

“Vision 2014 Investing in Success”



OAKLEE HOUSING GROUP

CORPORATE STRATEGY
2009/10 – 2013/14



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FOREWORD

The Oaklee Housing Group is a unique combination of specialist organisations which provide affordable housing and support services across Ireland, North and South. Within the Group we have harnessed the Oaklee 'brand' in a framework which combines the individual strengths of each of the Members with the advantage of close collaboration to deliver a high quality service to all our customers.

The Corporate Strategy sets out to demonstrate that the Group is viable, well governed, well managed, committed to excellence in respect of all its activities and champions a customer focus through meaningful involvement.

We are also committed to providing good quality homes, with a variety of tenures to meet customer aspirations. Furthermore, we continually strive to provide excellent care and support services which will sustain our tenants in their homes for as long as possible.

Sitting on top of a hierarchy of strategies/plans the Corporate Strategy is the overarching framework document which sets out our vision for the next five years, focusing on the key areas, clear objectives, goals and targets on which the Group's performance will be measured.

Underpinning the Corporate Strategy are a range of Group strategies/plans (Appendix A) which contribute to the achievement of the 'high level' goals and targets of the Oaklee Group of companies.

We will also publish annual Corporate Business Plans for each of the Group Members and Departmental Annual Business Plans which detail the critical tasks which will ensure the delivery of the Corporate Business Plans.

The 'thread' which draws together the various strands of the Corporate planning hierarchy is a performance management culture which sets out Key Performance Indicators (K.P.I.'s) for all staff within the Group.

These K.P.I.'s will assist in measuring performance across the Group and tangibly demonstrate that the goals set by the business are being achieved.



OUR MISSION & VALUES

OUR MISSION

The mission or raison d'être of the Oaklee Group is :

"to be the leading provider of customer focused housing and support services in Ireland"

In seeking to achieve this mission we will :

- put our tenants/residents at the heart of all our actions
- provide good quality homes which meet the aspirations of our tenants/residents
- provide high quality care and support services which are valued by all our customers
- create and maintain a culture which maximises the potential of our Board and staff.

OUR CORE VALUES

Our Core Values represent the framework in which we will fulfil our mission and stand for how we will behave in the day-to-day course of doing business. They are the mainstay of our business; guide our thinking; underpin all our activities and help shape the identity and culture of our Group.

- Customer Focus "putting our customers at the heart of everything we do through promoting service excellence"
- Respect and Dignity "we treat our customers and staff with fairness and embrace diversity"
- Integrity "we will act at all times with probity and encourage openness, accountability and transparency in all our activities"
- Sustainability "we will provide services that are efficient, competitive and offer good value for money and respect and protect the environment by providing for current needs without jeopardising future provision"
- Continued Learning "we will foster continuous improvement and change by equipping our Board and staff with the appropriate skills to deliver an excellent service"



OUR CULTURE AND STRATEGIC OBJECTIVES

OUR CULTURE

Working collaboratively across the Oaklee Group ensures that we all provide a consistently high quality service to all our customers. This collaboration ensures that all parts of the Group can be responsive to their customers' aspirations and needs; it also means that at Group level there is access to high quality cost effective skills and advice.

STRATEGIC OBJECTIVES

Our philosophy therefore is based on providing mutual support and high quality services to Group Members that assist, strengthen and complement each individual company's approach to achieving their business goals and objectives. This support framework enables us to keep the appropriate balance between cost, performance and quality whilst ensuring that the balance enables individual Group Members to meet the following common Strategic Objectives :-

1. To foster a culture of Service Excellence through :

- Delivering cost effective customer focused housing and support services
- Setting challenging targets for achieving excellence in housing services
- Investing in our properties so that they are of the best standard and quality
- Maximising opportunities for tenants to influence service priorities and shape the way services are delivered
- Work cooperatively with each other in delivering services where this brings benefits for service improvement



2. To ensure tangible Sustainable Business Growth through :

- Maximising the provision of new homes and support services through acquisition, development and partnerships to help achieve the Group's development plans and targets
- Giving positive support to initiatives to develop the Group and share project risks
- Making a positive and proactive commitment and contribution to the global challenge of environmental sustainability

3. To deliver Long Term Viability through :

- Demonstrating value for money in the services we provide
- Contributing to increasing the Group's operating surplus by achieving year on year efficiency gains
- Developing, empowering and inspiring our Board Members and staff

4. To ensure Statutory Compliance through :

- Complying with the requirements of Statutory Authorities
- Establishing and maintain corporate governance structures to meet best practice standards and maximise their accountability to customers
- Fostering equality and celebrating diversity
- Adopting a performance management culture that strives for continuous improvement



CHALLENGES AND OPPORTUNITIES

The new five year Corporate Strategy is being developed at a time of global financial turmoil and economic uncertainty. Therefore the Strategy and underpinning Corporate Plans must be flexible enough to respond to changes in the external environment in which we operate. Our greatest challenge is to continue to provide the highest standard of service whilst providing more housing and support services to meet an ever increasing demand in an environment of reducing government subsidy.

As a result of an environmental scanning exercise we have identified a number of key challenges which will impact on Group activities over the coming years. At the forefront of these challenges is the DSD's New Housing Agenda which is committed to providing 10,000 additional houses over the next five years and the UK Government target for zero carbon emissions and eco-efficient housing. We are committed to embracing the "Green Agenda" and will positively respond to the challenge of climate change.

We also acknowledge that we need to identify alternative additional sources of funding to supplement public subsidy. This is particularly relevant in relation to the re-provision of our ageing supported housing stock.

Furthermore we recognise the role that new technologies play in helping to improve our business processes and deliver better more customer focused services.

We need to positively respond to all these challenges by ensuring that they do not negatively impact on the success of the business.



PARTNERSHIPS

Our proven track record and expertise in providing for a diverse range of customers throughout Ireland, North and South, has established Oaklee as a leading player in the sector. With our secure financial base and our investment in technology and "smarter" work practices we are well placed to take advantage of the opportunities to grow our business.

We also need to build on our existing relationships with our managing agents and statutory partners to create new opportunities for growth.

Moreover we need to build on our strengths and take advantage of opportunities whilst mitigating the threats that face the business. It is clear that the pace of change in our sector means that traditional ways of working may no longer be appropriate. We will build on our commitment to embrace leading edge technologies to improve service delivery. Our model of collaborative working within the framework of the Oaklee Group will readily equip us to positively and proactively respond to the opportunities that emerge in the coming years.

OUR PARTNERSHIPS

In order to achieve our mission we will seek to extend and expand our partnership with others who share our common goals.

Oaklee Housing Group currently works with 26 other voluntary partner organisations in a wide range of areas and a number of statutory partners and private agencies including :-

- Department for Social Development (NI)
- Department of the Environment & Local Government (ROI)
- Health & Social Care Trusts (NI)
- Health Service Executives (ROI)
- N. Ireland Housing Executive (NI)
- City, County and Town Councils (ROI)
- Developers and Contractors (NI/ROI)



CORPORATE GOVERNANCE

This five year Corporate Strategy provides a focus for enhancing the collaboration and joint working between members, which is fundamental in the Group's ability to meet our five year goals.

Underpinning all of the activities of the Group Members will be a robust and effective corporate governance structure.

FIGURE 1

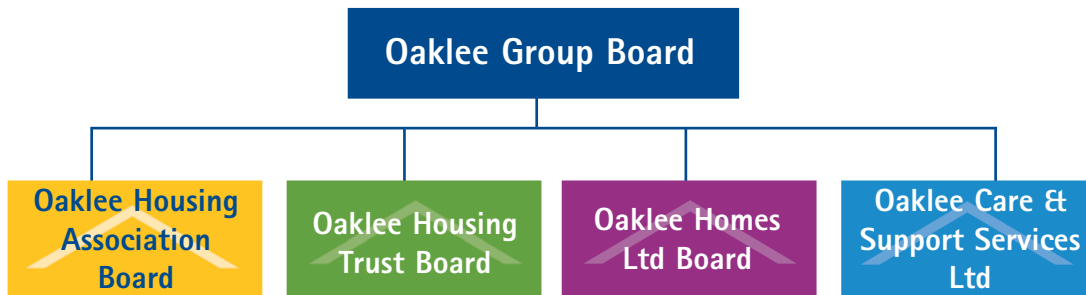


Figure 1 (above) provides an outline of the Oaklee Group corporate governance structure. The Group will be structured in such a way as to encourage and facilitate new membership. Moreover, the structure offers operational autonomy for each individual member with local decision making and proper accountability to customers and other stakeholders.

In essence the Oaklee Group combines financial and managerial advantages of a strong group with the principles of making decisions at a local level and providing local services.



FINANCIAL OVERVIEW

We have prepared a finance plan covering the strategy period and the key highlights are:

- Group turnover to increase from £17m to £25m;
- Operating Surplus to increase from £2.1m to £3.4m;
- An investment of £180m in new buildings during the 5 years;
- Raising an additional £40m in private finance during the period.

The global financial crisis and the worldwide economic recession give rise to a series of new challenges for the Group. The key financial management issues to be dealt with during the period are described below.

Reducing Government Subsidy–Government budgets will come under increasing pressure and this will inevitably lead to reductions in the levels of support which we receive, particularly in the area of housing association grant and Supporting People. Consequently there will be a considerable emphasis on improving efficiency during the period.

Impact of The Credit Crunch–The supply of relatively cheap private funding for social housing will be more constrained in the medium term. Our existing lines of credit will meet our development funding requirements in the first two years of the plan, however we will have to go out into the market again next year to secure our next tranche of funding.

Financial Risk–The plan period will see an increase in levels of financial risk for the Group. For example, because of the scale of our planned development programme we will see a significant increase in the levels of debt on our balance sheet. We are responding to these risks by improving our financial procedures and capabilities, including: enhancing our long term financial planning process and improving treasury management procedures.

Overall the financial projections for the plan period show that we can deliver our growth targets, while maintaining strong financial performance. The formation of the group structure will increase the potential for further efficiency and improved financial control.



OUR FIVE YEAR AIMS

The Corporate Strategy signals the way we will develop as a Group and it outlines the Strategic Objectives to achieve our mission. It will be reviewed and updated by the Group Board on an annual basis. The Group Board and the Boards of each of the Group Members will agree their annual Corporate Business Plan, setting out how they relate to the wider objectives of the Corporate Strategy.

Over the five years we will aim to achieve the following high level goals:

Service Excellence

- Invest £15 million in the planned/cyclical maintenance of our stock
- Achieve the Decent Homes standard for all our properties
- Achieve Oaklee Services Centre resolution rate of 90%
- Achieve Oaklee Services Centre departmental resolution rate of 90%
- Achieve an overall customer satisfaction rating of 90%
- Implement the Corporate Tenant Involvement Strategy

Sustainable Business Growth

- Build 1,200 more homes across the Group (social/affordable)
- Fully utilise the Group's landbanking funds
- Oaklee Homes – Develop a minimum of 4 PFI funded Supported Housing schemes
- Oaklee Housing Trust – Enter into a minimum of 2 RAS schemes each year
- Proactively contribute to meaningful consolidation in the voluntary housing sector
- Achieve a minimum of Code Level 3 – Code for Sustainable Homes on all newbuild projects (NI) and Code Level 4/5 on at least 3 projects each year
- Achieve the ISO 14000 Environmental Management Standard for our headquarter offices
- Meet DSD "Achieving Excellence" targets for all newbuild projects
- Reduce our energy consumption by 15% over the next five years



OUR FIVE YEAR AIMS

Long Term Viability

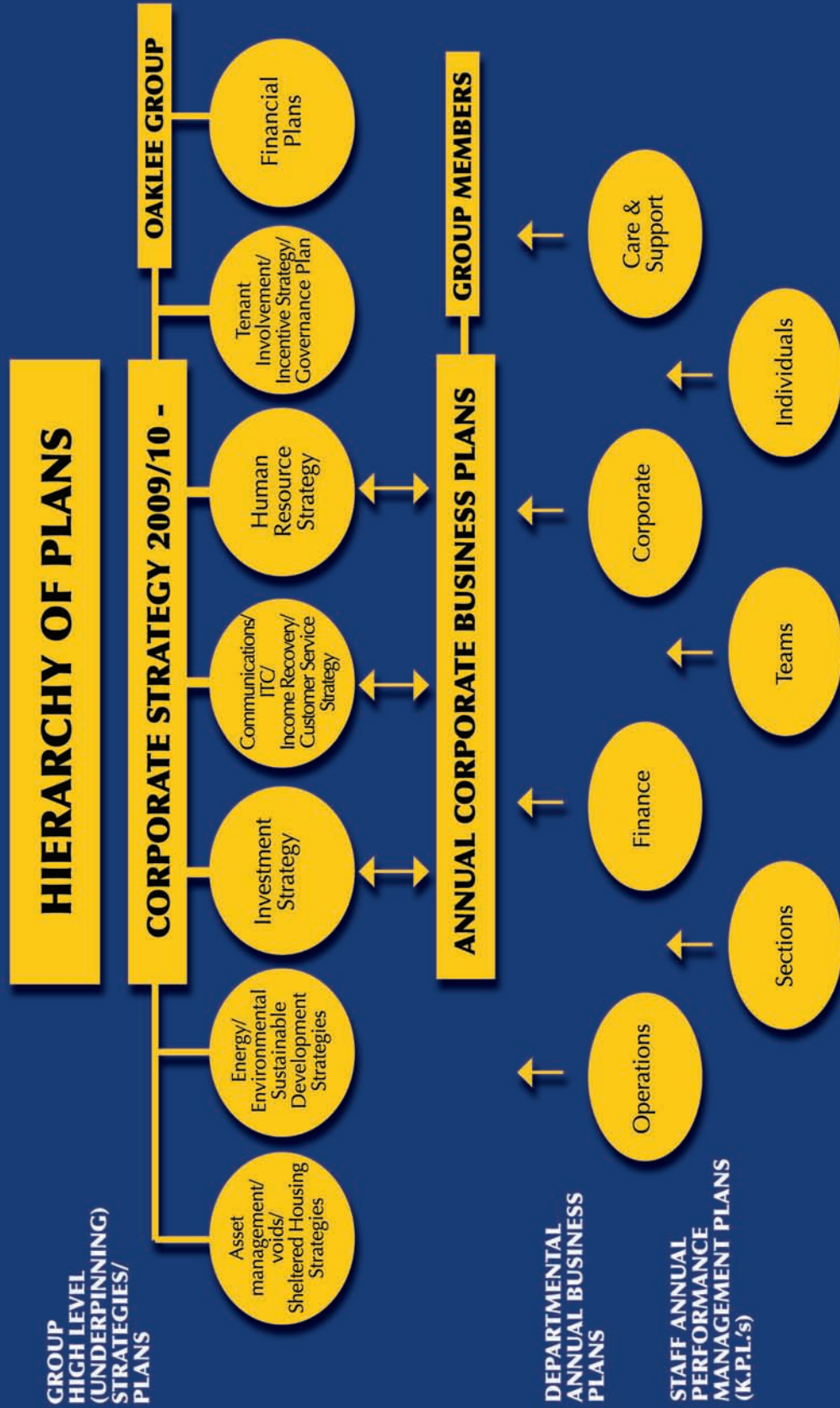
- Implement the Corporate Asset Management Strategy
- Achieve an annual operating surplus of 15% of turnover
- Achieve efficiencies of 5% per annum
- Achieve Rent Arrears targets of :
 - Current Tenants 1.40%
 - Former Tenants 0.50%
- Achieve a voids target of 2%
- Achieve a re-let repairs target time of 1 week
- Implement the Corporate Human Resources Strategy

Statutory Compliance

- Set up the Oaklee Group Board and have two Tenant Board Members on the Boards of Oaklee Housing Trust/Oaklee Housing Association
- Establish a sustainable Care & Support subsidiary within the Group
- Achieve a 'good' rating following Regulatory Inspection/s
- Implement the Group Equality scheme



APPENDIX A





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