



NORTH STAR

Creating homes, building futures

Leading and Growing to 2026

**North Star Corporate Plan
2024/2025**

1. Context

North Star manages around 4,000 homes from its offices in Stockton-on-Tees and Barnard Castle in County Durham. It has skills in managing both urban and rural housing with a 50-year track record. The housing stock is concentrated in Teesside and South West Durham and North Star works with around 10 Local Authorities. The housing stock includes 600 units of supported housing that meet a range of needs including refugees, extra care, and schemes for people with learning difficulties and mental health issues.

As well as providing local management to its housing stock, North Star builds new housing and aims to deliver at least 75 new units per annum to help with the housing crisis. Local management includes focused community investment to support activity, sustainment of areas and to build on community strengths. North Star is much more than a bricks and mortar business with a strong commitment to developing purposeful and inclusive relationships in all its activity.

The Association has a stated social purpose, a surplus for purpose statement and a set of values that were co-created with a range of Stakeholders including Staff, Board members and Tenants. The Board has a set of guiding principles that underpin behaviours along with a strong core purpose that contribute to making it a generative Board.

Tenants are critically important to North Star; they are the main recipients of services and in that context their involvement and insight is key to ensure it is providing the right service at the right time for the right cost.

North Star has a strong Tenant Scrutiny group to examine, explore, and challenge services. This group reports directly to Board and has an important role in the business. Tenants also form task and finish groups and a tenant LINK group also supports business activity with many other customer connections that are well established and used in a variety of ways – all to drive improvements. There is significant investment in communities through staff time, grants to develop and sustain the areas we operate in, and to complement local housing services. Partnerships assist in delivering a wide variety of community led activity. This is a major strength of North Star and highly valued throughout the organisation.

On 1st April 2024, North Star employed 103 people and had a £24.6m turnover. As a high performing organisation, its financial strength supports its growth and enables continued investment in new and existing homes, communities, people, and the challenging decarbonisation agenda. All of which are business priorities.

2. Delivering our Corporate Plan

The Corporate Strategy 2023-2026 is a three-year plan, that details the organisation's strategic vision and objectives. It is an ambitious but achievable plan that has been approved by the North Star Board. The three-

year plan is distilled into annual objectives which are detailed in the annual Corporate Plan. Progress is reviewed and reported to the Board every six months. This ensures that the plan remains dynamic and is subject to scrutiny and challenge.

It is important that other strategies link closely to this Corporate Plan and that they complement one another. These strategies, which include growth, asset management, community investment and value for money, when combined with strong governance support the delivery of the vision.

Organisation Business Plan

The organisation's Business Plan sets out North Star's financial position and provides the robust financial platform needed to deliver the vision and corporate objectives.

The plan is of 30-year duration, although the first five years of the plan are the primary focus. Sound financial planning and risk management is of critical importance, and includes the following key characteristics and principles:

- Demonstrable compliance with all loan covenant measures.
- Provision for the delivery of new homes.
- Considered planning assumptions for key economic indicators, derived from work with our business plan and treasury management consultants.
- Robust sensitivity analysis carried out on all key assumptions.
- A thorough risk assessment of the plan, in line with the risk management strategy.
- Assumed investment in management and maintenance resources, aligned to increases in property numbers.
- Investment in the decarbonisation of our properties, initially to achieve the EPC 'C' rating for all properties by 2028 and then to Net Zero by 2050.
- High level single and multi-variate stress testing including testing the plan to failure.
- Analysis of the impact of the mitigations, as set out in the recovery plan, in those stress tests that break the plan.

Leadership

North Star's approach to leadership has been developed in response to operating in an increasingly complex environment and the need to ensure that its people remained healthy, resilient, and well. The external world continues to change at a breath-taking pace; uncertainty is a given, there are

many unknowns, more complex questions, and a need to do things differently.

North Star has developed people to be involved, included, influential, leaderful, and accountable. Leaders are developed across the organisation and many people are involved in decision making. Skills are applied flexibly, and everyone engages with development and training. As a result, they have developed high levels of trust.

The investment in leadership helped to keep North Star strong and resilient through recent global and national events, including the cost-of-living crisis. Staff respond with speed, agility, and creativity. They are able to manage high levels of ambiguity, maintain their resilience, and adapt quickly to new ways of working. They remain committed to delivering great services and maintain performance across the organisation.

The organisation has held the Investors in People Platinum Accreditation since 2017 and was re-accredited for the second time in 2023. Feedback from staff through the IIP independent survey saw 100% of staff trusting the leadership and feeling trusted on a 93% response rate. In addition 100% of staff said that North Star was a great place to work.

Investing in the development of individuals and teams is a constant and is in addition to annual training, academic and professional qualifications. The strategic priorities for North Star will ensure that the unique culture continues to develop.

The world continues to be a Brittle, Anxious, Non-Linear and at times Incomprehensible (BANI) environment, where there is often no blueprint or easy, clear answers. This requires everyone to continue to develop more of the skills required for the future. This will ensure that staff continue to work confidently and resiliently. In 2022/23 the organisation undertook a full review of its strategy and co-created, working with Staff, Tenants and Board its new three-year Corporate Strategy: Leading & Growing North Star 2026.

Governance

From 1st April 2024, North Star has a Board of 11 members; one new member has joined in the year. Board succession is well planned through regular reviews of terms of office and an annual appraisal process. This is very important because of the adoption of the six-year Board tenure rule (2 x three-year terms). Skills, knowledge, and attributes are reviewed considering current and future needs. Board renewal is frequent, and vacancies are openly advertised. Board and Risk and Audit Committee undergo annual effectiveness reviews led by an independent consultant.

The Board led on the development of the Leading & Growing North Star vision to 2026, choosing to co-create this with Staff and Tenants. This ambitious and exciting three-year strategy is a major strategic document that is driving forward the business.

A constantly complex and changing world places huge demands on the Board and this has been even more important during recent times. Strong fiduciary management is an integral and critical part of Governance which ensures that North Star remains strong. The Board is supported in this role by a robust Risk and Audit Committee.

The Business Plan is agreed by the Board annually and reviewed halfway through the year. Thorough sensitivity analysis is applied, and all assumptions are independently checked. It is then stress tested so Board understands the circumstances and elements that could cause “catastrophic” issues which are mainly linked to massive unplanned costs or significant income reductions. All major assumptions are sense checked independently. The Business Plan is robust and has the capacity to deliver the ambitions of the business.

A key element of governance is the Tenant Scrutiny Group which has direct links to Board. This group meet Board without staff present, scrutinise services that have been jointly agreed and provide independent reports on their findings. This is a valued element of Governance and Tenant engagement which leads to service improvements.

North Star has signed up to the National Housing Federation 2020 Code of Governance and fully complies. North Star is pleased to have retained its top ratings of G1/M1 in January 2023 through a Regulatory In Depth Assessment process and confirmed in November 2023.

Key Partnerships

Partnerships are highly valued; they enable North Star to deliver more than it could on its own. They harness individual strengths and combine them to achieve greater impact. The organisation has a track record of developing strong and sustainable partnerships, which is increasingly important given its size, geography, drive for value for money and the complexity of the operating environment. North Star has a good range of partners across the region, many of which span decades.

Partnerships fall into multiple categories and can be short or long term. They include, but aren't confined to, political, financial, operational, and developmental aspects. Key partners include those delivering services on North Star's behalf, those that can influence and shape the organisation's future, as well as those that can further develop and grow the organisation. These are mapped out in a strategic document which is dynamic and fluid and regularly reviewed. Every staff member has a role to play in developing and participating in partnerships. It is important that North Star's values and social purpose connect in some way to partners and that there is a benefit to the organisation.

As a medium sized Housing Association, multiple partnerships across the region and beyond can stretch resources, which is why constant critical

analysis is required of the business benefits and the scale and extent of the partnerships.

From previous surveys, partners state that North Star is known for its loyalty, commitment, reliability, honesty, and transparency.

Some recent new partnerships include the Board trainee programme with Housing Diversity Network and other Housing Associations, a work support programme for tenants, a community arts project, a community land trust, and the Town Deal Board membership at Thornaby in Stockton.

The organisation is always alive to new partnerships that would bring mutual benefit, and increasingly there is a need to seek out partners that can help North Star achieve its growth ambitions.

Equality, Diversity, and Inclusion (EDI)

Improving EDI remains a constant with ambitious targets and a focussed approach. There has been a renewed emphasis on improving EDI within the social housing sector. This has largely been led by the National Housing Federation, working with its members, through national groups and networks, to drive a shift in culture in delivering inclusive workplaces. This combined with a renewed regulatory focus, and North Star's long-standing commitment to EDI aligns its objectives.

At North Star, Equality, Diversity, and Inclusion are part of its DNA. Together, they continue to build a culture that encourages, supports, and celebrates difference. It fuels innovation and connects them even closer to customers and communities.

North Star has always aimed to have a Board, workforce and a tenant base that is representative of the communities in which people live and work. The strategy to 2026 and the EDI policy, sets out North Star's ambition in this regard. The primary objectives are to ensure the staff team is diverse, that services are as accessible and inclusive as possible and that relationships with under-represented groups are strengthened.

North Star worked in partnership with other Housing Associations and the Housing Diversity Network (HDN) to launch a two-year programme to develop Board members of the future. The programme, the first to be delivered in the North East, has focused on increasing diversity at Board level. During the two-year programme, the twelve apprentices received comprehensive training, shadowed local Boards, and were supported by a mentor. The skills and knowledge they gained meant they were "Board ready" and we were pleased that all four of North Star's trainees completed the programme with one appointed as a full Board member of North Star.

Value for Money and Performance Management

A sustained focus on Value for Money (VFM) is essential if North Star is to successfully deliver its vision and strategic objectives. Constant absorbing of increased costs is not an option and we have to be even more than ever on VFM.

The key strategic objectives are Customers and Communities, Growth, Assets and Green Agenda, Technology, People and Culture, Value for Money and Governance. The delivery of these objectives is dependent on effective resourcing, investment, efficiencies, and capacity amongst other things.

VFM is a constant for North Star. VFM is about doing more with our resources so that it can achieve its strategic objectives. By optimising VFM throughout the organisation, it releases additional resources to invest in services to tenants, maintain existing homes and increase the supply of new homes. Strong resource management is the engine that drives forward the vision and the delivery of our strategic objectives.

Delivering VFM is part of an integrated and embedded approach, rather than something that is separate or an annual task that must be completed. VFM is a critical business tool. VFM at North Star is not just about reducing costs. Quality and cost are both important, as is the relationship between investment and performance, and these form the basis of VFM measurement and monitoring.

The VFM strategy was updated in 2023 and is focused on supporting the delivery of the strategic objectives and the four key themes are:

- Economy, efficiencies, and cost savings.
- Effectiveness and enhanced quality for tenants.
- Investment in new housing and existing homes.
- Adding social value.

The comprehensive approach to VFM is not new, but it has been progressively honed over the years. Focus on continuous improvement has enabled the development and investment in keeping North Star strong. This focus is assisted by internal trend and comparative data relating to similar housing associations, as outlined in the following sections.

The Board receives a range of performance updates and reports throughout the year to understand and assess the delivery of VFM. Board received a detailed Value for Money report in 2023 which included a range of information about the economy, efficiency, and effectiveness of North Star. The report included benchmarking information using the RSH VFM metrics and data from Housemark. Value for Money was also covered in the financial statements, self-assessments against the regulatory standards and Global Accounts analysis. The RSH VFM metrics are included in quarterly finance reports to Board.

A range of information is also published on the website allowing customers and partners to review performance. This includes the financial statements, the tenants' annual report, the annual report of the business and a social value report. The organisation is increasing the information it provides to customers on service charges and developed a microsite to provide customers with information on the rent increase. This includes details of the investments being made and includes links for customers to access financial support.

The Tenants Voice Scrutiny Panel (TVSP) prepared a report on Repairs and Maintenance with agreed actions.

3. Organisation Vision, Social Purpose and Values

Vision

“Creating homes, building futures”

Social Purpose

“We care about the people and the communities that we serve. We work, in collaboration with others, to create stable, secure, trusting, and supportive environments where people feel they belong.”

Values

North Star is:

Creative:

We create environments to enable people, places, and communities to thrive. We believe many things are possible and that our energy brings about exciting change.

Connected:

We are connected to the world we live in. Therefore, we are relevant, informed, and knowledgeable. We develop strong relationships that are based on integrity and trust.

Courageous:

We challenge ourselves and others. We experiment, pioneer and we dare to be different.

4. Corporate Objectives

We will achieve our vision by focusing on the organisation's corporate objectives, which are set out in broad terms as follows:

1. Customers and Communities

We intend to deliver high levels of satisfaction through quality services, strong relationships, clear and focussed communication, and transparency. Our understanding of customers from insight, connections and contact will shape the requirements of digital and face to face services – we will know what is required. Board will be confident they know tenant views that lead to even better decision making. Communities will be well connected, and we will further develop links to training and employment opportunities.

Objectives 2024/25

- To understand the diverse needs of customers
- Ensure that the voice of customers influence decision making
- Improve communication and information provided to customers.

2. Growth, Assets and the Green Agenda

We will gain strength through ambitious growth in the development of new homes including supported housing. Standards will be reviewed using new ethnographical techniques, to ensure we are building what is required. A green strategy will be developed, and data will be used more effectively to better understand stock and its performance using a new tool that informs investment. Relationships with property contractors will strengthen through collaborative reviews and improved standards will constantly evolve using robust tenant feedback.

Objectives 2024/25

- Utilising ethnography to ensure customers inform the standards of newbuild homes
- Grow by 75 new homes
- Improve the energy performance of the housing stock
- Develop proposals for new supported housing provision
- Develop the planned investment offer for customers
- Develop and implement a green procurement strategy.

3. Technology

We will use technology to improve customer services, deliver efficiencies, and add value for money. A comprehensive digital provision will be available for customers who want to interact in this way; it will fully complement face to face contact. The new housing management IT system and enhanced digital processes will free up staff time, and data will be used effectively with one version of the truth.

Objectives 2024/25

- To complete the transition to new Housing Management System (HMS)
- To improve data in the business
- Review and re-procurement of IT infrastructure
- To continue to develop our approach to innovation

4. People and Culture

We will continue to develop and maintain the relational culture, with a focus on the growth of people and the provision of opportunity. Where possible North Star recruits from within the organisation whilst developing its offer to apprentices and graduates. There will be continuing investment to develop prospective leaders as role models, collaborators, coaches, and pioneers. North Star will be equitable, diverse and inclusive. North Star encourages staff to become professionally qualified and access academic qualifications.

Objectives 2024/25

- Continue to develop staff potential
- Increase levels of diversity in the staff team
- Develop an approach for the formulation of North Stars next strategic vision.
- Complete the review of the Technical Services Function.

5. Value for Money

The operating margin at the minimum of 20% will underpin financial strength and assist in retaining a strong credit rating – this will enable us to deliver more. The budget process is embedded and owned with everyone responsible for driving effectiveness and efficiencies. The surplus for purpose statement will ensure there is ownership and understanding.

Objectives 2024/25

- Undertake an in-depth review to understand the drivers for repairs expenditure
- Retain credit rating with S&P
- Develop a medium term funding strategy
- Establish a property options appraisal process to assess the sustainability of assets

6. Governance

The Boards generative journey has continued to evolve, the Board is more diverse and understanding of tenants needs strengthened. There will have been a successful transition to a new Chair, with clear succession plans in place for all Board members to provide continuity and reduce disruption. Regulatory Standards are being delivered to a

very high calibre. The dynamic governance improvement plan will be delivered.

Objectives 2024/25

- Strengthen links with tenants & insight.
- Create more time for generative discussions.
- Further develop succession planning.
- Diversity and Board, agree what is required.
- Develop strong and effective relationship with newly appointed CEO.

5. Overarching Objectives

There are some key overarching objectives that sit alongside the agreed strategy headings and cut across many of the six agreed objectives.

1. Consumer Standards

From April 2024 the revised Consumer Standards take effect (except those currently in consultation or due for consultation). North Star will ensure full compliance as a minimum across the range.

During 2024/25 we will deliver the action plan already drafted to ensure strong compliance with Consumer Standards and in doing so we will develop a Board assurance framework that provides regular updates.

Objectives 2024/25

- Transparency will be defined and implemented.
- Data collection & analysis will be focussed and relevant.
- Tenant involvement will be reviewed and a new framework in place.
- Communication & accountability reviewed and implemented.
- Awaab's Law (post consultation) processes in place by required timeframe (to be advised).
- Competence and Conduct will be implemented.

2. Housing Ombudsman Service

The Code will be fully implemented with robust compliance. Reviews and learning from good practice will be a constant.

Objectives 2024/25

- Improve "vulnerability" data held on tenants.
- Complaints management system reviewed.
- Board Lead for complaints in place.

3. Senior Team Transition Plans

The departure of the CEO and subsequent changes at SMT level will be well planned and sensitively delivered through high quality communication.

Objectives 2024/25

- Change management plan to be in place.
- Newly created posts recruited.
- SMT development residential.
- Board & SMT residential with new CEO.