicate and Market our Services

If we want customers to see us as the housing association of choice, be a favoured employer and enhance our partner network to deliver better than ever before, it's vital that effective communication with our various stakeholders, as well as successful marketing, remains a priority.

Ensuring we keep up to date with communication and marketing channels and methods for our range of audiences is key in promoting the Thirteen brand as well as our vast range of homes and services, to help meet the priorities and actions in our strategic plan.

Communication that engages effectively with all our stakeholders will ensure Thirteen is:

- We aim to ensure that our customers see us as the housing association of choice. We believe that everyone should get the same quality of service, no matter where they come into contact with us
- The quality of neighbourhoods is as important as the quality of the housing and contributes to quality of life. We will continue to maintain and invest in our houses and estates
- We will provide a range of new homes and tenures to address the housing needs in our operating area
- We want to be an employer of choice, focused on the continued development of board directors and colleagues with the necessary skills and experience to deliver this strategy

- Positioned as the 'go to organisation' for business, partnerships and champion for our region and sector.

We regularly review our external and internal communications and marketing platforms, methods and messages to ensure they're not just reaching their target audiences, but that they remain both appropriate and effective.

This year we're also looking at how we market the entirety of what we offer to customers, tailoring the marketing of products, services and messages appropriately where necessary, to ensure we capture the right customer bases and show them exactly what Thirteen means for them.

### **Our customer offer**

Looking at Thirteen from our customer's perspective is vital to establish what they experience when they come into contact with any part of our diverse business, including accessibility, quality of information and the Thirteen brand.

Competition in the housing sector continues to increase and we need to remain flexible and responsive, adapting to changing customer needs and using targeted marketing to different customers and customer groups, tailoring our offer to meet their needs.

This year we're focusing even more on what we offer and starting an intensive programme of promotion and marketing both externally and also internally with staff, ensuring they understand the full range on offer from

Thirteen, in turn giving us 1,500 in-house marketers.

Offering truly accessible services that make us easy to do business with is vital and that's why 2019 also sees the launch of our Touchpoint programme, accessible by everyone, whether they want to rent or buy a home, receive a service or simply bring a query to a successful resolution.

Touchpoint will ensure that however people come into contact with us, they can access a high level of customer support wherever they are, whenever they wish, for whatever they need – giving them Thirteen at their fingertips.

Not just that. Our new digital platform will make finding a home quicker and easier and each of our Touchpoints will make accessing information about what Thirteen can do for them much quicker and easier.

Our cross-cutting communications and marketing plan will set out a forward plan of activity and give us an opportunity to raise our profile with existing customers and focus on reaching new audiences, ensuring we offer responsive, innovative and high quality services that further expand our markets, reputation and partnerships.

# Appendix I

## Financial Plan 2019/20 Assumptions

Assumption	2019.20	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30 (On)
RPI	Base Plan	2.90%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
CPI	Base Plan	2.10%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
LIBOR	Base Plan	3.00%	3.50%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Rent Increases General Needs	Down 1%	CPI+1%	CPI+1%	CPI+1%	CPI+1%	CPI+1%	CPI	CPI	CPI	CPI	CPI
Rent Increases Affordable	Down 1%	CPI+1%	CPI+1%	CPI+1%	CPI+1%	CPI+1%	CPI	CPI	CPI	CPI	CPI
Rent Increases Supported	Down 1%	CPI+1%	CPI+1%	CPI+1%	CPI+1%	CPI+1%	CPI	CPI	CPI	CPI	CPI
Rent Increases Shared Ownership	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI
Rent Increases IMR/ Market	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI
Voids rent loss (Existing properties)	1.90%	1.70%	1.50%	1.30%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
Voids rent loss (Newbuild properties)	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
Bad Debt (Existing properties)	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
Bad Debt (Newbuild properties)	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Welfare 'Fund' - Discretionary Housing Fund plus Hardship Fund (in addition to bad debt provision)	£925,000	£944,400	£963,300	£982,600	£1,002,200	£1,022,300	£1,042,700	£1,063,600	£1,084,800	£1,106,500	£1,128,700
RTB Sales	135	135	135	135	135	135	135	135	135	135	135
New Development units (Completions)	400	615	704	777	802	646	600	600	600	600	0

# Appendix II

## Consolidated Statement of Comprehensive Income

Period: 01 April 2019 - 31 March 2049	2020	2021	2022	2023	2024	2029	2034	2039	2044	2049
TURNOVER	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Gross Rental Income										
Rent Receivable	142,892.30	144,936.30	152,249.80	159,533.00	167,450.70	198,531.00	215,867.30	233,524.60	253,212.30	272,805.70
Service Charge Income	7,391.60	7,385.50	7,806.00	8,174.60	8,515.10	10,060.70	11,624.20	13,432.70	15,527.30	17,945.10
Gross Rental Income	150,283.90	152,321.90	160,055.80	167,707.60	175,965.90	208,591.70	227,491.50	246,957.30	268,739.60	290,750.70
Management Charge Income	-9.25	-944.4	-963.3	-982.6	-1,002.20	-1,106.50	-1,221.70	-1,348.90	-1,489.30	-1,644.30
Less Voids	-2,750.40	-2,493.20	-2,299.00	-2,088.20	-2,020.00	-2,318.80	-2,519.80	-2,730.30	-2,965.30	-2,764.60
Net Rental Income	146,608.50	148,884.20	156,793.40	164,636.80	172,943.60	205,166.40	223,750.00	242,878.20	264,285.00	286,341.90
Total Turnover From Social Housing Lettings	146,608.50	148,884.20	156,793.40	164,636.80	172,943.60	205,166.40	223,750.00	242,878.20	264,285.00	286,341.90
Turnover - Other Social Housing Activities	16,935.00	26,712.20	24,978.80	34,245.20	32,398.40	11,448.80	6,934.10	7,655.80	8,452.60	9,332.40
Turnover - Non Social Housing Lettings	2,638.00	2,694.00	2,747.90	2,802.80	2,858.90	3,156.40	3,485.00	3,847.70	4,248.10	4,690.30
NSHO Turnover	29,473.60	27,368.40	24,515.00	21,536.60	21,967.30	24,253.70	26,778.00	29,565.10	32,642.20	19,443.70
Grant Amortisation Accrual Method Total	1,115.80	1,194.50	1,649.40	2,074.50	2,409.60	4,486.30	4,727.60	4,727.60	4,727.60	4,732.00
Other Capital Grant Amortised		300	300							
Total Turnover	196,770.80	207,153.40	210,984.60	225,296.00	232,577.80	248,511.60	265,674.70	288,674.30	314,355.60	324,540.20
OPERATING EXPENDITURE										
Operating Costs Social Housing										
Management Costs Total	-19,341.30	-19,113.00	-19,883.80	-20,598.30	-21,324.30	-24,880.70	-27,547.90	-30,398.40	-33,545.60	-43,113.50
Service Costs	-10,757.10	-11,142.70	-11,800.00	-12,351.60	-12,876.40	-14,560.00	-16,031.40	-17,655.90	-19,452.20	-19,446.60
Routine Maintenance	-26,779.40	-27,635.70	-28,728.30	-29,682.60	-30,607.10	-36,004.30	-39,900.60	-44,048.70	-48,628.50	-53,469.10
Planned Maintenance	-3,660.10	-3,743.60	-3,828.40	-3,912.40	-3,998.20	-4,419.80	-4,877.90	-5,383.80	-5,942.30	-6,475.80
Major Repairs	-21,534.80	-18,702.00	-19,078.00	-20,018.50	-20,271.80	-22,850.10	-27,225.60	-29,026.50	-33,408.70	-36,240.00
Bad Debts	-2,371.10	-2,403.60	-2,516.50	-2,621.80	-2,735.10	-3,177.20	-3,455.80	-3,745.80	-4,069.80	-4,395.80
Depreciation of Housing Properties	-18,735.40	-20,104.90	-22,489.30	-24,722.30	-26,897.90	-38,250.60	-46,125.90	-54,670.40	-64,690.60	-74,667.70
Operating Costs Social Housing	-103,179.20	-102,845.50	-108,324.20	-113,907.50	-118,710.80	-144,142.60	-165,165.20	-184,929.60	-209,737.70	-237,808.50
Other Activities Expenditure Total										
Other Social Housing Expenditure	-21,050.30	-26,645.50	-24,553.60	-34,107.20	-32,203.70	-14,632.50	-11,287.40	-12,245.90	-13,519.80	-14,897.70

# Appendix II

## Consolidated Statement of Comprehensive Income

Period: 01 April 2019 - 31 March 2049	2020	2021	2022	2023	2024	2029	2034	2039	2044	2049
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Non Social Housing Lettings Expenditure	-2,732.80	-2,885.30	-3,083.40	-3,251.80	-3,423.60	-2,783.20	-3,046.60	-3,337.50	-3,658.60	-2,831.10
Non Social Housing Other Expenditure	-28,812.90	-26,204.60	-23,312.60	-20,294.40	-20,700.30	-22,854.80	-25,233.60	-27,859.90	-30,759.60	-18,317.30
Other Activities Expenditure Total	-52,596.00	-55,735.40	-50,949.50	-57,653.50	-56,327.70	-40,270.40	-39,567.60	-43,443.20	-47,937.90	-36,046.00
Operating Expenditure Total	155,775.20	158,580.90	159,273.70	171,561.00	175,038.50	184,413.00	204,732.70	228,372.80	257,675.60	273,854.50
Operating Surplus/(deficit)	40,995.60	48,572.50	51,710.80	53,735.00	57,539.30	64,098.60	60,941.90	60,301.50	56,680.00	50,685.70
Gain/(loss) on disposal of fixed asset	541.2	779.2	839.6	949.4	1,061.40	1,655.70	2,311.80	3,036.30	3,836.10	5,767.80
Interest Receivable	8291	1,224.00	1,041.80	825.4	581.8	373.5	373.5	373.5	373.5	373.5
Interest and financing costs	-12,449.50	-14,209.50	-16,217.90	-17,689.60	-18,752.20	-23,083.70	-10,206.20	-261.8	-201.7	139.6
Surplus before tax	29,916.40	36,366.30	37,374.30	37,820.20	40,430.30	43,044.10	53,421.10	63,449.50	60,688.00	56,966.60
Taxation	-72.7	-74.7	-76.5	-96.6	-87.8	-97	-107.1	-118.2	-130.5	-144.1
Surplus after tax	29,843.70	36,291.60	37,297.80	37,723.60	40,342.50	42,947.10	53,314.00	63,331.30	60,557.40	56,822.50
Comprehensive Income for the year	29,843.70	36,291.60	37,297.80	37,723.60	40,342.50	42,947.10	53,314.00	63,331.30	60,557.40	56,822.50
Comprehensive Income Brought Forward	326,039.80									
Transfers (to)/from Reserves										
Statement of Comprehensive Income Accumulated	355,883.50	392,175.10	429,472.90	467,196.50	507,539.00	713,252.50	956,049.10	1,264,955.20	1,570,642.60	1,865,442.30

# Appendix II

## Consolidated Statement of Financial Position

Period: 01 April 2019 - 31 March 2049	2020	2021	2022	2023	2024	2029	2034	2039	2044	2049
Fixed Assets	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Intangible assets and goodwill										
Land & Buildings Total	1,190,696	1,291,614	1,392,442	1,519,265	1,641,586	2,107,631	2,307,200	2,528,697	2,793,890	3,105,093
Depreciation Land & Buildings Total	-151,414	-171,519	-194,008	-218,730	-245,628	-413,312	-628,128	-884,005	-1,186,922	-1,539,056
Housing Properties NBV	1,039,282	1,120,095	1,198,434	1,300,535	1,395,958	1,694,319	1,679,072	1,644,692	1,606,969	1,566,037
Other Fixed Assets Tangible	56,718	58,955	59,130	58,886	58,260	53,358	48,683	44,688	41,172	37,761
Tangible fixed assets	1,095,999	1,179,050	1,257,564	1,359,420	1,454,218	1,747,676	1,727,755	1,689,379	1,648,140	1,603,797
Investments FA	31,953	30,603	25,503	19,603	13,053	13,053	13,053	13,053	13,053	12,070
Fixed Assets Total	1,127,952	1,209,653	1,283,066	1,379,023	1,467,271	1,760,729	1,740,808	1,702,432	1,661,193	1,615,867
Current Assets										
Stock	19,763	16,725	14,761	11,576	6,561	-151	-151	-151	-151	31
Trade and other debtors	16,008	16,083	16,088	16,108	16,127	16,215	16,267	16,315	16,367	16,425
Investments CA	3,435	3,435	3,435	3,435	3,435	3,435	3,435	3,435	3,435	835
Cash and cash equivalents	9,000	9,000	9,000	9,000	9,000	9,000	9,000	189,818	512,890	839,204
Current Assets Total	48,206	45,244	43,284	40,119	35,123	28,500	28,551	209,417	532,542	856,496
Less - Creditors - amounts due within 1 year	-23,795	-23,798	-23,675	-23,675	-23,675	-23,675	-23,675	-23,675	-23,675	-23,675
Net current assets/liabilities	24,410	21,446	19,610	16,445	11,448	4,825	4,877	185,743	508,867	832,821
Assets less current liabilities Total	1,152,362	1,231,099	1,302,676	1,395,468	1,478,719	1,765,554	1,745,685	1,888,175	2,170,060	2,448,689
Creditors - amounts due after more than 1 year										
Outstanding Loan Balance	-318,500	-339,056	-345,766	-373,849	-391,751	-385,122	-145,637	-2,859	-2,695	-2,695
Deferred Income	-125,164	-147,053	-174,622	-201,607	-226,613	-314,364	-291,184	-267,545	-243,907	-227,736
Long Term Creditors Balance	-1,131	-1,131	-1,131	-1,131	-1,131	-1,131	-1,131	-1,131	-1,131	-1,131
Creditors - amounts due after more than 1 year	-444,794	-487,239	-521,518	-576,586	-619,495	-700,617	-437,951	-271,535	-247,732	-231,561
Pension provisions	-55,364	-55,364	-55,364	-55,364	-55,364	-55,364	-55,364	-55,364	-55,364	-55,364
Net assets Total	652,205	688,496	725,794	763,517	803,860	1,009,573	1,252,370	1,561,276	1,866,964	2,161,763



# Appendix II

## Consolidated Statement of Financial Position

Period: 01 April 2019 - 31 March 2049	2020	2021	2022	2023	2024	2029	2034	2039	2044	2049
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Reserves										
Income and Expenditure Reserve	355,884	392,175	429,473	467,197	507,539	713,253	956,049	1,201,624	1,570,643	1,865,442
Revaluation Reserve	280,491	280,491	280,491	280,491	280,491	280,491	280,491	280,491	280,491	280,491
Restricted Reserves Total	7,315	7,315	7,315	7,315	7,315	7,315	7,315	7,315	7,315	7,315
Stockholders Equity Total	90	90	90	90	90	90	90	90	90	90
Designated Reserves Total	8,424	8,424	8,424	8,424	8,424	8,424	8,424	8,424	8,424	8,424
Restricted [and/or Endowment] Reserve	15,830	15,830	15,830	15,830	15,830	15,830	15,830	15,830	15,830	15,830
Total reserves	652,205	688,496	725,794	763,517	803,860	1,009,573	1,252,370	1,497,945	1,866,964	2,161,763
Balance Sheet Check	Balanced	Balanced	Balanced	Balanced	Balanced	Balanced	Balanced	Balanced	Balanced	Balanced

# Appendix II

## Consolidated Statement of Cash Flow

Period: 01 April 2019 - 31 March 2049	2020	2021	2022	2023	2024	2029	2034	2039	2044	2049
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>Total Receipts</b>	193,025	203,220	206,553	220,523	227,411	240,827	257,480	280,187	305,543	315,394
<b>Total Payments</b>	-116,390	-97,430	-95,477	-102,965	-101,240	-95,203	-107,357	-117,498	-131,091	-128,625
<b>Cash Paid To Employees</b>	-33,486	-34,189	-34,873	-35,571	-36,282	-40,058	-44,227	-48,831	-53,913	-59,524
<b>Cash flow from Operating Activities</b>	<b>43,149</b>	<b>71,601</b>	<b>76,202</b>	<b>81,987</b>	<b>89,889</b>	<b>105,566</b>	<b>105,896</b>	<b>113,859</b>	<b>120,539</b>	<b>127,246</b>
<b>Provisions for tax</b>	-73	-75	-77	-97	-88	-97	-107	-118	-131	-144
<b>Surplus for the year</b>	<b>43,077</b>	<b>71,526</b>	<b>76,126</b>	<b>81,890</b>	<b>89,801</b>	<b>105,469</b>	<b>105,789</b>	<b>113,740</b>	<b>120,409</b>	<b>127,101</b>
<b>Net cash generated from operating activities</b>	43,077	71,526	76,126	81,890	89,801	105,469	105,789	113,740	120,409	127,101
<b>Cash flow from investing activities</b>										
<b>Purchase of tangible fixed assets</b>	-115,049	-105,323	-100,473	-125,472	-119,501	-41,769	-49,684	-53,640	-62,628	-93,706
<b>Proceeds from sale of tangible fixed assets</b>	4,119	5,152	4,947	5,057	5,169	5,763	6,419	7,144	7,944	10,788
<b>Grants received</b>	13,556	23,383	29,519	29,060	27,416	9,321				7,471
<b>Interest Received (cash)</b>	829	1,224	1,042	825	582	374	374	374	374	374
<b>Total Cash flow from investing activities</b>	<b>-96,545</b>	<b>-75,563</b>	<b>-64,966</b>	<b>-90,530</b>	<b>-86,335</b>	<b>-26,312</b>	<b>-42,892</b>	<b>-46,123</b>	<b>-54,311</b>	<b>-75,074</b>
<b>Cash flow from financing activities</b>										
<b>Interest paid</b>	-13,591	-16,519	-17,870	-19,443	-21,369	-23,630	-10,206	-262	-202	-202
<b>New secured loans</b>	18,900	550								
<b>Capital Repayments</b>	-2,933	-4,835	-9,155	-12,257	-52,100	-7,174	-12,599	-462		
<b>Loan Working Capital Movements</b>										
<b>Loan Working Capital Drawdowns</b>	51,080	38,492	29,118	40,340	70,002		4,464			
<b>Loan Working Capital Repayments</b>		-13,651	-13,253			-48,354	-44,556			
<b>Total Cash flow from financing activities</b>	<b>53,457</b>	<b>4,038</b>	<b>53,457</b>	<b>53,457</b>	<b>53,457</b>	<b>53,457</b>	<b>-62,897</b>	<b>-724</b>	<b>-202</b>	<b>-202</b>
<b>Cash &amp; cash equivalents at the beginning of year</b>	9,012	9,000	9,000	9,000	9,000	9,000	9,000	122,924	446,994	787,379
<b>Net Change in Cash &amp; cash equivalents</b>	<b>-12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>66,894</b>	<b>65,896</b>	<b>51,826</b>
<b>Cash &amp; cash equivalents at the end of year</b>	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>	<b>189,818</b>	<b>512,890</b>	<b>839,204</b>

# Appendix III

## Board Directors and Leadership Team

### Thirteen's Board Directors



#### **George Garlick**

Chair of the Thirteen Board

George has worked in the North East for 22 years as Chief Executive of Stockton-on-Tees Borough Council and Durham County Council. A qualified solicitor, he lives in Norton.

---



#### **Andrew Lean**

Thirteen Board Director, Chair of the Treasury Committee and Chair of Development and Investment Committee

Andrew is retired from his role as Senior Advisor to the Homes and Communities Agency. Previously, his senior civil service career included direct responsibility for policy making and management around the Urban Programme, Single Regeneration Budget and the Olympics.

---



#### **Brian Dinsdale**

Thirteen Board Director and member of Treasury Committee

Brian had a long career in local government before establishing his own interim management company in 2005. He was Chief Executive of Hartlepool council for 14 years and for Middlesbrough Council for two years. He received an OBE for services to local government in 2002.

He is currently Chair of the North Tees and Hartlepool NHS Foundation Trust. Brian is a member of the Chartered Institute of Public Finance and Accountancy and has Bachelor of Arts in Social Sciences.

---



#### **Clare Brayson**

Thirteen Board Senior Independent Director and Chair of the Remuneration Committee

Clare has over 30 years of experience in marketing and customer service management. This experience has been gained in financial services with Northern Rock and in social housing with Home Group. Her customer experience includes responsibility for call centres and administration. She has an MBA from Newcastle University.

---



#### **Mark Simpson**

Thirteen Board Director and member of the Remuneration Committee

Professor Mark Simpson is Pro Vice-Chancellor (Learning and Teaching) at Teesside University. He has a PhD in Criminology and BA (Hons) in Politics and he has published in the areas of youth crime, drug use and policing. He is a Principal Fellow of the Higher Education Academy and a Fellow of the Royal Society for the Encouragement of Arts, Manufacturers and Commerce.

---

# Appendix III

## Board Directors and Leadership Team

### Thirteen's Board Directors



#### **Annette Clark**

Thirteen Board Director and Chair of Audit and Risk Committee

Annette is a former Director of Aviva plc. During her 20 years with Aviva she led both the Human Resources and Operations (Customer Services) functions, leading business units of 7,000 employees based across the UK and overseas. Annette has an LLB Law Degree and has a particular interest in all aspects of employment law.

---



#### **Chris Newton**

Thirteen Board Director

Chris is Facilities Management Director for Lloyds Banking Group, a role delivered via their strategic partnership with Mitie. He started his career as a Quantity Surveyor for a number of North East property companies before becoming involved in property management and was instrumental in the integration of property across Lloyds Banking Group. Chris is a member of RICS and IWFM.

---



#### **Richard Buckley**

Thirteen Board Director and Chair of Thirteen Homes, a subsidiary company of Thirteen

Richard is the Chair of Thirteen Homes Ltd, a subsidiary company of Thirteen. He is Managing Director of Buckley Burnett, a development consultancy and project management company. Richard has other interests in BIM development investment vehicle.

His career started at Ward Hadaway as a planner after leaving Newcastle University. He went on to become a regional director and run the development side of Tees Valley Regeneration before setting up Buckley Burnett.

---



#### **Steve Nelson**

Thirteen Board Director and member of Development and Investment Committee

Steve is a Stockton Borough Councillor who was previously a Cabinet Member for housing. He is currently Cabinet Member for Access, Communities and Community Safety and has a number of other community roles. He chairs the Safer Stockton Partnership and the Taxi Trade Association, and is a director of the charitable organisations Catalyst and FRADW. Steve is also a governor at Frederick Nattrass School.

Steve is committed to social inclusion and is a member of Stockton's Infinity Partnership, Central Locality Forum and Stockton's Domestic Violence Steering Group.

---

# Appendix IV

## Board Directors and Leadership Team

### Leadership Team



#### **Ian Wardle**

##### **Chief Executive and Executive Board Director for Thirteen**

Ian joined Thirteen as our Chief Executive in 2016. The first ten years of his career were spent in the private sector and the last ten years in local government. Ian started his career in Middlesbrough as a graduate trainee at George Wimpey (now Taylor Wimpey), later becoming a land negotiator, land manager and development director. He was then a project director for the Sunnyside Regeneration Project in Sunderland.

Moving into local government, he joined Redcar & Cleveland Borough Council as Head of Regeneration Services, later becoming Director of Regeneration Services with responsibility for a range of front line and corporate services as well as the delivery of large capital regeneration projects.

Prior to joining Thirteen, Ian was Managing Director of Reading Borough Council with responsibility for delivering hundreds of services across the town while making substantial savings and managing 2,500 staff with a turnover of £480m per year. Ian is currently a Governor at Teesside University.

In April 2018 he took over as the Secretary for Homes for the North which is an alliance of almost 20 large housing associations who want to deliver more homes across the North of England.

Ian is responsible for leading Thirteen, overseeing the implementation of board decisions, progress towards meeting corporate objectives and ensuring the business continues to move in the right direction.

---



# Appendix IV

## Board Directors and Leadership Team

### Leadership Team



#### **Heather Ashton**

##### **Executive Director of Resources**

Heather is responsible for the group's support services including finance, IT, HR, research, policy, performance and governance. She also acts as company secretary and leads and provides oversight for the group's customer income and debt functions.

Heather has worked in the quasi-public sector for the last ten years in both housing and higher education. She has many years of commercial experience in both the retail and manufacturing sectors.

Having qualified as an accountant a number of years ago, she also holds a Diploma in Company Direction from the Institute of Directors and is a Chartered Member of the CIH.

---



#### **Chris Smith**

##### **Executive Director of Service Delivery and Development**

Chris leads on the neighbourhood functions for Thirteen including housing management, support services, customer experience and regeneration. She is also responsible for the development and delivery of the new homes programme for rent and sale, as well as wider business development opportunities for Thirteen.

Chris is a board member of the Health and Wellbeing Board in Middlesbrough. She is a director of the arcc consortium, a company set up to run the Transforming Rehabilitation contract on behalf of the Ministry of Justice.

---

# Appendix IV

## Board Directors and Leadership Team

### Leadership Team



#### **Russell Thompson**

##### **Executive Director of Property Services**

Russell has responsibility for Thirteen's in-house repairs and maintenance function, major refurbishment programmes and investment covering all of the group's properties as well as neighbourhood services of cleaning, caretaking and concierge services.

This includes managing property assets, contract management, repairs and maintenance, cleaning, caretaking, concierge, investment, surveying and estimating and compliance with property legislation.

Russell has a wide range of experience having worked on major projects with a variety of companies and public sector organisations throughout his career. This covers property services, large organisational change and consultancy support for organisations across the country.

---



#### **Craig Taylor**

##### **Managing Director of Thirteen Homes**

Having joined in 2018, Craig is responsible for the delivery of Thirteen Homes' private sale programme. This includes land acquisition, technical development, construction and sales of all housing for sale. Delivery of the programme enables additional surplus to be generated and returned to Thirteen for investment in core services.

Craig has over 20 years commercial development experience across a number of private sector industries, but predominantly and latterly within housing. His core area of expertise is sourcing, acquiring and developing land assets.

Craig graduated from Northumbria University with a BSc (Hons) in Construction Management before undertaking an MSc in Real Estate and Property Management from Salford.

---



**Contact us**

**0300 111 1000**

**[customerservices@thirteengroup.co.uk](mailto:customerservices@thirteengroup.co.uk)**

**[www.thirteengroup.co.uk](http://www.thirteengroup.co.uk)**