



NORTH STAR

Annual Report

2021



“

The North Star is a constant in the sky...a natural beacon that's been used to navigate for centuries. In a modern context, it provides direction to those who are lost and without any other form of conventional navigation. Stars shine, and we look to them for guidance and inspiration.

”

Step into this year's annual report to find out how we continue to grow and deliver our purpose, despite the challenges of this highly unusual year.

Our Values



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.



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.



COURAGEOUS

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

Welcome to our review of 2020/21

A highly unusual year that has challenged and changed us.

When asking our customers to describe the pandemic, we heard words like: lost, chaotic, surreal, relentless, exhausting. These words are familiar to us all. However, we know that with adversity comes opportunity. The pandemic has challenged us and changed us, in many ways for the better.

So here at North Star we would like to add a word to that list. Growth.

We have experienced growth in many ways this year:

- + In our people as they continue to adjust and adapt to very challenging circumstances.
- + In our services as we accelerate our technology and innovation.
- + In new innovations in the design and build of housing.
- + And finally in our governance, as our Board adapts to new ways of connecting and engaging.

We grew in other ways too. We completed a major project to review and simplify our funding and governance arrangements. We consolidated the group from four organisations to a single entity. We also secured new long-term funding at very low fixed interest rates.

Most importantly of all, we have grown as communicators with, and listeners to, our customers and communities. It is only through effective communication and

feedback that we can continue our trajectory of growth as an organisation, so we thank the team for its dogged determination and resilience this year.

On behalf of the team, we are really proud to share this report with you which highlights our achievements and key performance in 2021. We hope you enjoy reading it.



Peter Waugh
CHAIR OF
NORTH STAR BOARD



Angela Lockwood
CEO



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◆ Our Purpose



OUR PURPOSE

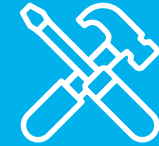
The North Star Purpose

As a not-for-profit housing group, all surpluses are invested back into the organisation. Surplus is used to deliver our purpose, to that end we invest in:



NEW HOUSING

To provide local communities with high quality and fuel efficient, affordable housing to meet a range of needs.



EXISTING HOUSING

To ensure tenants live in safe, warm and well-maintained houses.



COMMUNITIES & NEIGHBORHOODS

To help people to thrive.



PEOPLE

To enable everyone to have a voice, influence, and involvement at all levels.

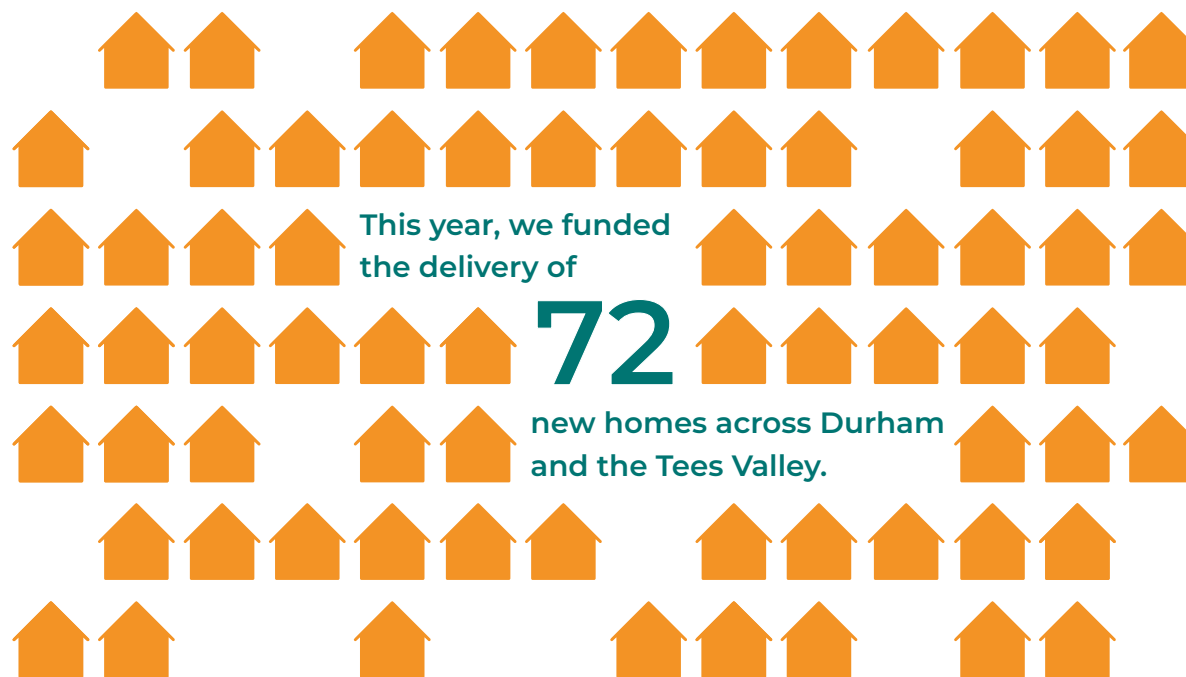


OUR PURPOSE



Delivering new homes

Britain's housing crisis has continued to deepen this year. We are committed to providing part of the solution, by delivering high quality, energy efficient, affordable homes to those that need it.



Our ambition only grows stronger.

We plan to build at least

515
NEW HOMES
by the end of



REGENERATING THE COMMUNITY IN COCKERTON

This formerly disused site was an eyesore. We developed 15 family homes for rent and a further five for first time buyers through the "Rent to Buy Scheme". This enables people to save for a deposit whilst living in the property they want to buy.

I feel so lucky to have such a wonderful new home! I would never have been able to afford to purchase a property like this on the open market without Rent to Buy.



 15 homes

 7 bungalows  wheelchair access



North Star is an example of housing that's positive, helpful and moving with the times.

PROVIDING HOMES FOR THE FUTURE IN DARLINGTON

This regeneration took place on a disused school site, in an area of very high housing demand. We created seven bungalows including one to the highest standards of wheelchair accessibility.



 16 homes  wheelchair access

I love my home. I have experienced no problems at all. Have received friendly service, everything is perfect.

DELIVERING ACCESSIBLE ACCOMMODATION IN MIDDLETON ST GEORGE

At this highly popular scheme we delivered 16 two-bedroom bungalows in Middleton St George, including two to full wheelchair standard.

CREATING AFFORDABLE FAMILY HOMES IN THORNABY

Ten new mews houses in Thornaby offer great homes for local families at an affordable rent.



 10 homes

“
I am very pleased with my new home, lots of space and room for the kids.
”



“
I'm really happy with my house and it's a lovely area to live in.
”

INNOVATIVE DEVELOPMENT ON BACKLAND IN AYCLIFFE VILLAGE

Two new, beautiful family homes in this rural area helped improve a previously untidy backland area.

 2 homes



 5 homes

RESPONDING TO DEMAND ON A HIGHLY POPULAR ESTATE IN DARLINGTON

These five two-bedroom homes now make up part of a larger, very popular estate.



Homes England

MIDDLESBROUGH MOVE ON PROJECT

 7 homes

 Support

We successfully bid for funding to purchase six homes in Middlesbrough. These homes enable people to leave hostel or refuge accommodation, gain experience of living independently and move into a permanent home.

We were also successful in gaining funding to provide six rough sleepers with a home and support to tackle the underlying causes in their homelessness.

OUR PURPOSE



Maintaining existing housing

As well as delivering new homes, we continue to invest in existing homes to ensure our tenants live in safe, warm and well-maintained houses.

This year our investment in this area grew by

▲▲▲
20%



£2.38m

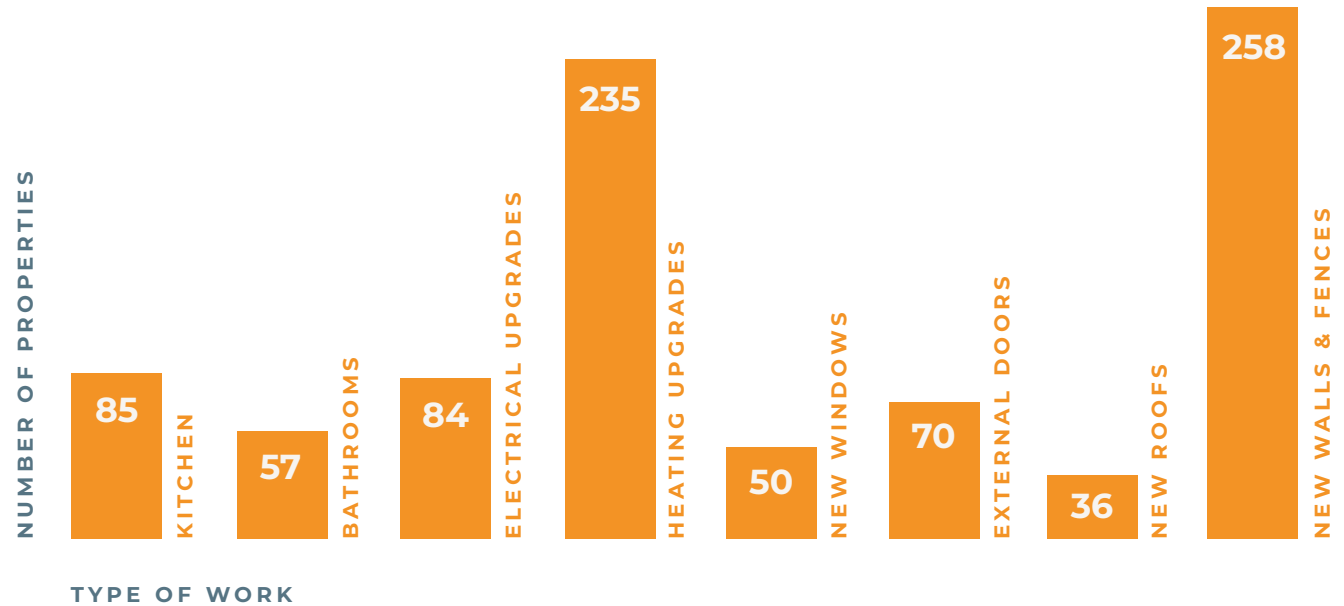
Spent on improving over 700 homes.



Customer satisfaction with these improvements

96%

INVESTMENT WORKS 2020/21



IMPROVING PLACES

This year over 300 customers were involved in our improvement project in collaboration with Groundwork NE & Cumbria.



Following an in-depth review, and customer feedback, we invested

£75k to

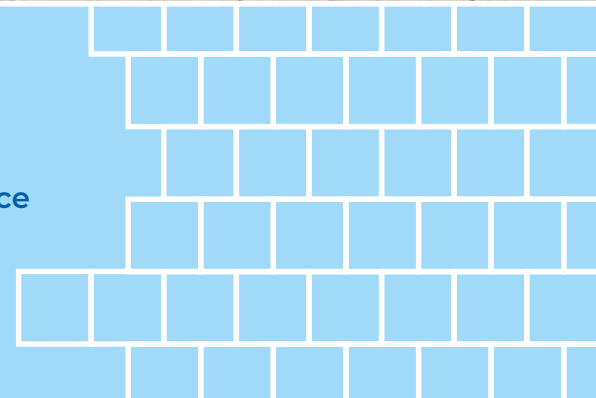


Address parking issues and improve the open space in Coronation Gardens, Staindrop.

Create shrub beds, and plant hedges and trees in Fairfield, Evenwood.



Redesign an overgrown, tired courtyard into an attractive functional space in McAuley Court, Middlesbrough.

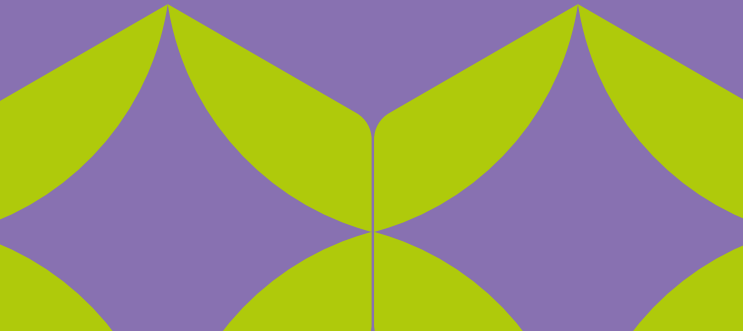


OUR PURPOSE



Growing alongside our communities

Investing in projects and services that support our communities is one of our strategic priorities.



From **Teesdale**

We are delighted to have invested

£54k 31 projects

To **Teesside**

These projects helped to address food poverty and social isolation, as well as supporting wellbeing during the pandemic.

Our investment enabled the delivery of vital services and resources to

+7300

people during the year generating

£4.1m



using the *HACT Social Value Bank*.





*Debbie Fixter,
Little Sprouts founder*

North Star is the backbone to the work we're doing. They are totally community driven, the staff are clearly embedded in the community and that's exactly what is needed.



SUPPORTING THE COMMUNITY IN THORNABY

Following investment and renovation in 2019, our Community Hub in Thornaby lived up to its name during 2020/21.

Our partner 'Little Sprouts' worked tirelessly from 'the hub' to deliver vital food aid to the community.





“ *Biniam Araia, IPC founder*

North Star is proactive, definitely connected, courageous and creative in the way it does business with the community.

”



INVESTING IN PEOPLE IN MIDDLESBROUGH

Our long-term commitment to local advocacy group Investing in People & Culture (IPC) grew this year, particularly in Central Middlesbrough. During the pandemic we were able to support its fantastic relief work to support refugees and asylum seekers.



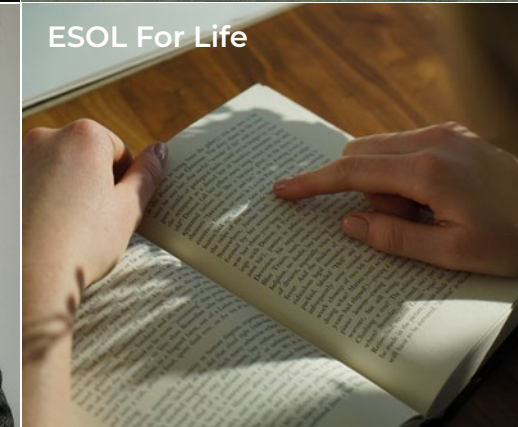
Advice and Guidance



Community Garden



Community Football



ESOL For Life





Barbara

I started a new life in the country in a little stone cottage on the first day of lockdown after losing my partner, this cottage was meant for me. I love the beautiful walks and painting landscapes.



Dean

I've always worked from home so not much has changed for me apart from my social life. I loved to go to gigs... now I livestream all the gigs.



Juliette

I bought a treadmill to keep fit at home. I love my home in Middlesbrough, the location is urban and everything is right on my doorstep.



USING ART TO INSPIRE AND BRING HOPE IN MIDDLESBROUGH

We developed a new partnership with the Middlesbrough Institute of Modern Art to produce 'Doorstep Portraits'. This creative project captures and documents the experiences of some of our customers during the pandemic.



OUR PURPOSE



Our people

North Star people, whether our customers or employees are at the heart of all that we do.

Our connection with customers is critical to the success of North Star and never more so than during the COVID-19 pandemic.

The pandemic created many challenges, but also acted as a catalyst for much innovation. And we evolved, so we could continue to deliver the services people want and need from us.



CUSTOMER CARE

At the outset of the pandemic our teams made thousands of calls to our customers providing advice, guidance, support or signposting as well as providing a friendly voice during difficult times.



Welfare Benefit Team helped

447
customers



to maximise their income by



£715k

CUSTOMERS LIVING IN SUPPORTED HOUSING



Our team fully embraced 'agile working' by adapting their methods and approaches to prioritise customer wellbeing and ensure we provided high-quality, safe support despite the day-to-day challenges of the pandemic.

The green fingered team went above and beyond, creating a gardening project for customers living in one of our supported housing schemes in Middlesbrough.





Aspen

138

customers signed up to their tenancy digitally via

DocuSign®

EMBRACING INNOVATIONS

North Star continued to seize the opportunities of the last year, introducing new technology to enhance the customer experience.

We created 'virtual viewings' giving customers remote access to our homes to keep people moving throughout the pandemic.

 [TAKE A TOUR](#)





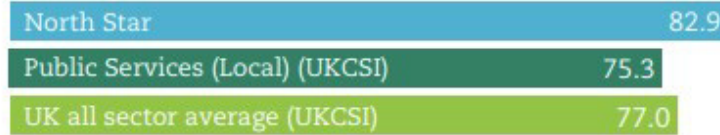
YOU SPOKE, WE LISTENED

High levels of customer satisfaction are critical to the continued success of North Star. Understanding customer needs is essential for us to improve, build on our strengths and deliver great services.

Our membership of the Institute of Customer Service (ICS) has enabled us to improve how we listen and respond to customers.

We conducted our first ICS customer survey which is an independent, objective benchmark of customer satisfaction. This enables comparison with over 250 other organisations in 13 different sectors.

Your Business Benchmarking CSI



Satisfaction trends



With this insight, we have now:

- + Simplified our complaints processes.
- + Provided complaints and customer excellence training to all relevant staff.
- + Increased how frequently we update customers who have an active complaint.
- + Communicated these changes, and now publish our performance and learning from complaints to customers and our Board.

And we haven't stopped there. We've commissioned the ICS to conduct in-depth research, meeting with our customers to gain an independent view on what matters to them most. This research is being used to inform our customer strategy in 2021.

We are proud to report:
Customers rated us

82.9 /100
compared to the overall UK score of 77.



Customers scored us particularly highly for ethics, experience and customer ethos.



Customers were most satisfied with the care, helpfulness and competence of our staff and reputation.



RANT AND RAVE

Also new for 2021 was the introduction of Rant and Rave, a game changing approach to capturing customer feedback, improving services and strengthening our complaints management. With this new system in place, customers can now share feedback on a range of services, in real-time.

As a result, we can now:

- + Hear directly from more customers.
- + Capture satisfaction levels in the moment.
- + Respond faster if a customer is dissatisfied.
- + Identify areas for improvement, themes, and patterns in service failures.



Tenants' Voice Scrutiny Panel

TENANTS' VOICE SCRUTINY PANEL

Our Tenants' Voice Scrutiny Panel (TVSP) continued to drive forward our promises to customers, developed in response to the National Housing Federation's (NHF) Together with Tenants' plan. The panel is now consulting more customers than ever before, starting with a review of communication and access to information.

And that's not all. Despite COVID-19 restrictions we forged ahead switching our customer engagement groups online. During 20/21 customers were able to:

- + Provide regular feedback on North Star's response to the COVID-19 pandemic.
- + Co-create the Customer Commitments as part of NHF Together with Tenants.

- + Review our complaints procedure in response to the new Housing Ombudsman's code.
- + Review our out of hours telephone service and support procurement of a new provider.
- + Co-design the specification for North Star's new grounds maintenance contract.
- + Provide responses to All Party Parliamentary Groups on welfare to work and community needs.
- + Monitor and scrutinise the performance of our repairs contractor.
- + Participate in workshops reviewing our digital experience.
- + Determine our digital priorities for the future.



STRONGER FOR THE FUTURE

Despite our physical separation this year, the North Staff team has grown stronger in every respect. Staff have responded to challenges with agility and creativity, have remained highly resilient and adapted quickly to completely new ways of working.

Our investment in this special group of people also continues to grow. This year, a year unlike any other, has challenged our ability to connect with and support staff through our usual means. Despite this, we kept connected and worked hard

together, we listened and responded and also surveyed staff to determine what North Star could do to support them. As a result, the survey assessors (Peachy Mondays) stated that North Star's approach to managing the pandemic at work was 'one of the best, if not the best we've seen'.

Everything we have learnt will continue to drive our evolution and growth into the future as a cutting edge and agile employer. Our staff lead the way but together we have worked out our new approach to work.

This includes:

- + Being together AND retaining the benefits of hybrid working.
- + Retaining our strong relational culture.
- + Prioritising face to face contact when there is a clear benefit in doing so.
- + Keeping personal, team, intra-team and organisational relationships strong as a vital tool to remaining effective and successful.

RECOGNISING EXCELLENCE

North Star has held IIP Platinum status since 2017, the first Housing Association in England to do so. We are in the top 20 highest scoring companies. During the year 93% of staff took part in the IIP survey in the UK, and our IIP Platinum status was reinforced by the exceptional feedback our staff gave.



INVESTORS IN PEOPLE AWARDS 2021 FINALIST

We have also been shortlisted for the IIP Platinum UK Employer of the Year Award, announced in November 2021.



THE IIP SURVEY 2020: STAFF FEEDBACK

98%

of staff trust the Leaders in North Star

99%

of staff state the organisation has clear values

99%

of staff have every opportunity to grow to be the best they can be

100%

of staff embrace change to create a sustainable future

100%

of staff believe North Star has a positive impact on society

99%

of staff say North Star is a great place to work and has a bright future



**CHARTERED INSTITUTE OF HOUSING
EMPLOYER OF THE YEAR AWARD 2021**

We are proud to have received industry recognition in this field. In September 2021 we received the Chartered Institute of Housing Employer of the Year Award. North Star staff were credited for having gone ‘several extra miles’. The judges were ‘blown away’ by their work this year.



MISCARRIAGE ASSOCIATION

We are also proud to support the Miscarriage Association in its campaign to encourage employers to develop policies and approaches that support parents. They have identified our approach as “exemplar” for other organisations.



**UK HOUSING
AWARDS**

As a result of all our hard work, we are delighted to be shortlisted as **Landlord of the Year**



EQUALITY DIVERSITY AND INCLUSION

Equality, diversity and Inclusion are part of our DNA. Together, we continue to build a culture that encourages, supports and celebrates difference. This fuels our innovation and brings us even closer to our customers and communities.

Our ambition is to have a Board, workforce and a tenant base that is representative of the communities in which people live and work. We collate and analyse data, publish our results on our website, and use it to develop new approaches to increase diversity.



Equality, Diversity and Inclusion are part of our DNA. Together, we continue to build a culture that encourages, supports and celebrates difference.

CHANGE STARTS AT THE TOP

We know that to deliver real change we must

- + Influence leadership.
- + Hold organisations to account, including our own.

As a result, we are working in partnership with the Housing Diversity Network and other Housing Associations to develop a Board trainee programme. It aims to help organisations be stronger and more visionary in every way, and to create Boards in the future that are dynamic, energetic and understanding of the needs of people and communities. We have recruited four trainees, all of whom are female, with three from ethnic minority groups, and continue to seek out more opportunities to tackle the issue of diversity going forward.



NURTURING TALENT IN OUR COMMUNITIES







This year saw the successful completion of our first apprentice programme, targeting the young minority ethnic communities. The programme is typically ambitious, aiming to diversify our workforce, provide training opportunities and ultimately secure, more permanent full-time roles for this population. We are now recruiting our second cohort.



OUR CURRENT DEMOGRAPHY

**KEEPING
OURSELVES
ACCOUNTABLE**

This year we improved how we collate our staff and board demographics. We use this data to set stretching targets to improve representation.

	STAFF	BOARD
	NON BME 92 % BME 7 % PREFER NOT TO SAY 1 %	NON BME 89 % BME 11 %
 (AGE)	< 25 4 % 26-35 10 % 36 - 55 60 % 56 > 26 %	< 25 - 44 0 % 45 -54 22 % 55 - 64 56 % 65 > 22 %
	HETEROSEXUAL 93 % PREFER NOT TO SAY 7 %	HETEROSEXUAL 100 %
	MALE 20 % FEMALE 78 % PREFER NOT TO SAY 2 %	MALE 65 % FEMALE 35 %
	DISABILITY 5 %	DISABILITY 11 %
	CHRISTIAN 53 % MUSLIM 4 % NO RELIGION/ATHEIST 26 % OTHER 5 % PREFER NOT TO SAY 12 %	CHRISTIAN 89 % NO RELIGION/ATHEIST 11 %

DELIVERING EQUALITY FOR CUSTOMERS

We want to strengthen our connection, understanding and work with minority ethnic tenants. It is important to us that our services are accessible and representative of the communities we serve. Historically minority ethnic tenants tend to be less satisfied with our services and we are committed to improving this. In 2021, to greater

understand our minority ethnic tenants and to deepen our connection with them, we will run a series of focus groups. This will directly shape our customer strategy in the future.

We have already:

- + Reviewed our customer profile data to ensure our it is reliable.

- + Developed performance reporting on equality, diversity and inclusion, to build understanding of how our services are being used.
- + Undertaken research with customers to understand their needs and priorities.

We are also members of BME National, Housing Diversity Network and National Housing Federation EDI professional groups, to ensure our approach to customer service is informed by best practice.



◆ Financial Strength



FINANCIAL STRENGTH

Our Financial Strength

Finally, it is important that North Star is financially strong and resilient.

We delivered strong financial performance in 2020/21, despite the challenges of COVID-19.



Improved our operating margin to just under

▲ 30%

REVIEW OF GOVERNANCE AND FUNDING

During the year we completed a major project to review and simplify our funding and governance arrangements.

We consolidated the group from four organisations to a single entity. We also secured new long-term

funding at very low fixed interest rates. This means that we made a loss in 2020/21. However, because of this project we are able to build more new homes, invest more in our existing properties and improve our financial strength and resilience.



PROJECT RESULTS

OBJECTIVE	OUTCOME
To increase the development of new units.	Increased from 290 to 590 units over the next eight years.
To improve the financial resilience of North Star.	Reduced refinancing, covenant, & interest rate risk.
To simplify governance and funding structures.	Now a single entity with only four funders.
To deliver Value for Money.	30 Year Business Plan net surplus increased from £85m (April 20) to £179m (April 21).

 **2** Major projects completed



ICT INFRASTRUCTURE

Our ICT infrastructure moved to a new cloud-based solution, providing a great foundation to deliver more digital improvements. This also enhanced our cyber security.



3 786

Homes that we own and/or manage

598

Supported Housing

68

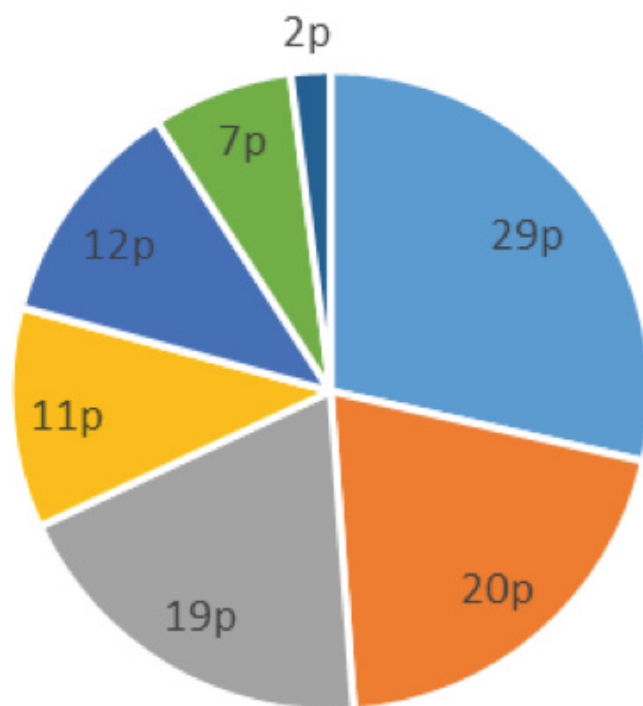
Managed for others

15

Shared equity /
Leaseholders

3 105

General Needs



WHAT WE SPEND EACH £ ON

Our spend on maintenance increased to £6.6m and we built 72 new homes with our investment of £4.7m in development.

- Maintenance
- Development
- Staffing
- Interest
- Depreciation
- Services
- Other

THE BOARD

The Board operates with a clear purpose using agreed ways of operating that strengthen decision making. The Board continues to pre-empt and respond to a constantly complex and changing world through excellent planning, responsiveness, flexibility and clear direction. Board skills are fully aligned to the ambitions of the business and constantly reviewed.



Peter Waugh
CHAIR

Peter is a former Director of Huntsman Pigments. He now works as a Consultant in the global chemical industry and as an Industrial Tutor at Durham University.



Anna Urbanowicz
DEPUTY CHAIR

Anna is a Chartered Accountant and has worked all her career in the private sector. Anna is a Former Group Director of Internal Controls at Esh Group.



Jason Ridley
CHAIR OF
RISK AND AUDIT
COMMITTEE

Jason is currently Director of Finance and IT with Leeds Federated Housing Association.



Paul Craggs

Paul is a former Commercial Manager for Shepherd Construction, he is now a Construction Consultant and owner of a property letting company in Darlington.



Margaret Smith

Margaret is a retired housing professional.



Mark Thompson

Mark is semi-retired running his own HR consultancy. Prior to this, Mark was an HR Director in the retail sector, professional services and most recently in Education.



Graeme Allinson

Graeme is an experienced Corporate Banking Director and was the Head of Manufacturing, Transport & Logistics division at Barclays. Other responsibilities have included Customer Satisfaction and Risk & Governance.



David Walker

David is an experienced regeneration and property development expert who has extensive knowledge of managing and delivering mixed use development projects.



Simon Wake

Simon has over 30 years' experience in the commercial property sector, acting for a wide variety of clients across many areas of business, but particularly in relation to the development sector.



David Lyall

David is the recently retired Chief Information Officer with the government's housing accelerator.



Claire Warren

Claire is currently Chief Executive of Pickering and Ferens Homes.

KEY PERFORMANCE

With a focus on satisfaction, we are making it easier for customers to tell us how we're performing. In 2021 we are introducing real-time feedback using Rant & Rave. This will be paired with a proactive call back service to customers expressing dissatisfaction with our services.

PERFORMANCE AREA	2018/19	2019/20	TARGET 2020/21	2020/21	HOUSE-MARK QUARTILE POSITION
Customer Satisfaction - the overall service	87.5%	92.3%	92%	90%	Upper
Customer Satisfaction - Maintenance	89%	88.3%	92%	90%	Median
Current arrears – General Needs & Older Persons	1.94%	2.29%	2.75%*	2.50%	Median
Current arrears – Supported	0.53%	0.79%	0.75%	0.70%	NA
% rent lost through homes being empty	1.2%	0.85%	1.2%*	1.02%	Upper
% rent lost through homes being empty (Supported)	1.77%	3.70%	4%*	2.72%	NA
Tenancy turnover rate	14.2%	12.9%	12%	10.2%	Lower
Average number of repairs per property	3.6	3.8	3.7	3.1	Median
% of appointments kept	91.3%	95.8%	95.0%	93%	Lower
% of gas services completed before expiry date at quarter end	99.9%	100%	100%	100%	Upper
% of time lost to sickness	3.1%	3.2%	3.0%	1.5%	NA

[*2020/21 target adjusted in light of COVID-19 pandemic]



STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31st March 2021 £000	Year ended 31st March 2020 £000
Turnover	20,740	20,381
Operating expenditure	(14,573)	(14,809)
Operating surplus subtotal	6,167	5,572
Surplus on disposal of fixed assets	50	172
Operating surplus	6,217	5,744
Amortisation of intangible assets & goodwill	(32)	(31)
Interest receivable and similar income	9	27
Interest payable and similar charges	(3,336)	(3,031)
Bank Loan Break Cost	(7,051)	-
Exceptional Merger Costs	(953)	-
(Deficit)/Surplus for the year before taxation	(5,146)	2,709
Tax on surplus on ordinary activities	-	(2)
(Deficit)/Surplus for the year after taxation	(5,146)	2,707
Other comprehensive (expense)/income		
Actuarial (losses)/gain in respect of pension scheme	(1,635)	1,745
Employer withdrawal from scheme	217	-
Total comprehensive income for the year	(6,564)	4,452



STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2021

Fixed assets

Housing properties
Other tangible assets
Intangible assets

Total fixed assets**Current assets**

Investments
Debtors (including £252k (2020: £177k)
due after more than one year
Cash and cash equivalents

Creditors: amounts falling due within one year**Net current assets****Total assets less current liabilities****Creditors:** amounts falling due after more than 1 year**Provisions for liabilities and charges**

Pensions
Other provisions

Total net assets**Capital and reserves**

Called up share capital
Restricted reserves
Revenue reserves
Pension reserves

	At 31st March 2021 £000	At 31st March 2020 £000
	205,444	202,046
	1,258	1,297
	164	196
	206,866	203,539
	30	30
	2,204	2,156
	7,070	5,745
	9,304	7,931
	(5,400)	(6,921)
	3,904	1,010
	210,770	204,549
	(179,798)	(168,130)
	(2,595)	(1,488)
	(134)	(124)
	28,243	34,807
	-	-
	439	411
	29,279	34,675
	(1,475)	(279)
	28,243	34,807

