

Group Commercial Contracting Strategy

2020 - 2024

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Our Corporate Plan 2019 - 2024 said:

Our commercial arm will manage responsive and planned repairs and maintenance works for the entire Torus portfolio.

Our Group Commercial Contracting commitment:

“Through our construction and maintenance business we will deliver high quality, efficient and cost-effective construction and maintenance work, exceeding the expectations of our customers and clients across the North West.”

“We commit to generating £5m to be used in the Torus Group to improve the lives of the people living in our communities.”

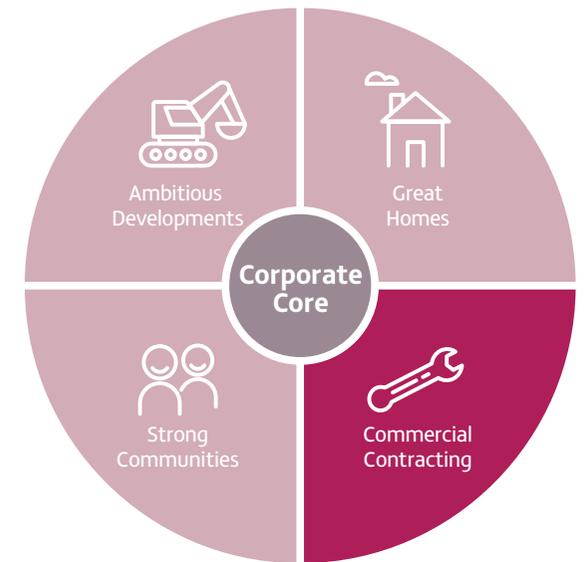


Purpose

Torus will build on the existing strengths of our contracting arm to deliver quality, efficient and cost-effective construction and repair activities, ensuring we create and maintain great homes in the North West. With a strategic focus on driving growth and regeneration across Liverpool, St. Helens, Warrington and neighbouring areas of significant potential, we will create the right homes for people in the right places to create better places to live and to support wider economic growth and regeneration.

Fundamentally, the homes we create will help to improve the lives of tenants and customers and to improve the quality of the neighbourhoods in which they live. Our Group Commercial Contracting Strategy outlines how we will deliver and maintain homes on behalf of our tenants, customers and communities, whilst operating commercially to support and enable growth and diversification.

As part of our commitment to growing stronger communities, 100% of the profits generated through our commercial activity will be used as Gift Aid to fund the work of our charitable arm, Torus Foundation.



Context

Commercial Contracting is one of five Torus Group Strategies being developed in 2020. Together, these resources build on the commitments made within the **Corporate Plan 2019 - 2024** and signify how Torus and its subsidiaries will work together to fulfil our vision of **'growing stronger communities'**.

Our **Group Commercial Contracting Strategy** therefore sets out not only how we will deliver good quality, well-maintained homes now and in the future but also how our construction and maintenance activity for Commercial Contracting will help to support the objectives across the rest of the business including our **Ambitious Developments**, **Strong Communities** and **Great Homes** strategies, all supported by the Corporate Core.

At the heart of our Group Commercial Contracting Strategy is our commercial construction and maintenance contractor, HMS.

By delivering for a range of clients, HMS will deliver construction and refurbishment contracts to the highest possible standard, with a unique business model – reinvesting 100% of profits back into our communities to increase capacity and resilience. HMS will work closely with our Assets and Developments to add value and efficiency across the organisation while consistently delivering value for money. We will become increasingly competitive by delivering quality, cost-effective construction projects.

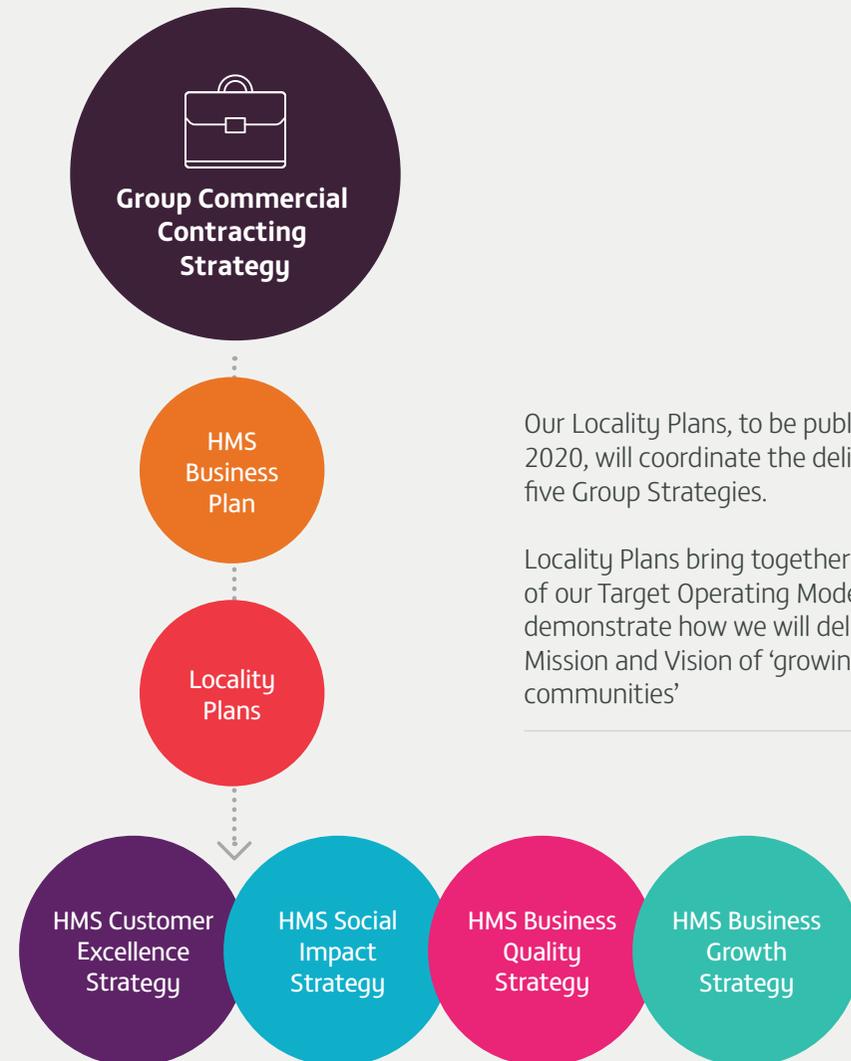
A number of policies and operational strategies will be developed to shape our Commercial Contracting activities at both strategic and operational levels. Our strategies and policies will work within the existing national and sub-national policy framework.

The Corporate Plan

The objectives as set out within our **Corporate Plan 2019 - 2024** were as follows:

1. Exceed the expectations of our customers and clients
2. Undertake projects and services that add value and are sustainable
3. Deliver value for money and predictable pricing
4. Engage with and invest in local communities

Our Group Commercial Contracting Strategy will be delivered via the following framework of operational strategies and policies



Our Locality Plans, to be published in June 2020, will coordinate the delivery of our five Group Strategies.

Locality Plans bring together all elements of our Target Operating Model and demonstrate how we will deliver our core Mission and Vision of 'growing stronger communities'

Objectives

Our objectives fall into three categories – **Core**, **Enhanced** and **Peak**. As an organisation we will prioritise all of our objectives across the five group strategies based on our ability to deliver and matched against our aspirations as a group.

We will work hard to achieve as many of our objectives as possible within a changing and potentially challenging external environment.



Core represents the commitments we consider to be fundamental to achieving our minimum standard of providing great homes and growing stronger communities for our existing and potential new customers. These commitments have been stress-tested as part of our strategic business planning activities.



Our **Enhanced** offer represents the commitments we consider to be realistically achievable by utilising the available resources and data in a more efficient way and by working more collaboratively with our sector and industry partners.



Our **Peak** offer represents the commitments we consider to be at the peak of our aspirations – to lead change, to drive inclusive growth and, through developing our strategic influence, to change the way in which the sector, and not only the business, operates.

Core and Enhanced represent the commitments as set out within the Group's Business Plan

- ▶ Increasing fully-sustainable business turnover with **new clients and an agreed rate of return**
- ▶ An intelligence-based approach to project delivery in **collaboration with partners and Local Authorities**
- ▶ **Unlocking new opportunities with new clients** to enhance our reputation and objectives



Peak

- ▶ **Enhancing our reputation as a first-class contractor** with a unique business model
- ▶ **Increased turnover** whilst maintaining a positive cash flow
- ▶ **Delivering high-quality Torus Group new-build projects by 2024**



Enhanced

- ▶ Effective learning and development programmes to **develop well-trained staff to help tackle the national skills' shortage**
- ▶ **Maintaining a sustainable business turnover to achieve a minimum rate of return**
- ▶ Consistently provide **high-quality, cost-effective contracting services to customers and clients**
- ▶ **100% of profits are reinvested back into our communities**



Core

Delivery timescale

Amalgamation 2018/2019

Group Transformation 2019/21

Medium Term Business Plan

Corporate Plan 2019 - 2024

Core	Enhanced	Peak
Getting the basics right	Intelligent use of data	Agility
Compliance	Business decisions made using intelligent data	Influence
Basic governance and assurance	Increased competency	External focus/growth
Focus across our Heartlands	Efficiency a core principle	Outward-facing
Becoming more efficient	Becoming leaner	Innovative
		Utilising the latest technology
		A 'lean' organisation

CORE & ENHANCED ACHIEVED 31ST MARCH 2022

PEAK ASPIRATIONS
31ST MARCH 2024

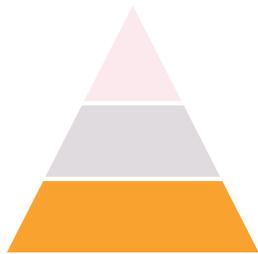
Core

High-quality, effective commercial contracting with a unique business model

Our **Core** focus is on facilitating growth and regeneration across communities where it is needed most, delivering much-needed homes for people in the right places.

For **Commercial Contracting**, this means providing high-quality, efficient and cost-effective construction and maintenance work to exceed the expectations of our customers and clients across the North West.

We will donate 100% of our operating profits to Torus Foundation via Gift Aid to reinvest directly back into our communities. As an increasingly-trusted construction partner, we will generate sustainable growth for the organisation; attracting new clients while securing new construction and maintenance contracts across the region. We will work to achieve growth whilst maintaining a positive, sustainable cash flow.



- ▶ Effective learning and development programmes to **develop well-trained staff to help tackle the national skills' shortage**
- ▶ **Maintaining a sustainable business turnover to achieve a minimum rate of return**
- ▶ **Consistently provide high-quality, cost-effective contracting services to customers and clients**
- ▶ **100% of profits reinvested back into communities**



Our key 'Core' commitments are:

Commitment	Links to other strategies
▶ Consistently providing high-quality, cost-effective contracting services to customers and clients	Great Homes, Strong Communities, Ambitious Developments
▶ 100% of profits are reinvested back into our communities	Great Homes, Strong Communities, Ambitious Developments, Corporate Core
▶ Maintaining a sustainable business turnover, positive cash-flow and effective contract principles in order to achieve a minimum rate of return as set out within HMS' Business Plan	Great Homes, Strong Communities, Ambitious Developments, Corporate Core
▶ Being a customer-focused contractor prioritising service excellence and efficiency across all activities	Great Homes, Strong Communities, Ambitious Developments, Corporate Core
▶ Delivering business activities including; Core Maintenance, Planned Maintenance, Development and Non-Group activity	Great Homes, Strong Communities, Ambitious Developments
▶ Effective learning and development, health, safety and environmental risk arrangements to develop well-trained, competent, responsible staff supporting community safeguarding at all levels of the organisation to help tackle the national skills' shortage	Great Homes, Strong Communities, Ambitious Developments
▶ Influencing the design and delivery of services for customers and clients contributing to the 'Sense of Place' corporate objectives	Great Homes, Strong Communities, Ambitious Developments

All of the priorities set out within our core offer provide an effective platform to achieve more and will enhance our ability to achieve our Enhanced offer.

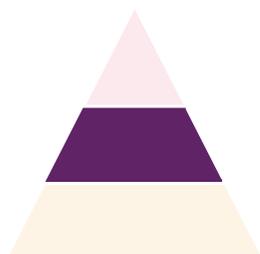
Enhanced

Increasingly-competitive, innovative commercial contracting for Torus group and external clients

Our **Enhanced** commitments are designed to make the Torus group an increasingly-competitive, reliable contractor-partner, delivering new-build and wider construction activities with an emphasis on like-minded organisations and sectors.

By working more collaboratively and efficiently both internally and externally, we will become increasingly competitive within the construction sector and enhance our reputation as a key construction partner with a sustainable, socially-impactful business model.

Our unique relationship with Torus Developments will lead to high quality new homes and support services and will maximise the funding made available to the Torus Foundation. We will work increasingly closely with colleagues in our Assets and Developments Teams to deliver innovative housing models and our ambition is to meet specific local demand.



- ▶ **Enhancing our reputation** as a first-class contractor with a unique business model
- ▶ **Increased turnover** whilst maintaining a positive cash flow
- ▶ **Delivering high-quality Torus Group new-build projects**



Our 'Enhanced' commitments are:

Commitment	Links to other pillars....
▶ Enhancing our reputation as a first-class contractor with a unique business-model – 100% of profits are reinvested back into communities	Strong communities
▶ Delivering high-quality new build projects for Torus across the North West including the development of a range of house types, tenures and design and build projects by 2024	Commercial Contracting, Stronger Communities
▶ Working to achieve efficiencies through intelligent data analysis to enhance service delivery	Strong Communities, Corporate Core
▶ Develop workforce skills in line with resource plans and areas of growth such as adapting and specialist environments	Great Homes, Strong Communities, Commercial Contracting
▶ Positively contribute to the local construction Labour market to meet demands through effective training and apprenticeship programmes	Strong Communities, Great Homes, Commercial Contracting

All of the commitments made within our 'Enhanced' offer will provide a platform to achieve our 'Peak' objectives.

Peak

At the forefront of the affordable housing sector as an innovative contractor, competing for private sector contracts

Our **Peak** commitments are designed to put us at the forefront of the affordable housing sector – as a trusted partner for local and devolved authorities in building new homes and regenerating communities.

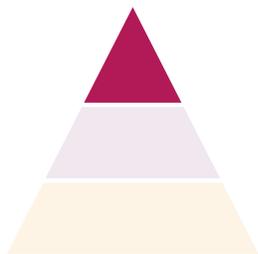
We will work to become a commercial contractor of choice for clients across multiple sectors operating in the North West, identifying key partners and opportunities to increase and improve the scale and reputation of the organisation - extending beyond Torus Group into public-sector external clients and, where appropriate, the private sector.

We will become a “sector leader” in exploring and implementing new technologies and innovative construction methods – committing to regional and national environmental policies as appropriate. We will extend our investment and commitment in local communities by contributing to the growth of a well-trained workforce that is fit-for-the-future.

Our ‘Peak’ commitments in full are:

Commitment	Links to other pillars.....
▶ A commercial contractor of choice for clients across multiple sectors within the North West - establishing a positive reputation across the North West through successful delivery of projects and targeted investment	Great Homes, Ambitious Developments Corporate Core
▶ An intelligence-based approach to project delivery, identifying key opportunities, partners and opportunities to help transform neighbourhoods	Strong Communities, Corporate Core
▶ Increasing a sustainable business turnover with new client base whilst maintaining positive cash flow in order to achieve an even greater rate of return – as set out within the HMS Business Plan – accounting for even greater growth	Strong Communities, Ambitious Developments
▶ Influencing the regional construction market through partnership initiatives to contribute to skills gaps	Strong Communities, Ambitious Developments
▶ Develop a plan that contributes to the national and local ‘Zero Carbon Targets’ including use of innovative technology	Strong Communities, Ambitious Developments

Our ‘Peak’ commitments are designed to maximise growth opportunities for the organisation across the North West by extending our strategic influence and reputation.



- ▶ Increasing fully-sustainable business turnover with **new clients and an even greater rate of return**
- ▶ An intelligence-based approach to project delivery in **collaboration with partners and Local Authorities**
- ▶ **Unlocking new opportunities with new clients** to enhance our reputation and objectives

Measuring Success

We will regularly evaluate how well we are performing as a group against the commitments made within our Corporate Plan 2019 - 2024. The Corporate Plan set out a number of key priority areas across the organisation during a period of significant transformation following amalgamation. Our Performance Team will report regularly on the following.

Below is an example of the KPIs we will report against Corporate Plan objectives and when:

- % Customers satisfied with the quality of a repair
- % All repairs completed in time
- % of successful external tenders
- HMS Turnover
- EBITDA



Document control

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Commercial Contracting Group
Strategy 2020-2024

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Approved by:
Torus Group Board
HMS Board

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