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Strategic Plan 2007-10

Genesis
Housing Group

Genesis | strategic plan

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Our *Vision*

and what we are about

Here at **Genesis** we are proud of our record in delivering **good services** and **driving innovation**. We are committed to building on this success through **strong management** of our business and taking the Group into new territory in our **relationship** with customers.

We are pleased to be a housing group that looks for ways to create a greater impact on communities and to respond effectively and, where appropriate, radically to the changing environment around us.

At Genesis we have identified five key objectives that drive our business. These are concerned with: providing high quality and choice to our customers; growing our business in diverse ways; delivering real value for money; having a strong impact on communities beyond the provision of housing; and developing and supporting the people who work for Genesis and who make all this happen. A respect for diversity is a thread that runs through Genesis's plans together with an ambition not just to follow but to be leading edge in our championing of diversity.

A number of our objectives will be carried forward through a major new project that we anticipate will herald a new way of dealing with customers and has the potential to alter the social housing landscape. This is the 'Your Place' project. Through Your Place, we will be offering choice and flexibility to customers around tenure and opportunities for training and employment. Your Place will give customers greater responsibility and a more significant stake in their homes and communities, putting the landlord and tenant

relationship on a new and more equal footing. We think that through this initiative, Genesis can enhance its role as an agent for social change.

Genesis continues to be clear about its growth ambitions; we aim to provide more homes and housing services for more people and we will do this through an even larger-scale new homes programme and through winning competitions to deliver significant regeneration projects. And we have an appetite for exploring merger opportunities and entering into partnerships with other Registered Social Landlords (RSLs), having already experienced success in this area. We aim to make the best possible use of our financial strength to meet the needs of the communities we serve. This means systematically assessing our capacity for future investment and planning our expansion activity accordingly. At the heart of the process is our Global Financial Model through which we are able to test scenarios of future investment with varied assumptions about the future economic climate. The model is updated at regular intervals and used throughout the year to project the long-term financial impact of specific new developments alongside existing business. This ensures we can control and make informed decisions about our growth and service-development plans.

It reflects our recognition of the need to challenge financial performance and be even more ambitious in this respect.

The Group seeks to identify efficiencies through even more effective ways of delivering our services. There is a commitment to reinvest in our frontline services. We have a strong value for money culture which was praised by the Audit Commission during their inspections in 2007, and cost effectiveness and efficiency are an integral part of everything we do. We are proud to be operating with a commercial outlook, as this allows us to generate income that can be used to support and enhance our core activities – providing excellent services and making a difference to the communities in which we operate.

We also recognise the central role that our people – the staff who work at Genesis – play in the success of the business. We are keen to achieve employer of choice status and will undertake a number of activities to support this including an Investors in People assessment. Strengthening our culture of performance management is a priority; we want staff and potential new recruits to understand our high expectations and to see that there are tremendous rewards that come from being part of a successful organisation and a professional and progressive team.

Our mission and values

The Genesis mission and values were drawn up through an extensive consultation exercise with staff. The key corporate objectives outlined in this document support the fulfilment of our mission and are closely aligned with this set of values. Both the mission statement and our values convey what it is that matters most to us at Genesis – our customers. And they are threads that run through the operation of the business. So, for example, our appraisal and competency frameworks have the Genesis mission and values as core components. This means that staff and teams across Genesis are geared up to deliver on our business priorities and their performance is measured against this key commitment.

Our Mission:

Customers come first at Genesis. We provide good quality homes and make sure they are better places to live in by:

- Providing services that customers want
- Building and supporting communities.

We continue to expand our business so that we can make more of a difference. We use experience and innovation to make things happen.

Our Values:

At Genesis we:

- Put our customers first
- Work together and value everyone's contribution
- Treat people as individuals and with integrity and respect
- Focus on getting positive results
- Try new ways of doing things to get better at what we do
- Use our resources efficiently.

Our objectives

This strategic plan sets out our corporate priorities for the period 2007-2010. We are now in year two of the plan. We have set ambitious targets for ourselves and are committed to achieving them. This strategy document is complemented by an action plan that details activities to be undertaken in order to meet the objectives. And each separate business area within Genesis has in turn its own plan that shows how it will deliver on the corporate priorities in accordance with this strategic plan.

The five objectives we have identified as our major drivers are:

- 1. Putting customers first** – Genesis will deliver excellent services and increase the provision of choice and responsibility to customers who will enjoy improved levels of service from all the Group's subsidiaries. Our services will reflect the diversity of the communities we serve.
- 2. Growing the business** – Genesis will provide and manage more homes for existing and new customers and do so in diverse ways. A new flexible home-ownership product will be developed and offered as part of our Your Place project.
- 3. Community investment** – Genesis will invest in communities and promote change to enhance opportunities for customers to meet their tenure and work aspirations.
- 4. Delivering value for money** – Genesis will deliver its services efficiently and direct resources to meet its priorities. We will organise our business to be streamlined and reduce duplication and waste.
- 5. Developing and supporting our people** – Genesis will become an employer of choice.

What we do at Genesis

Genesis provides homes and services for over 40,000 households across London and the south east. The Group consists of three registered social landlord (RSL) subsidiaries and a charitable foundation, Genesis Community. Our activities are extensive and include: a large new build programme; a wide range of community projects that impact communities at a grass roots level; delivery of services to vulnerable

people; partnerships with the private sector; provision of contract management services for both public and private sectors; temporary leasing for homeless households; property maintenance services; lettings and management agency services, and a range of tenures for customers including part-buy/part rent and outright sale.

Our key achievements at Genesis

Genesis has achieved a good deal in recent years. We were awarded the largest National Housing Programme allocation of any RSL in the country, to the tune of £138.9 million for the period 2006-08. GenFinance, the Group's internal treasury company, raised £550 million in its first major debt financing in July 2005, on very competitive terms. The Group has entered into new joint ventures and through this has purchased the ex-Church Commissioners portfolio with Grainger Trust plc. Pathmeads are providing the housing management and maintenance service to the portfolio and Grainger the asset management. There have been physical improvements to a number of the estates and a greater involvement of residents in service delivery. Genesis, through its subsidiary Pathmeads, is now the largest provider of management services to local authorities and in addition has launched a private lettings operation. Early in 2008 we celebrated our biggest ever land acquisition with the successful purchase of land in Stratford, east London. This land will provide homes for

more than 750 customers. Our sales programme has increased to around 800 homes a year for part buy, part rent and Genesishomes has achieved considerable success in selling homes off-plan.

The Group publishes and monitors a service commitment to customers and an increased focus on customer care and service improvement is evidenced by raised customer satisfaction levels as measured in customer surveys. We launched a new way of handling customer and internal relationships – the Mary Gober method – which was very well received. This continues to be rolled out across the Group. And early 2007 saw Genesis benefit from an inspection by the Audit Commission of our subsidiary Springboard. A very positive result was achieved of two stars with promising prospects for improvement, and this was particularly pleasing given that Springboard joined the Group in 2005 as a housing association under Housing Corporation supervision.

Our approach to managing quality temporary housing was praised by the Audit Commission following their inspection of Pathmeads in September 2007. The service received a two-star rating with promising prospects for improvement.

The launch of our charitable trust, Genesis Community, has enabled many local community development projects to be run for local people. This is an area in which we are making further investment. We have made good progress in developing our people and a leadership programme, Lead to Change, has been launched to strengthen our leadership culture and performance management activity. We have commenced a programme of far-reaching value for money reviews, with one of the main objectives of each review being to see how we can make improvements to service delivery and operate more efficiently and effectively.

The context of our business

The Group's strategic plan has been drawn up with reference to the business environment in which we operate. The Group's plan will evolve and reshape in response to external factors and be informed by the ever changing climate within which all RSLs are expected to work and thrive. This section sets out some of the challenges faced by the sector as a whole and how they might impact upon our key priorities.

6.1 New political visions

In June 2007 Gordon Brown became Prime Minister promising a "new government with new priorities". Within weeks he announced plans which put affordable housing at the heart of his government's objectives. He identified three key challenges – first time buyers struggling to get on the housing ladder; families living in overcrowded accommodation; and climate change. The Housing and Regeneration Bill sought to address these by seeking to deliver three million new homes by 2020 and developing five new eco towns with 100,000 carbon neutral homes. By April 2009 a new agency, the "Homes and Communities Agency" will be a key stakeholder in any local work to regenerate communities and increase housing supply. It will combine the work of what is now the funding role of

the Housing Corporation and English Partnerships with the delivery work of Communities and Local Government on Decent Homes, Private Finance Initiative, housing market renewal and the growth areas.

Expanding choice and opportunities to own are seen as central to the promotion of greater mobility and the fostering of more socially mixed and sustainable communities. Professor John Hills' in his review of social housing saw that while social housing plays a crucial role in the lives of four million households, its full potential has yet to be realised, particularly with regards to enabling people to progress and get on with their lives. To meet this challenge the government has said it wants to increase housing mobility and choice, and tackle worklessness by integrating housing and employment advice services so that tenants can get help finding a home and a job in one place.

6.2 Economic climate

After over a decade of sustained growth, the economy is facing more uncertain times. Forecasters predict that the global "credit crunch", which followed woes in the US sub prime mortgage sector, could spill over into the wider economy. In response to these concerns cuts in interest rates are predicted,

although inflationary pressures in the economy remain through wage demands and higher fuel costs. House prices continue to rise, increasing by 4.8% during 2007, driven by supply and demand issues, as well as a robust employment market, especially in London and the south east. However, house price inflation is expected to slow as continuing credit and affordability restrictions dampen activity.

The outlook for Genesis remains mixed. High house prices could mean more shared ownership sales and more surpluses. However, the tighter control of credit might mean mortgages become unaffordable and affect demand for shared ownership properties. Developing more flexible home ownership products, such as the pilot of the 10% Social Homebuy scheme, could enable more people to get a foot on the housing ladder and meet their homeownership aspirations.

6.3 Increasing the supply of housing

The government has recognised that the country needs more homes to meet growing demand. While the housing stock is growing by 185,000 a year, the number of households is projected to grow at 223,000 a year until 2026. The trend for people living alone is expected to continue. In 2007, 32% of households were one-person households, compared with 19% in 1971. Increasing demand and worsening affordability

(house prices have doubled in real terms since 1997) has made it more difficult for young people and families to buy their own home. This has created a need to develop more affordable homes both to rent and to buy, including increasing the provision of family housing. The Comprehensive Spending Review delivers increases in spending on housing from £8.8 billion in 2007-08 to £10 billion in 2010-11.

This drive to increase the supply of housing offers up opportunities to realise our ambitions for growth and development. But it also poses a number of challenges to housing providers: the government wants to increase home ownership in general but also provide more affordable housing both for shared ownership and rent. Genesis has a large development programme, and many of these new homes are for sale. Single people account for most of the current growth in household numbers, yet there is a significant shortage of three or more bedroom homes for larger families. More homes need to be delivered, quicker and with greater efficiency.

6.4 How the sector is governed and regulated

Significant changes are on the horizon in terms of how the sector is governed and regulated. In response to the Cave Review of social housing regulation, the Housing and Regeneration Bill creates a standalone regulatory body for social housing in England – the

Office for Tenants and Social Landlords (Oftenant). Oftenant will take on the regulatory functions of the Housing Corporation, which will be abolished from 2009. Oftenant will exercise regulatory powers over registered providers of social housing. The term Registered Social Landlord (RSL) will be replaced by the term Registered Provider of Social Housing. Standards will be set by the new regulator for providers to meet.

Risk based regulation will drive Oftenant. Where landlords provide a good service to tenants, red tape will be cut. The new regulator will listen to tenants' concerns and it is expected that housing association tenants will be given new powers to trigger inspections of their landlords, a function which is still expected to be undertaken by the Audit Commission. Alongside Oftenant will be a new body which aims to represent tenant interest – the National Tenant Voice. It is proposed that this body will advocate for tenants on more equal terms in national debates, with government, the regulator and providers' representative bodies.

The challenge to Genesis is to work with others to ensure the new regulatory regime is developed in a way which supports the delivery of new homes, provides reassurance to lenders, and preserves the independence of RSLs and does not turn us into quasi public bodies.

6.5 Services to customers

The drive for service excellence across the sector continues apace. Under the new regulator sanctions will be taken where service and performance is poor. This could include the issuing of fines.

Following on from the Elton Review, the Audit Commission is running a programme of pilot short notice inspections. The focus of these inspections remains the delivery of services to customers but they will focus more on outcomes for residents. They are being designed to reduce the cost and burden of inspection on housing associations and their residents. Once the pilots have been completed an evaluation of the programme will be carried out and will be used to inform the Audit Commission's future proposals on the use of short notice inspections.

In 2007 the Chartered Institute of Housing, with funding support from the Housing Corporation, published *Leading the Way*, a policy proposal made to housing organisations, residents, and the new regulator for a way to increase residents' empowerment to drive accountability and excellence.

The report set out a system of resident-led self-regulation that housing providers can use to ensure that their internal processes for managing performance and business decisions are resident-centred. It also showed how the system can be made sufficiently robust that it commands the confidence of internal and external stakeholders and suggested how the system could operate within a new system of regulation to inform regulatory activity conducted by the Oftenant.

Genesis is ensuring that a robust structure for continuous improvement is in place which includes performance monitoring of key performance indicators across the Group.

6.6 Planning

Although the government feels that they have made significant progress in improving the planning system since 1997, more needs to be done to make it more responsive, less bureaucratic and simpler to understand. As a result, the government published the Planning Bill in November 2007. It builds on the proposals set out in the Planning White Paper which was published earlier in the year. The Bill will:

- reform the planning system for major infrastructure projects so it can better deal with climate change, protecting the environment and the need for new homes

- improve opportunities for community participation in planning processes
- simplify the local town and country planning system
- establish the Community Infrastructure Levy - a planning charge that can be levied by local authorities to fund infrastructure.

An improved planning system will enable Genesis to deliver a volume development programme.

6.7 Tackling homelessness

A lot of effort has been made over the last decade to reduce the number of people experiencing homelessness.

Building on this, the Housing Corporation has recently called for housing associations to step up their involvement in tackling homelessness. The Corporation's strategy highlights that "tackling homelessness can and should go hand in hand with building sustainable, mixed and balanced communities".

Co-operating with local authorities to help them fulfil their homelessness duties is no longer enough. Responsibility now lies with individual associations to play their part in addressing homelessness and prevent it from occurring.

Genesis is responding by implementing a Group-wide strategy which will seek to create and maintain sustainable communities through:

- introducing more choice and mobility via the Your Place project;
- tenancy support and sustainment measures;
- making better use of existing stock;
- promoting and contributing to government targets such as reducing the number of households in temporary accommodation; and
- delivering and development of high quality temporary housing management services.

Achieving Genesis's objectives

Objective	Key Activities	Measure of Success
<p>Putting customers first – Genesis will deliver excellent services and increase the provision of choice and responsibility to customers who will enjoy improved levels of service from all the Group's subsidiaries. Our services will reflect the diversity of the communities we serve.</p> <p>01 Putting customers first</p>	<ul style="list-style-type: none"> • Through the Quantum Leap project, deliver new process management and customer relationship systems. This will include the implementation of contact centre arrangements. • Roll out the Gober method of customer care programme across all Genesis subsidiaries and departments. Continue evaluation and activities that embed the customer care culture. • Implement the continuous improvement strategy through the establishment and development of a new continuous improvement team. • Implement the new equality and diversity strategy. • Put in place a new programme of regular and frequent customer research to test service delivery. • Introduce 'Your Plan' as part of the Your Place project to support tailored plans for individual customers to meet their aspirations and offer choice. • Develop a Group wide resident involvement strategy following the results of the Cave review. • Undertake stakeholder perceptions survey • Implement the Genesis homelessness strategy 	<ul style="list-style-type: none"> • Mystery shopping results show an improvement in all criteria, quarter on quarter. From 2006. • Audit Commission inspection results in positive outcome including Pathmeads inspection result September 2007. • Customer surveys show continuous upward trend in all measures. From 2006. • Results of STATUS surveys show increased levels of customer satisfaction to place Genesis in the top quartile of the G15 group of large housing associations on all measures by 2009. • KPIs are developed across all parts of the business and are used to internally benchmark performance. • Increased levels of positive perceptions in follow-up studies.

Achieving Genesis's **objectives**

Objective	Key Activities	Measure of Success
<p>Genesis will provide and manage more homes for existing and new customers, and do so in diverse ways. We will maximise our financial capacity to increase provision. New flexible home ownership products will be developed and offered as part of the Your Place project.</p> <p>02 Growing the business</p>	<ul style="list-style-type: none"> • Deliver the new homes build programme and achieve similar or higher level programmes year-on-year. • Expand programme of outright sale. • Provide new and flexible home ownership and equity stakes options as part of Your Place. • Achieve quality standards in all new homes built. • Expand private lettings operation. • Win new large-scale regeneration projects. • Win new housing management contracts with existing and new partners both in the local authority and private residential sectors. • Expand the provision of supported housing and support services. • Further develop new products such as market rented lettings and management services to private landlords. • Win large-scale stock transfers, subject to consideration of impact on financial capacity. • Actively seek in a structured way new mergers and alliances with other RSLs. • Implement strategic investment decisions by evaluating returns on various asset types. • Review covenants with lenders. • Expand and enhance relationships with local authorities in new and existing areas. 	<ul style="list-style-type: none"> • Achievement of programme take-up and increased allocations for mixed programme. From 2007. • Achievement of target for outright sale developments. • Improvement in levels of customer satisfaction in new homes surveys. From 2007. • Maintenance of clients' construction charter status through continuous improvement measures. • Success in meeting targets for selling homes for shared ownership and outright sale. From 2006. • Success in winning new regeneration, contract management and stock transfer schemes. From 2007. • Integration achieved April 2007. Two new supported housing scheme approvals, 2007/8. • Establish sustainable market rented lettings business. Launch 2006, sustainability established March 2008. • Success in attracting new RSLs to join the Group. From 2007. • Strong relationships deliver success in Genesis winning new business. • Joint commissioning and preferred partner status achieved with new and existing local authorities. • Projects meet or exceed target criteria including yield, internal rate of return, net present value & profit margins. • Improved terms. • Improved covenants negotiated. From 2006.

Objective	Key Activities	Measure of Success
<p>Genesis will invest in communities and promote change to enhance opportunities for customers to meet their tenure and work aspirations.</p>	<ul style="list-style-type: none"> • Through Genesis Community support and develop a range of projects with a focus on: youth; older people and vulnerability; training and employment programmes. • Develop results of social audit 'Building Futures' in order to meet customer aspirations and support social change as part of the Your Place project. 	<ul style="list-style-type: none"> • Develop an effective Group wide employability programme to support customers to improve their skills base and work opportunities linked to the Your Place offer. • Develop a pilot Enterprise and Small Business start up programme aimed at customers who wish to start their own business linked to the Your Place offer. • Expand Genesis Community's work with young people into four more boroughs to reach further young people supporting them into training and employability programmes. • Enhance life opportunities for elderly people in Genesis residential schemes by developing a wider range of activities in all residential schemes in the Group's supported housing arm. • Applying the findings of Building Futures to extend and develop existing programmes to meet needs of customers as evidenced by the survey.

Achieving Genesis's objectives

Objective	Key Activities	Measure of Success
<p>Genesis will deliver services efficiently and direct resources to meet corporate priorities. We will organise our business to be streamlined and reduce duplication and waste.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">04 Delivering value for money</p>	<ul style="list-style-type: none"> • Deliver the comprehensive Value for Money strategy. • Continue programme of VfM reviews. • Complete and implement recommendations from the following VfM reviews: <ul style="list-style-type: none"> > agency & consultants > cross-cutting > staff unit costs > office accommodation > legal services > contact centre > development • Review production and monitoring of KPIs and achieve improvement in KPI outcomes. • Carry through final stages of integration of Springboard central services into the Group. • Merger of financial and housing management IT systems. • Implement agreed measures to achieve high levels of integration and consistency across subsidiaries and establish Group-wide programme of continuous improvement reviews. • Development of a centralised procurement resource, reviewing the feasibility of procuring all goods and services centrally, led by a new Head of Procurement. • Deliver Genesis wide asset management strategies through a new Head of Asset Management and implement value for money based stock investment decisions. • Continue to embed a VfM culture throughout all parts of the business and at all levels. • Reduce interest costs through GenFinance to minimise borrowing costs. • Generate returns through investment portfolios. • Explore income generating ventures. 	<ul style="list-style-type: none"> • Deliver the year-on-year efficiency gains as indicated in the AES. • Deliver the VfM action plan. • Each business area delivers planned efficiency savings. • Implement recommendations following VfM reviews leading to reduced unit costs. • VfM reviews deliver identified targeted savings. • Increased levels of customer satisfaction as measured by surveys. From 2006. • Staff integrated as part of finance and IT teams. • Efficiencies achieved through streamlining and eradicating duplication from merged systems. • Resources from efficiency savings are invested in enhanced services and community investment activities. From 2006. • Streamlined and efficient procurement processes implemented delivering cost savings. • Stock investment decisions reflect best use of assets. • All individuals and teams operate according to strong VfM principles • Reduced cost of funds. • Track performance of joint vehicles.

Objective	Key Activities	Measure of Success
<p>Genesis will become an employer of choice.</p>	<ul style="list-style-type: none"> • Build up leadership capacity through further development of the leadership programme. • Implement workforce, HR and learning and development strategies to ensure that Genesis can recruit a highly skilled, diverse and motivated workforce, including the provision of career development opportunities. • Continue to develop and promote a reward package to support the retention of a high performing workforce. • Build the role of the staff consultative group Genesis Forum and support the role of staff representatives to enhance staff engagement across the Group. • Develop and deliver an action plan arising from results of the staff survey to ensure issues that matter to our staff are addressed. • Develop new and more frequent methods of gauging staff opinion through surveys. • Consult, design and implement disability, gender and race equality schemes for the Group. Take action to redress any identified pay gaps and achieve a workforce that reflects the communities we work in. 	<ul style="list-style-type: none"> • Staff turnover is reduced. From 2006. • Greater accountability and ownership is demonstrated by improved performance management and KPI performance. • Staff well-being is promoted and sickness absence rates reduced. From 2006. • Programme of awareness raising and education about health issues in place. • Vacant posts attract larger numbers of quality applicants. From 2006. • Levels of staff satisfaction as measured in surveys improve and achieve top quartile among G15. 2007. • Implement staff survey action plan. • Implement attendance strategy. • Workforce profile reflects diverse communities – including at management levels. • Genesis staff have robust and targeted learning and development plans with clear business outcomes. • Genesis as a group achieves IIP status. 2007.

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CUSTOMER SERVICE EXCELLENCE



INVESTOR IN PEOPLE

