

Well positioned for the year ahead



Pete Redfern (PR)

Chief Executive

Responsibilities

As head of the Group Management Team (GMT), responsibilities include key strategic and operational decisions, sustainability, customer service and health and safety.



Chris Carney (CC)

Group Finance Director

Responsibilities

Chris's role covers all areas of finance, including tax, treasury and managing the Group's defined benefit pension scheme, as well as overall responsibility for our commercial and information technology functions.



Jennie Daly (JD)

Group Operations Director

Responsibilities

Jennie oversees our land, planning, design and technical, production and supply chain functions, in addition to managing the Taylor Wimpey Logistics business. As part of her land and planning role, Jennie also leads our response to the evolving UK planning system.



James Jordan (JJ)

Group Legal Director and Company Secretary

Responsibilities

James is responsible for our Company Secretariat department, as well as overseeing all legal matters from plot conveyancing to landbuying.

It has been a great year for Taylor Wimpey but there are always challenges and 2019 will be no exception. How is the GMT preparing for the year ahead?

What are the key priorities for the year ahead?

PR Operationally, safety on site is always our non-negotiable number one priority and continues to be the first item discussed at every Board meeting. We are continuing to embed our customer-centric strategy and our focus in 2019 is on making good progress on the key priorities that underpin our customer-led strategy. This includes ensuring our right first time approach is adopted consistently through all stages of build, supply chain improvements, ongoing people development and resourcing of future capacity, through apprentices and our direct labour programme. We reset our KPIs in 2018 to ensure we are targeting the right areas and these will be measured and reported to GMT through the year.

Taylor Wimpey launched a customer-centric strategy in 2018 – what is new in this approach for customers?

DM We always strive to work in the best interests of the customer and, in a sense, this approach formalises that commitment. But it is more than that. Where it goes further is in outlining, in some detail, the changes we need to make to really put customers first. During 2017 and 2018 we conducted a wide ranging customer research project to help set our customer priorities. It has also helped us assess each stage of the business model, through the customers' eyes, from planning and design to construction, sales and aftersales and, where necessary, make improvements.

Why the change in strategy?

JJ With a much improved land and planning backdrop environment aiding our forward planning, there is an opportunity for us to increasingly shape our business around the needs of our customers. This of course involves continuing to listen to what customers are telling us whilst employing technology that can bring tangible benefits. Being able to focus on the areas that really matter to customers also simplifies the business, informing our priorities and guiding our decision making. Customer feedback plays an important role. For example, this has helped us design a new standard house type range which we will launch in 2019.

In what ways does this approach impact operations?

JD A great deal of thought and detail has gone into how we will embed our customer-centric approach throughout the business. Our strategy focuses on the five key pillars we have outlined in this report; placing customers and communities at the heart of our strategy; right first time build quality; optimising our strong landbank; becoming the employer of choice; and developing a best in class efficient engine room. To achieve each of these aims we have established a number of new principles and practices that have each been matched with relevant KPIs to help measure our progress.

How will you drive improvements at site level?

IO We will do this by taking a more strategic approach to our build on site, adopting a factory approach, scaling up build teams on large sites, to align with the market demand, to deliver more homes.

NH For example, on large sites such as Great Western Park, Didcot, in my Division, we have multiple factories operating independently. This approach enables us to provide more homes for our customers, utilise our skilled teams more productively and is a more efficient use of our shareholders' capital.

“Our focus in 2019 is on making good progress on the key priorities that underpin our **customer-led strategy.**”

Pete Redfern – Chief Executive



Anne Billson-Ross (ABR)

Group Human Resources Director

Responsibilities

Anne has responsibility for all areas of human resources, including recruitment, benefits, talent and performance management.



Nigel Holland (NH)

Divisional Chair, Central and South West

Responsibilities

Nigel oversees our Central and South West Division, covering our East Midlands, South Midlands, East Anglia, Oxfordshire, South Wales, Bristol, Southern Counties and Exeter regional businesses and our Spanish business.



Daniel McGowan (DM)

Divisional Chair, North

Responsibilities

Daniel oversees our North Division which covers our East and West Scotland, North East, North Yorkshire, Yorkshire, North West, Manchester, North Midlands, Midlands and West Midlands regional businesses.



Ingrid Osborne (IO)

Divisional Chair, London and South East

Responsibilities

Ingrid has responsibility for the integrated London strategy and oversees our London and South East Division, which includes our East London, Central London, North Thames, South East, South Thames and West London regional businesses.



Lee Bishop (LB)

Major Developments Director

Responsibilities

Lee manages our Major Developments business which has been specifically created to secure and project manage large scale land opportunities.

How can you best protect stakeholders in uncertain markets?

CC Market conditions can change and it is important that our strategy is dynamic enough to allow for this. The reality is that housebuilding is a cyclical industry that will undergo periods of relative strength and weakness. Whilst we can do little to influence the wider economic backdrop, we have taken steps to ensure we manage the business effectively through the cycle for our stakeholders. This means making decisions in the long term interests of our customers and stakeholders rather than adopting a short term approach. The key elements of managing our business through the cycle are tied into our customer-centric approach.

LB We believe that our customer-centric strategy will offer further scope for differentiation and enable us to become the customer's first choice of homebuilder in all market conditions, which will make us a more efficient and resilient homebuilder throughout the cycle.

This strategy also gives us the flexibility to increase our pace of build and accelerate growth in 2020, depending on market conditions, while maintaining focus on quality land investment in good locations.

What is the outlook for labour following Brexit?

ABR Around 10% of people working in UK construction are non-UK citizens (7% from EU countries) so, depending on the outcome of Brexit, a more restricted labour supply may be a concern for the industry. However, we feel we are in a strong position at Taylor Wimpey. Irrespective of the Brexit outcome, we have been adapting our labour strategy as part of our long term planning. Over recent years skilled labour such as bricklayers, carpenters, supervisors and site managers have sometimes proved difficult to recruit and we have responded. We successfully trialled direct labour schemes in six regions which are now being rolled out nationally and we are increasing our apprentices.

“We are confident that our strong balance sheet, with our high-quality landbank, and a strategy focused on customers makes us a **more resilient business.**”

Chris Carney – Group Finance Director

Will the supply of building materials be impacted by Brexit?

JD Most of our building supplies are manufactured in the UK. For example, we order around 120 million bricks annually, the vast majority of which are sourced in the UK. We purchase a significant proportion of our products in bulk via national agreements and have preferential partnerships with many of our suppliers. The 15% of our products that have an element imported from the EU are mainly sourced through a network of UK-based suppliers. There is a risk that, in a no deal Brexit outcome, our supplier network may experience delays in their own supply chain and we are working closely with these distributors to understand any issues they may face. Unusually for our sector, we also have our own internal logistics arm, TW Logistics, which provides additional visibility, control and flexibility in managing our supply chain.

Are there any other concerns resulting from Brexit?

CC While we are conscious of the wider political and economic risks, particularly as the UK plans its exit from the EU, we are confident that our strong balance sheet, with our high-quality landbank, and a strategy focused on customers makes us a more resilient business.