

Centrepoint Soho

Value for Money Self-Assessment 2017

This report outlines our approach to value for money (VfM) and what we have achieved over the last financial year to make sure we get the most value out of our resources. It is in direct reference to the required outcomes and specific expectations of the Homes and community Agency (HCA) VfM Standard. This report covers our aim to work collaboratively, harnessing innovation and creativity of our staff, our young people and stakeholders to deliver improvements in efficiency, effectiveness and economy.

Our approach to VfM

Our business planning, decision making process and VfM strategy is designed to work together to obtain better outcomes for young people that ultimately lead to a job and a home. VfM is an integral part of all of our planning, from our strategic plan, business plan, team plans and our individual objectives. It is not just about cost savings – it is getting the most from our money.

Our approach to VfM will:

- Support our vision, mission and strategic objectives
- Provide a range and priority of services that our stakeholders want
- Achieve and maintain standards of quality and costs which positions Centrepoint among the top performers in our sector
- Adopt recognised good practice where appropriate
- Seek out better ways of performing
- Make the most productive and efficient use of internal and external resources
- Demonstrate sustained year on year improvement
- Maximising our social value
- Maximising opportunities through procurement
- Regulatory compliance and involving our young people
- Excellent performance and young people satisfaction

Our resources and decision making

Centrepoint's resources are:

- Property assets and the services we provide: home and a job
- People: working for Centrepoint
- Financial

Our planning process starts with our strategic plan and identifies the direction in which we are headed. The business plan and financial plan are written showing how we will achieve our goals and what they will cost. During the annual budget process, resources are allocated based on the business plan and financial plan plus the individual team work plans, all working together to achieve efficiencies alongside our strategic objectives. We have policies and procedures in place which guide our staff in day to day activities. For example, our procurement policy and procedure, alongside our financial regulations and delegations, guides staff on purchasing decisions and the inter-connection of quality and price.

All key operational decisions are made based on reports written by senior managers which outline the cost and service delivery implications of the decision required and how it will help us achieve our strategic objectives.

How we monitor VfM

We complete VfM reviews of our activities:

- What are the outcomes?
- Cost per outcome?
- How could we do this better or more efficiently?

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- Benchmark our services to understand strength and weaknesses
- Improve IT infrastructure to support the business

Monitoring our performance against key performance indicators

Getting feedback from young people through a biennial survey, regular resident speakouts, and young people attendance at senior management meetings including all Board meetings.

Using internal audits and benchmarking information to identify waste, poor use of resources and potential areas for review

Performance – the return on our resources

Home and a job

Performance measure	2016-17 actual	2016-17 target	2015-16 benchmark mean
Number of young people worked with	9,207	8,002	-
% of senior management meetings attended by young people	29%	75%	-
% Positive move on	88%	75%	82%
% young people EET on departure or made significant progress during stay	51%	75%	-
% young people managing their mental health better	74%	60%	-
% repairs completed on time	82%	95%	86%
% repairs right first time	85%	80%	-
% satisfaction with repairs	99%	90%	-
% rent arrears	20%	12%	11%
% void loss	8%	6%	6%
% complaints resolved on time	93%	100%	81%

We are part of a pan-London benchmarking group and we not only benchmark against other providers but also share best practise and share information. We use the benchmarking data to inform our housing targets but being mindful that our client group, of young people predominantly in supported housing, can be more chaotic than all age, general needs clients.

We started the year with voids at 13.8% and have worked hard to reduce them over the year. Our rent arrears are much higher than target but we are working to reduce this by investing in a new rent system to help young people manage their rent.

Young people have attended senior management meetings to discuss any issues they have. We recognise that we need to improve our response time on complaints.

We are working with more young people and the number of bedspaces we own or manage has increased from 840 to 844. We have acquired training company who provide apprenticeships, traineeships and functional skills. This investment will help us support more young people into education, employment and training.

Working for Centrepont

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Performance measure	2016-17 actual	2016-17 target
Staff turnover	22%	20.0%
Unplanned staff absence	3%	3.5%

Our staff are very important resource and one of our objectives is to Pursue Excellence Together and improve the experience of every staff member in Centrepoint. We have made progress during the year and introduced new initiatives for inducting staff, developing leaders and listening and responding to the views of our staff and importantly retaining skilled staff. Whilst our performance on staff turnover is not where it needs to be, we have made good progress in this area. We are pleased with our performance on staff absence.

Financial performance

Performance measure	2016-17 Actual £'000	2015-16 Actual £'000
Income ¹	30,357	25,022
Services to young people	21,039	19,994
Surplus / (deficit)	3,859	1,028
Fundraising income	16,333	12,005
Fundraising net contribution	8,846	5,732
% business support costs	7.8%	8.3%

Our income has increased across all income streams this year. We have increased the number of staff working with young people from 286 to 306.

Return on assets

Return on capital employed	2016-17 Operating surplus £'000	2016-17 Capital deployed £'000	2016-17 Return
Social housing lettings	233	24,069	1%

During the year we reviewed all our housing property assets, comparing financial performance alongside social return. Financial performance included measures like net present value, void loss and arrears. Social return included measures such as EET outcomes, positives move-on and satisfaction with services. The results enabled us to consider disposal or performance enhancement initiatives of those properties that do not present value for money in achieving our objectives for a job and home for young people.

How we monitor our VFM and key achievements

In addition to the key performance measures above, we have also achieved the following through procurement activity

- Reactive and voids repair maintenance run rate savings of 8% or £40,000
- Insurance premiums maintained at current levels with 20% increase in sums insured, reduction in excess and more favourable terms.
- Review of our procurement policies and procedures and how we procure and identify different methods such as direct tender and procurement frameworks for generic items and direct tender for more specialised items.

¹ Excluding profit on disposal of fixed asset

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- Introduce procurement workshops to understand procurement needs and deliver best value products to our young people.

This year we completed value for money reviews across all our business with the aim of identifying and prioritising social impact and best value. All business units were required to demonstrate value for money whilst linking outcomes to a job and a home. This led to an action plan to reshape work in some areas to get improved value for money.

Plans for 2017-18

During 2017-18 we plan to:

- Continue procurement workshops focusing on housing items and involving young people in the process where possible.
- Continue our programme of retendering key procurement activities.
- Continue to review all activity costs and identify any ways to deliver more effectively and efficiently.

How the Board has gained assurance

Our Board receive regular reports on:

- Performance measurement on key strategic targets
- Financial information
- Internal audits
- Quality reviews
- Annual report to tenants