Value for Money Self Assessment 2014/15

Introduction

Poplar HARCA was established in 1998 as the first urban local housing company stock transfer. Virtually all of the stock we took on was medium to high density, medium or high-rise flatted housing and had significant problems of disrepair due to historic underinvestment. Our communities had among the highest levels of deprivation in the UK, and faced particular issues with overcrowding, anti-social behaviour and the highest youth density level in Europe.

Since those early days, we have refurbished more than 4,500 homes, carried out estate improvements, taken on the transfer of another 4,000 homes and built a further 1,000 homes. We have also levered in vital infrastructure, such as the A12 crossing and a new DLR station, paving the way for future regeneration opportunities.

We now have significant regeneration schemes underway under the ‘Reshaping Poplar’ programme and are also leading on the ‘Stuck in the Middle’ strategy to redevelop some 110 hectares of land in South Poplar and the Lower Lea.

We currently own or manage 8,757 homes.

This year 89% of tenants said that we are providing Value for Money which is a significant increase of 12% on last year.

In this value for money self-assessment, we outline our return on assets, our costs and how they compare, the savings we have made and the savings we plan to make in the future. We also show how the efficiencies we are making are being invested in high-quality housing and improved services for our communities.

Our strategy

Our corporate strategy for the five years to 2016 sets out our vision of providing high quality homes and services in strong and sustainable communities. Achieving excellent value for money in all that we do is vital to achieving this vision: we aim to make the best possible use of resources to improve housing, neighbourhoods and opportunities for our residents, with high quality outcomes and demonstrable social returns. We have an up-to-date value for money (VfM) strategy which helps to embed VfM principles across the organisation and links with our corporate strategy. Key features of our VfM approach are:

Engagement with VfM at every level of the organisation. The Board sets and monitors our VfM policy, and the policy is also scrutinised at every meeting of our Finance and General Purposes Committee, Corporate Management Team and Operational Management Group.

Each head of service is responsible for ensuring VfM in their service and has been tasked with identifying VfM initiatives.

Residents have been fully engaged with the VfM process. A resident Value for Money Scrutiny Group and a Contractor Monitoring Group of residents have completed a full review of services.

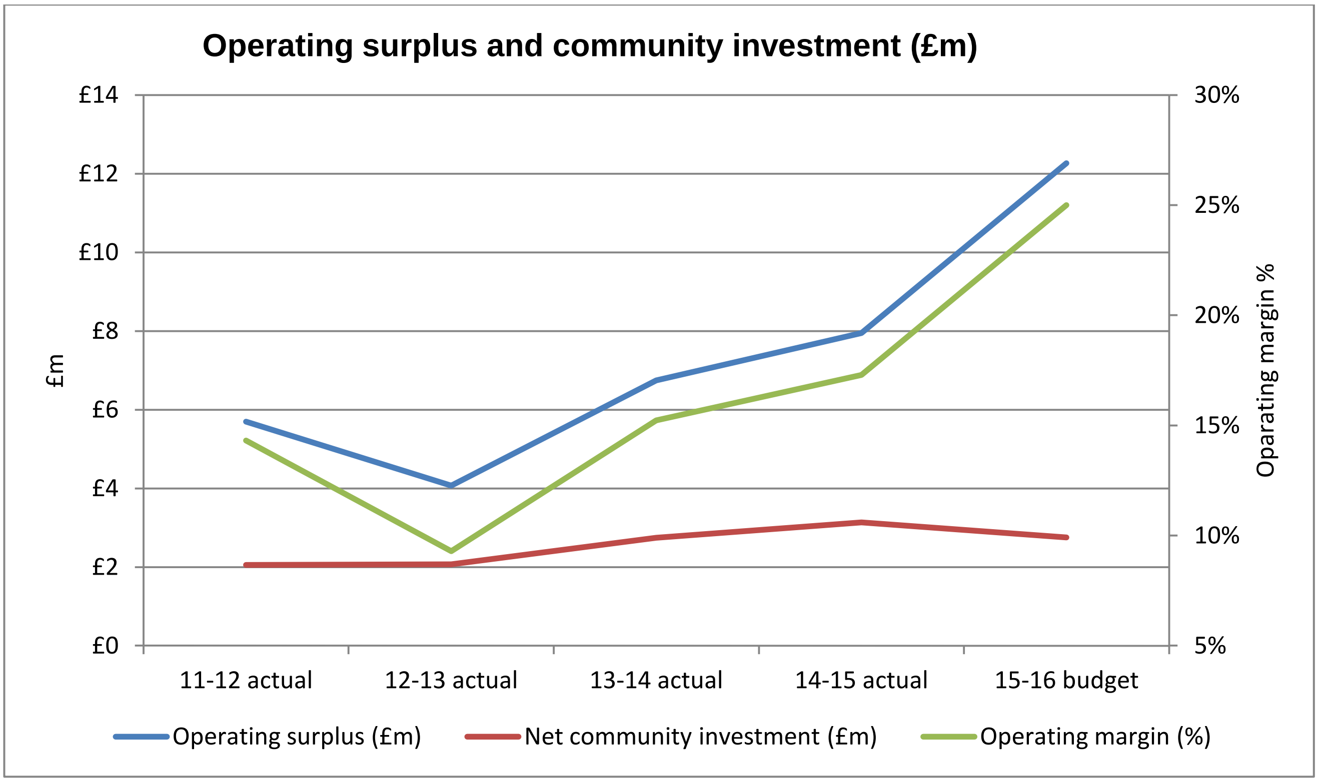
The Services Committee now instructs service reviews on an ad hoc basis so we can focus resident resources on the areas where improvement is thought to be most needed.

We have involved residents in prioritising the areas where they would like to see efficiency savings recycled.

We publish VfM initiatives in our resident newsletter and ask for residents' VfM ideas in each issue.

We are working with estate boards to develop local VfM initiatives.

The result of our value for money strategy is a rising operating surplus and operating margin, whilst increasing our net annual expenditure on communities and neighbourhood programmes from £2m in 2011/12 to £3m in 2014/15. At the same time as this rising operating surplus, we have achieved rising resident satisfaction. We are on course to achieve more than 25% operating margin in 2015/16 and 30% in 2016/17.



Return on assets

Since our earliest days, robust asset management has been vital to our work. This has involved:

Comprehensive stock condition surveys and net present value assessments, followed by the development of detailed masterplans and high quality refurbishment of the housing stock, using significant levels of capital grant to bridge the funding gap on negative value stock.

Maximising the return on our land assets, through new build and the creation of mixed tenure neighbourhoods.

More recently we have further developed this approach through our Reshaping Poplar programme, which is built around a comprehensive approach to asset management and return on investment. We recognise that we now own 32% of land in the area, with another 30% of land being potentially available brownfield sites of which 8% are owned by the London Borough of Tower Hamlets. We therefore have one of the strongest regeneration opportunities in London. We are committed to achieving mixed-tenure development at higher densities than the existing stock, so maximising cross-subsidy from homes for sale whilst mitigating development and sales risk.

We have also facilitated the development of the ‘Stuck in the Middle’ strategy for the neighbouring areas of Lower Lea and South Poplar in partnership with the London Borough of Tower Hamlets, the GLA, Transport for London, the London Borough of Newham and the London Legacy Development Company. The Stuck in the Middle partnership has identified 110 hectares adjacent to our stock with the potential to build 40,000 new homes and create 13,000 jobs. On the back of this initiative we worked with LBTH to submit a bid to the GLA and have now secured a Housing Zone for the Lower Lea. The GLA are also developing an Opportunity Area Planning Framework for South Poplar. Both of these initiatives will help to lever in investment into the area, both in terms of new infrastructure and new housing, which will greatly increase the value of our existing assets.

Our current approach to maximising the return on our assets is characterised by extensive stock option appraisals based on detailed density calculations and net present value analysis. We aspire to redevelop as much as half our stock rebuilding at higher density. We estimate that there is the potential to add up to 12,000 new homes. Ideally we would achieve this over a 15 – 20 year period but that is very much dependent on our capacity and other external factors.

Our work in securing wider infrastructure improvements, such as a pedestrian road crossing over an urban motorway near the Aberfeldy Estate and a new school and health centre in the St Paul’s Way area, has been key to securing the improved neighbourhoods that allow for increased values and successful regeneration.

Risk based approach

We take a risk based approach to ensure we achieve the desired return on assets within our financial framework. For example, we work in partnership with residential developers using land sale and barter arrangements, which means the risk is carried by the developers. We insist on overage clauses, but there is no underage. We therefore protect ourselves financially from any development losses, but share in development gains. We could take more risk and potentially make a higher financial return. However the priority is to ensure the area is regenerated and we need to ensure that that we can continue with this work in the future.

We only include conservative estimates for overages in our business plan. We do include conservative assumptions for shared ownership sales and a cash inflow from the Balfron Tower redevelopment. To test financial stability, we run a sensitivity of a 20% fall in shared ownership sales prices and removed all cash inflow from Balfron to ensure we are operating well within our financial framework and funder's covenants.

Examples of our success in maximising the return on our assets

A section later in this report gives detail of VFM savings achieved, which are part of maximising the return on assets. Examples includes saving £0.5m on void repair expenditure, saving £150,000 per year by closing down an office and using existing office space more efficiently, saving £160,000 per year following a restructure of The Housing and Corporate Services Directorates (equivalent to 4.7% of the salaries budget for these teams) and saving £100,000 per year following the tender of out insurance contract.

Our communities and neighbourhoods (CaN) programme utilises community assets with a net book value of £7.3m and a £3m annual revenue budget to produce social returns valued at £14m a year (calculated by HACT and excluding events). An example is we supported 270 local people into jobs. This amounts to a social impact value of £2.9m and savings of £2.2m to the Treasury, based on their formula.

The regeneration of the Aberfeldy Estate, which is now onsite, where we are replacing 297 existing homes with 1,176 new homes, of which 828 are for sale, 158 are for private rent, 170 are for affordable rent and 20 are for shared ownership. We are increasing the density of the estate from an existing 160 habitable rooms per hectare to 527, increasing the value of the land and our stock holding without the need to buy additional land. The first phase is now complete and generated a profit of 28% of GDV, considerably above our original appraisal assumption of 16%. Phase 2 is on site and sales "off plan" are now securing in excess of £550 per square foot. We have recently sold our first £500,000 two bedroom flat.

The Aberfeldy Estate regeneration is structured in a joint venture with partner Wilmott Dixon. Each phase has a land value and profit sharing agreement. Aberfeldy phase 1A and 1B has generated income from the sale of land amounting to £5.9m and profit of £4.2m. The land at Aberfeldy 2 is expected to generate £3.1m of land value and £7.9m of profit for Poplar HARCA. The construction of phase 2 is underway.

We have secured overage clauses in contracts to ensure that we benefit from any upturn in the market. This strategy has generated £6.2m to date including £1.4m for the Panoramic building, £0.5m for Carron Close, £1.8m for Bartlett Park and more than £1.9m for Tweed House. The strategy is expected to generate at least £4m for the Leopold 2 regeneration scheme.

Overage rights are assigned to Poplar HARCA Projects Ltd. Poplar HARCA Developments Ltd is the joint venture partner for the Aberfeldy regeneration project. This has enabled profits to be distributed to Poplar HARCA Ltd (the Registered Provider and Charity) by way of gift aid, thus minimising corporation tax and maximising our return on investment.

Converting the Grade 2 listed Balfron Tower from a social rented block to all private sales. The red book valuation of Balfron Tower using EUV–SH is negative (£4,030,000). By changing the tenure to private sale we anticipate that the project will generate a positive NPV and reduce financial risk for Poplar HARCA.

Work is progressing on our Chrisp Street regeneration project and we anticipate submitting a planning application in late 2015. This project will significantly increase the value of Chrisp St and will ensure that it continues to be the vibrant commercial heart of Poplar.

We are now actively exploring further large scale estate regeneration programmes on the Lincoln and Teviot Estates, which will aim to increase both the quantity and quality of our housing portfolio.

Absolute and comparative costs of delivering services

Poplar HARCA is a member of HouseMark. We use HouseMark data to compare our operating costs against 15 other housing providers (London stock transfer organisations, the local ALMO and other comparable providers with whom we share information).

Each year an independent polling company carries out a statistically representative survey of our residents. Analysis of resident satisfaction is therefore provided in a separate section below.

We have also analysed our costs using data from the Homes and Communities Agency's global accounts against 12 of these providers to give us more information about our costs and performance. (Three of these were not in the Global Accounts data).

Peer comparisons and cost trends

Overhead cost summary

Overhead cost breakdown per direct user												
KPI	Peer Group Quartiles				2013/2014		2012/2013		2011/2012		2010/2011	
	Sample	Upper	Median	Lower	Result	Rank	Result	Rank	Result	Rank	Result	Rank
Premises	15	£5,426	£6,403	£7,716	£3,058	1	£3,669	2	£2,755	1	£3,386	2
ITC	15	£7,292	£7,629	£10,301	£7,629	8	£6,540	4	£6,736	4	£5,254	1
Finance	15	£3,801	£4,439	£4,939	£1,861	2	£1,528	1	£1,639	1	£1,621	1
Central	15	£9,305	£11,486	£12,845	£6,148	1	£6,117	1	£6,098	1	£6,930	2

Housing Management cost

Housing Management - cost per property												
KPI	Peer Group Quartiles				2013/2014		2012/2013		2011/2012		2010/2011	
	Sample	Upper	Median	Lower	Result	Rank	Result	Rank	Result	Rank	Result	Rank
Total Housing Management	15	£485	£568	£613	£515	5	£473	5	£430	2	£475	5
Direct Housing Management	15	£291	£332	£349	£361	14	£335	10	£308	7	£348	11
Direct Rent Collection	14	£74	£82	£90	£114	13	£81	7	£76	6	£91	11
Direct Resident Involvement	14	£33	£36	£52	£30	2	£34	5	£30	3	£48	11
Direct Anti-Social Behaviour	14	£43	£48	£56	£59	12	£61	13	£56	11	£70	13
Direct Lettings	14	£33	£38	£57	£39	8	£45	10	£39	8	£50	10
Direct Tenancy Management	14	£65	£94	£110	£120	14	£114	12	£108	11	£89	7

Housing Management performance

Housing Management - Performance Summary												
KPI	Peer Group Quartiles				2014/2015		2013/2014		2012/2013		2011/2012	
	Sample	Upper	Median	Lower	Result	Rank	Result	Rank	Result	Rank	Result	Rank
Rent collected as % rent due (excluding arrears b/f)	14	100.0%	99.8%	99.4%	97.5%	N/A	101.5%	2	98.7%	14	99.1%	12
Current tenant rent arrears as % of rent due	14	3.0%	3.6%	4.9%	4.7%	N/A	4.3%	10	5.0%	11	4.9%	11
% of anti-social behaviour cases successfully resolved	12	99.7%	97.8%	89.5%	99.8%	N/A	99.4%	5	98.2%	7	97.9%	7
Rent loss due to voids as % of rent due	14	0.6%	0.8%	1.1%	1.6%	N/A	1.1%	10	1.3%	12	1.0%	9
Number of tenancies terminated as % of properties managed	14	4.2%	4.4%	4.8%	5.6%	N/A	4.4%	8	5.7%	14	7.4%	15

Repairs and voids cost

Responsive Repairs & Void Works - Cost Summary												
	Peer Group Quartiles				2013/2014		2012/2013		2011/2012		2010/2011	
KPI	Sample	Upper	Median	Lower	Result	Rank	Result	Rank	Result	Rank	Result	Rank
Total CPP of Responsive Repairs & Void Works	15	£859	£905	£1,129	£1,092	10	£1,115	12	£986	9	£888	7
Total CPP of Responsive Repairs (Service Provision)	15	£450	£511	£628	£537	10	£552	11	£570	11	£534	9
Total CPP of Responsive Repairs (Management)	15	£161	£236	£304	£269	11	£256	11	£232	8	£193	6
Total CPP of Void Works (Service Provision)	15	£116	£143	£194	£263	14	£283	15	£158	10	£130	6
Total CPP of Void Works (Management)	15	£28	£33	£44	£22	2	£24	4	£26	4	£31	8

Repairs and voids performance

Responsive Repairs - Performance Summary												
	Peer Group Quartiles				2014/2015		2013/2014		2012/2013		2011/2012	
KPI	Sample	Upper	Median	Lower	Result	Rank	Result	Rank	Result	Rank	Result	Rank
Percentage of all repairs completed on time	10	96.4%	95.3%	92.0%	98.8%	N/A	98.4%		97.8%	2	98.9%	2
Average number of calendar days taken to complete repairs	13	8.0	9.8	11.5	5.5	N/A	4.2	1	5.2	3	6	4
Average re-let time in days (standard re-lets)	14	20.4	27.4	33.1	25.8	N/A	25.0	6	21.0	5	17.0	4
Average cost of a void repair	14	£2,499	£2,977	£5,027	£2,562	N/A	£5,970	13	£4,949	11	£2,124	3

Trend analysis of cost

The following charts show cost per home for management and maintenance is decreasing. Costs have been adjusted for inflation using the CPI index and are all in 2014/15 prices.

- Chart 1 shows direct management and total expensed maintenance cost per home owned.
- Chart 2 shows just responsive and void repair per home owned.

Further detailed analysis and commentary on housing management, repairs and voids and estate services is provided in one section following all benchmarking charts and tables for cost, performance and satisfaction results.

Chart 1

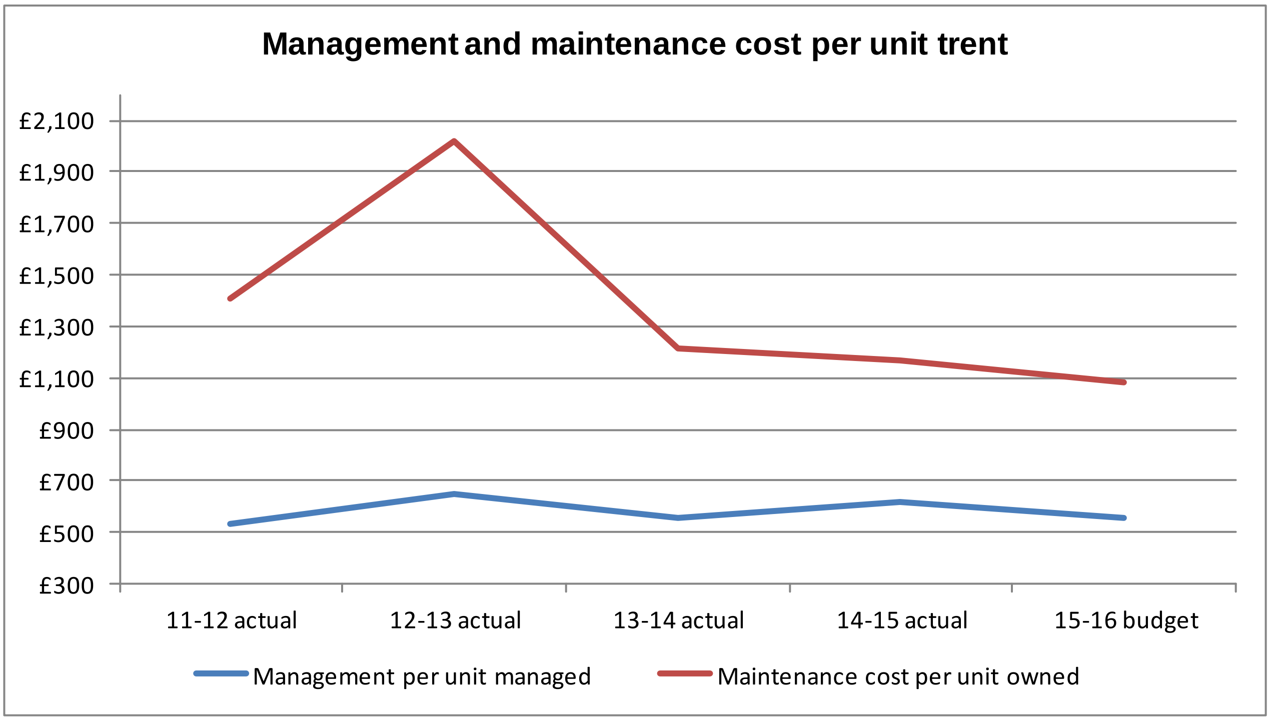
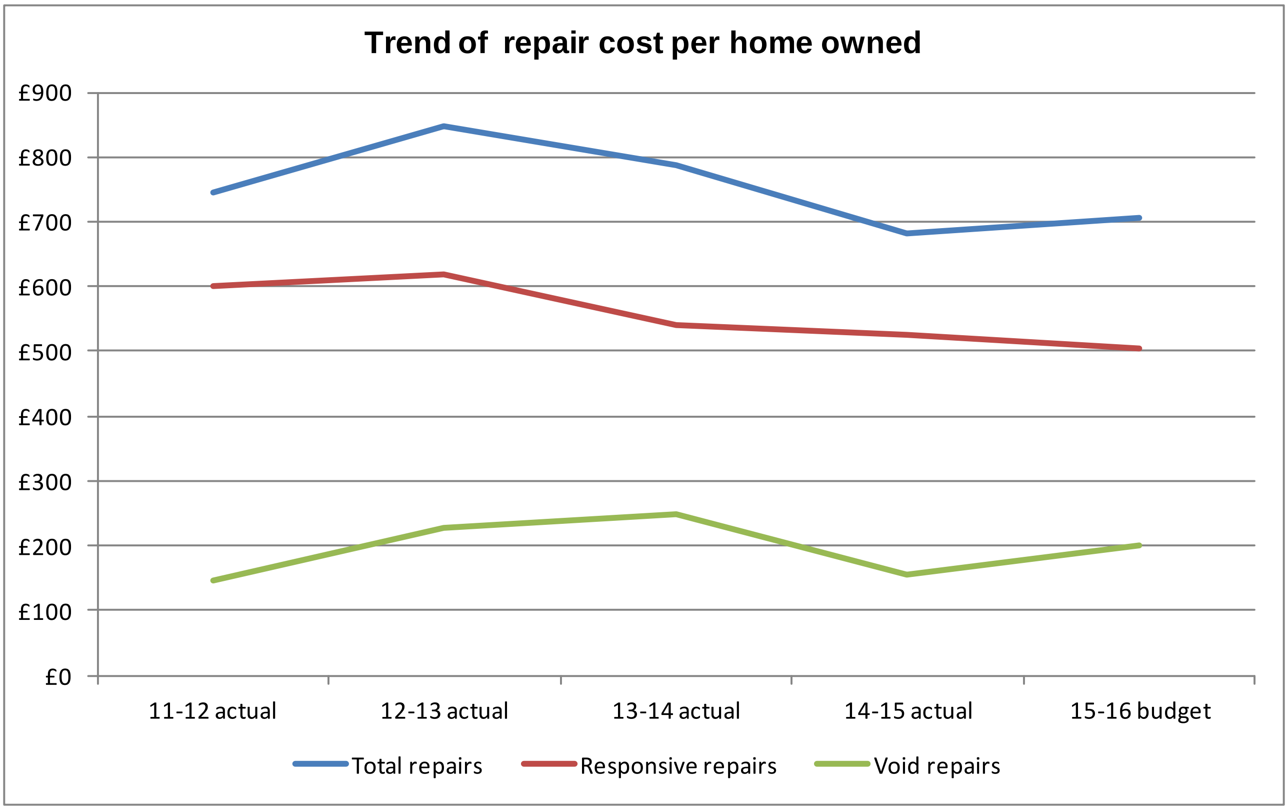


Chart 2



Resident satisfaction survey

Each year an independent polling company carries out a statistically representative survey of residents. The 2014 survey was presented to our Board in November 2014.

The headline survey results are:

85% of tenants surveyed are satisfied overall. (2013 - 83%, 2012 - 79%, 2011 - 69%)
69% of leaseholders surveyed are satisfied overall. (2013 - 51%, 2012 - 68%, 2011 – 48%)
80% of all residents surveyed are satisfied overall. (2013 – 79%, 2012 - 77%, 2011 - 59%)

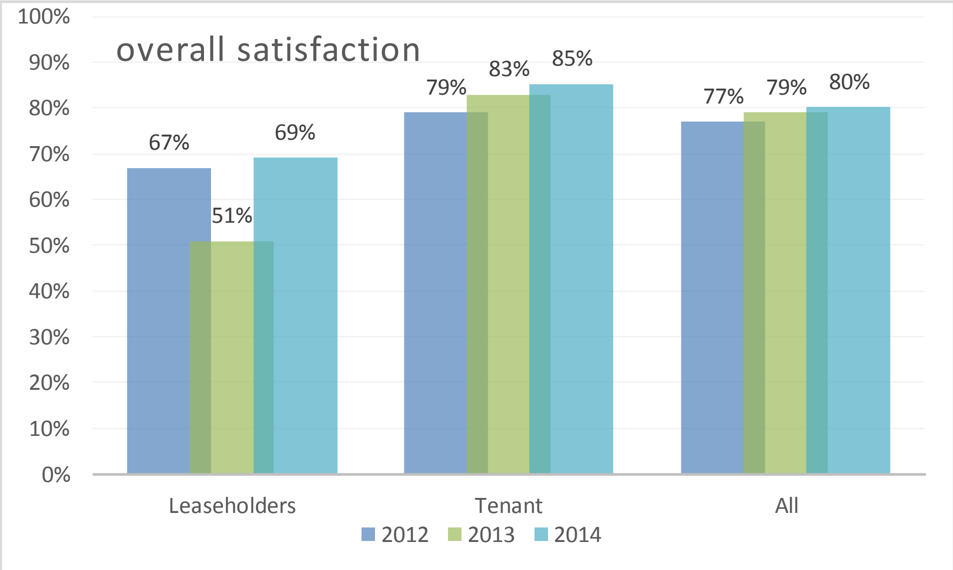
Benchmarking of London tenants' satisfaction through Housemark shows upper quartile at 79%. Through the Tower Hamlets Housing Forum and information shared from local landlords we can compare some headline results:

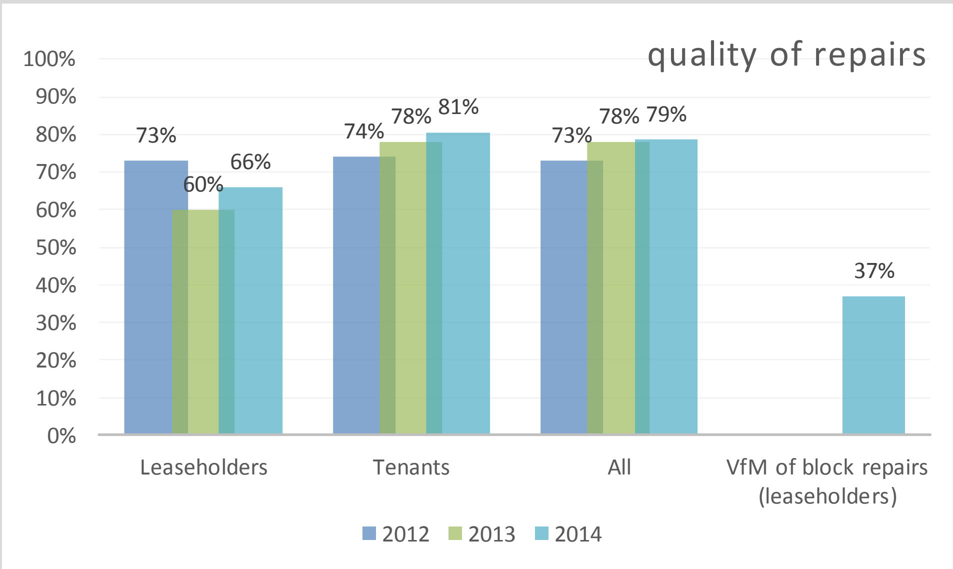
	tenants	leaseholders	listens	estate services	repairs
A2 Dominion*	84%	76%	53%	87%	83%
East End Homes	83%	57%	51%	65%	60%
East Thames*	54%	25%	50%	-	-
Family Mosaic*	67%	60%	-	-	58%
Gallions*	77%	-	65%	66%	77%
Gateway	65%	50%	47%	61%	48%
Genesis*	67%	45%	-	56%	77%
L&Q*	81%	-	64%	72%	80%
Metropolitan*	71%	40%	53%	-	61%
Notting Hill*	76%	-	64%	81%	65%
Old Ford	52%	-	-	-	-
One Housing Group*	83%	69%	-	-	94%
Peabody*	74%	57%	62%	91%	70%
Poplar HARCA	***85%***	***69%***	***79%***	***79%***	***79%***
Southern Housing Group*	75%	51%	61%	-	68%
Swan*	81%	53%	67%	88%	74%
THCH	80%	60%	67%	73%	72%
Tower Hamlets Homes	77%	52%	55%	73%	69%

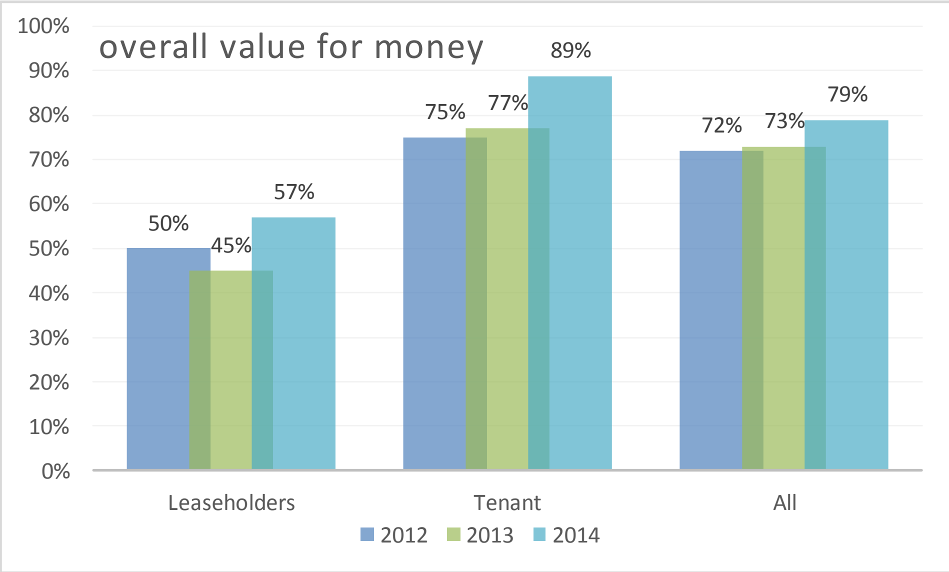
Tenant satisfaction has increased further in 2014 and we are now number one in the Tower Hamlets Housing Forum as shown above. Leaseholder satisfaction has increased significantly to 69%, the highest score we have achieved and joint second in the benchmark group.

* landlord has stock outside Tower Hamlets and/or London

The full resident survey report can be found on the Value for Money page on our website: http://www.poplarharca.co.uk/content/value-money






overall value for money
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
50%
45%
57%
75%
77%
89%
72%
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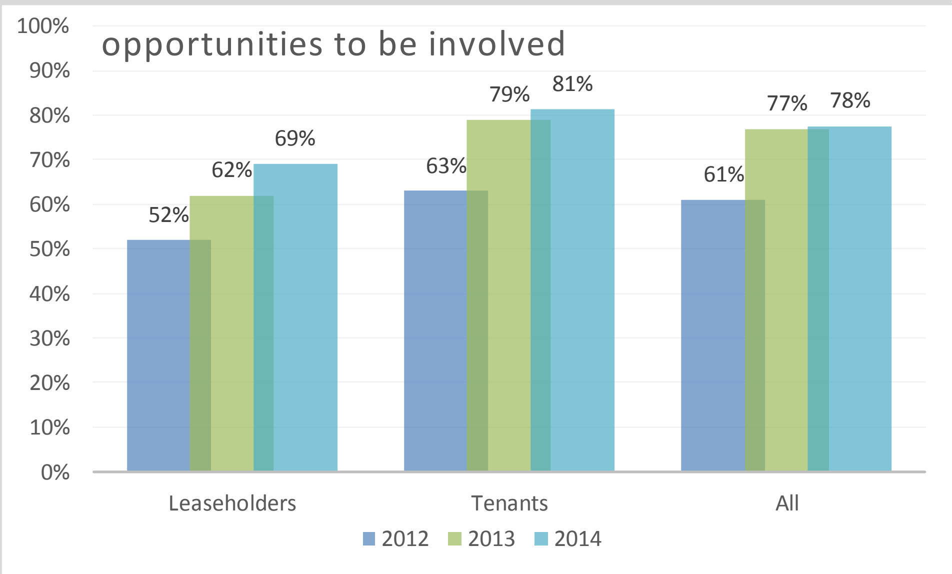
Leaseholders
Tenant
All
2012
2013
2014


opportunities to be involved
100%
90%
80%
70%
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All
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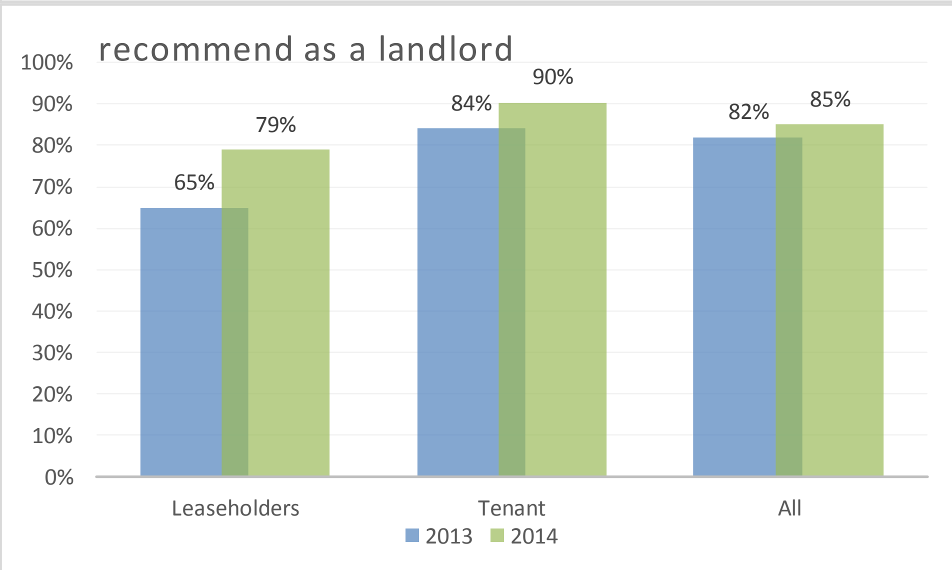
recommend as a landlord
100%
90%
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60%
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30%
20%
10%
0%
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84%
90%
82%
85%
Leaseholders
Tenant
All
2013
2014

Analysis commentary on benchmarking cost and performance

In summary, we are an average performer in our HouseMark data on total housing management costs, but nearer the lower quartile on repairs and some of the direct costs of tenancy management and associated services. The trend charts do show management and maintenance costs are reducing. Our new financial strategy from 2016 will accelerate this cost reduction.

The latest resident satisfaction figures show excellent performance, confirmed by the repairs and voids performance summary. Performance on repairs is among the top few in our benchmark group. Housing Management performance as at 31 March 2015 was mixed. Performance on resolving anti social behaviour was excellent. Income collection was disappointing however since then income collection has performed well as the trend chart for arrears shows.

Overheads

Poplar HARCA has low overhead costs (also known as back-office costs). This results in a lower increase from direct to total costs of services relative to our peers. Our new ICT strategy aims to invest to save by improving the efficiency of front line services. All projects are required to provide a robust business case that demonstrates financial savings for Poplar HARCA overall. We have are invested in stronger financial controls to respond to increased complexity such as the £140m bond refinancing and the joint venture agreements we are involved in to control development risk.

Housing Management

We are committed to improving the lives of our residents and creating sustainable, safe and healthy neighbourhoods with good access to employment and leisure opportunities. We therefore put resources into a number of successful initiatives such as our family intervention programme, our intervention programme for households at risk of eviction and our police and anti-social behaviour initiatives (detailed in the savings section below). These have an impact on our costs in areas such as tenancy management and anti-social behaviour but produce both very high social returns and significant savings in, for example, reducing evictions and crime-related costs. We are top quartile performers on percentage of anti-social behaviour cases successfully resolved, showing the value of our work in this area. The investment in these areas has contributed to rising tenant satisfaction levels as detailed earlier in this document.

Our analysis of HouseMark data over five years shows that our costs in many areas are reducing:

Direct CPP	09/10	10/11	11/12	12/13	13/14	2009-2014	
ASB	£71	£68	£54	£59	£59	-17%	-£12
Lettings	£59	£49	£38	£43	£39	-34%	-£20
Rent Arrears & Collection	£96	£88	£74	£79	£114	19%	£18
Resident Involvement	£48	£47	£29	£33	£30	-38%	-£18
Tenancy Management	£114	£86	£104	£111	£120	5%	£6
Housing Management	388	337	299	325	£361	-7%	-£27

Our own analysis has looked at the cost of our discretionary services, including our family intervention project, police team and ASB team which are having a positive impact on performance and satisfaction.

2013/14 costs include the following discretionary services:

Budget	Service	Annual cost	CPP (2013/14)	Description
ASB	FIP	£90,000*	£14.38	Family Intervention Project working with families at risk of eviction through ASB
ASB	Police	£450,000*	£71.88	Dedicated Police Team
ASB	Support Coordinators (salary excl overheads)	£82,000*	£13.10	Dedicated staff in ASB Team who support victims of DV & hate, lead on RJ and work with perpetrators
Rent Arrears	Kineara Rent Support Programme	£60,000	£9.58	Family Intervention Project working with families at risk of eviction through rent arrears
Tenancy Management	Alert-a-Call	£37,000	£5.91	Telehelp service provided free to user – currently approx 300 clients
Tenancy Management	Support Advisors (salary excl overheads)	£108,000	£17.25	Dedicated staff working with older and vulnerable residents, and leading on financial inclusion
	Total	**£827,000**	**£132.11**	

** costs also re-charged to leaseholders*

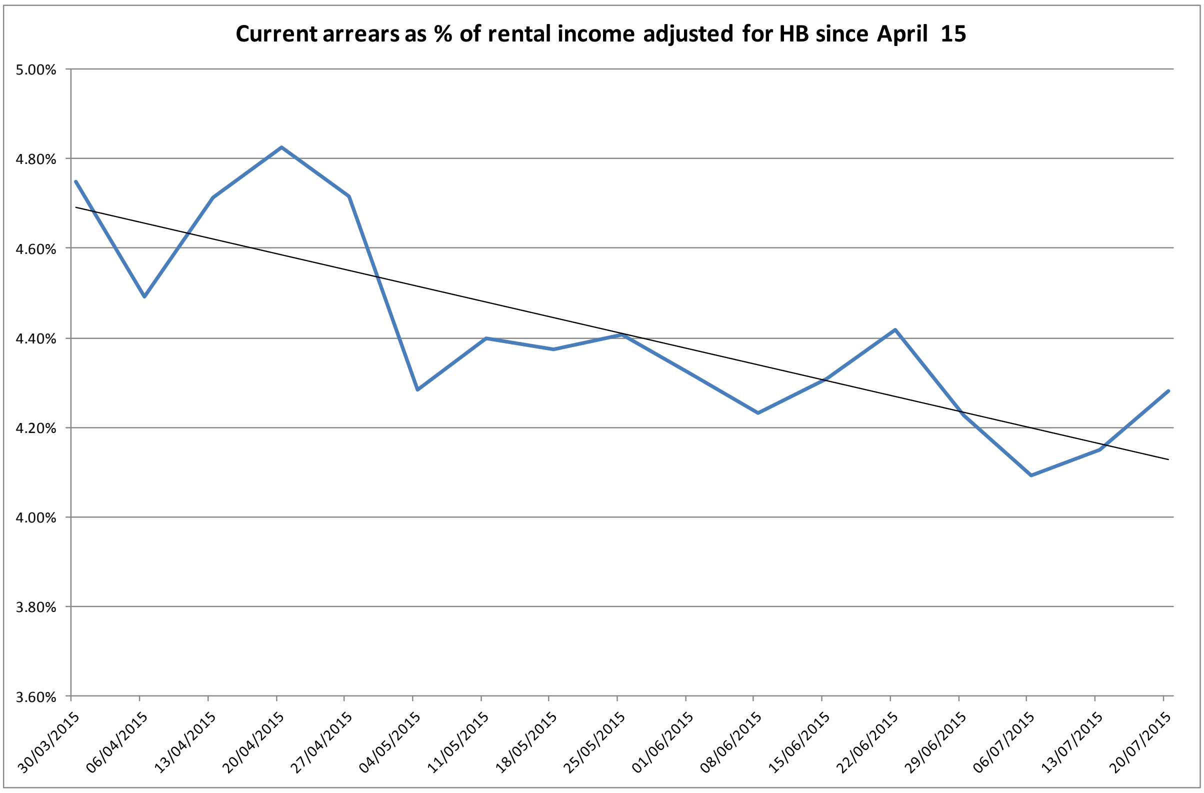
If these discretionary services were deducted, 2013/14 management costs would be over £130 per property less for all managed social homes. This would put Poplar HARCA at number one in the peer group for total and direct cost per property for housing management.

The examples given later on in the section ‘Evidence of VFM gains’ specifically demonstrate that this discretionary spend results in a return significantly higher than the investment cost. The improvement in resident satisfaction is evidence that this discretionary investment is delivering value.

Further improvement in cost and arrears

The Housing and Corporate Services Directorates were restructured in 2014/15 reflecting the changing profile of our residents and the services they require, and ensuring we continue to provide value for money. This has created an annual saving of over £160,000 (equivalent to 4.7% of the salaries budget for these teams).

Arrears were lower quartile in 2012/13 and lower middle quartile in 2013/14 and 2014/15. We recognised the need to improve in this area. Current arrears have fallen since March 2015 to under 4.5%. We continue to focus on improving rent collection. The investment in additional staff is achieving a very good return.



Repairs and voids

In the section below we describe our strategy moving forward to reduce the cost of repairs and voids. Performance in terms of repair completion and satisfaction with repair quality has been excellent; therefore our primary focus is to reduce cost.

Given the singularity of our stock profile and population, with unusual levels of overcrowding and youth density, benchmarking effectively is difficult for us. We have the highest level of communal areas of any housing association, as 90% of our stock is made up of flats.

We have a long-term regeneration and redevelopment programme, which aims to replace lower quality stock over a period of time. Decanting crystallises void repair costs and has a negative impact on the tenant turnaround performance. Decanting is a necessary part of regeneration for those sites where we have calculated that redevelopment is more efficient and effective than refurbishment. Our strategy is delivering better quality stock and the recent void expenditure improves the quality of existing homes in addition to the new homes that we are building.

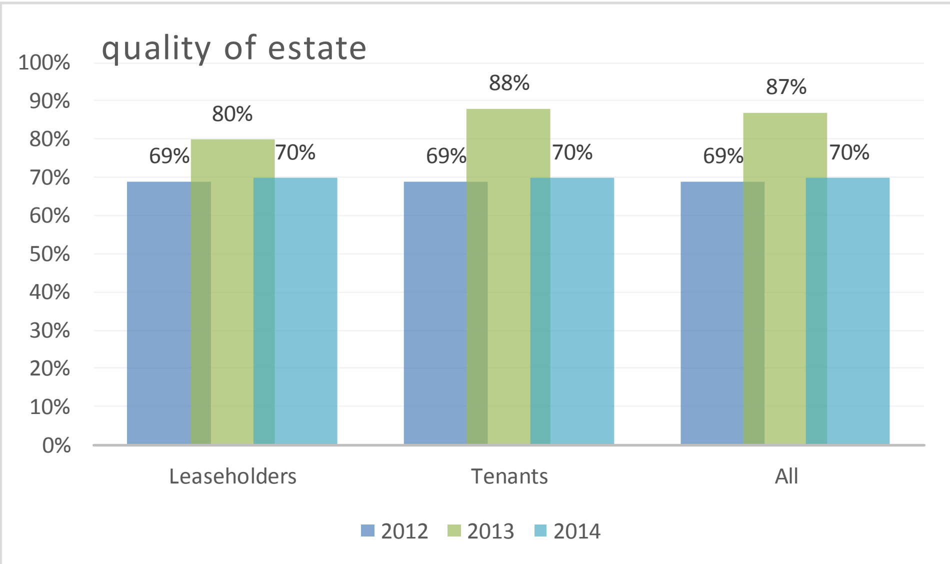
We have seen a major reduction in repairs spending after refurbishment work – our analysis of four blocks has shown a 58% average decrease in communal repairs post refurbishment. Internal repairs in refurbished homes cost 25% less than internal repairs in properties pre-refurbishment.

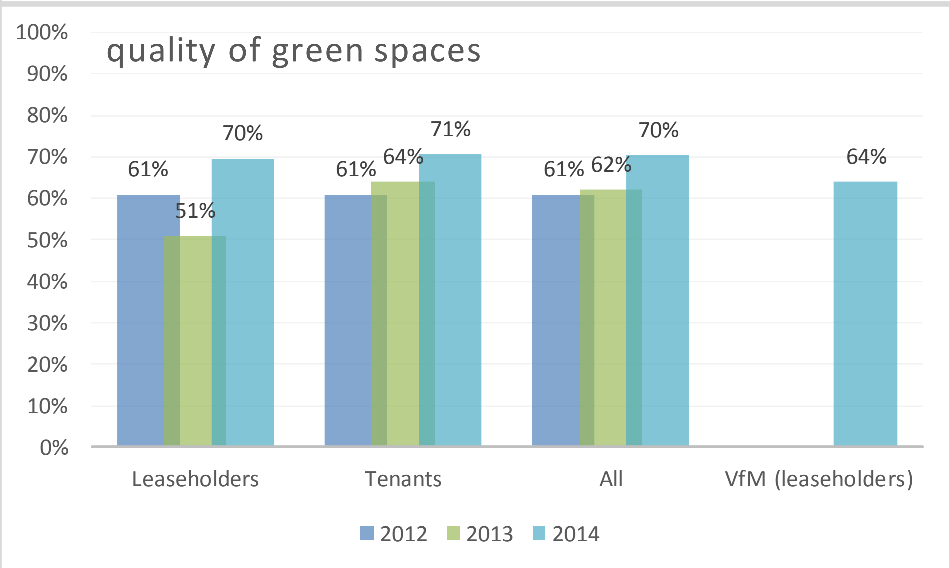
We have deliberately avoided major partnering contracts with repairs and maintenance contractors which have caused financial and operational difficulties for some other associations. Instead, we recruit smaller locally-based contractors, producing a positive social return and boost to the local economy.

Targeting void expenditure after an increase in 2012 and 2013, primarily by reducing specifications without reducing the standard of the property. Changes were introduced in 2013/14 which is paying off. For 2014/15 we set a target to reduce the cost per void by 15% and estimated an annual saving of £300,000 assuming a relatively stable number of voids. The result was a reduction per void of 57% and £0.5m in direct void repair spend.

Estate services

Estate services costs have been relatively static whilst performance has improved significantly. We describe in this document how a restructure added more front line resource and a higher specification service without additional cost by reducing back office management costs. The results in our independent survey found that satisfaction with the quality of the estate has increase from 69% in 2012 to 87% for all residents (including leaseholders). We now aim to continue to improve the quality of estates, keep cost per home stable.





Evidence for past VfM gains and VfM gains going forward:

The total operating cost savings of £1.5m is a 4.5% saving on the total gross operating cost budget (excluding depreciation) of £33.1m. Savings have been reinvested in a number of the programmes set out below. Many of these are designed to tackle entrenched problems with a financial or social cost to our community and are in turn producing savings for Poplar HARCA and, more widely, for other agencies and the taxpayer.

Key VfM gains:

We have saved £0.5m on void repair expenditure and reduced the cost per void by over 50%.

We have saved £150,000 per year by closing down an office and using existing office space more efficiently.

The Housing and Corporate Services Directorates were restructured in 2014/15 creating an annual saving of over £160,000 (equivalent to 4.7% of the salaries budget for these teams).

Following the tender of out insurance contract, we have saved £100k per annum from 2015/16 for three years.

In just 3 months since the housing restructure our Counter Fraud Investigator delivered savings of £1.0m through recovering 3 properties and refusing a succession (equivalent £150k new build cost per property); and refusing 4 RtB applications (£105k discount saved and equivalent £150k new build cost per property recovered). There are a further 10 cases with our solicitors pending possession hearings (potential £1.5m) and 35 on-going investigations.

Using HACT's Value Calculator in measuring social impact, the value of the impact that CaN has achieved is £14m excluding events for the public.

We have a successful volunteering programme: we estimate that in 2014/15, through the work carried out by 300 volunteers, added value of approximately £0.9m was achieved.

On repairs and voids going forward, we set a target of a 10% reduction in non pay costs per property for 2014/15 compared with 2013/14. The costs per void savings have been achieved. Our forensic analysis has led to a focus on a particular estate where we consulting with tenants and working to find solutions. We are still aiming to achieve the following savings relative to 2013/14 costs:

- Reduce top 20% homes costing 70% of budget £130,000
- Communal repairs post refurbishment £50,000
- Minor repairs post refurbishment £30,000
- Internal blockages £50,000
- Boilers spend to save replacements: £40,000

Alert-a-call, a telephone help service currently supporting around 300 clients costs £37,000. Our evaluation suggests this service is the equivalent of five full-time employees providing a welfare visiting service.

Recycling savings into high quality services with a pay-off

£90,000 reinvested in a family intervention programme. This project was chosen by residents as their top priority and has a 100% success rate in avoiding evictions and other legal sanctions. Working with seven or eight families each year, the programme provides intensive support to families with issues such as rent arrears, noise nuisance and anti-social behaviour. Analysis has shown each successful case saves £24,000 by avoiding the costs associated with possession action, eviction, casework and anti-social behaviour, meaning the programme is saving approximately £170,000 annually. Beyond that, the government's cost savings model tells us each family successfully supported saves the taxpayer £250,000 a year.

£60,000 reinvested in family intervention run by social enterprise Kineara for families with rent arrears or affected by welfare reform. This project has a 97% success rate and has to date saved £231,000 by avoiding evictions, legal fees and saved officer time

£450,000 reinvested annually in a police team, leading to significant reductions in crime and crime-related costs, as well as boosting tenant satisfaction and perceptions of safety. This has had a whole raft of successes, including 72 arrests, more than 350 criminal reports, 13,500 hours of patrols and 80 staff trained, and has produced benefits calculated at £1m, in savings and costs avoided

A London Fire Brigade seconded officer in the ASB/police team has meant a 50% reduction in fire incidents, which the London Fire Brigade estimates means £354,816 in savings or costs avoided between April 2013 and December 2013.

The services of our dedicated anti-social behaviour team are now being sold on to other housing associations. This is expected to bring £60,000 additional income in 2014/15.

Between 2011 and 2014, 360 overcrowded households moved to more appropriate homes, with knock-on benefits for tenant satisfaction and stock wear and tear.

Our employment and training team and their partners helped 270 people into work in 2014/15. Using Department for Work and Pensions figures, this represents a saving to the taxpayer of £2,600,000.

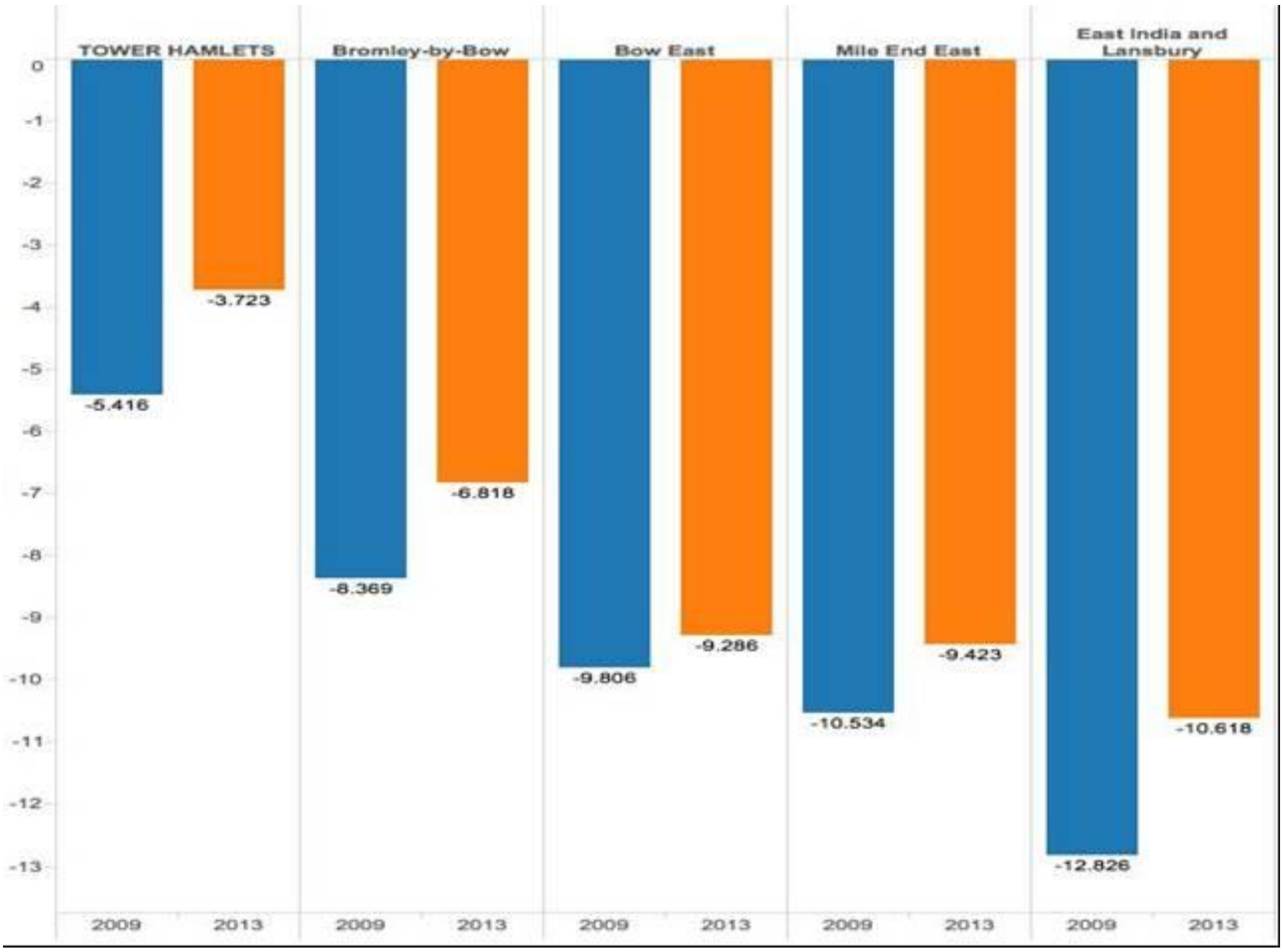
Other social value

Poplar HARCA covers three wards. Up until 2007 two of these were the poorest and the third was the 8th poorest in London. Encouragingly, by 2010, this had improved with two wards being 2nd and 8th poorest and the third ward no longer in the bottom 20.

The GLA's ward well-being analysis shows an improvement in all the wards in which Poplar HARCA residents live. The scores present a combined measure of well-being indicators for life expectancy, childhood obesity, incapacity benefit claimants, unemployment, crime rate, deliberate fire setting, GCSE point scores, unauthorised pupil absence, public transport accessibility, children in out-of-work households, access to public green-space and subjective 'well-being' score.

	Rank 2009	Rank 2013
Bow East	618	609
Bromley-by-Bow	597	566
East India and Lansbury	636	625
Mile End East	625	611

Of the 637 wards, non now appear in the bottom 10. 2009 is in blue and 2013 is in orange.



Smart use of assets and volunteers

By working in partnership with Dot Dot Dot, a social enterprise that places people who do great volunteering in otherwise empty accommodation, we've been placing property guardians in our Brownfield Estate since August 2012.

We've placed 36 guardians in 20 void flats which would otherwise have been empty. We estimate that we've saved Poplar HARCA over £66,680 between April 2014 and March 2015:

- £18,689 saved in council tax paid by guardians
- £48,000 avoided in security door hire.

Our guardians have also reported leaks, anti-social behaviour and property damage which would otherwise have escalated, creating significant savings for Poplar HARCA. They also volunteered and provided:

- 60+ hours of gardening and cleaning on the Brownfield Estate
- 40 Zumba classes taught
- 100+ activity leaflets delivered for the Brownfield Cabin

Communities and Neighbourhoods VFM 2014-2015

Our communities and neighbourhoods (CaN) programme is a key priority for us. Our budget of £3m is supplemented by further funding of £1m secured externally. Some 90% of activities run from our 12 community hubs are delivered by (and often funded by) external partners, with savings secured through these arrangements contributing towards the funding of three new community hubs.

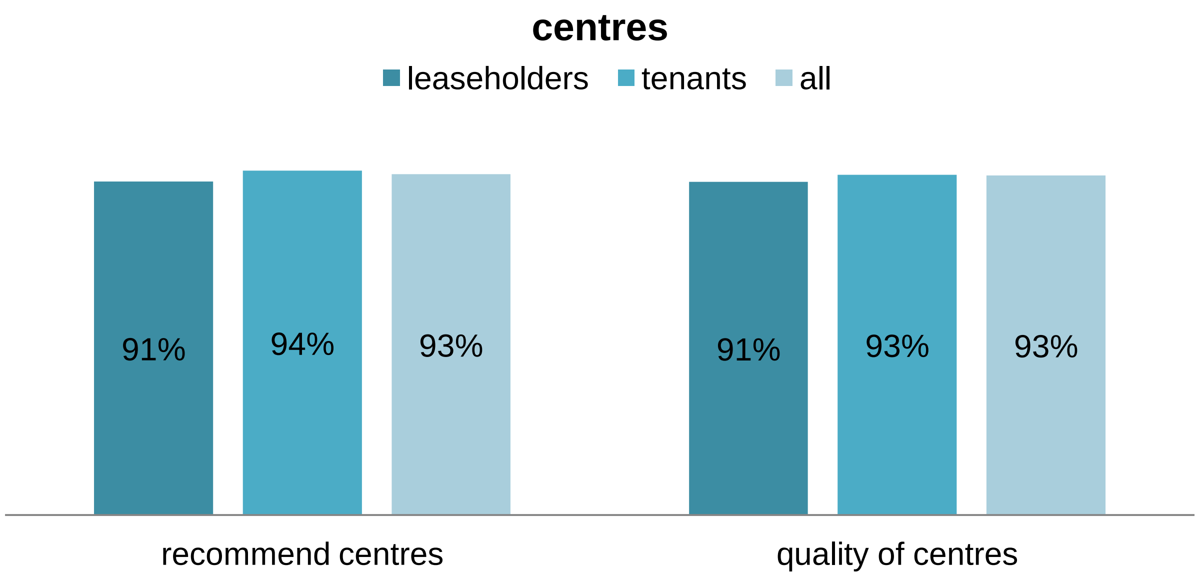
The CaN programme delivers excellent social returns, helping to address the effects of high youth density such as youth-related crime and anti-social behaviour. Using HACT's Value Calculator in measuring social impact, the value of the impact that CaN has achieved is £42M. This includes £28M value of events that we have organised and attended by 14,905 people. If we set aside the events, the total value is £14M.

	Budget	Social impact	Budget : social impact	Comment
Employment & Training Hub	£300,000	£2,931,534	9.8	270 people into jobs
Volunteering	£30,000	£916,330	30.5	300 regular volunteers
Youth Work (Spotlight)	£900,000	£2,208,691	2.5	1,976 young people attending
Supporting Community Organisations	£50,000	£550,456	11.0	50 community organisations supported
Events	£150,000	£28,703,156	191.4	14,905 people attending
Centre activity	£600,000	£6,693,257	11.2	1,000 users a year
TOTALS:	£2,030,000	£42,003,424	20.7	

Our Employment and Training Team working jointly with our partners this year has supported 270 local people into jobs. This amounts to a social impact value of £2,931,534. In terms of savings to the Treasury, based on their formula of £8,144 per person we get into a job, we have saved them a total of £2,198,880.

A specific study conducted by HACT measuring the social impact created by the activities offered at Aberfeldy Centre shows that on average, each of our Centres can create a social value impact of £2,459,683. If we apply it to our 4 major Centres, it will give us a value of more or less £9.8m. The £6.7m figure for the social impact of our Centre activities on the table above only measured the most attended activities.

Poplar HARCA expects to benefit from falling management costs such as anti-social behaviour and reduced arrears as this economic and social benefit comes to fruition over the next ten years. For residents, the economic benefit will impact positively on local job opportunities and the social benefit will improve people's lives in areas such as health and education. Therefore CaN is a crucial element to delivering our mission of making Poplar a place where people choose to live, work and enjoy life.



*From the 2013 resident satisfaction survey, question omitted from 2014 survey.

The Spotlight Youth Centre

Spotlight, a unique creative space for young people, has now been open for just over one year. The building was designed by our young people and boasts state-of-the-art equipment. Since opening, Spotlight has been visited on more than 23,000 occasions by young people, with the majority coming from the local area. A group of them has recently been recognised internationally by winning the Silver Medal in the Adobe Youth Voices Award.

The building itself has received recognition with Spotlight being a finalist in the World Architecture Festival (Civic & Community Category) and the Surface Design Awards (Public Building Exterior Surface). Spotlight has also recently won the Civic Trust Award and has been nominated for the prestigious RICS Award.

Environmental returns

We have a designated action plan on green issues and a £45m strategy to achieve a reduction in fuel poverty through our refurbishment and new build works. Achievements so far include:

- 18,204 tonne reduction in carbon emissions

- Final 1,273 homes insulated, saving every household an estimated £97.50 a year.

- Securing £1.7m of ECO funding for insulation programme which is being reinvested in properties which were outside the original programme.

- On our large estate regeneration projects, we are replacing poor quality stock with homes built to Code Level 4 standards. These homes will be more energy efficient than the stock they replace, saving our residents around 44% on their annual fuel bills, compared with base building regulation standards.

- Community benefits. We were one of only six housing providers nationally selected for the Cabinet Office's Social Action Energy Pilot, bringing in £10,000 to train residents.

Our self-assessment against the VfM standard

We believe that Poplar HARCA complies with the HCA's standard for VfM.

This table summarises our actions against the specific expectations of the HCA

Specific expectations of the HCA	***Summary of how Poplar HARCA is meeting these expectations***
1.1 Registered providers shall:	
Have a robust approach to making decisions on the use of resources to deliver the provider's objectives, including an understanding of the trade-offs and opportunity costs of its decisions	Our objectives are set out clearly in our plan Re-shaping Poplar It aims to regenerate the whole area through higher quality housing and much reduced levels of deprivation We have delivered tangible benefits to the community such as new homes (eg, 1,176 on the Aberfeldy Estate) and jobs for local people (we helped 270 people into work in 2014/14) – levels of deprivation have dropped markedly, as shown by the GLA wellbeing index We collect high quality data on stock condition, costs of services and social impact and use this to drive our decisions When we decide to spend money on social initiatives such as our Family Intervention Projects and additional policing we gather hard evidence of the cost savings as well as the social benefits The Board sets our strategy on VfM and regularly challenges our delivery of it
Understand the return on its assets, and have a strategy for optimising the future returns on assets – including rigorous appraisal of all potential options for improving value for money including the potential benefits in alternative delivery models – measured against the organisation's purpose and objectives	We hold up to date stock condition data and use NPV modelling to inform our option appraisals We have developed new ways of regenerating our estates and taken a risk based approach. For example at Balfron Tower we had a block with a significant negative NPV and financial risk. A developer is taking the risk of refurbishing these homes while the contract enables us to benefit should profit be achieved, which we will reinvest in new affordable housing in our area

Specific expectations of the HCA	*Summary of how Poplar HARCA is meeting these expectations*
	Our long term plans to replace stock and rebuild better quality homes at higher densities will increase the number of homes in the area by almost 50%
Have performance management and scrutiny functions which are effective at driving and delivering improved value for money performance	We keep accurate and timely data of our performance levels and costs These are reported on to the Board, our Finance and General Purposes Committee, Corporate Management Team and Operational Management Group Residents participated in selection of contractors for all major refurbishment contracts. Residents review and monitor contracts and also help us to choose the projects to pay for out of the savings that we make We tackle priority issues like the cost of repairs in a strategic way by, eg, building new homes that are less costly to maintain, replacing old lifts with modern ones that are more reliable and cheaper to run, taking advice on procurement and acting on it and advising tenants on how to avoid blocked sinks (one of our commonest repair call outs)
Understand the costs and outcomes of delivering specific services and which underlying factors influence these costs and how they do so	We benchmark our costs and performance levels against relevant peers through HouseMark and the Tower Hamlets Housing Forum. Where costs appear to be high we analyse the reasons High density flatted stock with substantial communal areas impact on our costs. But this does not stop us from looking for every opportunity to save money – our housing management costs are in line with our peers and we are taking a range of measures to bring our maintenance costs back in line and achieve our corporate objectives (eg, employing small local maintenance firms)

Specific expectations of the HCA	***Summary of how Poplar HARCA is meeting these expectations***
1.2 Registered providers' boards shall demonstrate to stakeholders how they are meeting this standard. As part of that process, on an annual basis, they will publish a robust self-assessment which sets out in a way that is transparent and accessible to stakeholders how they are achieving value for money in delivering their purpose and objectives. The assessment shall:	
Enable stakeholders to understand the return on assets measured against the organisation's objectives	Our self-assessment shows the progress we have made in building new homes and increasing the value of our assets Our decisions about whether we repair, regenerate or sell an asset are based on stock condition data and NPVs at the granular level for each home
Set out the absolute and comparative costs of delivering specific services	We have set out our costs and performance levels against peers Where we appear to be high cost currently we show the steps we are taking to bring these costs down (eg, on repairs) or explain why some of these costs are necessary and bring benefits to local people (such as the Family Intervention Projects preventing evictions and the additional policing cutting crime)