

## VALUE FOR MONEY ANNUAL ASSESSMENT 2014

### Role of Governance

Our board have a wide range of executive and non-executive experience in the public, private and voluntary sector and use this experience to ensure that VfM remains high on the Genesis agenda.

The board all undertook financial training in February 2013 and VfM was considered in detail as part of this. The board regularly receive updates on VfM issues at their meetings and all reports to both the Executive and the Board have a section which highlights budgetary and VfM implications

### Statement from Chair – Charles Gurassa

Our guiding principle is to be “social hearted, commercially minded”, seeking to serve those in need by the optimum use of our resources and know how. The investment in, and success of, the Genesis Way programme underlines our commitment to delivering value for money across the business. Putting in place the right people, systems, processes and culture will enable our Housing Association to thrive despite more challenging economic and political environment. The Programme has helped to reduce our costs and improve the services that we are providing to our customers and continue to deliver much needed new homes and supported housing for the communities we serve.

One of the key values for GHA is putting customers at the heart of everything that we do, involving them and being accessible. Another key value is Working in Partnership. This can only be achieved through developing an open and transparent relationship. Our aim therefore is to be as open and transparent about our services and the way we work.

As a transparent organisation we're keen to share information about our performance in a way which is easy to access and understand. To enable us to do this, we have a dedicated 'Openness and Transparency' section on our website which can be accessed from the website homepage. In this section you can find information about – what we do, what we spend money on, our performance and how we make decisions. To view the section go to - [www.genesisha.org.uk/about\\_genesis/openness\\_and\\_transparency.aspx](http://www.genesisha.org.uk/about_genesis/openness_and_transparency.aspx)

We have recently set up a VfM forum which is made up of a number of staff members covering all aspects of the business with the objective of accelerating the embedding of value for money and continuous improvement throughout the organisation. The forum will help to drive and communicate the successes we achieve and to ensure the organisation remains committed to meeting regulatory expectations.

### Our approach to value for money has four key elements:

1. Benchmarking – Using the Housemark analysis and comparisons with peer associations in G15.
2. Self-assessment by service managers linking the cost of service provision with meeting Corporate Objectives.
3. Undertaking an organisation wide transformation programme (The Genesis Way Programme) aimed at improving our effectiveness and efficiency.
4. Understanding the economic performance of our property assets through participation in the development of IPD's UK Social Housing Index.

Below we report on the activities undertaken and achievements realised under each of the four elements.

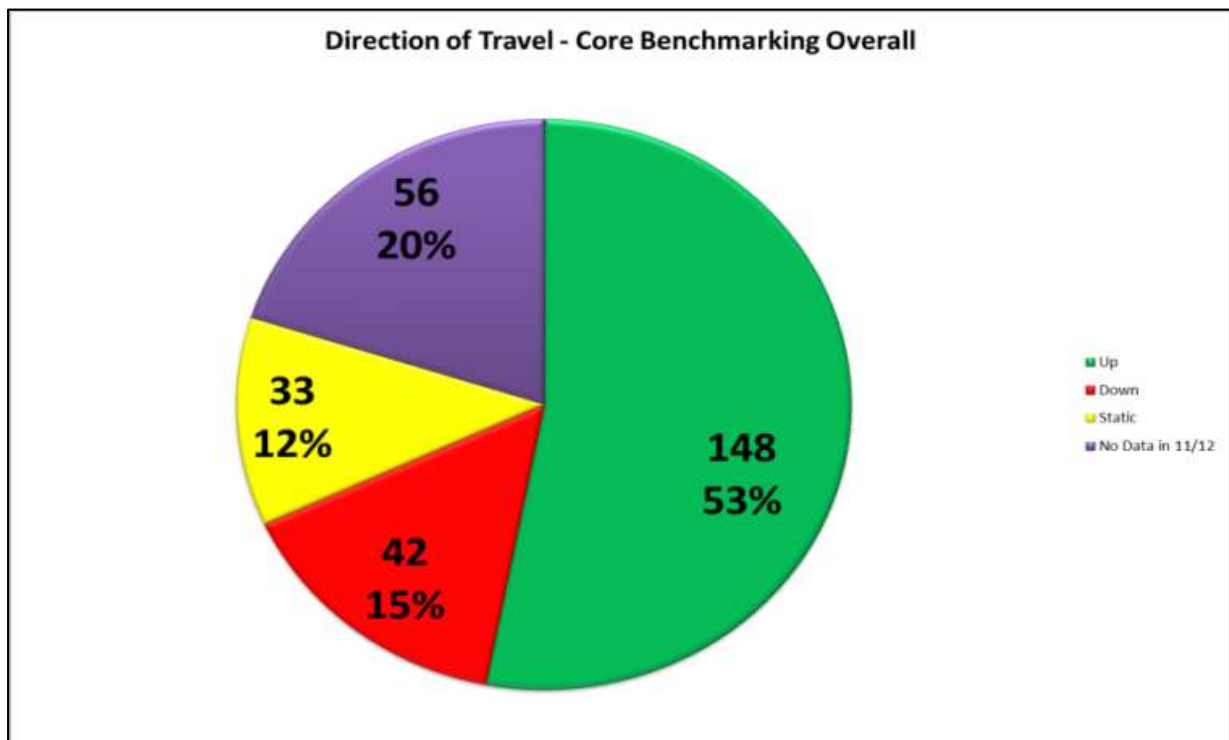
### Benchmarking Results

The benchmarking at this time is based on the Housemark and IPD index data for FY March 2013 as 2014 results were not available in a timeline to support publishing this report.

A more detailed VfM report will be published in the transparency area of our website over the coming months. The area will also give updates on future benchmarking evidence as it is published.

The Housemark report showed a significant improvement, with 53% of measures improving and 10 measures now showing GHA to be in first position across the G15.

<b>Ranked No. 1 amongst G15</b>
Rent collected from former tenants
Resident involvement Direct Cost per property - non pay
ASB resolution rate
ASB direct cost per property - non pay
Average SAP rating
Major Works overhead cost per property
Responsive repairs and void works % urgent
Responsive repairs and void works % routine
Responsive repairs and void works % urgent and emergency
Number of urgent repairs per property



## Highlights and Lowlights

Some of the most improved measures are:

- Involuntary Staff Turnover from 10.4% (lower quartile) to 3.3% (upper quartile); however with ongoing restructures this figure may well increase again for 2013/14.
- Write off, has moved from 0.83% (lower quartile) to 0.10% (upper quartile); this reduction may be linked to the increase in former tenant arrears. Former tenant arrears is now at 1.08% moving from 1% in 2011/12.
- Overhead Cost Per Property for Major Works & Cyclical Maintenance, moved from £69.23 (lower quartile) to £32.53 (upper quartile).
- Genesis' operating margin has improved from 18.2% to 20.4% (although still ranked last).

The largest deterioration was Non-decent dwellings, which deteriorated from nil (1st position in 2011/12) to 3.9% (13th in 2012/13); this is due to data being more accurately collected and reported in the system than in 2011/12. Rent Collected from Current and Former Tenants (incl. arrears b/f), deteriorated from 101.8% (upper quartile) to 99.1% (middle lower quartile).

## Self-Assessment

VfM assessments have been based on Service Managers views and judgments and in most cases have been compared to available benchmarking and cost/budget information. Many corporate services engage in more detailed benchmarking work specific to their particular areas of activity.

		Current Position 2013-14		
		SERVICE QUALITY		
		Basic	Medium	Higher
COST	Higher	HR Service Charges		Development
	Medium	Information Technology Leasehold Services Property Services	Estate Services Tenancy Management ASB Finance Contact Centre	Governance & Compliance Key Places Temporary Housing
	Lower	Portfolio Management Team Complaints Customer Involvement	Care & Support Commercial Team Lettings service Social Economic Regeneration Procurement	

The current position based on the 22 services shown above, 77% (17) of Genesis services are within the green areas of the VfM Grid shown. This is 2 more services than in 2012/13.

The service areas still showing as red or amber are those which will be improved by the finalisation of the transformations we aim to deliver in 2014/15

## Where we are heading 2014-15

VfM Matrix – expectation

		Future Position 2014-15		
		SERVICE QUALITY		
		Basic	Medium	Higher
COST	Higher		Information Technology	
	Medium		HR Leasehold Services Tenancy Management Property Services Portfolio Management Team Service Charges	Development ASB Temporary Housing Social Economic Regeneration Key Places
	Lower		Care & Support Estate Services Complaints Customer Involvement Procurement	Governance & Compliance Commercial Team Lettings Service Finance Contact Centre

The aspiration of service areas (bar one) is that services will be Medium to High in terms of quality, and Low to Medium in relation to costs by the end of the current Corporate strategy plan – March 2015. Information Technology is one of the key enablers to this plan, and with the investment required to assist service areas become more efficient, the strategy is that this area should be high spend.

## Genesis Way Programme (GWP)

In the past year we have seen the close out of the Genesis Way Programme in line with original time expectations in all areas except three (repairs, service charges and CRM). All of the outstanding areas are ongoing and repairs will see the gradual mobilisation of a new contractor, between July and October, with the potential to deliver at least £10m per annual of savings. The Service Charge project is scheduled to be completed at the end of September, although the system is being used for revisions to service charge estimates and the production of 2013/14 actuals. The CRM project is hard wired into our Service plan for the coming year and enhancements will be delivered throughout 2014/15 to enhance customer service and give greater visibility to service levels being provided across the business.

The overall cashable savings generated by the GWP will be in the region of £20m per annum, against original expectations of £9m, although a proportion of the savings on delivering repairs and maintenance is anticipated to be recycled in to accelerating the major works programme.

One of the most transformational outputs of the programme is the conclusion of the majority of our staff restructuring which has ensured that our workforce structure and budgets for the coming year are in line with original promises and will deliver an annual saving of £4.6m.

### Understanding The Economic Performance of our Property Assets

We have been founding members in a group supported by the property index organisation IPD, the purpose of which was to enable social housing landlords the ability to use commercial skillsets and methodology to appraise the value and growth of the property assets. This work has allowed us to quantify both the capital growth and revenue return of all owned assets.

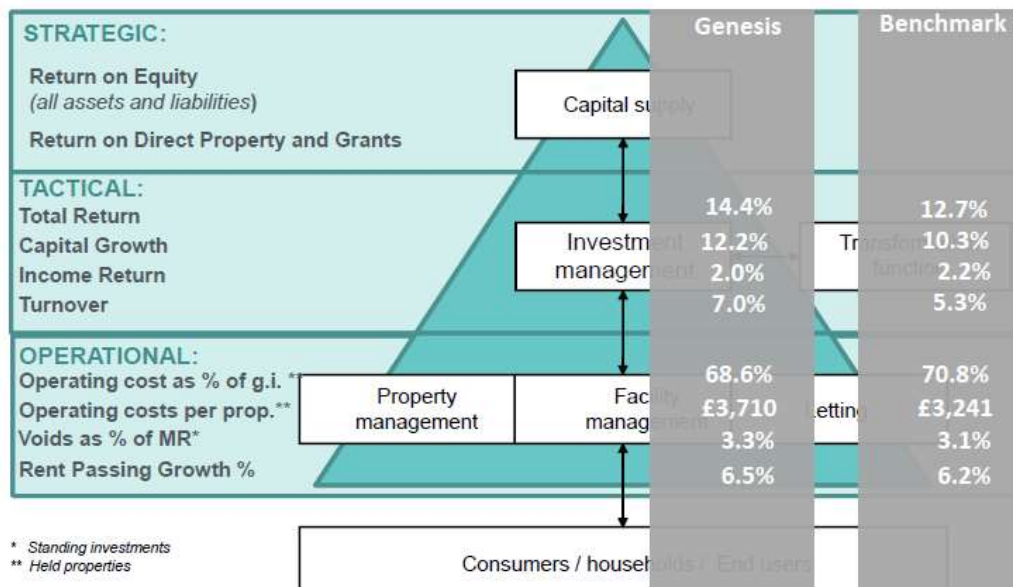
The tables below show the areas of growth and how we are comparing to the other members of the group, national housing indices and commercial sectors.

By doing this work it also allows us to quantify the social dividend generated from our homes being at reduced rental tenures.

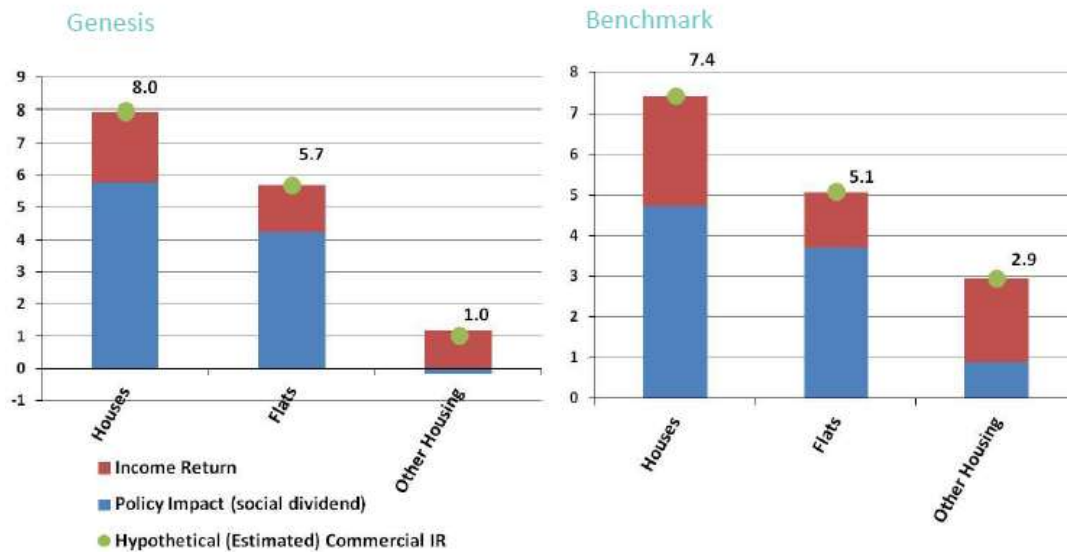
The annual growth in 2012/13 was 14.4% (12.2% capital, 2.0% revenue) which is higher than the benchmark group. The percentage of rent spent on operating costs is also lower than the benchmark group (68.6% v 70.8%).

The second table shows the social dividend created by our investment in social housing rather than market properties. The growth, had our money been invested in the same areas in market rent tenures, would have generated an 8.0% growth therefore the social support generated from our stock equates to 6.0%.

### Return and Operating cost comparators



## Income Growth and Social Dividend



We have also been working on identifying the value derived from the different geographical areas we work in and have built a model which allows us to build a LIFE (leader, influencer, follower, exit) profile of where we are most effectively invested currently. The combination of both of these pieces of work will allow us to build a strategic plan to support our development and growth as we move in to our next corporate strategy period

### Added Social Value activities

Through Genesis Community, our charitable foundation, we have a number of ongoing programmes to deliver socio-economic improvement in people's lives in accordance with The Public Services (Social Value) Act 2012. These activities allow people to be less dependent on the welfare system and give them both the skills and support network to move in to employment. The following are some areas we have worked on in the last year and some of their outputs, many of which save the welfare state considerable amounts of money.

#### Volunteering Programme:

- 56 volunteers have gained employment
- 9 jobs have been secured within Genesis Departments (Finance, Customer Relations, Housing, Facilities Management)
- 6 volunteers trained and received accreditation in mediation and money mentoring
- Total value of volunteer hours £51,975 (Based on average hourly Genesis salary costs)

#### Employment & Training:

Over the past 12 months the team has successfully supported 84 residents into work in the following sectors: retail, catering, banking, care and support and administration which equates to a saving of £991,200 to the public purse.

The programme has also continued to work in partnership with internal and external organisations to develop and provide an array of accredited and non-accredited training and access to external resources such as job brokerage and venue hire. Our residents have benefitted from externally funded training provision with a total value of £735,988. The

programme continues to vet and source external free provision to achieve the desired outcomes for our residents and continues to build up the portfolio of partnerships.

#### Financial Inclusion:

We have started work on a Rent Direct Pilot which will involve a small number of new residents receiving all their housing benefit payments paid directly to them from the start of their tenancy. This will enable Genesis to have some early learning about the potential impact of the introduction of Universal Credit and the level of support that residents will need to enable them to manage their rent payments when housing costs are paid within Universal Credit. Residents taking part in the pilot will initially be offered a high level of support to increase their financial capability, with a named officer allocated to them for regular support as well as support to increase their chances of gaining employment.

The Financial Inclusion Team have also supported 1,100 residents in appeals and backdated claims, which has totalled £300,000 this year. We are continuing to develop and deliver a programme of ongoing training for staff working with residents affected by the Welfare Reform.

#### Enterprise:

To date 46 residents have been referred to the 1-2-1 service and 31 business start-ups established. The service is promoted through the main localised employability programme and their 'Look before you Leap' workshops are delivered to residents at Grahame Park, Stratford Halo and at our main offices at Cloughton Road, Willesdon and Olympic Office Centre.

The business start-up training sessions are run over a 10 week period and provide residents with support and guidance in all aspects of enterprise. One of the key outcomes is that they are supported to produce a business plan which forms part of the valuable learning outcomes of the training. The end of training programme culminates with a 'Dragons Den' style event where participants present their business ideas and the panel will decide which of them are viable and are ready to go to market. This year 31 new businesses have launched of which all were awarded start-up funding.

Working in partnership with Enterprise Cube we have been able to secure a short term rent-free lease at a central London location near St Pauls, Creed Court for 12 months, which has been extended for an additional 12 months. This offers Genesis the potential to create a premier Pop-Up Business Academy, incorporating a valuable retail outlet. The premises will offer affordable office space, meeting and training rooms, retail space and potential café/restaurant space with communal kitchen.

We have a number of other socio economic programmes from youth programmes to digital inclusion for older residents.

During 2015/16 the Social and Economic Regeneration Team will work to make improvements in the following areas;

- Develop & implement a Regeneration Commissioning Framework
- Develop & implement a new corporate Trainee Apprenticeship & Internship Programme
- Develop & Implement a new corporate strategy for Social Enterprise
- Develop a Corporate Impact/outcome assessment framework for social and economic activity