



Value for Money: self-assessment

YEAR ENDED 31 MARCH 2022



Contents

| | |
|---|----|
| The purpose of this document | 4 |
| Emerging from lockdown | 6 |
| Responding to external forces | 7 |
| How we spent our money in 2021/22 | 8 |
| Our cast iron commitment to VfM | 9 |
| Key VfM achievements this year | 10 |
| Maintaining satisfaction levels | 12 |
| Rosebery Repairs | 14 |
| Void repairs and rent arrears | 15 |
| Digital first and foremost | 16 |
| Homes | 18 |
| Management of our homes | 24 |
| Resident safety | 27 |
| Sustainability and our path to Net Zero | 28 |
| Our Social Value Impact | 32 |
| Our people and a new way of working | 37 |
| The Regulator's VfM metrics | 38 |
| Financial performance | 42 |
| VfM outlook for the year ahead | 44 |
| The way forward | 46 |

The purpose of this document

Value for Money (VfM) is extremely important to Rosebery Housing Association, a charitable registered society, not least because we don't have an unlimited pot of money but we do have an overwhelming demand for our services. This document is intended to provide an overview of how we:

- focus resources on our objectives to bring value to the communities we work with;
- manage our costs to maximise the resources available;
- identify and implement improvements in the way we work.

Who we are and what we do

Rosebery Housing Association was formed in 1994 and today owns more than 2,770 affordable homes across Surrey and West Sussex, ranging from one-bedroom flats to four-bedroom family homes. We are a charitable registered society committed to providing good quality homes and services. The focus of our property portfolio is in Epsom and Ewell, where we own most of the affordable housing. We are proud to be a local business that creates sustainable communities by forging strong local partnerships, working closely with residents and communities and creating local jobs. Rosebery Housing Association is a subsidiary of Catalyst Housing Limited.

Our five core objectives are:



CHOICE – to provide a range of affordable, quality homes



COST – to provide excellent service at a suitable price, recognising value for money principles



CREATIVITY – to bring added value to the communities where we work



PEOPLE – to develop our people to achieve our and their potential



COMMUNICATIONS – to develop clear and concise communications

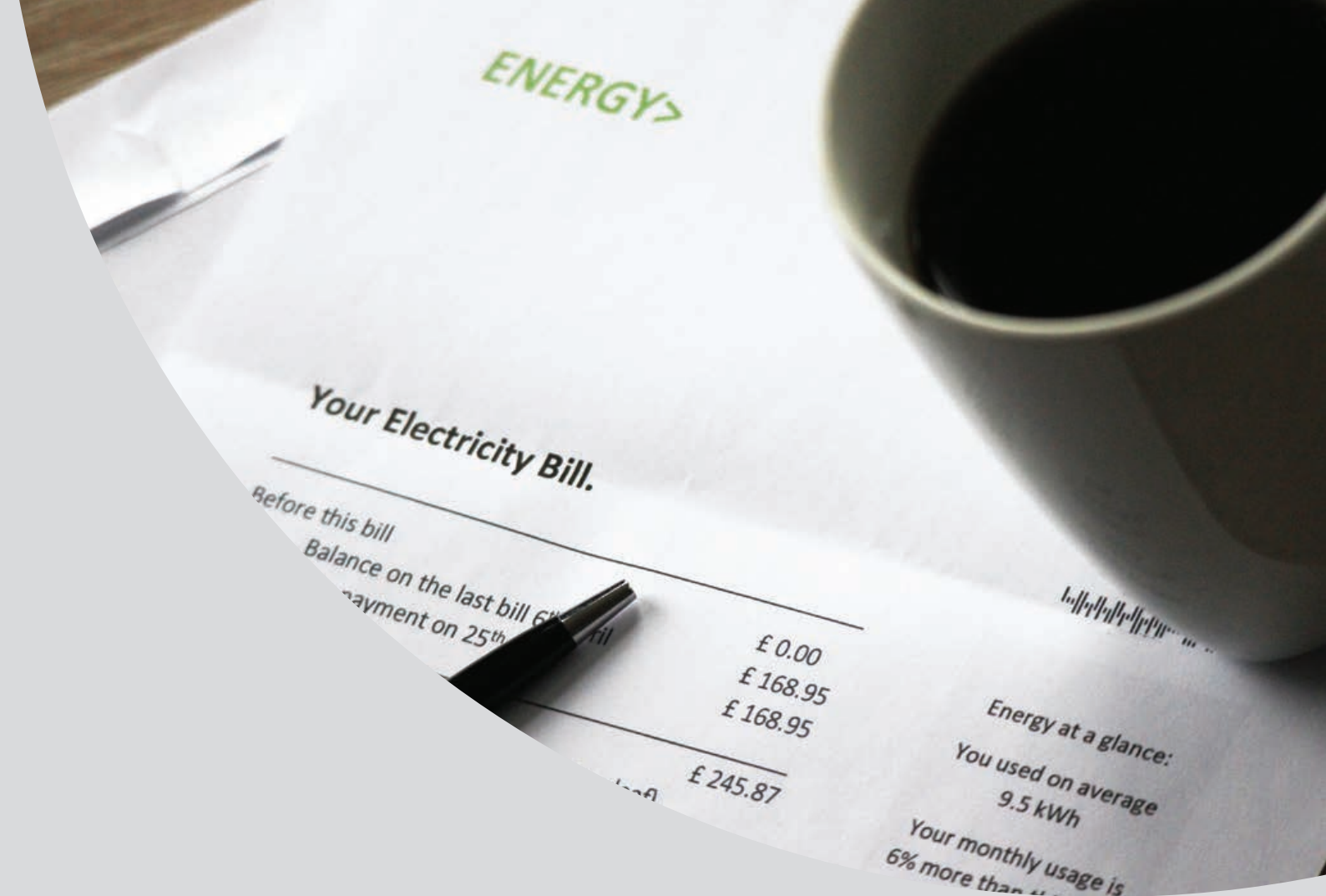


Emerging from lockdown

When COVID-19 struck, towards the end of 2019/20, the world was plunged into an unprecedented crisis. Rosebery was forced into lockdown which had an immediate impact on our business and our people, as we came to terms with the pandemic. The UK was in lockdown throughout much of 2020/21 and some of 2021/22.

Our number one priority throughout the crisis was the health and well-being of our staff, our residents and our business partners. We dug deep, we weathered the storm and, in 2022, we are gradually moving back to a degree of normality or business as usual. As we emerge from this crisis, we will continue to support our residents and we will contribute to the overall supply and development of new, affordable homes in our locality.





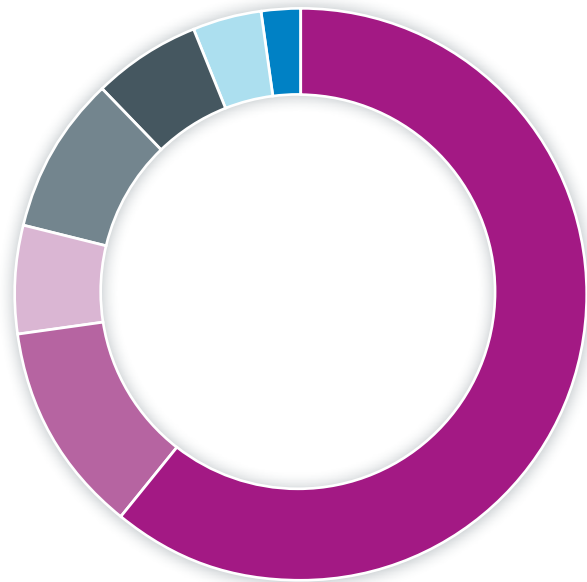
Responding to external forces

We continue to manage and respond to the challenges presented by our operating environment and the prevailing external factors, including:

- The long-term impact of COVID-19 on our country, our business, our residents and our people;
- The devastating war in Ukraine and the resulting humanitarian crisis, the impact on global energy supply, global food shortages and rising food prices;
- The UK is already seeing increases in food prices and inflation generally has risen significantly in the latter half of 2021/22;
- The unprecedented, spiralling increase in energy costs and the resulting rise in energy poverty in the UK, coupled with the increasing sense of urgency to meet global environmental targets;
- The rising cost of living. Interest rates have risen during 2022 and it is generally acknowledged that the UK is experiencing a cost of living crisis that will impact both individuals and businesses;
- The increase in demand for food banks, alongside the decline in donations to those food banks, reflecting the dual economic pressures on those who rely on food banks and those who volunteer for them and support them;
- Ongoing uncertainty in the aftermath of Brexit, particularly in relation to the movement of goods in Europe;
- High land prices that prevail in our area of operation;
- The continued impact of welfare reforms on low- and middle-income earners.

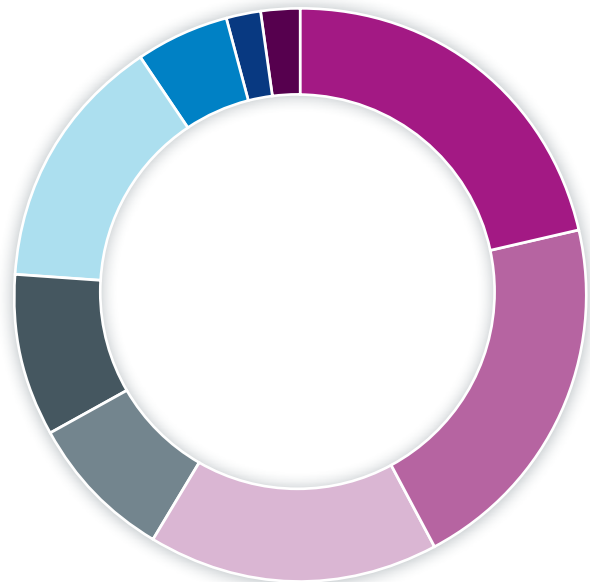
How we spent our money in 2021/22

The charts below show where our money came from during the year and how we spent our funds.



Our income

- Rent from General needs housing **(61%)**
- Rent from Temporary social housing **(12%)**
- Rent from low-cost shared ownership **(6%)**
- Service income **(9%)**
- Rent from Sheltered and Homes for older people **(6%)**
- Surplus on sales of properties **(4%)**
- Garage and intermediate lettings income **(2%)**



Our expenditure

- Interest **(21%)**
- Repairs and maintenance **(20%)**
- Staff costs **(16%)**
- Major repairs **(8%)**
- Service and community development **(9%)**
- Housing development **(14%)**
- Insurance, banking and professional **(5%)**
- Premises and office running costs **(2%)**
- Other **(2%)**

Our cast iron commitment to VfM

Our commitment to the principle of Value for Money means managing our resources economically, efficiently and effectively to provide quality services and homes. As defined by our annual VfM strategy and linking to our Corporate Plan, we set ourselves financial targets for operating efficiency, including operating margins and keeping costs per unit under scrutiny. But it is much more than a financial calculation, our strategy delivers in four areas: financial/efficiency targets; quality of service; social impact; and environmental impact.

As a provider of affordable housing and a business of social purpose, delivering VfM is not purely financial. Put simply, it is business efficiency and is centred around the social value that we deliver to the community. As an employer, we provide VfM by offering our staff a great place to work and the opportunity to develop and achieve their and our potential. Rosebery is an organisation that invests in its people, providing training and knowledge to ensure customer excellence and enhance their personal development.

VfM is at the heart of everything we do; we measure it in the context of meeting our objectives and we aim to fulfil our objectives by implementing the strategic direction set out in our Corporate Plan.



Key VfM achievements this year

We proactively seek to deliver VfM savings and invest for future savings and this remained our focus during the year 2021/22. We maintain a shared VfM log which is available for all colleagues to update and evidence VfM achievements. Staff are encouraged to challenge established methods of working in order to deliver efficiencies. The major VfM projects for 2021/22 were part of our ongoing digital transformation and these include the following initiatives.



Mobile working

We continued our investment in mobile working generally in order to reduce paperwork and make our staff more effective in their roles. We now have a complete mobile working suite of applications in place for our front-line staff. This proved invaluable to all our staff who were working remotely due to the lockdowns and we expect this to continue in the future. Mobile working enables all our staff to update our systems while out on site, without the need to type up these details back in the office. This gives our people greater visibility among residents and is a more efficient way of working.



Anti-Social Behaviour

This is a priority area for our residents and we are making every effort to eradicate Anti-Social Behaviour (ASB) from our community. Rosebery introduced a new module to help our new ASB Enforcement Officer to work with our residents, in order to report, monitor and effectively manage ASB cases in our community. ASB is consistently cited by our residents as an important issue in their lives and it is an area in which we are making significant efforts to improve.



Property management software

We continued our trials of potential property management software that will enable us to remotely monitor the status of our properties, across our local community. This is an ongoing project to put in place technology that will provide us with essential data on the performance of our properties, their energy efficiency and overall fitness for purpose. In line with our digital ambitions, we have set out to harness this technology in order to deliver this key information on the performance of our properties.

VfM Scorecard

| Objectives | Performance Indicator | Actual 2021/22 | Actual 2020/21 | Actual 2019/20 | Bench- marking quartile | Trend | Target 2021/22 | Target 2022/23 |
|-------------------------------|---|-------------------|-------------------|-------------------|-------------------------------|-------|-------------------|-------------------|
| Choice quality homes | New homes delivered | 11 | 21 | 0 | – | ▼ | 25* | 48 |
| | Homes meeting Decent Homes standard | 100% | 100% | 100% | – | ↔ | 100% | 100% |
| | Average SAP rating | 73.91 | 73.51 | 73.24 | 72.80 | ▲ | 74.00 | 74.25 |
| Choice quality services | Current GN and HfOP arrears as percentage of yearly rent debit | 2.50% | 2.52% | 2.22% | 3.36% | ▲ | < 5.00% | < 5.00% |
| | Average GN void turnaround (days) | 14.70 | 8.20 | 12.41 | 10.39 | ▼ | 15 days | <15 days |
| | Percentage of repairs right first time | 96.01% | 96.13% | 95.23% | 89.46% | ▼ | 91% | 91% |
| | Appointments kept as percentage of appointments made | 99.92% | 99.78% | 99.57% | 96.84% | ▲ | 95% | 95% |
| | Percentage of dwellings with a valid gas safety certificate | 100% | 100% | 100% | 100% | ↔ | 100% | 100% |
| People | Average sick days per employee** | 4.97 | 7.42 | 5.30 | 6.82 | ▲ | N/A | N/A |
| Creativity and choice | Percentage of residents satisfied with overall service | 87.13% | 85% | 85.83% | 85.5% | ▲ | 90% | 90% |
| | Percentage of residents satisfied with repairs and maintenance | 87.97% | 93.98% | 96.49% | 77.5% | ▼ | 92% | 82% |
| Financial | Operating surplus (social housing lettings) | 32.08% | 34.39% | 34.96% | * | ▼ | 30% | >28% |
| | Return on Capital Employed | 4.16% | 4.16% | 4.51% | 3.18% | ↔ | 3.58% | 3.48% |
| | EBITDA MRI interest cover | 189% | 156% | 150% | 142.25% | ▲ | 146% | 144% |
| | Social Housing cost per unit (adjusted for exceptional costs) **** | £4,332 | £4,054 | £4,101 | £4,891 | ▼ | £4,286 | £4,761 |

* Based on 11 new homes for affordable rent in Q1 of 2021/22, and a further 14 later in the year.

** Includes long term sickness.

*** We no longer include a target as we do not use this for performance review and we do not consider staff sickness levels to be a performance issue.

**** Calculated on unit numbers but excluding leasehold properties.

Key

SAP – Standard Assessment Procedure

GN – General Needs

HfOP – Housing for Older People

In this report we illustrate trends by using arrows to indicate where our position has improved, been maintained or declined.



Improved



Maintained



Declined



Maintaining satisfaction levels

Our Repairs performance remained positive as we emerged from COVID-19 and we largely sustained the levels we have achieved in previous years.

The percentage of repairs carried out 'right first time' again exceeded the benchmark of 89.46%. The 2021/22 achievement of 96.01% was also a percentage point higher than the 2019/20 performance of 95.23% – we exceeded our target of 91% but dipped a fraction below the 2020/21 performance level of 96.13%.

These are marginal annual variations and they continue to reflect the consistently high performance that we deliver

in this key area of repairs. 'Right first time' means that the issue is dealt with efficiently and is resolved at first pass, which meets the service expectations of our residents and raises their satisfaction levels. 'Right first time' also maximises our repairs team's operating efficiency and negates any further demands on our resources.

'Appointments kept as a percentage of appointments made' peaked at a near perfect 99.92% and broke all of our recent annual records; not only was this the highest performance we have achieved in recent years but it also exceeded the benchmark which sits three percentage points below.

Repairs right first time



2021/22

96.01%

BENCHMARK

89.46%

Appointments kept
as a percentage of
appointments made



2021/22

99.92%

BENCHMARK

96.84%

Residents' satisfaction
with repairs and
maintenance service



2021/22

87.97%

BENCHMARK

77.50%

At 87.13%, our residents' satisfaction with the overall service they received was higher than the level we achieved in the past two years and it also exceeded the annual benchmark of 85.5%.

Our consistent performance in the high eighties underlines the efforts we have made to deliver the high standards of our repairs service and this is reflected in the levels of satisfaction we have built up within our resident community. This, again, is evident in our residents' satisfaction with our overall repairs and maintenance offering, which was measured at 87.97% in 2021/22. This score is marginally down on the previous years' figures, which is likely to have resulted from the COVID-19 restrictions and their impact on our service. However, at just short of 88.00%, the 87.97% measurement is an encouraging response from our customers and continues to reinforce the positive levels of satisfaction we have created among our resident community.

The benefits of self-sufficiency

In recent years, we have shifted our focus towards greater self-sufficiency in the way we provide some of our key services, in order to deliver the standards of quality that are core to our business. This has meant taking more direct control of our operations, to improve quality and efficiency. It led to the creation of our Rosebery Repairs and in-house Voids teams and was the rationale for increasing our investment in staff to support residents, to optimise their income and maintain their tenancies. These are the services that we know are important to them. Our strategic approach has provided us with solid foundations on which to build a resilient business and create the capacity to deliver more affordable homes in our locality.

Rosebery Repairs

Our repairs service is a key area of our operation and it's one that has always featured high on our residents' priorities.

Rosebery Repairs have managed to maintain the strong performance indicators achieved in previous years despite the local and global challenges that we have faced over the last year.

Ensuring our customers are informed is a vital part of what we do and ensuring that we communicate appointment dates to minimise inconvenience is paramount, so it is especially pleasing to see that this is reflected in the high appointment adherence statistic.

In 2021/22, we particularly focused on works that we outsource, a dedicated person was allocated to monitor the services of our specialist subcontractors which has resulted in better communication and subsequent improved performance.

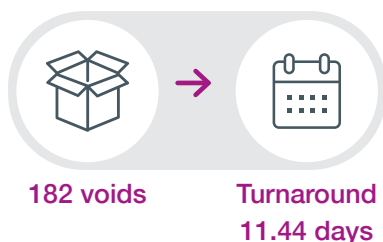
In terms of our in-house services, increased costs have impacted on the price we pay for building materials and this is where we have noticed a steep increase generally. To offset this, we have managed to obtain competitive prices for key products via the internet, which has resulted in substantial savings at a time when costs have spiralled.

First Time Fix as always is at the forefront of all we do, we reviewed our emergency service strategy and, in particular, our out of hours stock management for key material items. Additionally, we revamped our stores facilities and all of these initiatives have played their part in increasing an already high performance percentage score.

From a budget perspective, through careful monitoring we again recorded an underspend while never compromising on quality.

Feedback from our customers is always welcomed, we are always striving to improve what we do and it is heartening to receive and pass on the large volume of compliments we receive from our residents for the services we provide.





Voids repairs and rent arrears

In reviewing our annual void turnaround times, the average we recorded in 2021/22 was 11.44 days, which was higher than the level we recorded in 2020/21 but marginally lower than the previous year, 2019/20.

- 160 minor voids had a turnaround time of 7.99 days.
- 22 major voids had a turnaround time of 26.39 days.
- 182 voids (minor and major) had a turnaround time of 11.44 days.

Rent arrears in 2021/22 were maintained at a stable level of 2.50%, which is a marginal improvement over the percentage in 2020/21. Working with our residents to keep our arrears under control has meant that we have been able to release the £425,000 which we had included in our budget for bad debt provision. This has helped our net surplus for the year and our operating margin. But, more importantly, it meant that our residents managed to sustain their tenancies.

Rent arrears and void turnaround time

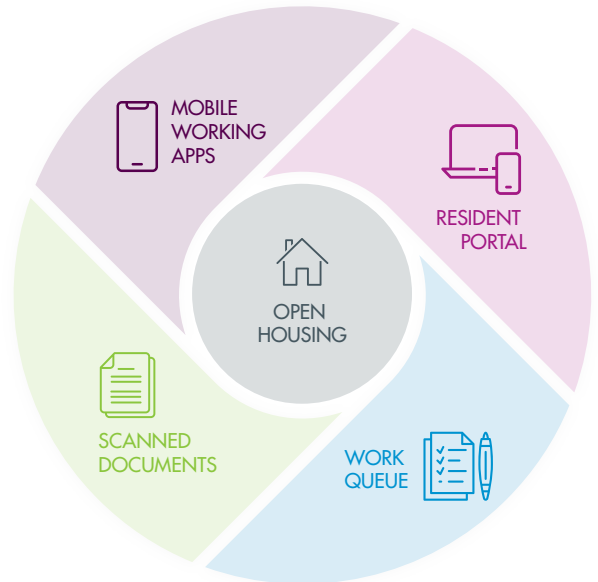
| | 2021/22 | 2020/21 | 2019/20 | Year on year trend | Housemark upper quartile, peers filtered* | 2021/22 target |
|---|---------|---------|---------|--------------------|---|----------------|
| Current General Needs (GN) and Housing for Older People (HfOP) arrears percentage of yearly rent charges | 2.50% | 2.52% | 2.22% | ▲ | 2.65% | <5.00% |
| Average GN void turnaround time (days) | 11.44 | 8.20 | 12.41 | ▼ | 22.17 | <15.00 |

*Comparison data sourced from Housemark, using similarly sized housing associations and ALMOs (Arms Length Management Organisations) with up to 5,000 properties, in the London and South-East area.

Digital first and foremost

Our digital transformation programme continues to deliver positive change in the way we work, further improving our efficiency and streamlining our operations right across the business. By continuing to drive this transformation, we become more collaborative, customer focused, responsive and joined up. These digital projects enable us to reduce our overall costs and also to provide an improved service to our residents, which has enhanced their perception of the VfM they receive from Rosebery.

- Collaborative
- Customer focused
- Responsive
- Joined up



Mobile working

We continue to improve on our mobile working among our colleagues, which supports their remote and hybrid working capabilities. The essential mobile skills we developed during COVID-19 have served us well and enabled us to fully embrace hybrid working, as the Government began to ease its restrictions.

Customer Relationship Management

During 2021/22, we focused on developing our Customer Relationship Management (CRM) as a means of capturing our resident engagements and interactions more accurately and more consistently. The rationale for our CRM project was to deliver customer benefits by meeting the following criteria.

Universal

A common platform used by the whole organisation, regardless of individual role.

Accountable

Individuals take ownership of the accuracy of their records and their part of the process.

Accessible

Easy to access from any location and any device, to find essential data with minimal effort.

Real-time

A live window on all our resident interactions, all fully up to date and visible in real-time.

Accurate

Precise information on the status of our interactions, actions, decisions and dates.

Complete

The whole, concise record with no gaps and no superfluous information.

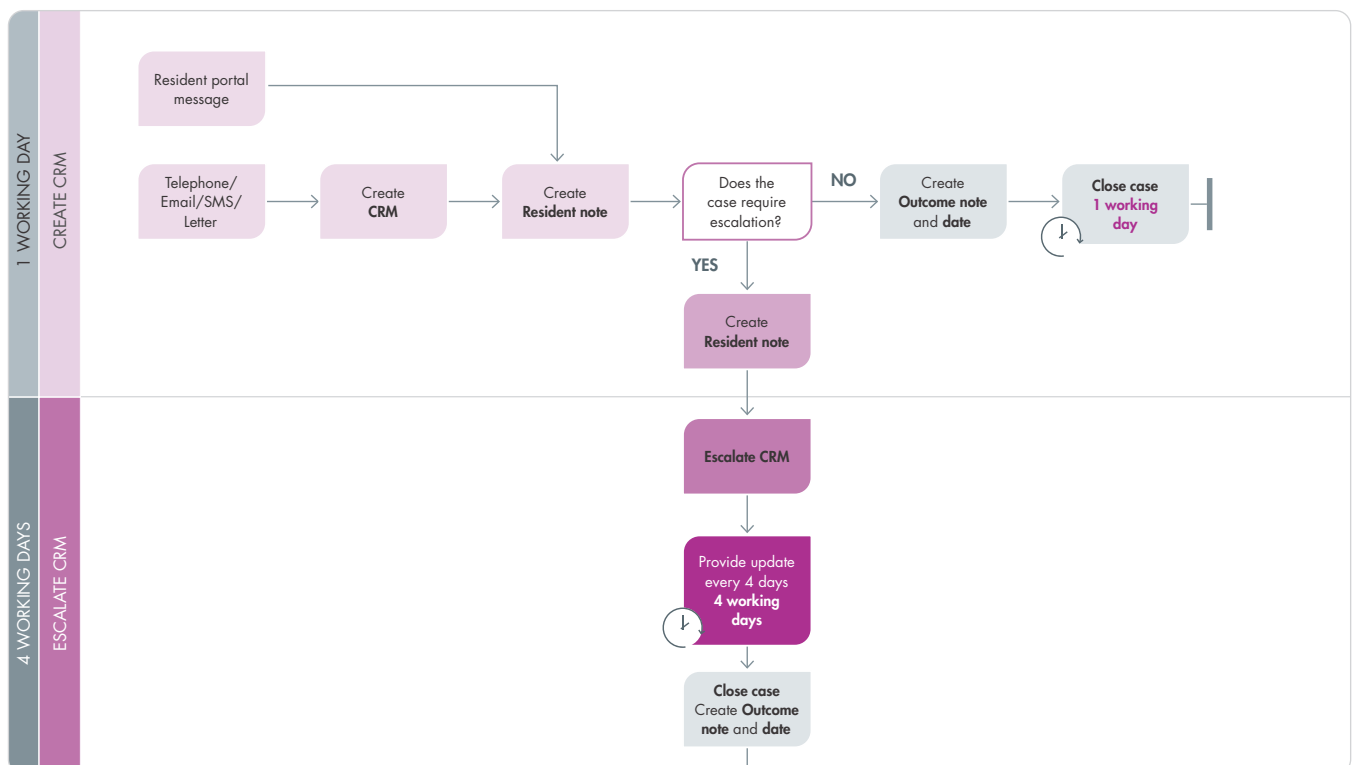
Professional

A quality standard with respectful language, plain English and no jargon.

Helpful

Consider the baton change – does it give the next person all the information they need?

We have delivered training in the new CRM system to all staff, to ensure that we are all able to adopt this new approach in a consistent way and that the system is adopted universally, across all our teams.





Homes

We have been actively working on increasing our development programme and driving up our new supply. In March 2021, just prior to this reporting period, we completed on 21 new affordable rented units in Horley and have also completed on four more development schemes that delivered 11 new homes for affordable rent.

During 2021/22, building work was underway on two other new sites, one for 14 new homes and a second for 10, both due to complete in 2022/23.

The focus of our 2021/22 development work is summarised as follows.

- Completed Maritime Court, Rosebank and Ormonde Avenue, delivering **11** units in total.
- On site with **14** new homes in Crawley Down. On site with **10** new homes in Caterham.
- Board approved **26** units in Horley, comprising the acquisition of 24 affordable rented units, with two small commercial units. Contracts were exchanged in 2021/22 and handover will be achieved in 2022/23.
- Planning for the development of Crane Court and other garage sites.
- Working with our Group partners on larger sites in our area of operation that they will own but we will manage.
- Wimbledon site the first of these partner sites. First tenants (all shared owners) moved in during October 2021. **181 homes were delivered in total.**

Crawley Down



4



3



4



3

Affordable Rent

Shared Ownership



This is our first development in the Mid-Sussex District Council. Under a Section 106 agreement, we have **14** new homes for affordable rent and shared ownership.

Affordable Rent

- Four one-bedroom flats
- Three two-bedroom flats
- Four two-bedroom houses

Shared Ownership

- Three three-bedroom houses

Whyteleafe Road, Caterham



2



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1



1

Affordable Rent



1

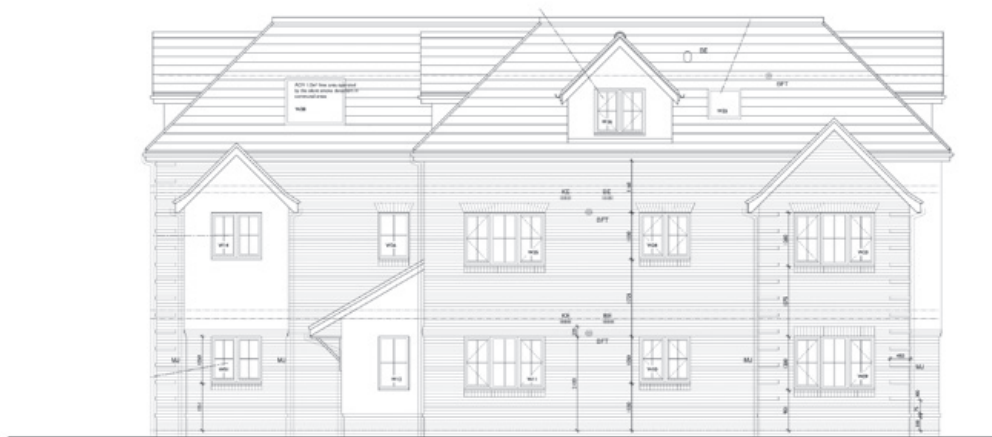


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Shared Ownership



SIDE ELEVATION



REAR ELEVATION

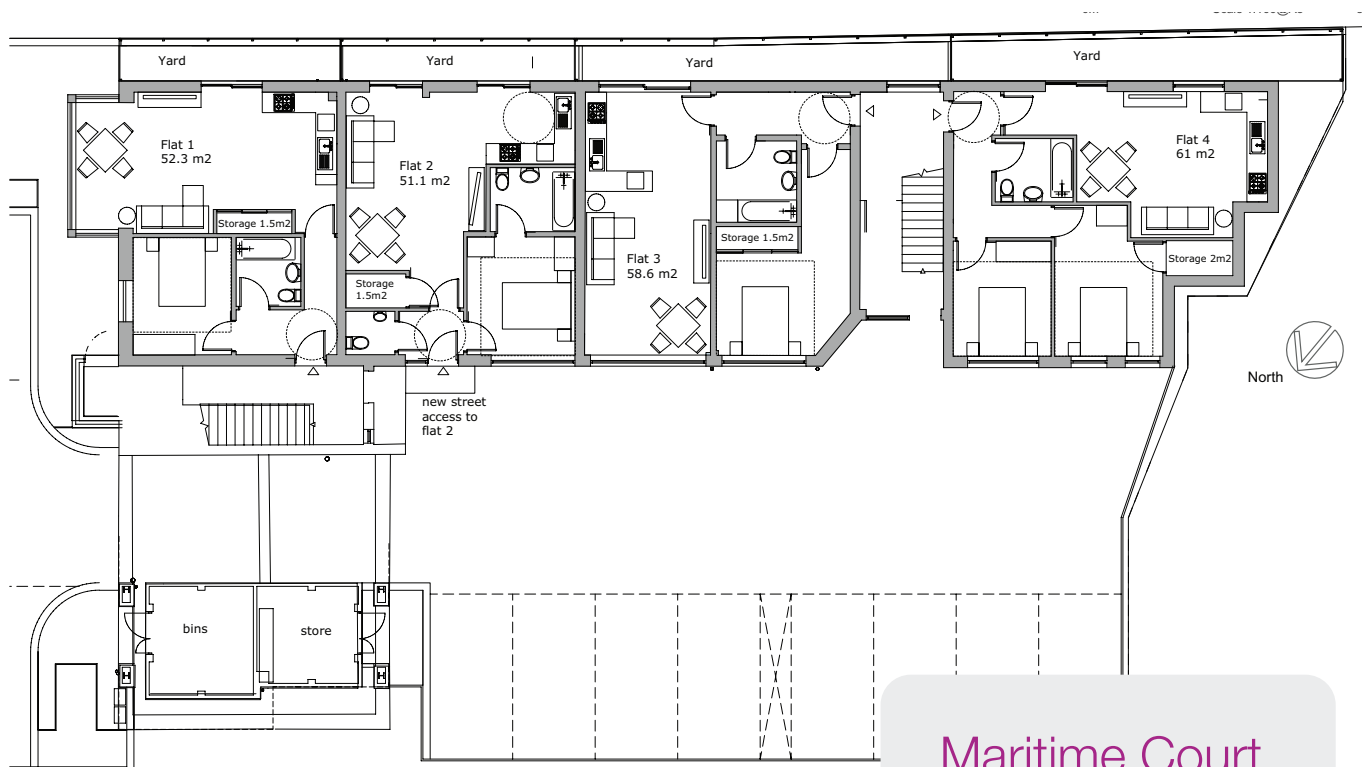
We completed on the land and build contract in this location, providing **ten** new homes, eight affordable rent and two shared ownership via the Section 106 agreement, located in Tandridge Borough Council.

Affordable Rent

- Two one-bedroom flats
- Four two-bedroom flats
- One two-bedroom house
- One three-bedroom house

Shared Ownership

- One two-bedroom house
- One three-bedroom house



GROUND FLOOR PLAN

Maritime Court

Four homes

- Three one-bedroom flats
- One two-bedroom flat

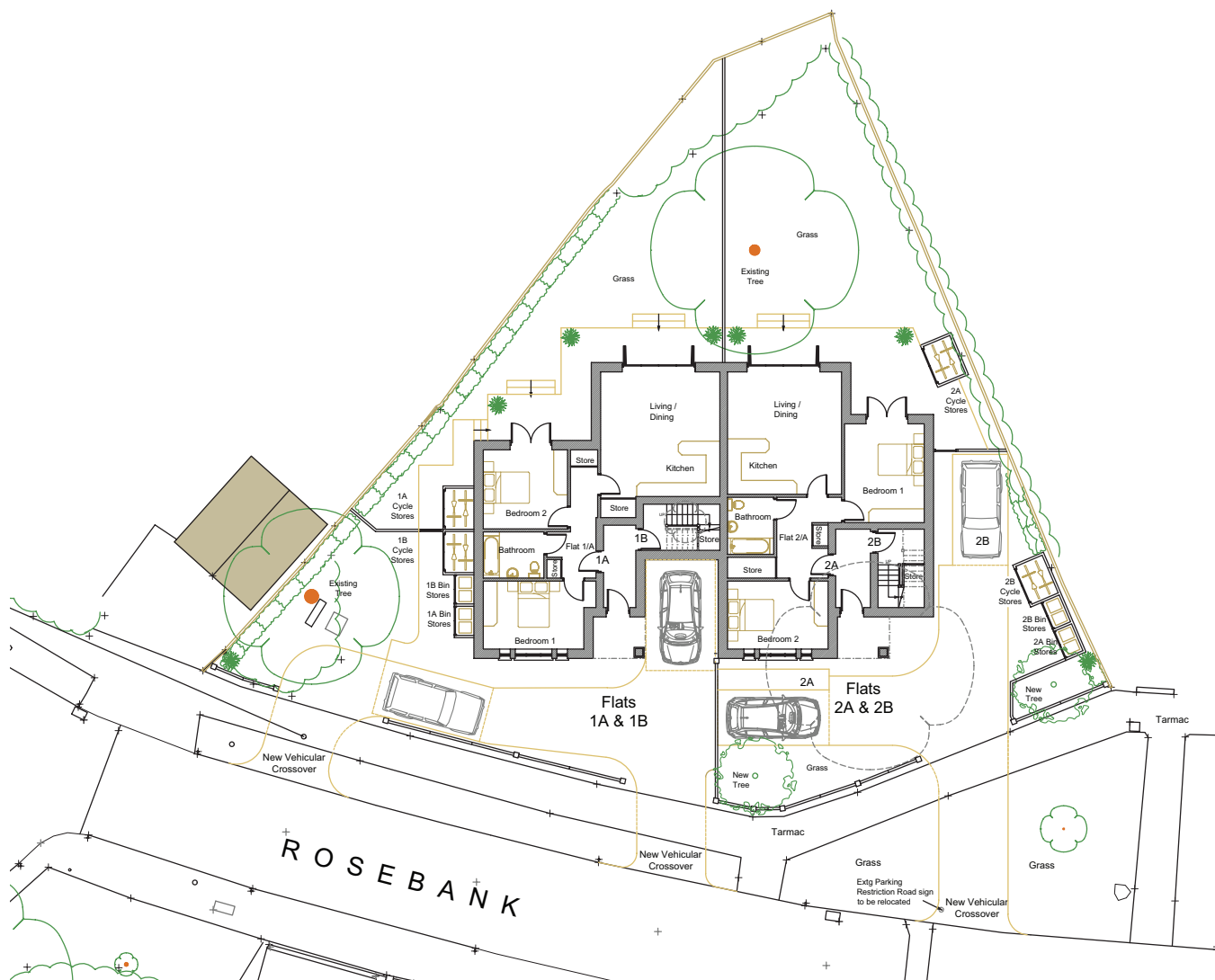


Ormonde Avenue

Former garage site

- **Three** two-bedroom flats





Rosebank

- **Four** two-bedroom flats



Management of our homes

| Unit cost analysis £ | 2021/22 | 2020/21 | 2019/20 | Sector average in 2020/21 | Sector average in 2019/20 | Sector average in 2018/19 |
|--|--------------|--------------|--------------|---------------------------|---------------------------|---------------------------|
| Management (including overheads) | 1,840 | 1,862 | 1,687 | 1,075 | 1,068 | 1,045 |
| Services | 589 | 555 | 481 | 678 | 662 | 626 |
| Routine Maintenance | 1,367 | 1,173 | 1,286 | | | |
| Planned maintenance/ major repairs | 589 | 719 | 940 | | | |
| Total maintenance and major repairs | 1,957 | 1,892 | 2,226 | 1,926 | 2,051 | 1,965 |
| Other social housing cost per unit | 95 | 104 | 93 | 470 | 468 | 481 |
| Social Housing cost per Unit | 4,481 | 4,413 | 4,487 | 4,150 | 4,249 | 4,118 |
| Social Housing cost per Unit (adjusted for exceptional items) | 4,332 | 4,054 | 4,101 | 4,150 | 4,249 | 4,118 |

For 2020/21, our adjusted headline costs per unit were £4,054 and, for 2021/22, they were £4,332, an increase of £278 (6.9%). This is in line with our target. Our costs per unit are higher than the sector as a whole but this is a reflection of Rosebery's area of operation, the South-East of England, where operating costs are higher than elsewhere in the country.

It is also a reflection in 2021/22, as it was in previous years, that we remain committed to continue our investment in existing homes, to ensure that the quality of our homes is maintained. This approach fully aligns with the Social Housing White Paper and the emphasis on providing homes that are fit for purpose. Similarly, it is considered vital to maintain investment in health and safety compliance and tenancy support.





Focus on resident safety

In response to the Grenfell Tower tragedy, Rosebery took the proactive decision in 2018 to replace all communal fire doors with even stronger materials. This work is now complete, subject to a few properties where we have had some access issues. We are fortunate in that we do not have any properties with cladding materials that would need to be replaced.

Since joining the Catalyst Group in April 2021, we have been subject to eight individual, in-depth audits covering each of our main compliance areas.

- Water safety
- Fire safety
- Gas safety
- Electrical safety
- Asbestos
- Lone working
- Employee General Health
- Direct Repairs team Health and Safety

We are pleased to report from these eight separate audits that we were found to be compliant in all cases and that no issues of concern were raised. This has provided the Rosebery Board with the additional assurance that we have the right systems and procedures in place and that we are keeping our staff and residents safe.



Water
safety



Fire
safety



Gas
safety



Asbestos
safety



Electrical
safety

Sustainability and our path to NET Zero

Our vision for our future homes is for a cleaner, greener planet and one that will offer people healthier living and will help to safeguard our future generations. Our energy performance in the future will target C ratings, with a road map to B ratings. We will also look to improve our green space and focus on the local environment – this is very much in line with our ‘locality’ model.

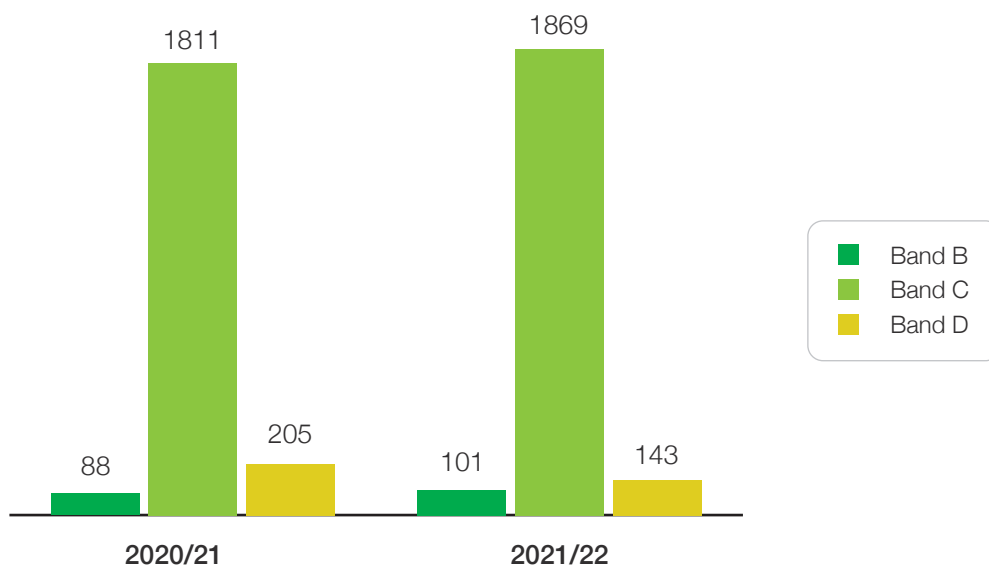
We will look to have reduced our carbon emissions to below 1.9 EI (Energy Institute) per annum.

We will work to deliver these improvements year on year, leading on sustainability, implementing planned maintenance and working with our sustainability partners to deliver positive change.

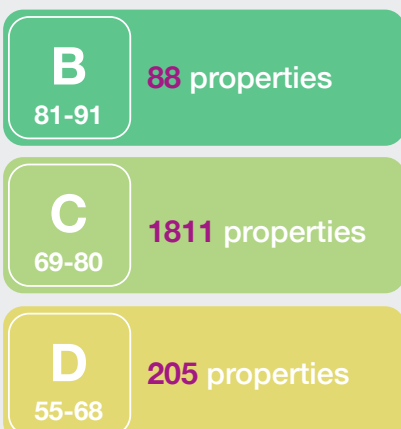
In 2021/22, we moved forward with our decarbonisation initiative and we spent £345,000 on a special programme to replace single-glazed windows with triple glazing, to raise our SAP (Standard Assessment Procedure) rating and to increase the energy efficiency of those homes.

Improving our SAP ratings

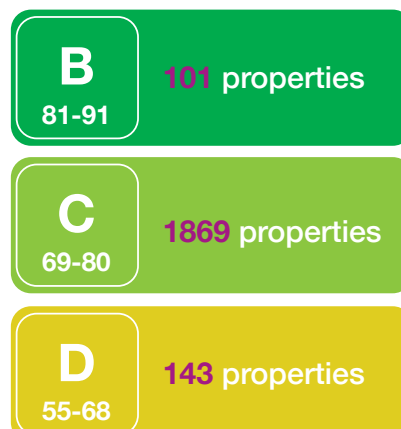
We made sustainability gains during 2021/22 and have improved our SAP ratings across the Rosebery property portfolio.



Former SAP ratings as at 1 April 2021

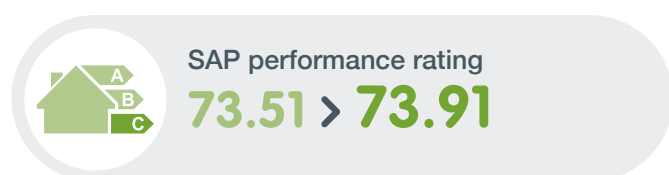


2021/22 SAP ratings





With our planned maintenance and replacement programmes, the replacement of 43 boiler systems, loft insulation upgrades, removal of fireplaces and installation of LED lighting, our portfolio average SAP rating has risen from 73.51 to 73.91. Our improved SAP ratings have provided VfM to our customers and have assisted their energy bills by improving their buildings' fabric, heating and hot water systems.



By comparison, the National Housing Federation reported that the national average SAP band is currently 68.4 across England and Wales.

SAP performance rating



65 properties have increased
from a **Band D** to a **Band C**

1 property has increased
from a **Band D** to a **Band B**

5 properties have increased
from a **Band C** to a **Band B**



Future projects

Our approach to future projects will focus on reducing our environmental impact as far as we are able to. Examples of potential improvements may include the following.

- Installation of triple glazed windows at a cost of approximately £5,000 per three-bedroom house.
- Where possible PV installations at a cost of approximately £6,000 per home.
- Installation of LED lamps at a cost of approximately £100 per home.
- Insulation programme, making sure our residents' homes are well insulated.
- Potential improvements to our direct repairs fleet, which currently produces on average five tons of CO₂ per annum.

During 2021/22, we also installed low energy lighting at Tomlin Court, to reduce energy consumption for the common area electrical service charge.

Conducting retrofit trials in voids

We have carried out trials of materials and components that will reduce the environmental impact of our properties. One such void property we fitted with new triple glazed windows, PV, an upgrade of the insulation to subfloors, roof and walls, removing an open chimney and fitting LED Lighting.

Prior to the retrofit, the SAP rating was 75.91 and emissions were measured at 2,035kg of CO₂.

After the retrofit, the SAP rating rose to 86.83 and emissions reduced to 0,991kg of CO₂.

| | BEFORE | AFTER |
|------------|----------------|----------------|
| SAP rating | 75.91 | 86.83 |
| Emissions | 2,035kg | 0,991kg |

(Data from Parity Projects data science)



Triple glazed
windows



PV
installations



LED
lamps



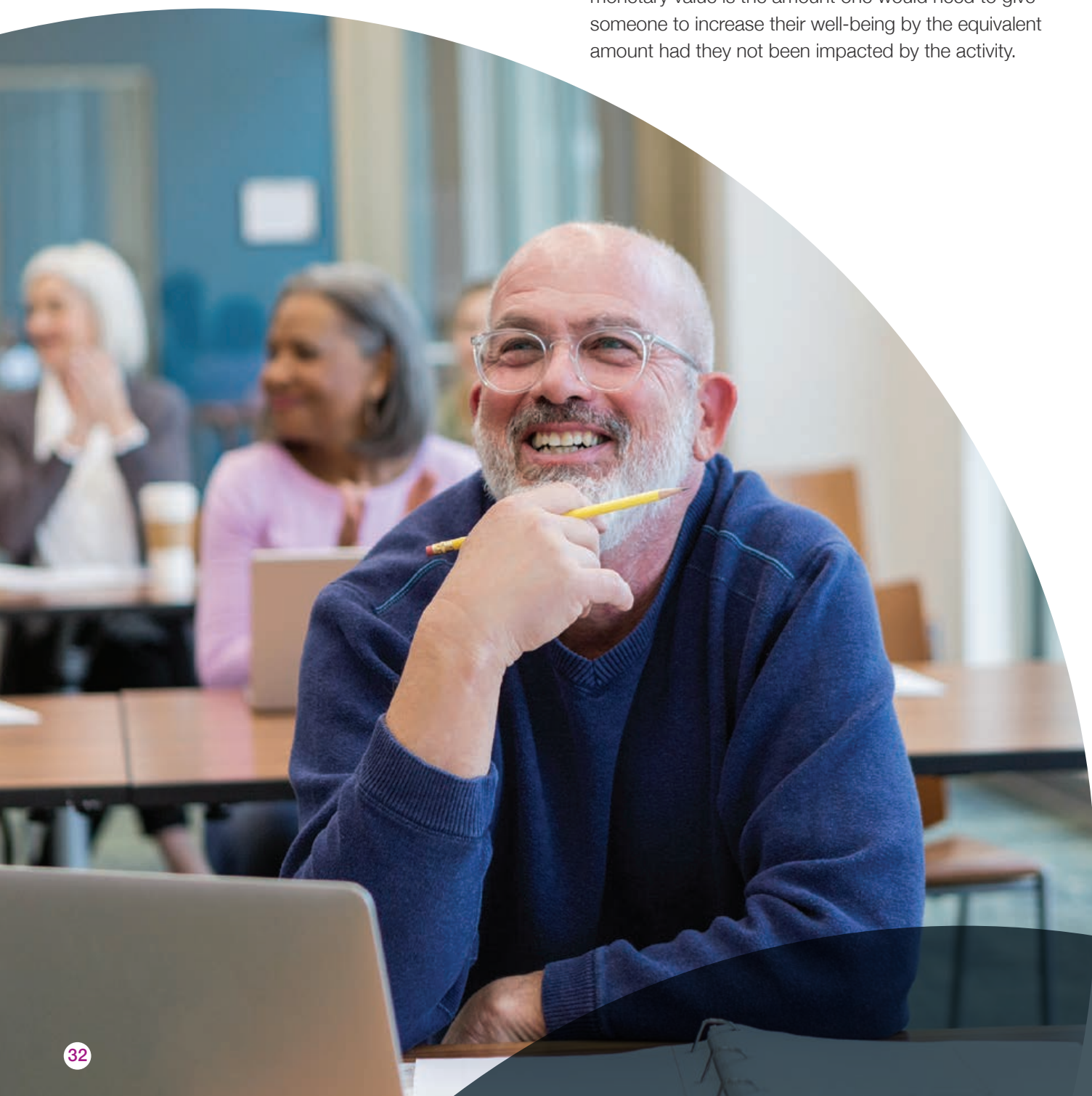
Our Social Value Impact

Social Value supports our Value for Money principles. It's the difference Rosebery makes to people's lives and well-being through the work that we do. It is the extra value we create when we deliver services which have wider community or public benefits and when this positively impacts individuals within those communities.

How Do We Measure Social Value?

Rosebery uses the HACT (Housing Association Charitable Trust) Social Value Calculator. It's a simple, clear way of attaching cash values to social activities, which are often difficult to measure.

The values represent the uplift in well-being that the average individual experiences from an activity. The monetary value is the amount one would need to give someone to increase their well-being by the equivalent amount had they not been impacted by the activity.



The figures below are based on information we hold in the areas of work that attract social value. Going forward, Rosebery will focus on how it records expenditure and outcomes, as well as investigating the potential to extend the activities we can report against.

Rosebery does so much more than provide homes. It's important that we report on social value to demonstrate our commitment to the individuals and communities we serve and that we reinforce the social value of the work we undertake.

Social value information can help to demonstrate the difference our sector makes but it can also increase satisfaction with the services we provide; increasing an individual's well-being, creating a positive effect on their perception of Rosebery.



| What we did | Activity (Rosebery households affected) | Our investment | Ratio of social value achieved | Our social impact |
|---|---|-----------------|--------------------------------|-------------------|
| Resident Virtual Scrutiny Panel | Virtual Scrutiny Panel (four members) | £745 | 1:34.6 | £25,779 |
| ETHOS Project | Support into full-time employment (two) Support into part-time employment (three) Enrolled in vocational training (three) Enrolled in general training (two) Volunteering regularly (two) | £10,000 | 1:3.79 | £37,890 |
| Hardship Fund | To help residents experiencing hardship | £10,146 | 1:17.22 | £174,669 |
| Citizens Advice Specialist Debt Advice | Funding of two specialist debt advisors at Epsom Citizens Advice who support residents from being heavily burdened with debt. | £47,000 | 1:16.23 | £762,708 |
| Temporary Accommodation (TA) Service | Provided TA to 228 households. Moved 64 households from TA to secure housing. | £37,828 | 1:14.72 | £556,992 |
| Total | | £105,719 | 1:14.74 | £1,558,037 |

When focusing on 'property-based' activity, we have found that the social value return on investment is much lower, for every pound invested, than it is in 'people centred' activity. This is not unexpected, as we are measuring the impact on people's well-being. The return on investment we are able to generate by securing a job for someone will achieve a much higher social value than removing graffiti from a communal wall where they live.

For people centred activity overall, Rosebery achieved a social return of nearly £15 for every £1 invested, achieving £1,558,037 in social value. The following are some examples of how we delivered this social value.

Resident Virtual Scrutiny Panel

During 2021/22, we organised 17 events for the Virtual Scrutiny Panel (VSP), which comprises four members. These consisted of VSP meetings, Board meetings and VSP workshops. In total, we invested £745 and this achieved £25,779 of social value, a ratio of 1:34.6.

The ETHOS Project

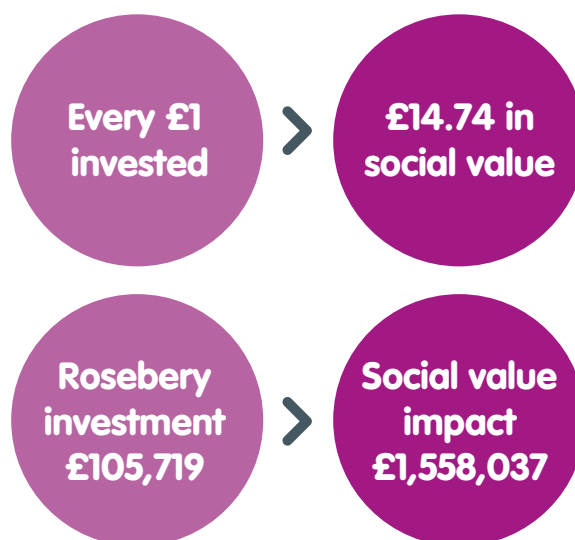
We fund ETHOS, which runs a weekly job club in Epsom. In 2021/22, ETHOS also provided 121 appointments in person and via phone or video. The following achievements in 2021/22 relate purely to Rosebery residents. Two individuals found full-time employment, three gained part-time employment, three enrolled in vocational training, two enrolled in general training and two are now volunteering.

Our investment of £10,000 achieved £37,890 of social value, a ratio of 1:3.79.

The Hardship Fund

In 2021/22, the Hardship Fund budget was £15,000. From this fund, £10,146 was provided to help 36 residents who were experiencing particular hardship. From this expenditure, we achieved £174,669 in social value, a ratio of 1:17.22.

We continue to learn and develop our approach to social value and we will continue to use the HACT approach and its Social Value Bank. Moving forward, Rosebery will consider the social value impact of our activity as a core factor in determining where we should invest and our approach to the services we offer.







Our people and a new way of working

The impact of Covid has been significant and it stretched our resources during 2021/22, as it did in the previous year. Rosebery is a resilient, innovative organisation and we galvanised our teams during this period of adversity and found new ways of working. We needed to respond to what was happening around us, to ensure we were able to continue to deliver our services and to adapt to the challenges of a new way of working.

Throughout 2021/22, we listened to our people and we conducted a series of online surveys to gain their feedback on a range of issues, including their views on productivity, flexibility and the advantages and challenges of remote working.

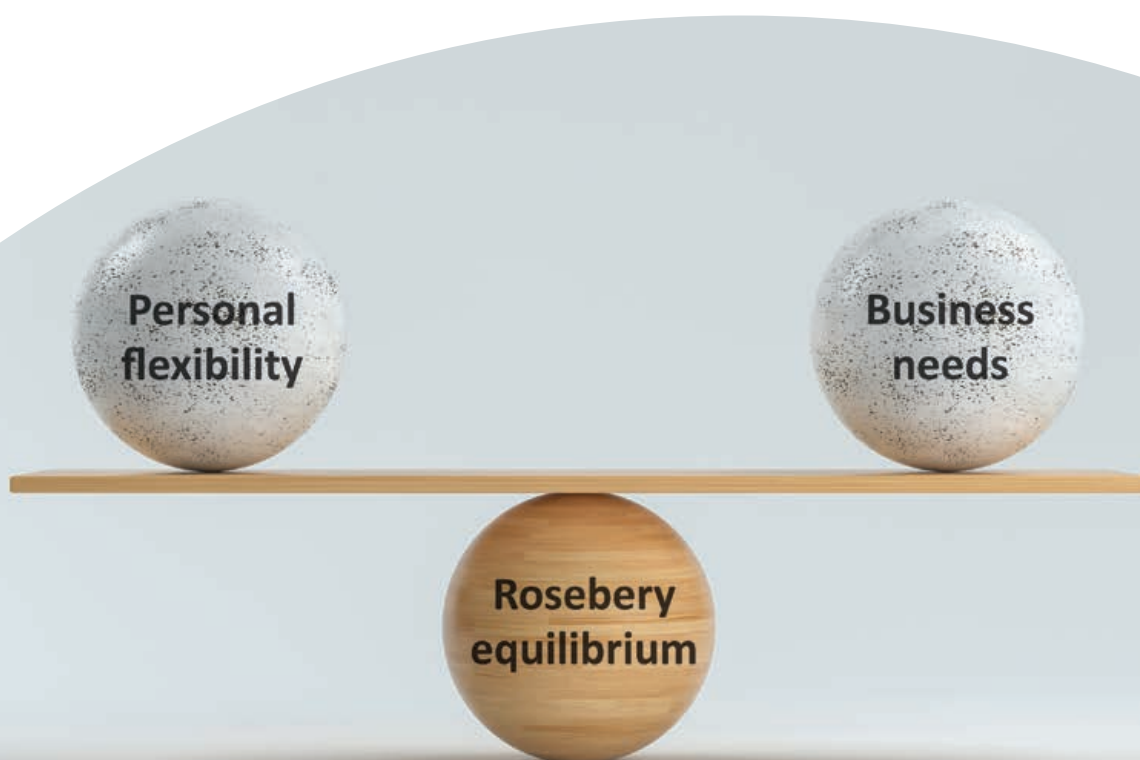
One such pulse survey, in October 2021, showed that there was a high level of trust in our leadership and its decision making; 90% of the workforce said 'I trust our leaders to take appropriate safety measures before allowing employees to return to our workplace.'

Hybrid working

Our Corporate Resources team prepared the ground for our new way of working and we fully implemented this in 2021/22. Having engaged with all staff in order to understand their views and preferences, we developed and put in place our Hybrid working policy.

At the core of this policy is an approach which strikes a balance between meeting the needs of the business and the individual's personal preference, flexibility and choice. This new, balanced way of working is our view of the hybrid world and it reflects our goal of achieving a state of 'Rosebery equilibrium'. Our Hybrid approach is focused on getting the balance right.

We carried out a 'test and trial' phase; testing, monitoring and adjusting our approach. We conducted role-based discussions within our teams and we captured key decisions. We prepared the workplace, setting up active hubs and workstations and assigning teams to work spaces. We then completed the task of adopting our hybrid policy, key principles, and procedures and we offered our colleagues practical guidance and support throughout.





**Deliver 25
new homes**



**Achieve median
to top quartile
performance**



**Maintain
60% digital
transactions**



**Mitigate
impact of
COVID-19**

The Regulator's VfM metrics

In April 2018, the Regulator of Social Housing introduced a new VfM standard and a new set of standard metrics, based on the sector scorecard, to enable housing associations to monitor performance in a standardised way. We monitor our performance on these metrics and compare to the sector as a whole. We set our own targets against each of these metrics every year and we measure our achievements against these targets.

Measuring our success: targets we set for 2021/22

Our targets for the year focused on four key areas: delivering new homes, maintaining our operating performance, continuing our digital transformation and mitigating the fallout from the pandemic.

Key VfM projects last year were part of our continued digitalisation programme and included the development of our new ASB module to assist us in managing this area, which remains an important issue for our residents.

2021/22 VfM target

Outcome

Deliver new homes in line with our business plan.

- Deliver 25 new homes.
- Achieve 8.52% in reinvestment (VfM metric).

- In 2021/22, we delivered 11 new homes but there was a delay on the 14 units and these will now be handed over in 2022/23. In the meantime, we also gained planning permission for 12 units at Crane Court.
- We achieved only 2.62% in reinvestment, mainly because the expenditure on the 14 units was deferred to 2022/23.

Operate as a high performing organisation compared with peers.

- Achieve median to top quartile performance when compared against peers.

- Our overall performance, as measured by Housemark, showed that we delivered 'Good performance and low cost' both in a) Operational performance and b) Asset management.

Change the way we work.

- Deliver our digital transformation project.
- With a phased programme, we aim to maintain our 62% achievement in digital transactions against a target of 60%, which we have already exceeded. The ultimate goal is to achieve 70% digital transactions in 2022/23.

- In 2021/22, we delivered further key digital projects, including mobile working and our CRM project.
- In measuring our digital transactions, we achieved 72% by the year end, which exceeded our annual target and our four-year goal of 70%, which we had set out to achieve by 2022/23.

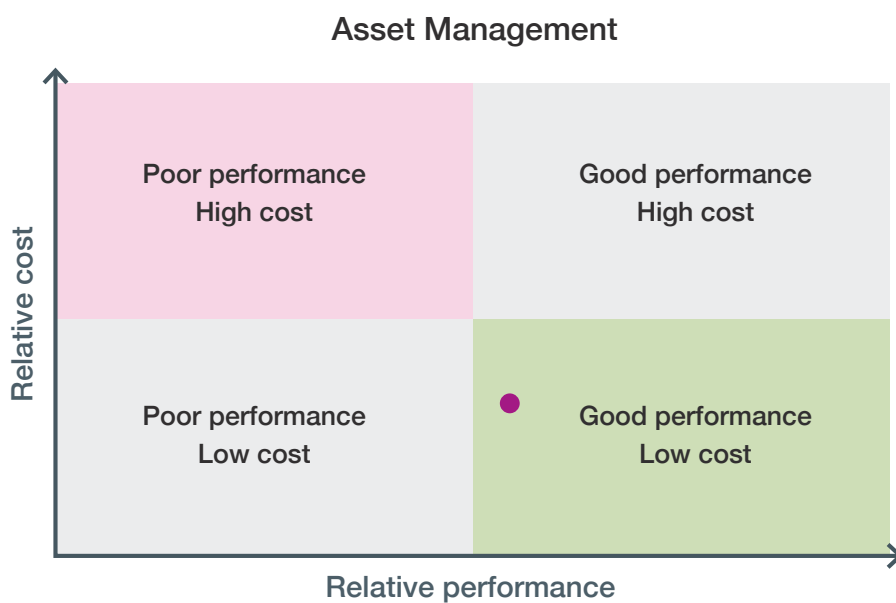
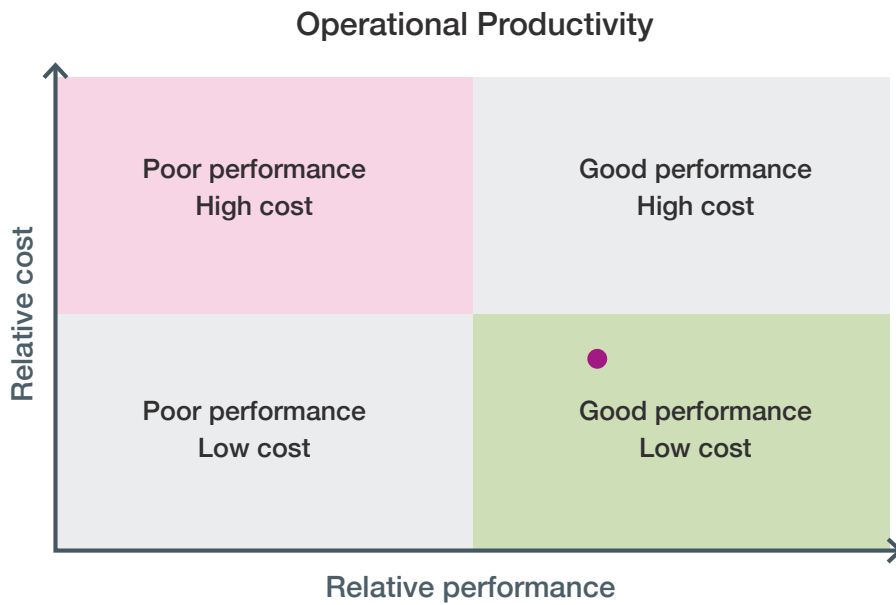
Mitigate impact of COVID-19 and welfare reform on our residents.

- Provide a programme of support for our residents.
- Protect residents' tenures by minimising arrears and rent related evictions and helping them to maximise their income opportunities.
- Target £500,000 worth of social value as a result of our tenancy sustainment work.

- In 2021/22, we supported residents through the stages of lockdown by maintaining our services and focusing on our most vulnerable residents.
- Arrears for General Needs and Housing for Older People which stood at 2.50% were quantified as £312,015.85.
- We launched a new ASB module and recruited an ASB Enforcement Officer.
- We worked with ETHOS to maximise our residents' employment opportunities: 19 achieved job interviews, five found employment, two started voluntary work and five took up training.
- We delivered social value of £1,558,037 (HACT model).

Performance

Overall – good performance, low cost



Source: Housemark



Our four-year digital transaction targets

Resident transactions

Year 1: 2019/20



Year 2: 2020/21



Year 3: 2021/22



Year 4: 2022/23



For 2021/22 we achieved a level of 72% which exceeds the target for that year, as well as the level we set four years ago as our ultimate 70% target to be reached by 2022/23. We have therefore achieved our four-year target a full year ahead of schedule. However, we always seek improvements and we shall continue to optimise our levels of digital transactions and engagement, maximising the digital tools at our disposal.

Financial performance

We met all our financial targets for the year and met all of our funding covenants. Our financial performance is summarised in the table below.

| Income and Expenditure Account £m | 2021/22 | 2020/21 | 2019/20 | 2018/19 |
|--|---------|---------|---------|---------|
| Income (including income from first tranche sales of shared ownership properties) | 17.6 | 17.0 | 16.5 | 17.0 |
| Expenditure | (11.8) | (11.1) | (10.7) | (11.0) |
| Operating surplus before property sales | 5.8 | 5.9 | 5.8 | 6.0 |
| | 33.0% | 34.6% | 35.4% | 35.2% |
| Interest | (3.5) | (4.0) | (4.0) | (4.0) |
| Profit on sales, Right to Buy (RTB), Asset Management Sales | 0.8 | 0.5 | 0.4 | 0.0 |
| Net surplus | 3.1 | 2.4 | 2.3 | 2.0 |
| | 17.6% | 14.3% | 13.7% | 11.7% |
| Actuarial adjustment – current year | 0.6 | (0.9) | 1.2 | (0.3) |
| Initial recognition of multi-employer defined benefit scheme | 0 | – | – | (0.7) |
| Net surplus | 3.7 | 1.5 | 3.5 | 1.0 |

2021/22 financial highlights

Our net surplus in 2021/22, before actuarial adjustments for pension liabilities, was £3.1m, which was £0.7m higher than the surplus reported for 2020/21. As a charity, all of our surplus is reinvested into the business and used both to invest in building new affordable homes and reinvesting in the homes that we already own and manage to ensure that they are up to standard and our residents are healthy and safe.

Our operating surplus was £5.8m and operating margin was 33% and we are pleased to report that we exceeded all financial targets we set ourselves at the start of the financial year when we set our annual budget.

Operating surplus and margin are slightly lower in 2021/22 than in the previous year following our decision to expand our customer facing teams, including a new Anti-Social Behaviour Enforcement Officer and some additional resources within the Neighbourhoods and Income teams responding to feedback from residents and our aim of maintaining our high levels of resident satisfaction.



Turnover

£17.6m



Surplus

£3.1m



Property assets
worth

£284m



Funds available
for investment

£52.6m

(before pension adjustment)

VfM outlook for the year ahead

The Board sets annual targets against a suite of Key Performance Indicators (KPI's) which measure performance both in terms of satisfaction levels and also costs. Key VfM projects for 2022/23, part of our continued digitalisation programme, include introducing a new service charge system to make our budget setting and monitoring processes more efficient. We will also continue with our trials of property management systems as we move towards 'smarter homes' and improved integration with third parties to monitor compliance and other critical elements involved in ensuring our properties are maintained to a good standard at all times and meet all health and safety requirements.

We have already achieved our target of making 70% of our transactions electronic. At the end of 2020/21 we had reached a level of 62% and had already exceeded our target for 2021/22 which was set at 60%. For 2021/22 we achieved a level of 72% which exceeds the level set four years ago as our ultimate target of 70% to be reached by 2022/23.

We will be fully implementing the CRM system and its workflow functionality to derive our efficiency and enable greater visibility of our residents' issues. This will provide more effective solutions, improving our service delivery to residents, while ensuring greater visibility and transparency. It will allow us to see more and do more with this live data and it will enable us to respond to our residents more effectively and enhance our tenant satisfaction measures (TSMs).

We will also be exploring in detail the opportunities to share systems with the Peabody Group. Using the Group's systems could prove to be a very cost-effective way for Rosebery to operate and deliver increased VfM. This is unlikely to take place in 2022/23, as the initial focus will be on bringing together Peabody and Catalyst. However, Rosebery is closely involved in the changes and we will consider each investment decision in the light of the wider Group arrangements.

Rosebery joining Catalyst was not a cost-saving exercise but was more about expanding our development opportunities. The same is true of the arrangements with the Peabody Group. There are, however, cost savings that will be realised as a result of being part of a larger housing group and we will monitor these efficiencies and will report on them as part of our VfM strategy.

More immediately, Rosebery is exploring the possibility of joining forces with Town and Country Housing, another part of the Peabody Group. We will be looking at this opportunity in more detail and will be expecting it to deliver greater efficiencies and the benefit of sharing systems, knowledge and skills, as well as some cost benefits. Part of this potential merger will be for the resulting regional entity to produce a combined business plan and, within this, a new set of VfM targets will be agreed for the future. In the meantime, Rosebery is continuing to work to its own strategy, VfM strategy and targets until these broader decisions have been reached. At the same time, Peabody and Catalyst are in the process of integrating their businesses, bringing together their individual plans and strategies into one combined approach.

Our key VfM targets for 2022/23

CHOICE



1. Deliver new homes in line with our Business Plan and maximise 'new supply'.

Specific targets include:

- Take handover of 14 units at Turners Hill and the 10-unit site in Caterham (Whyteleafe Road).
- Take handover of 26 units at Athena House, Horley (24 AR units plus 2 offices).
- Move forward with Crane Court – get into contract.

2. Maximise our property portfolio

- Deliver new homes on underutilised sites, identify further opportunities and initiate planning application process.
- Increase the operating efficiency of our existing homes and move forward on the path to becoming carbon neutral.
- Work with Peabody and Town and Country Housing on an updated Treasury strategy to build into the 2023 Business Plan to deliver an enhanced development programme.

CREATIVITY



3. Protect and optimise income – maintain our Tenancy Sustainment Strategy and Welfare Reform action plan. Provide a programme of support for our residents.

- Deliver employment opportunities for our customers:
- Support the ETHOS project.
- Provide training and development for customers where we can.

COST



4. Achieve expected financial performance – aim to exceed budget.

- Deliver and implement our digital strategy – changing the way we work.
- Maintain existing levels of Customer Satisfaction (KPIs) across all service areas but seek to reduce costs of delivery – deliver 'more for less'.

PEOPLE



5. Deliver our People Strategy: Continue to develop staff and Board members through our ongoing training programme.

- Align our People Strategy with that of the Peabody Group strategy where appropriate.
- Develop a strategy for Rosebery and Town and Country Housing staff post merger.
- Put in place the actions agreed with the IIP report (May 2022).
- Continue to develop our home working strategy and ensure it delivers for both staff and customers.
- Minimise knowledge loss.

COMMUNICATIONS



6. Develop clear and concise communications.

- Maximise utilisation of tenant portal and digital communications generally.
- Enhance the Rosebery website.
- Continue to develop the intranet.

The way forward

The global pandemic has had an enormous impact on our business and all our lives but Rosebery is a resilient organisation with resourceful people and we will continue to find effective, innovative ways of overcoming adversity.

Our business continuity plans and digital transformation programme served us well during this crisis. The organisation was stretched by COVID-19 but we stood firm and our strong leadership consistently provided the answers to increasingly complex questions. We will continue to deal with these challenges, we remain committed to the principles of Value for Money and we will focus on achieving our VfM targets for the year ahead. VfM remains our focus, going forward, and we will continue to pursue every opportunity to deliver quality and value in everything we do.

On 1 April 2021, Rosebery's partnership with Catalyst was formally concluded when Rosebery became a standalone subsidiary of Catalyst Housing Limited. Both parties are seeking to reap the rewards of their synergies, working seamlessly to achieve the goals of the partnership that sees them working together across London and the South-East.

Rosebery's objectives in seeking a partner were to continue to create more homes in well-designed neighbourhoods in its expanded geography, in partnership with local communities, and to work with a partner with a proven track record in estate regeneration which Catalyst has a long and successful history of delivering. Our partnership with Catalyst will help us to deliver VfM and reduce costs by making the most of our combined skills and experience, sharing appropriate learning, knowledge and resources, implementing the best systems and applying best practice across all areas of the business.

We are now entering a period of further change as we engage in ongoing discussions with Town and Country Housing, with regard to an opportunity to form a combined regional entity within the Peabody Group. Rosebery and Town and Country are both operating subsidiaries of the new Peabody Group, with complementary operational areas and strategic goals.

We expect this potential joining of forces with Town and Country to offer more opportunities to deliver enhanced VfM to our residents by combining our efforts and creating this regional entity. Meanwhile, as these merger discussions continue, we remain focused on the need to deliver our current targets and levels of customer service, as a standalone entity. We will not lose sight of our cast iron commitment to VfM and the principles behind it.







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