

thirteen

Managing and building homes

**Thirteen Group
Annual Report
Summary
2016/17**



Chairman's Introduction

I am pleased to introduce our Annual Report Summary for the year 2016/17.

This document not only gives an overview of how we have performed, but it also gives an update on some of our achievements and our plans for the future.

In July 2017, Thirteen officially launched as a single landlord, bringing together Erimus Housing, Hartlepool Housing, Tees Valley Housing, Tristar Homes and Thirteen Care and Support to become one strong social purpose business.

The combined strength of Thirteen will see its 1,500 strong staff provide services for more than 70,000 customers across the Tees Valley and other areas of the North East, including North Yorkshire, County Durham, and Tyne and Wear.

As a single, stronger, organisation Thirteen has the scale and expertise to do and achieve much more.

It allows us to increase our financial stability, spending and bargaining power and save money to fund new services. This will benefit our tenants, customers and allow us to make more improvements to homes and estates.

George Garlick
Chair



George Garlick
Chair of Thirteen Housing Group Limited

About Thirteen

Thirteen is the largest landlord in the North East.

We own and manage almost 34,000 homes in an area spanning from North Tyneside to York, with the majority of properties in the Tees Valley.

Our reason for being is to provide good quality homes and support those in housing need.

We have a wealth of experience and capacity. We have strong partnerships and we are dynamic and flexible in finding solutions.

Keeping customers at the heart of everything we do helps us shape the business and makes us strive to be our best.



Our Thirteen Philosophy

Our Thirteen philosophy captures our strategy to build a stronger business with five component parts:

Our mission

We provide homes, support and opportunities to grow.

Our vision

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

Our priorities

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

Our geographical focus

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

Our values

We are:

- **Considerate:** in our behaviour,
- **Smart:** in the way we do things, and
- **Progressive:** we move things on.

Our values demonstrate our commitment to continually improving services and customer satisfaction.



Risk and Challenges

The housing sector is going through a period of challenges, and there is no evidence that this will change in the near future.

The impacts of the election result and the vote to leave the EU are yet to become clear, while welfare reform continues to have an impact on our customers and our income. Alongside this, the outcomes of the investigation into the catastrophic Grenfell Tower fire in London will have a major impact on Thirteen and other housing providers, with regard to fire safety and other health and safety matters.

There's now a real focus on ensuring housing associations are managed effectively; tenants shaping and reviewing service delivery and holding boards to account; and reinforcing health and safety following the Grenfell Tower disaster.



Operating Review



Reflecting on 2016/17, Thirteen continues to be financially stable in these challenging times, reporting a surplus of £37.5million (2016: £18.6million) and retaining fixed assets at £1,003million (2016: £983million).

- We have made cost savings and attracted additional income, which has resulted in an increase in our operating margin from 19% in 2016 to 30% in 2017.
- Reserve levels of £578million (2016: £537million) will ensure we continue to deliver excellent customer service and our strategic priorities, whilst managing the reduction of our rental income over the next three years.

Thirteen has also made significant progress over the course of the year against its strategic priorities:

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



Delivering Great Customer Service

At Thirteen we exist for our customers

That's why we genuinely care that we get things right, so customers trust us.

Through focus groups and consultation, customers told us their three main areas of importance were:

You said it

Deliver a new repairs system to improve response times and tenant satisfaction.

We did it

Planning is ongoing for a new repairs system that will be introduced in autumn 2017. Every week we will contact a random sample of 100 customers to see how satisfied they are with our services. This will help us find out what is going well and allow us to identify anything we need to improve.

You said it

Improving what we do in our neighbourhoods to ensure that people take more pride in their area.

We did it

We completed 517 estate walkabouts, enabling us to work alongside our tenants and residents to identify and rectify issues. We regularly carry out litter picking, days of action and environmental events such as 'flash your trash' that targets a certain area to remove items of waste and reduce incidents of fly tipping.

You said it

Ensuring that customers have the best start to their tenancy, including quicker sign-up, leading to higher satisfaction and more people staying in their homes.

We did it

We have created a New Homes team who help new tenants receive the extra support they may need during the first 12 weeks of their tenancy with Thirteen.

A new homes team advisor is our tenant's first point of contact, dealing with all their enquiries, ensuring they have the best start to their tenancy, which will lead to higher customer satisfaction and more people staying in their homes.

Early intervention and tailored support are crucial to helping customers through the difficult first few months of their tenancy.

Many of our new tenants face challenges, and our advisors will work with other teams such as the money advice, repairs and customer service to help them settle in and succeed in their tenancy.



Delivering Great Customer Service



We have made some great progress in 2016/17:

- Reduced tenancy turnover from 12.6% to 11.7%.
- 89% tenant satisfaction across Thirteen with the overall quality of their home.
- Reduced property relet times from 65 days to 46 days.
- Reduced average call waiting times from 59 seconds to 30 seconds.
- Improved how we manage complaints, reducing the average response time from 8.3 days to 2.5 days and 100% within the target time of five working days.
- 2,887 customers signed up to self-service online, allowing them to make rent payments and enquiries and log complaints.
- Introducing a new team to manage specialist properties such as doctors and student accommodation across the Tees Valley.
- Reviewed our rent and income services, which has meant we surpass our target of 5% reduction for debt outstanding.
- Hand-held devices were rolled out to the neighbourhood teams, allowing them to work more efficiently when visiting customers.

Improving the way we manage our voids has led to:

- Relet times reduced from 66.4 days in 2015/16 to 46 days in 2016/17.
- Rent loss was 2% lower than budget.
- Repair costs were 15.3% lower than budget and 33% lower than the previous year.
- Standard voids reduced from 568 at March 2016 to 332 at March 2017.

Priorities due for completion in 2017/2018:

- Improve customer satisfaction.
- Maintain gas compliance.
- Improve repairs being completed right first time and average time to complete is quicker.
- Reduce voids.
- Reduce debt and increase income.
- Deliver more routine services digitally.
- Clarity of our customer offer.

Growing our Business as a Social Entrepreneur

We work with partners across the Tees Valley and beyond to bring in money that we can put back into the business.

Actions completed in 2016/2017:

- Four new extra care schemes were opened, providing 187 homes for over 55s requiring support, including an end of life suite.
- We improved the ICT for our specialist team delivering services such as Homecall.
- A partnership between Middlesbrough, Stockton-on-Tees, Hartlepool, Redcar & Cleveland and Darlington Councils and Coast & Country Housing Association: won over £710k in government funding to help prevent people becoming homeless, through the Key Step project.
- Other partnerships were set up to deliver services, including:
 - Newcastle Integrated Domestic Abuse Service – a specialist service, providing safe and secure accommodation, including support for children and young people.
 - Redcar Resettlement Service for Syrian Refugees – supporting refugees to settle in the area. Of the eight families in the initial group, six families have remained.
- Providing support in two prisons.

- New Directions partners include New College Durham, Coast & Country, Actes and North Star, targeting 15–29 year olds who are not in education, employment or training (NEET) to achieve positive outcomes for progression into education, employment and training.
- Introduced the support to stay service, for people at risk of losing their homes, which was recognised at the UK Housing Awards.

Priorities due for completion in 2017/2018:

- Improve our financial return.
- Clear on social return.
- Repairs efficiency leading to cashable savings.
- Voids efficiency leading to cashable savings.
- Plan in place to ease the impact of the Local Housing Allowance.
- Prepare options for a different rent model.
- Be clear on the way to access our support services.
- Being open to merger opportunities.
- Take forward opportunities to take on more new homes.



Contributing to Regenerating the Tees Valley

The Tees Valley is our heartland and we aim to create high-quality homes to improve our neighbourhoods.

Actions completed in 2016/2017:

- Developed a 30-year investment plan for our housing stock.
- Developed delivery plans for each local authority to create new homes and improve neighbourhoods.
- Launched a new framework with North East Procurement to help reduce costs and increase value for money in the investment programme.
- Delivered £37million of major works and improvements.
- Delivered just under 250 new homes.
- Achieved a green grade (the best we can get) in relation to a compliance audit carried out by the Homes and Communities Agency (HCA). This is based on the HCA's assessment of our governance and financial viability.
- Set up a volunteer framework, offering a range of voluntary roles at Thirteen, including befrienders, counsellors, health champions and peer mentors.
- The Investing in Volunteers quality standard has been awarded to the Thirteen volunteer programme for its excellence in recruiting, training and supporting volunteers.

Priorities due for completion in 2017/2018:

- Deliver affordable homes.
- Sell shared ownership and market for sale properties.
- Deliver planned investment to our properties to ensure they continue to be attractive to new customers.
- Put an action plan in place for investment and improvements to our high rise properties.
- Agree a standard for the quality of a Thirteen home.
- Carry out agreed street cleaning and public area improvements.
- Agree our estate investment programmes.
- Develop our new Thirteen Homes range.
- Invest community development in:
 - North Ormesby, Middlesbrough.
 - Grove Hill, Middlesbrough.
 - Victoria, Stockton.
 - South Bank, Redcar and Cleveland.
 - Older housing areas in Hartlepool.



Being Team Thirteen

We will simplify the way we do business.

Actions completed in 2016/2017:

- Simplified our systems and processes.
- Started the process of reshaping our teams.
- Group consolidation achieved in June 2017.

Priorities due for completion in 2017/2018:

- Being legal and safe.
- Reduce colleague sickness.
- Ensure the boards and colleagues have the right ICT equipment and systems to work better and smarter.
- Deliver a continuous value for money programme.
- Increase turnover, margin and return on investment.
- Deliver the business reshape to ensure we have the right capacity and skills.



Value for Money

Value for money is fundamental to Thirteen; we are committed to achieving this, which in turn will have a positive impact on our customers and communities.

During 2016/17, we achieved savings of £18.8million against our target of £10.7million, which has enabled us to focus and invest in our strategic priorities.

To achieve value for money we have:

- Consolidated the partner landlords into one organisation as 'Thirteen' to create further efficiencies and make us easier to do business with.
- Reduced our overall debt through cost savings and additional income, which has allowed us to repay a tranche of loan capital and not make any additional borrowings.
- Saved £4.5million by implementing a new procurement framework helping us to reduce costs and increase value for money in the investment programme and teaming up with Travis Perkins Managed Services, the UK's leading timber and builders merchant.
- Supported customers to identify and claim £3.25million in additional benefits.
- Know your Money closed in March, exceeding its targets including identifying £2.4million in unclaimed benefits.
- Reduced management costs by £2.3million.
- Introduced of a new contractor framework, new partnership arrangements, procurement savings and the attraction of grant funding.
- Introduced a new team to manage specialist properties such as doctors and student accommodation across the Tees Valley that has led to £130k of efficiencies.



Value for Money

Social value worth millions invested into the area

Social value allows us to examine the work we do in communities and attach a financial value to the work.

Below is a summary of the value of Thirteen's work in the Tees Valley and across the wider region in 2016/17.

- We have contributed over £6million in social value to the economy of the Tees Valley.
- We have spent £32.9million on major development and improvement work on over 4,000 properties.
- £48million went into the Tees Valley economy through spending on staff and suppliers.
- £5.6million was gained for customers by our money advice services.
- We have supported projects run by community groups to the value of £127,000.
- Our services have helped 7,600 people over and above its usual landlord services.
- The Money Advice Team and Know Your Money project provided specialist advice around debts, budgeting, benefits and jobs to 4,000 customers.
- New Directions has worked with around 700 young people and found jobs, employment or training for 252 of them.

- Thirteen Care and Support supported 1,458 clients with over 29,000 hours of services, covering everything from personal care to budgeting and tenancy management.
- The Support to Stay project worked with 211 customers who were at risk of eviction or termination, and the volunteer programme provided 31 volunteers with skills for working in the care sector, generating almost £65,000 in added social value.

Another important aspect of our work is that the financial value generated by the company's activities should stay within the local economy.

- 55% of our spending with suppliers - over £42million - stays in the North East region, providing almost £20million in support to local businesses in the Tees Valley.
- Improving the environment is the third key area where we have had a major impact over the past year.
- The company has improved the energy efficiency of its properties and reduced customers' fuel bills by upgrading over 2,100 heating systems and renewing double glazing for almost 1,500 homes.
- Making changes to office accommodation such as installing rainwater collection, air-source heat pumps, intelligent lighting controls and photovoltaic panels at some of the company's offices helped to reduce our carbon footprint and save money.



 www.thirteengroup.co.uk

 **ThirteenGroup**

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