

# KINGSTON

Putting Pride in Place

## Corporate Strategy 2023-27

Part of the Bernicia Group





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Managing Director  
of Kingston

# Introduction

Welcome to Kingston's Corporate Strategy 2023-27;  
Putting Pride in Place

Kingston has a strong reputation as a leading provider of block and estate management, and estate agency services in the North East of England. We cater for a variety of clients including individuals, house builders and developers, management companies and institutional investors, providing services to over 30,000 customers.

**Kingston is the umbrella name under which three individual business units operate. These provide:**

# KINGSTON

Kingston represents our largest division, in revenue terms, specialising in the management of residential apartment blocks. The blocks range from bespoke conversions through to larger city centre developments. Our extensive range of management services cover communal areas and include general cleaning, window cleaning, garden maintenance, plant and machinery, fire alarms, gates, sprinkler systems and many shared services, as required legally within each development’s lease.

Kingston’s business has grown over recent years and we now enjoy a leading position in the North East, stretching into Yorkshire and Cumbria.

As the premier block management organisation in the region retention of our existing portfolio based around our excellent reputation, our fair charging policy and our commitment to excellent customer service is the key focus of this business unit. Continued incremental growth is also considered a reasonable aspiration for this division. Kingston will continue to expertly manage the requirements of existing and new customers, ensuring both receive high quality services.

We will meet the challenge from new and existing operators in this market by highlighting the quality of our service, the fairness of our approach and the safety and security that comes from being managed by Kingston.

# OPEN SPACES

Open Spaces is our newest division and excels in providing estate management, mainly in relation to the management of unadopted external shared areas, which were previously managed by local authorities. Services are paid for by the owners on the estate through an annual management charge.

Estate management covers a range of areas, which include landscape maintenance, play parks, SUDS, swales, community centres, community courtyards, drainage systems, sewage systems, allotments, football fields and public liability cover, to name a few.

Open Spaces clients are derived from the following sources:

- **1. Resident management companies established by the developers, with residents becoming members of the company and directors appointed.**
- **2. Developers transfer land to Kingston’s ownership for management.**
- **3. Housing developers retain the land beyond the footprint of the houses and then employ Open Space to manage the spaces.**

Business growth for Open Spaces, which is expected to be both an opportunity and a challenge, is anticipated to be very significant over the period of this corporate strategy. It is vital that business growth is optimised effectively, but equally important that Kingston and Open Spaces continue to deliver the best quality services to our growing number of customers. These are key challenges for Open Spaces over the lifetime of this corporate strategy and we are ready, determined and prepared to maximise these opportunities and deliver quality services for our clients and residents.



# LIVING SPACES

Living Spaces, the estate agency, is our smallest division in revenue terms. Operating from a high street location in Newcastle city centre, it provides services including sales, lettings and property management predominantly for private landlords. It does also manage some larger private rented portfolios on behalf of two of the region’s housing associations, including Bernicia.

Living Spaces maintains its position as the agent of choice within the city, where it has the largest market share. As with Kingston, steady incremental growth, consolidation of existing business, while also exploiting new opportunities, including extending its geographical footprint, is considered a reasonable aspiration for Living Spaces, reflecting its status as market leader in its operating area.





**Current position**

Kingston has an experienced senior leadership team, with great expertise and several industry recognised accreditations supporting our excellent service delivery. We have a significant market share within the North East and our pipeline business is robust. Client relationships are excellent, and profitability strong, as evidenced by our healthy operating margins.

Kingston, as a well-established commercial entity within the Bernicia Group, has its own strong Board, with membership including Bernicia and independent members, who all bring great expertise as well as an important tie-in to the valuable Bernicia reputation. The Kingston and Bernicia brands, as distinct as they each are, exhibit genuine reputational value, and synergy.

Our overall offer is attractive, with the many aspects and services within Kingston providing a range of diverse strands of revenue, as well as complementary services to a wide and varied customer base.





# Outlook

Growth to date has largely been organic but we have also made targeted acquisitions to develop and extend our expertise and services. There have been several strategic acquisitions which have enabled us to strengthen our brand and provide additional services to our customers, including residential property management, lettings, sales and property management.

Continued growth is expected, and we aim to ensure that our business offers more services and provides clients with a 'one stop shop' for all their property management and agency services.

Our key strategic aims are set out within this refreshed corporate strategy. We have set ourselves clear and challenging targets to help us to measure our achievements. We will ensure that all three areas of the business are able to grow sustainably, while also maintaining careful focus and energy on the significant existing business we continue to deliver.

Future growth can be achieved through opportunities within the market, including continued organic growth, strategic investments and acquisitions. We will ensure that any growth is carefully managed and absorbed, so that the benefits can be achieved for all stakeholders, while ensuring that customers, current and new, continue to receive the best quality of service.

We will continue to focus on all our customers and stakeholders (including our Kingston colleagues) to ensure that we listen and learn and always provide excellent services.

We will ensure that we are aligned with Bernicia Group's focus on customer excellence – with qualified accreditations being a key goal.

We will focus on the delivery of excellent services, working in alignment with Bernicia's values. To ensure that we are fit for the future, we will underpin and strengthen the capacity and resilience of our delivery platform. We will ensure that our delivery capacity continues to be up to date, secure and fit for the purpose of managing current and future operations.

As a core entity within the Bernicia Group, we will seek to optimise Kingston's potential to continue to deliver value for money as well as financial value through gift aid profits to Bernicia, and in turn the Bernicia Foundation.

The location of both our offices provide many advantages to us and our clients. Opportunities for Kingston are buoyant, with potential new business significant for estate management under our Open Spaces brand. These opportunities also include potential to expand into new areas and diversify into different markets.

Acquisition of other businesses is a potential investment opportunity worthy of consideration. Notwithstanding the positive and healthy current position and future forecasts, we are mindful that we must grow sustainably, continuing to maintain excellent services for our current customers, protecting the business from overtrading and expansion at an unsustainable rate.

We are focused on strengthening our already excellent customer engagement relationships, while at the same time remaining committed to ensuring that our business delivery platform is up to date and remains fit for purpose. We are resilient to change and future-proofed to enable current objectives and future aspirations to be delivered with confidence and assurance.

To accomplish all of the this, Kingston will continue to invest resources to ensure the business remains fully able to meet regulatory and statutory compliance requirements. At the same time, we will ensure that our people offer remains attractive to current and future employees.

The future looks bright for Kingston. We will stride forward with confidence and diligence through this new corporate strategy, remaining focused on achieving excellence and value for money for our current and future customers.



# Vision, Mission, Values

Vision	Mission	Values
(Our overall impact)	(our purpose – how we will deliver our mission)	(The way we will do things)
To be the leading and most respected property and estates business expert.	To provide an excellent level of service to our clients and customers and to build long term relationships. To approach everything we do with openness and honesty.	The Bernicia Way: we value our tenants and customers, work together, respect each other and have the highest levels of accountability and integrity, we deliver what we say we will do, something our tenants, customers and partners can rely upon - that is The Bernicia Way and for us this is what Bernicia, and Kingston stand for.

## Putting pride in place

Customer Focused:	Because we care about our customers, how we do things is as important to us as what we do. We understand our customers and deliver great customer service.
Teamwork:	We work together, across boundaries, to meet the needs of our customers and help the organisation to be successful.
Integrity:	We uphold the highest standards of integrity in all of our actions.
Respect for People:	We respect our customers and recognise them as individuals. We value our colleagues, encourage their development and reward their performance.
Leadership:	We provide strong corporate governance and leadership which is outcome-focused
Accountability:	We are each personally accountable for delivering on our commitments.



# Strategic objectives 2023 – 2027

We have set four key objectives for delivery within the period of this strategy (2023 – 2027):

## Strategic Objective 1



### Delivering excellent services for our customers

This strategy aligns with Bernicia Group's focus on customer excellence, which includes delivery of high levels of customer satisfaction as a key goal. The strategy will require us to focus on continuing to deliver excellent services, working in alignment with Bernicia's values. We will engage with our customers to gain knowledge and understanding of their requirements, gaining their insight on current services and delivery of these. From this knowledge we will improve our services and we will track and report on our performance against clear targets. We will continue to secure industry recognised accreditations, which we will use to promote our track record of excellence.

**To demonstrate we are delivering this objective, we will have a range of measures and targets including the Key Success Factors of:**

- 1) Maintaining high levels of customer satisfaction for services delivered by the three divisions.
- 2) Conducting regular surveys of our customers and analysing reports of satisfaction and complaints, so that we can understand what we need to do to improve the services we offer and how these are delivered. Developing performance reporting to incorporate customer satisfaction and complaints.
- 3) Securing industry recognised accreditations and embedding good practice within our culture.

## Strategic Objective 2



### Building an effective organisation through continued investment in technology, people, policy and process

This strategy will ensure our delivery model remains up to date and fit for purpose and there is capacity and capability to effectively manage both current and future business opportunities and requirements. By ensuring that we optimise our effectiveness and enhance our business resilience, we will have strong foundations that will support Kingston both now and into the future. We will continue to retain and attract the best people by maintaining our focus on reward and recognition, investment and training. We will also remain focused on delivering good governance and board oversight.

**To demonstrate we are delivering this objective, we will have a range of measures and targets including the Key Success Factors of:**

- 1) Continuing to update and develop our systems and processes, to deliver improvements to our productivity, business resilience and our overall service offer.
- 2) Meeting our financial and budgetary targets.
- 3) Continuing to train and invest in our workforce to improve skills and motivation which will enable us to attract and retain the best talent.





## Strategic Objective 3



### Absorbing and managing planned growth

This strategy will aim to ensure that we seamlessly absorb our enviable growth pipeline into our existing business. Through the successful delivery of excellent services in Strategic Objective 1 and demonstrating the effectiveness of Kingston in Strategic Objective 2, we will be best placed to absorb and manage the growth potential. Through robust forward planning and relationship management we will ensure that the transition to Kingston is smooth and a first-class experience for clients.

**To demonstrate we are delivering this objective, we will have a range of measures and targets including the Key Success Factors of:**

- 1) Effectively managing our forward pipeline plan, with resource capacity in place to meet our growth plan needs.
- 2) Improving the profitability of our existing business through seamlessly absorbing growth.
- 3) Maintaining strong client relationships.

## Strategic Objective 4



### Maximising our potential, being open, outward facing and agile in the pursuit of new business opportunities

This strategy will aim to optimise Kingston's aspirational growth potential, whilst closely adhering to and working within the values established by Bernicia Group. We will strengthen our potential to generate improved profits and profitability through improving our brand awareness and horizon scanning for new growth opportunities in property related activities. We will explore diversification opportunities and will look for and explore the potential for complementary acquisitions and mergers.

**To demonstrate we are delivering this objective, we will have a range of measures and targets including the Key Success Factors of:**

- 1) Improve our brand awareness.
- 2) Proactively horizon scan to identify new opportunities for growth and diversification.
- 3) Improve the profitability of Kingston through the introduction of new business opportunities.





# Risk Management

**Risk management is integral to all aspects of our activities, and whilst it is ultimately the responsibility of the Commercial Board, all staff share the responsibility to manage and identify risk.**

**Risk management supports the achievement of our Corporate Strategy through:**

- Enhancing the quality of decision making, planning and prioritisation.
- Contributing to effective allocation of resources.
- Protecting and enhancing Bernicia's assets and reputation.

**We identify risks through a range of methods/sources. These include:**

- Management and a dedicated Business Assurance resource from our parent, Bernicia.
- Board Members (risk is on all meeting agendas).
- Internal/external auditors.
- Specialist advisors (e.g. pensions, cyber security).
- Customer feedback.
- Best practice within the sector(s).
- Key performance indicators and stress testing (performance/data based).
- Horizon scanning.

Kingston's risk and assurance landscape is founded on the 'Three Lines of Defence' model. Assurance activities are framed firmly around the context of the Commercial Strategy, risk appetite and the necessity of having a robust governance framework.

Kingston monitors and manages risks using a number of assurance tools, including a bespoke Commercial Risk Map and a Business Assurance Map. The risk map is maintained covering high level risks which may jeopardise Kingston's strategic objectives.

The Business Assurance Map is a 'live' document which continually maps assurance against Kingston's critical and essential processes, and legal, regulatory and accredited body requirements. It is used for gap analysis and inform the planning of assurance activities.

**We have also identified our risk appetite as follows:**

## **Overarching risk statement**

Kingston adopts an averse risk approach regarding all compliance matters, but remains cautious and open to other aspects, making decisions in accordance with marketplace conditions, giving these due consideration and adopting risk-based approaches. The Board is clear that an overly averse risk position should not be prevalent as this would stifle Kingston's ability to operate effectively in its commercial environment

## **Compliance with legislative and regulatory guidance, standards and codes – averse**

The Board expressed no appetite regarding non-compliance with legislation or regulation.

## **Health and Safety compliance – averse**

The safety of our people and customers is of paramount importance to the Board. The board therefore has no tolerance regarding non-compliance with health and safety requirements.

## **Data integrity and security – averse**

The maintenance of good quality data that is held in a safe and secure infrastructure and environment is a fundamental expectation and requirement of the Board. The Board is mindful however that this risk approach should not stifle our use of technology, which would be considered using an appropriate risk-based assessment.

## **Financial viability – cautious**

Maintaining financial viability and strength and ensuring that appropriate provision is in place to ensure the delivery of strategic objectives is a prerequisite of the Board.

## **Business diversification – open**

The Board will openly consider business diversification activities, with a backdrop of caution and ensuring a risk-based approach is adopted when considering new opportunities.

Our risk appetite will be used to inform our decisions regarding new opportunities and existing operations and our key reporting metrics will alert Board to potential emerging risks should they arise.

# Financial planning

## Framework

We have a detailed four-year plan incorporating the 2022/23 agreed budget and a further three-years' estimates. This is reviewed and updated annually as part of the budget approval process. The four year financial plan forms the basis for our medium-term financial forecasts (ten years). These show that we have the financial strength to support the delivery of our plans.

## Finance strategy

Our financial plans are guided by our Finance Strategy. The overriding purpose of our financial strategy is to ensure that the long term financial viability of Kingston is maintained, and that appropriate provision is made to allow adequate resources to be made available and invested when and where appropriate, in order for Kingston's missions to be delivered.

Within our overall objective, we will also aim to:

- Maintain a strong financial profile, providing resilience to both known and unknown financial risks.
- Ensure that appropriate provision is made, and adequate resources are available to invest in the business in support of its development and growth.

## Golden rules

We have established key principles and parameters (golden rules) that guide Kingston's financial planning and build resilience into our forecasts. These are predominantly aimed at ensuring appropriate surplus levels are achieved and maintained. These parameters safeguard our services to clients by maintaining our current financial strength and giving us the capability to absorb adverse changes to our business.

These are reviewed on an annual basis to ensure that they continue to provide the level of headroom commensurate with the financial and operating environment, the risks we face and our aim of maximising profits. They will also be reviewed if there are any significant changes in the external operating environment that increase financial risk and uncertainty.





# KINGSTON



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