



**CLARION**  
HOUSING GROUP

# Clarion Housing Group Corporate Strategy 2019-2022

**Building homes.  
Developing futures.**



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## Clare Miller Group Chief Executive foreword

**Clarion Housing Group is unusual as a housing provider in that we can trace our roots back to the beginning of the 20<sup>th</sup> century, when our original charitable trustees built homes in towns and cities across England, many of which remain in our ownership today.**

We are the current guardians of that legacy, and all of us who work for the Group have a responsibility to ensure that we deliver William Sutton's vision of good quality homes for the people who need them the most. It's a tragedy that today we face a housing crisis in many ways as severe as anything our original trustees experienced.

Two years ago we created Clarion Housing Group, a housing association of unprecedented scale. We recognised that we are first and foremost a social landlord, one that is growing and ambitious with a clear mission to maximise our capacity to do everything we can to alleviate the lack of affordable homes in England.

Clarion today:

- Maintains 125,000 homes with 360,000 people calling a Clarion home their home
- Works with over 170 local authorities across the country
- Runs a nationwide repairs service which carries out more than 1,400 jobs everyday.
- Will invest £13 billion in our development programme over ten years
- Has supported more than 3,000 people into work via our charitable foundation Clarion Futures.

Our services have never been in such demand, which makes it all the more important that we use our resources carefully to do as

much as we can to help people find a home.

The sheer scale of Clarion not only puts us in a unique position to achieve our ambitions, it allows us to think afresh about what such an organisation can do.

I am proud to say that we are a forward looking social business with a critical mission to provide good quality affordable homes to those people inadequately served by the market.

Clarion's new corporate strategy explains how we will deliver on this mission over the next three years. It will not be easy, we start out on this journey in very uncertain times, with the UK on the cusp of leaving the European Union, but Clarion is a unique organisation, with strong leadership, outstanding people, and an unprecedented capacity to deliver on our 100 year old mission.



## Mission

Clarion Housing Group provides good quality, affordable, homes and neighbourhoods to people inadequately served by the market.

## Introduction

**110 years ago the first William Sutton Trust homes were built in the London Borough of Bethnal Green. The Trust's founder, William Sutton, was an Edwardian entrepreneur and philanthropist with a reputation for hard work, diligence, energy, and foresight. Founder of the world's first door to door parcel delivery service, in many ways the Amazon of the 19<sup>th</sup> century, he knew that to provide good quality homes was to provide people with more than a place to live, it was to provide them with a future.**

William Sutton's vision, was for 'model dwellings and houses for occupation by the poor of London and other towns and populous places in England'. It was a philanthropic aim underpinned by hard nosed approach to business. At its heart a simple premise, using commercial acumen to build and maintain good quality homes and neighbourhoods for those who were failed by the market.

Nearly 60 years after the first William Sutton homes were built, in the wake of television drama Cathy Come Home, Circle 33 were formed by David Levitt and David Bernstein with aim of 'creating better homes for all'.

Today, the housing crisis is as severe as at the founding of William Sutton Trust or Circle 33. Clarion Housing Group, the new, unprecedented in scale organisation formed by the merger of Circle Housing and Affinity Sutton seeks to build on its founders' legacy.

It takes a great deal of ambition to create England's largest social landlord, but Clarion knows that being the biggest is not an end

in itself. Our scale is simply one of many tools with which we can deliver our mission to provide good quality homes and thriving neighbourhoods for the growing numbers of people who are inadequately served by the market.

How we utilise that scale, and the efficiency opportunities it creates, is critical if we want to succeed in our mission. The problem is no different to that faced by William Sutton, David Levitt and David Bernstein, and nor is our solution, but the manner in which Clarion will provide that solution is unprecedented. This strategy sets out a framework by which Clarion can deliver better housing, better opportunities and better services at a radically new scale.

For Clarion, scale is an opportunity to enhance both quality and efficiency. We want to deliver in a way that only we can. Our scale is simply one of many tools with which we can deliver our mission to provide good quality affordable homes and neighbourhoods for the growing number of people inadequately served by the market.



## Who we are and what we believe

Clarion is both a new organisation, and a very old one. We want to harness the legacy of our founders' vision for the modern world. The outcome we seek is better housed people in better quality places. Distinctive to our approach are the scale of our execution and the long term focus of our ambition.

### Clarion is primarily a social landlord which:

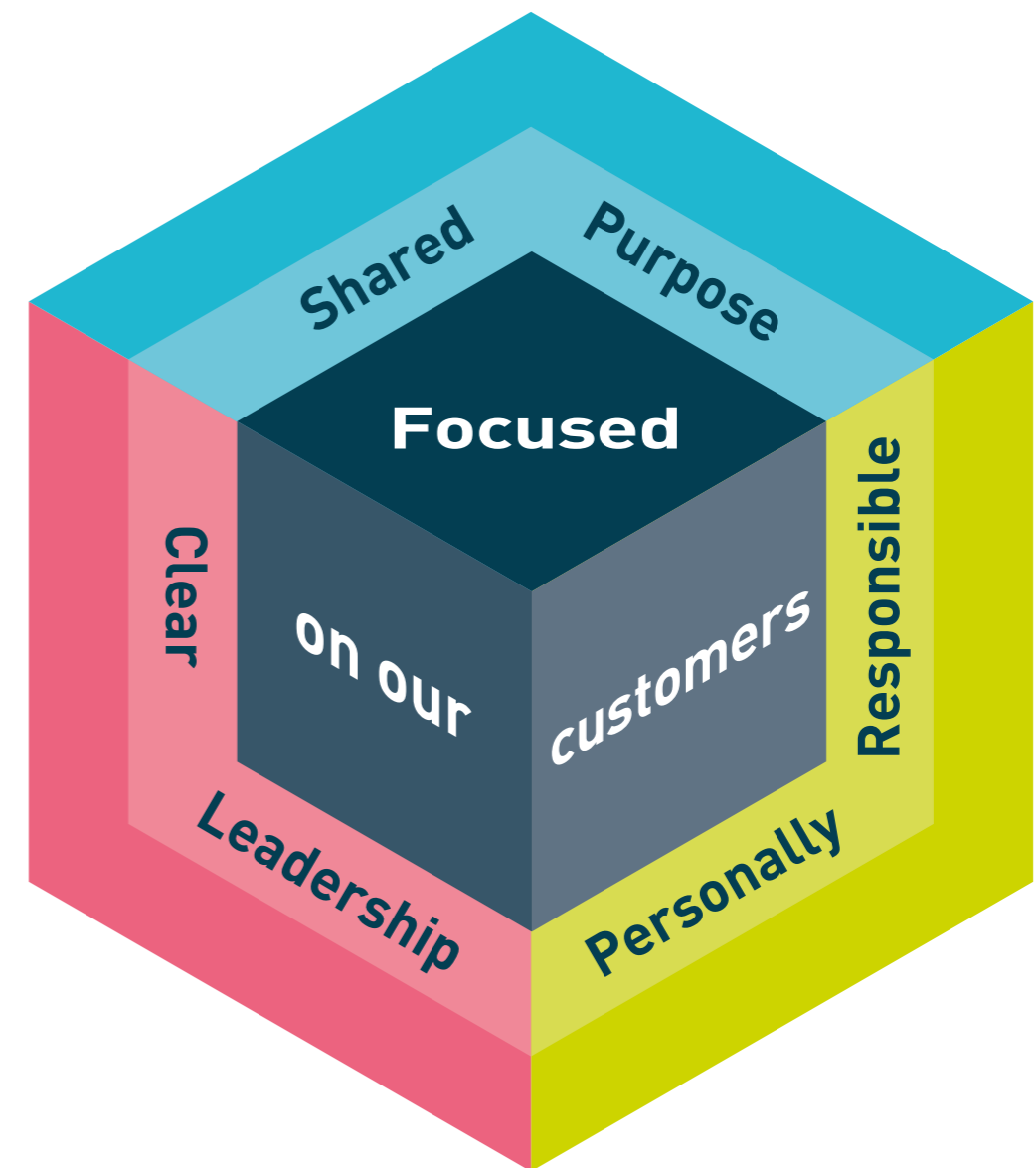
- Invests in, develops, and operates housing for those not adequately served by the market
- Invests in homes, communities, and places to improve the lives of our residents and the quality of their neighbourhoods
- Operates with long term aims and a long term timeframe
- Uses its size, scale and reputation to lead networks and consortia to deliver its strategic priorities
- Provides more than just bricks and mortar
- Knows that residents are not the same - different groups, and different people have different needs
- Uses its financial return to deliver our social purpose.



William Sutton

## How we work: The Clarion Way

The Clarion Way is positioned to ensure that we put our customers at the heart of everything we do and is enabled by three other principles which focus on the individual, the organisation and our leadership.





# Strategic priorities

We have selected three strategic themes which will deliver our new mission. We expect these to run for the three year lifetime of this strategy. These themes are underpinned by our enabling objectives - crucial pieces of business as usual without which we cannot deliver our ambitions.

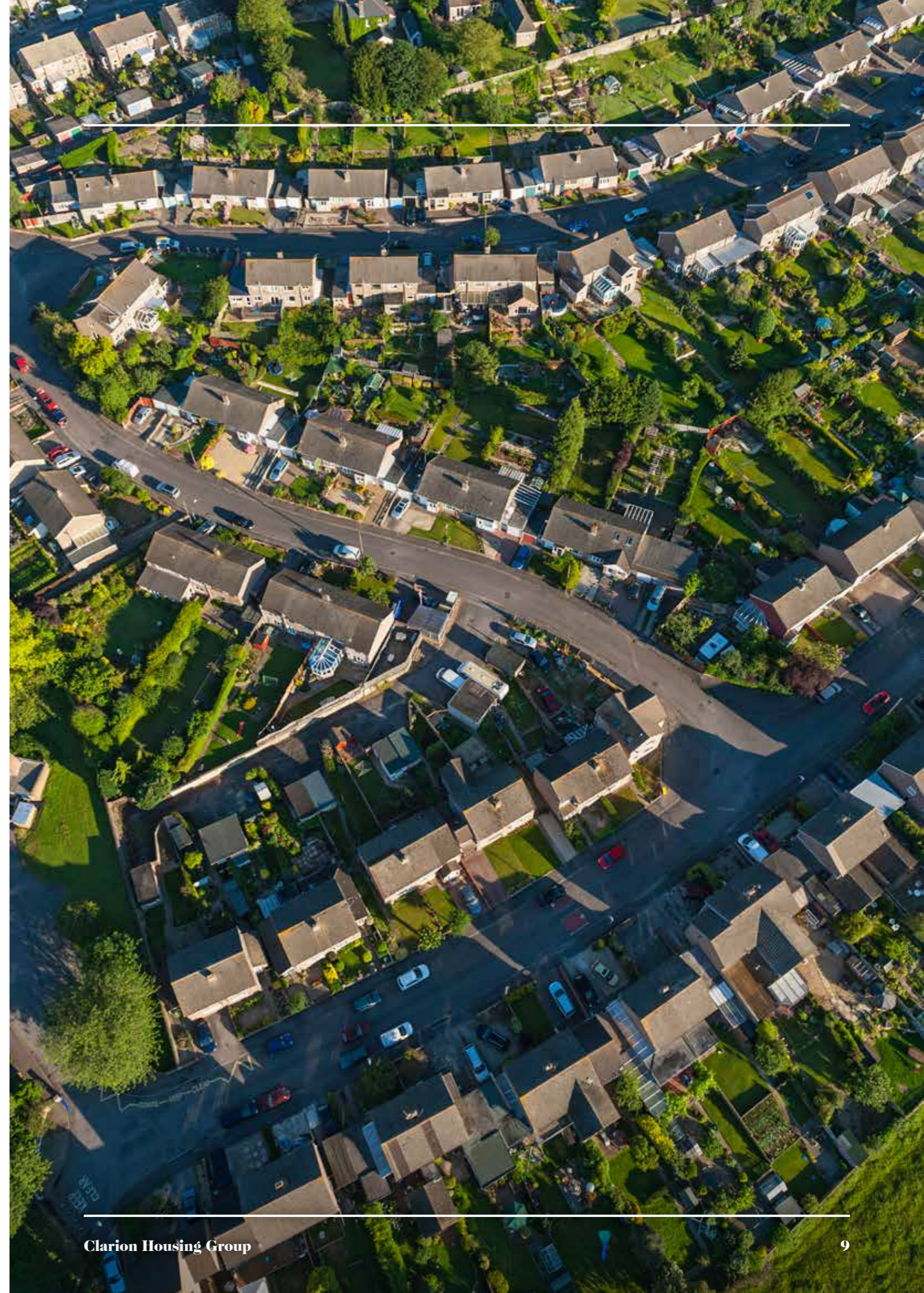
Clarion's strategic themes represent a greater challenge and require a different investment focus from the business in order to be delivered.

## Strategic Themes

- Being the housing and service provider of choice
- Building a successful, respected, and influential national business
- Building new homes and successful communities.

## Enabling Objectives

- Maintain our financial resilience
- Exploit new technology and innovation to drive business benefit and improve customer experience
- Be a great place to work.





# Strategic theme

## Being the housing and service provider of choice

**The heart of Clarion's business has always been, and will continue to be, the provision of good quality homes and services to our communities. The long term vision for our homes and communities is that, by 2040, Clarion will be the leading housing group for good quality, fit for purpose, well managed and sustainable, affordable homes.**

As England's largest social landlord we want to ensure that our homes transform lives. Over the next three years we will utilise our scale and financial capability to ensure the quality of our homes is consistently good. Housing is fundamental to an individual's life chances. Without a safe and secure home, the ability to achieve the things others take for granted is severely reduced.

Clarion's relationship with its customers is the foundation of the Group's values. We put our customers at the heart of everything we do. Integral to this is our belief that it is possible to be both large and local. By leveraging our scale we can provide a unique, transparent, accountable and equitable offer to all our customers.

Over the next three years, Clarion will deliver more proactive, informed customer services which, by allowing straightforward transactions to be completed via self service, will free up resource to target those in the most need. We will deliver value for money and efficiency throughout the customer service process.

Where possible, we want to minimise the role of intermediary agencies and contractors to ensure higher standards, greater accountability, and a closer relationship with our customers.



### Our work under this strategic priority will include:

#### Ensuring our housing stock is good quality, fit for purpose, well managed, sustainable and affordable

Clarion's 2040 programme will bring together a holistic approach to the Group's asset investment, regeneration and disposal strategies to create a mixed tenure housing portfolio that meets a new Clarion specific standard, achieves acceptable financial hurdles and is based around a series of key urban growth hubs across the country.

#### Delivering a seamless customer service offer, relevant to customer needs across all available channels

Clarion's customer services will become increasingly proactive and seamless across function and channel. A sector leading experience will minimise customer effort and deliver value. Services will be delivered efficiently, accurately, and with little need for contact or follow ups. Services will focus on what customers value, with a spectrum of engagement moving from minimal interaction for everyday queries to more labour intensive channels for those with more complex needs and the greatest level of risk.

#### Putting customers at the heart of our working practice

Clarion's customer service offer will change to adapt to new ways of working and the evolving customer. Simple transactions will be completed online with advisors supporting those who are unable to do this for themselves. Enhanced data will allow for accurate forecasting and resourcing with flexible working available to specifically match customer demand.

Back office support provided for more complex case management including Anti Social Behaviour (ASB), disposals, lettings and leaseholder management will be provided through a centralised skilled team. Customer account management will be heavily automated allowing the team to focus on the most serious cases.

Field based resource will be deployed where necessary to support customers face to face. The resource based in the neighbourhoods will be highly visible and provide feedback to constantly maintain the data regarding customers and assets. They will deliver investigations, capture details, update cases, and trigger further action from a mobile device. All appointments will be scheduled by centralised planners making best use of housing, repairs, estate services and surveyor resources. Tailored local service offers will be developed to meet identified needs in the community where these add value and drive customer engagement.

#### Ensuring the housing association structure best enables the delivery of good quality stock and services

We will review how the housing association is organised to ensure that the structure best enables the delivery of good quality homes and a good quality, modern, customer services offer. The structure will best support staff to focus their work on the Group's strategic priorities and customers' highest needs.

# Strategic theme

## Building new homes and successful communities

Clarion's development ambitions are substantial. We want to build on our legacy of delivering more and better homes.

Our vision is to establish Clarion as a leading UK affordable housing developer:

- delivering a range of products and tenures at price points to meet a range of needs
- including affordable housing of all types
- in the places where demand for affordable housing is at its greatest
- through mixed tenure development, including private sale and market rent housing
- and great place-making.

Clarion aims to be one of the country's leading developers of new housing, two thirds of which will be affordable. To realise this ambition requires a step change in our approach to developing new homes. The 'Clarion New Homes' strategy is the mechanism to deliver this

ambition, with an initial focus on what can be achieved over the next three years.

These new homes will be well designed, high quality, properties. Clarion knows that good design matters to people, and that it can

add to the social and economic value of housing. We will use objective, evidence based and measurable criteria for good design in our new developments to ensure places work: including road layouts that prioritise pedestrians; public spaces that are safe and attractive; and buildings at an appropriate scale and density to support local services.

In addition to delivering new homes, Clarion's development programme will enhance the overall quality of Clarion's housing stock, consolidate our footprint in key geographies and deliver a financial return to the Group for reinvestment.



Our work under this strategic priority will include:

### Achieving managed growth, delivering mixed tenure development

Creating mixed tenure developments at scale through a focus on building a strategic land pipeline and direct delivery of housing, while at the same time maximising the delivery of rented housing at a range of market and affordable rents within our product range.

### Focusing development in core geography, with managed growth into new areas

Concentrating our delivery of new homes where housing need is most acute, where market fundamentals are strongest and ideally where our estate is strongest - while also investing in new strategic opportunities (including new settlements). The 'Clarion New Homes' Strategy takes full account of the '2040 Real Estate Strategy', both in terms of its vision for our current and future assets and in reinventing the William Sutton approach for the 21<sup>st</sup> century.

### Generating value through market sales and build to rent, to support the development of affordable housing

Growing Clarion's development arm and its delivery of private sale, as well as developing a Private Rented Sector portfolio, in order to generate sustainable returns to reinvest in affordable housing and support mixed tenure developments.

### Building well designed homes that match customer expectations and minimise the impact on the environment

Ensuring customer satisfaction in our new homes and accompanying sales experience exceeds industry benchmarks while meeting our quality, sustainability and affordable warmth strategies - through efficient and innovative processes which maintain safe working and living environments.

### Regenerating our existing estate

Working with our residents to replace homes that fall well short of today's standard with new affordable homes in high quality places. Wherever possible we will, as a minimum, retain the extant social housing floor area and ensure tenants are rehoused either within the new homes or locally on similar terms to their current tenancy.

### Building organisational capacity to achieve the scale and complexity of the development ambition

Developing, recruiting and retaining the expertise needed to deliver our Clarion New Homes Strategy ambitions - both within the development business and the wider Group.



## Strategic theme

### Building a successful, respected, and influential national business

As a sector leader and social landlord of unprecedented scale Clarion is pushing at the boundaries of the political sphere and the public's understanding of a housing association. Clarion is a natural partner of local, regional and national government but stronger relationships are needed to deliver on our ambitions. Where possible, these stakeholders should smooth the delivery of Clarion's work.

Clarion knows where it wants to be but it needs to create a political and public environment which supports these ambitions. Clarion's increased profile requires an increasingly proactive approach to the external environment.



#### Our work under this strategic priority will include:

##### Shaping the political and public environment to enable the delivery of Clarion's ambitions

Over the next three years Clarion will:

- Build better understanding of Clarion, our objectives and our residents in the political, regulatory and media environment
- Create strong, trusted relationships with political stakeholders, key media outlets and other external influencers
- Enable key national and local stakeholders to act as advocates for Clarion and our plans
- Create consistent external recognition that Clarion is a good quality social landlord which delivers on its promises.

##### Reduce poverty and exclusion in our communities

Clarion Futures, Clarion's charitable foundation, will reduce poverty and exclusion in our communities by giving residents the tools and support needed to tackle problems they may face in life. Our residents will have access to high quality, free and ethical employment, financial and digital inclusion services coupled with support to make their local areas better places to live. We will also help their children make the successful transition to adulthood and employment and, where they exist, avoid repeating cycles of deprivation.

##### Ensure it is easy to do business with Clarion

Clarion's customer engagement communications will:

- Make efficient use of resource to deliver services while prioritising those in most need
- Deliver tailored, needs-based, services which enable customers to self serve
- Use insight driven, predictive analytics to forecast and prevent issues
- Enable staff and customers access to accurate real time data.

##### Enhance the quality and convenience of repairs services to drive improvement in our stock and enhance customer satisfaction

Delivering a quality repairs and maintenance programme is one of the most important services Clarion provides, ensuring our residents live in safe, good quality homes and receive consistently good services. Clarion will continue to review the delivery of responsive repairs and voids services, ensuring improved operational performance, customer satisfaction, and value for money.



## Enabling objective

### Maintain our financial resilience

Clarion will maintain and protect its financial strength and improve efficiency to provide a platform for growth, and support ongoing investment in enhanced customer services and the quality of our existing stock.

#### Grow our rental income

Rental income will continue to be the primary revenue stream for Clarion. Our aim is to grow this income by increasing the number of affordable homes we provide, maintaining high occupancy rates while decreasing voids and arrears.

#### Become more efficient

Clarion will strive for continuous operating improvements and efficiencies enabled by economies of scale, technology, organisation and simpler, more streamlined ways of working. In particular Clarion will capture the full benefits of merger and the newly implemented ERP (Enterprise Resource Planning) systems to improve both efficiency and effectiveness.

#### Maximise secondary sources of income

Within well-defined parameters, Clarion will maximise income from private sales, private rentals and other relevant ancillary services as important sources of internal funding to supplement external borrowing.

#### Optimise external funding arrangements

Clarion will maintain a diversified loan portfolio from a variety of sources to provide investment capacity and flexibility at a competitive cost. This will be supported by maintaining investment-grade credit ratings with the appropriate agencies.

#### Ensure continuing stability and financial health

Clarion maintains a set of financial golden rules - a framework of internal measures for maintaining financial resilience and credit strength. Operating within the golden rules will allow Clarion to pursue its strategic objectives on a prudential footing, in particular isolating the risks of its commercial business from core social housing activity.

Clarion uses rolling short, medium and long term financial forecasts which are stress tested to ensure protection against adverse performance trends, shocks and market movements.

## Enabling objective

### Exploit new technology and innovation to drive business benefit and improve customer experience

Clarion's scale means it is ideally placed to utilise new and emerging technology to improve the quality of our stock, data, strategic decision making and the customer service experience. Clarion will embrace technology which enhances our dynamic capability allowing us to be more responsive to customer and staff needs, more efficient in our business and more informed in our strategic decision making.



#### Deliver the FF2\* system and ensure its adoption

Clarion will complete the delivery of the FF2 system transforming our operations and interactions with customers and the quality of our data. Staff will be supported to adopt and best use the FF2 system, ensuring it enables them to effectively deliver on their targets and the Group's strategy.



#### Develop and deliver the technology strategy

A technology strategy will be developed and delivered to sit alongside Clarion's customer service, asset, and development strategies. The strategy will focus on; short term efficiency gains, and how technology can support and enable positive long term business outcomes.



#### Transform Clarion's digital capabilities

Digital and emerging technology will help to drive efficiency and shape ways of working, products and services going forward. Clarion's digital portals will be developed to allow for opti-channel engagement. The nature of the customer enquiry should determine the best option for both of them and the business and we will drive more simple interactions online.

This will ensure the more labour intensive, costly channels are available for those with more complex needs, and with the greatest level of risk. The ambition should be that upon delivery of a fully functioning customer portal, this channel should be made the easiest, fastest route to resolution.



#### Drive continuous improvement and innovation

Clarion knows that innovation is about people and culture. It will create a culture of continuous, data led, evidence based improvement which drives innovation across the business.

\*Later this year the remaining part of the business will move to the new ways of working along with powerful new Enterprise Resource Planning and Customer Relationship Management IT systems. This will allow us to provide a consistent service to all of our customers with better data and tools for our staff.



# Enabling objective

## Being a great place to work

The core emphasis of this objective is 'work'. In particular increasing traction with the Group's preferred way of working: the Clarion Way. This objective will primarily be delivered via six themes creating a place where people can be committed, productive and effective. For this to happen staff will need to believe that each of the six themes has been achieved.

### Leadership

- Managers are accessible and approachable and lead staff in accordance with the Clarion Way
- Staff can trust their manager to give them direction in the context of a bigger picture, to share responsibility for their team's performance and to include them appropriately.

### Communication

Timely and relevant corporate communication flows effectively and consistently throughout the organisation.

### Personal development

- Staff have the opportunity to develop their ability to perform their current job
- Staff can access opportunities to develop and prepare for career growth and realising their personal potential.

### Engagement and involvement

Staff understand Clarion's goals, and both want and are able to contribute to achieving them to the best of their ability.

### Recognition and reward

- Staff contributions are recognised by managers who find and use opportunities to recognise good work
- Individual and collective recognition is timely and proportionate
- Benefits can be personalised to better suit staff preferences.

### Employee wellbeing

- Work is a safe place which creates, supports and enhances wellbeing
- Work creates an environment where people can give their best.



*'Clarion & You' staff conference*





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