



INCLUSIONHOUSING

YOUR ANNUAL  
TENANT REPORT  
2016/2017



# INCLUSION HOUSING

---

# INCLUSION HOUSING ANNUAL TENANT REPORT 2016/2017

04	MESSAGE FROM THE BOARD
07	ABOUT INCLUSION HOUSING
09	STRATEGIC VISION & PRIORITIES VISION
12	AWARDS & ACCREDITATIONS
14	OUR FOOTPRINT
16	CUSTOMER SERVICE
18	PROPERTY MANAGEMENT
21	PERFORMANCE MANAGEMENT
23	CONTINUOUS IMPROVEMENT
26	VALUE FOR MONEY
28	FINANCIAL VIABILITY
31	GOVERNANCE
34	BRIGHT FUTURE

# HELLO AND THANK YOU

THE STRATEGIC DRIVERS OF INCLUSION HOUSING ARE ALIGNED TO OUR AMBITION TO BE 'THE LEADING HEALTH AND SOCIAL CARE HOUSING PROVIDER FOR VULNERABLE ADULTS.' THIS AMBITION INCLUDES A GROWTH PATH TO AT LEAST **DOUBLE OUR SIZE** WHILST ENSURING FINANCIAL VIABILITY, GOOD GOVERNANCE AND EXCELLENT SERVICES – **2016/17 HAS BEEN A PARTICULARLY SUCCESSFUL YEAR IN MAKING PROGRESS.**

## GROWTH

During the year we **added 368 tenancies** to our portfolio; **nearly a 50% increase**. This reflects our positive reputation not only for great services but also as a great company to do business with. We have intentionally worked with new partners and seek to extend our reach right across England and Wales so as to deliver more positive outcomes for vulnerable adults whilst at the same time reducing average management costs and increasing productivity. Our plan is working and the 2016/17 results bear this out.

## EXCELLENCE

Intentionally we have worked hard to achieve **excellence accreditation** and we compete against the best commercial businesses to establish excellence in service delivery and recruit/retain people who demonstrate first rate aptitudes in whatever they do. We have achieved two prestigious independent national accreditations (Investors in Excellence and Customer Service Excellence) as well as being shortlisted for many national awards. In Autumn 2017, Inclusion Housing was named as *Britain's Best Small Business*. We are immensely proud of our people and our achievements this year.



## FINANCIAL VIABILITY

Our 2016/17 Financial Statements demonstrate that as we grow we are becoming more profitable, productive and viable. **Turnover has increased by nearly 50%** in one year while **profit has more than doubled**. This has enabled the company to put aside greater reserves to futureproof the business and build our balance sheet to support our growth aspiration. Our strong financial performance has reduced our average operating costs to sector averages and we aim to dip below this level in the coming years as productivity increases.

## STRONG GOVERNANCE

Throughout 2016/17 the Board and Executive Management Team have ensured robust analysis and oversight of business progress and operations. Particular attention has been given to controls assurance to ensure that we meet our statutory and regulatory requirements; we have in many cases exceeded the expected level.

It is a privilege but a great responsibility to provide homes for vulnerable adults and we know that we have to attain high standards and aim for excellence. The implementation of the Risk and Audit Committee in 2016/17 has provided momentum and the purpose is to push us to ensure our controls are even more enhanced.

We are proud of what we have achieved during 2016/17 **but this is only the start of a journey** of aspiration to make a **real** difference to the lives of vulnerable adults and their families across the country.

By employing sound commercial skills in the social housing market, we are demonstrating that it is possible to utilise a new model to deliver great homes and excellent services without a grant, whilst attracting new partners and funders into the sector so that we can do more.



Pete Ottowell, Chair



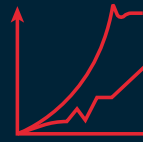
Neil Brown, Chief Executive

WE SET OURSELVES **AMBITIOUS TARGETS** TO ACHIEVE ACROSS OUR RANGE OF ACTIVITY INCLUDING CUSTOMER SERVICE, GROWTH, PERFORMANCE, FINANCE, PROPERTY, OPERATIONS AND GOVERNANCE – **AND IN EACH AREA WE HAVE EXCEEDED OUR EXPECTATION.**



## CUSTOMERS

We have increased overall satisfaction with our services to national top quartile levels; with positive responses across all of our key service activity.



## GROWTH

We are one of the fastest growing registered providers in the country. We grew our business by about **400** properties in 2016/17 – **nearly 50% growth in just one year.**



## PERFORMANCE

We have improved performance across the business with **lower void levels, reduced arrears** and **reduced bad debt.** Our property service has improved significantly while we are attaining all of our finance indicators.



## COMPLIANCE

We now attain the highest standards in property health and safety. We continue to go beyond our legal requirement. We undertake best practice in areas such as legionella testing and energy efficiency.



## PROPERTY

Our dedicated property team has improved repair performance across all of our key indicators including average response times and lowering costs. In addition, we have made significant progress in delivering our planned repair programme across older stock that was transferred to us in 2016.



## GOVERNANCE

Following the establishment of the Risk and Audit Committee we have strengthened our governance approach further with the appointment of internal auditors to scrutinise our key areas of activity.



## OPERATIONS

We have **improved performance** regarding fortnightly tenant and scheme visits; while increasing satisfaction with Managing Agents to **94%**. We are proud that personalised service is a reality in our company rather than aspiration.



## FINANCE

We achieved our best ever financial year with turnover increasing from **£11m** to **£16M** during the financial year and surpluses **doubling** from **£400k** to **£1M**. This reflects our growth through enhanced reputation alongside increased productivity levels as we grow.

**We are strengthening financial viability through re-investing profits back into the business by increasing reserves for future investment in our stock.**



## **CASE STUDY: LEON (19) - BLACKBURN**

Leon accepts it took him a few months to get used to living independently at his Inclusion Housing property. With the additional support of Lifeways he has been getting emotional support and daily support to help him adjust to living independently in the community. In the early days of Leon's tenancy he was known for testing the boundaries and having little to no engagement with staff support or his managing agent.

Before Leon moved to his Inclusion Housing property he was living in a Children's Home Called Cherry Tree in Blackburn. He spent 4 years of his teens living there. It was very quiet and lonely so as he got close to his 18th birthday it was decided by him and his care team a move into independent living would be the next step for Leon. Since the turn of the year Leon has made real improvements in his overall wellbeing and attitude. He is so engaged with his support package. He is getting a cleaner in his flat three times a week and with her help they make sure the flat is always kept to a high standard. Staff have also credited him for being very proactive and helpful when it comes to odd jobs around the scheme.

In recent months the caring side of Leon has really come to light. He is becoming a positive and valued tenant. Staff and other tenants always have a lot of time for Leon. He would admit there has been ups and downs. But in recent months has really worked towards positive outcomes for the best chances of living independently in the community in the future.

He has a vibe and energy which is very infectious. He is full of mischief and jokes but staff and tenants love him and his sense of humour. For a 19 year old lad to be coping and managing his own tenancy so effectively is rarely seen. He is always polite and welcoming. Leon recognises he is able to make mistakes here because it given him the opportunity to learn in a supported environment.

**IN LEON'S OWN WORDS LIVING  
INDEPENDENTLY HAS GIVEN HIM  
'MORE FREEDOM' AND 'SPACE'.**



2.0 ABOUT  
US

IMPROVING THE LIVES OF THE MOST VULNERABLE PEOPLE IN OUR SOCIETY



WE GREW OUR BUSINESS BY ABOUT 400 PROPERTIES IN 2016/17



TURNOVER INCREASED FROM £11M TO £16M DURING THE FINANCIAL YEAR





3.0

**STRATEGIC  
VISION &  
PRIORITIES**



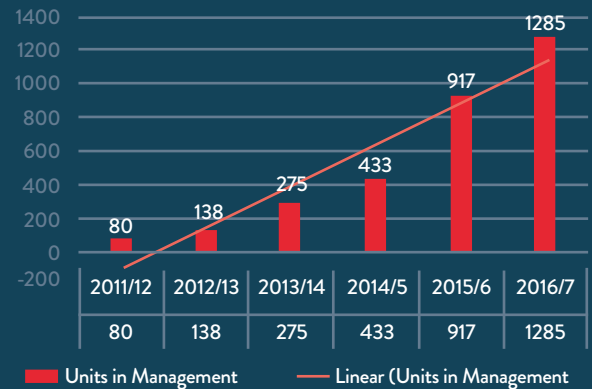
## PURPOSE

### Our two main purposes are:

Carrying on the business of social enterprise, which provides and manages housing and associated services to vulnerable and disabled people in the UK (without limitation).

Any other object which is connected with or incidental to the provision of housing (including specialist and supported) that can be carried out from time to time as a company registered as a community interest company and registered housing provider in partnership with commissioners, communities, care providers, developers and investors which benefit the community

## UNITS IN MANAGEMENT



## VALUES

### Our key values are:

- Being **entrepreneurial** and innovative to grow our company
- Being **inclusive** and person centred to promote diversity across our activity
- Delivering **excellence** across all our activities and services
- **Trusted** by being open and accountable to our stakeholders
- Working in **collaboration** with all stakeholders to ensure improvement



**CASE STUDY:**  
**PETER (MID 50'S) - DEVON**

Peter has been at Kingsbridge, in the same property for 14 years. Peter has seen a major improvement in the house, facilities and the way he is engaged with through the Managing Agent. He thinks it has been much better since Inclusion took over the tenancy management. This has led to an increase in his well-being, feeling more relaxed at home.

**“ I AM REALLY HAPPY WITH THE SERVICE. KATE THE MANAGING AGENT IS REALLY ENTHUSIASTIC AND VERY EASY TO TALK TO. SHE IS ONE OF THE EASIEST PERSONS I HAVE EVERY HAD TO TALK TO. I AM REALLY HAPPY TO BE LIVING HERE AND FEEL VERY SUPPORTED. I HAVE RECENTLY COME BACK FROM HOLIDAY AND CANNOT BELIEVE HOW NICE THE HOUSE LOOKS, IT'S LIKE A NEW HOUSE!”.**



4.0

**AWARDS &  
ACCREDITATIONS**

## 4.0 AWARDS & ACCREDITATIONS

### EUROPEAN BUSINESS OF THE YEAR

We won **The Business of the Year Award (T/O €0-25m)** in the 2016/17 European Business Awards, sponsored by accountancy firm RSM.

The European Business Awards is widely recognised as the showcase for Europe's most dynamic companies. More than 33,000 businesses from 34 countries engaged with the awards and the process generated almost 250,000 votes from the general public across the globe.



### INTERNATIONAL CORPORATE SOCIAL RESPONSIBILITY AWARDS 2017

We won the **International Corporate Social Responsibility Award** which was presented to us in London at the **House of Commons** in June. The award recognises the ethical dimension of our work and the contribution that we make to society.



### BRITAIN'S BEST SMALL BUSINESS 2016/17

We were also awarded **Best Small Business** at the Inaugural British Small Business Awards 2016.

Judges were impressed with our figures and financial growth as well as our strong sector knowledge, innovation and our mission to support society's most vulnerable people.



### INVESTORS IN EXCELLENCE 2017

Our Investors in Excellence accreditation proves our skill in business systems and resource deployment. This involved assessment against 76 challenging criteria and was independently assessed in January 2017.



### CUSTOMER SERVICE EXCELLENCE 2017

We're hugely proud of our **national accreditation for Customer Service Excellence**. We achieved passes in **all five categories** relating to customer insight, culture, information and access, delivery and quality.



### BETTER SOCIETY AWARDS 2017

We're also pleased to be shortlisted in the **Ethical Business** category of the **Better Society Awards 2017**.

Now in its third year, the **Better Society Awards** is the showcase for excellence that celebrate the efforts that commercial companies make to help create a better society.

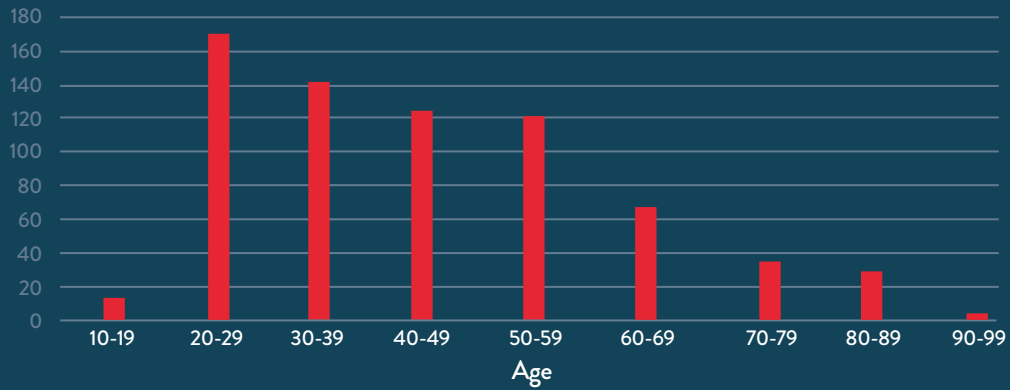




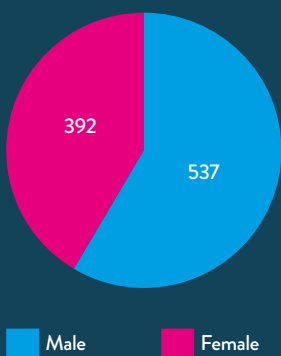
5.0

OUR  
FOOTPRINT

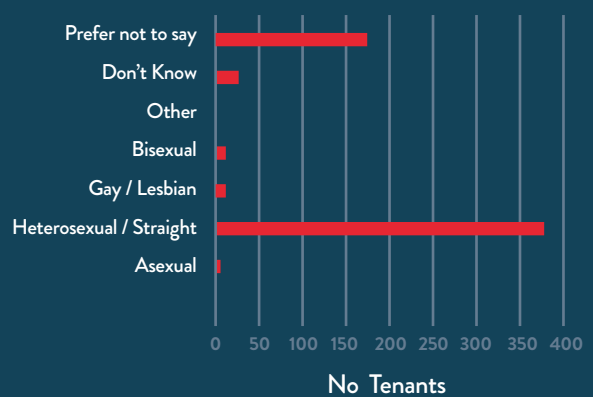
## AGE RANGE



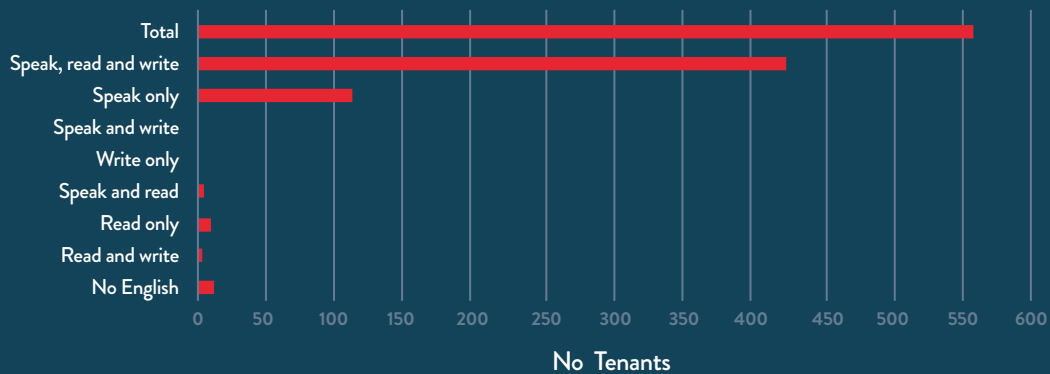
## GENDER SPLIT



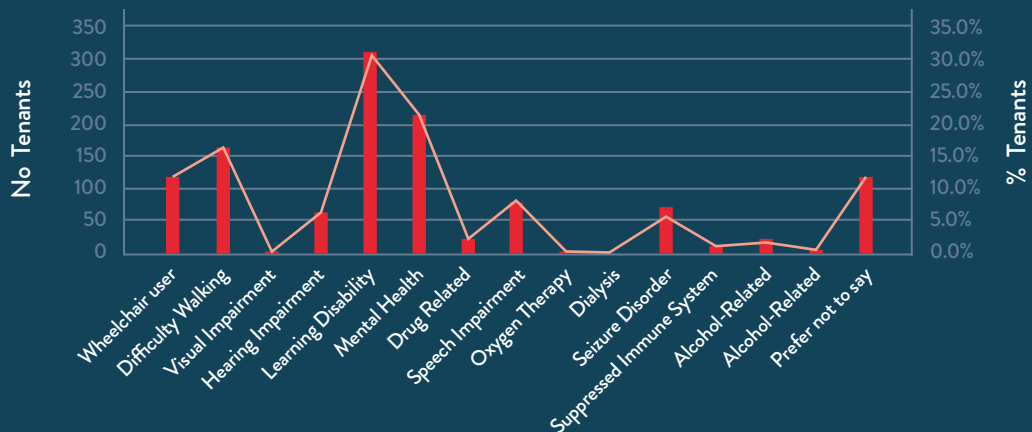
## SEXUAL ORIENTATION



## LANGUAGE ACCESSIBILITY



## CONDITIONS





# 6.0 CUSTOMER SERVICE



## 6.0 CUSTOMER SERVICE

Our Customer Satisfaction Survey is issued to all tenants (or their advocates / appointees). Care providers circulated the information to ensure probity.

Overall **45%** of customers completed the survey which is a **good return** for a survey of this type. The table below provides the breakdown of responses.

The main points to note from the survey are listed below using the **Net promoter score calculation methodology**:

The table below provides comparative analysis with the results from 6 months ago to demonstrate the progress made in customer service delivery.

**SINCE THE LAST RESULTS IN APRIL 16, IT IS PLEASING TO NOTE SIGNIFICANT IMPROVEMENT ACROSS ALL AREAS OF THE SURVEY; AN INCREASE IN SATISFACTION OVERALL BY +17%, AND DISSATISFACTION REDUCING BY A FURTHER 9% TO JUST 4%.**

Question	Satisfaction April 2016	Satisfaction Sept 2016
How satisfied are you with the overall service provided by Inclusion Housing?	72%	89%
How satisfied are you with the service your Managing Agent provides?	68%	94%
How satisfied are you with the condition and repair of your home?	67%	79%
How would you rate the satisfaction of the scheme you live in?	79%	85%
How satisfied are you with our response to anti-social behaviour issues?	70%	75%
Do you feel supported to manage your tenancy?	77%	92%
Are you satisfied you are listened to by Inclusion staff?	67%	86%
Are you satisfied with how safe you feel in your home?	88%	92%
Are you satisfied that your opinions are taken seriously?	70%	84%
<b>Overall Average for Questions</b>	<b>73%</b>	<b>86%</b>

**We also aim to achieve a Net Promoter Score of above 60; this is being consistently achieved across our service provision.**

Question	Net Promoter Score 2015/16	Net Promoter Score 2016/17
How satisfied are you with the overall service provided by Inclusion Housing?	<b>+29</b>	<b>+66</b>
How satisfied are you with the service your Managing Agent provides?	<b>+33</b>	<b>+74</b>
How satisfied are you with the condition and repair of your home?	<b>+25</b>	<b>+44</b>
How would you rate the satisfaction of the scheme you live in?	<b>+47</b>	<b>+59</b>
How satisfied are you with our response to anti-social behaviour issues?	<b>+45</b>	<b>+53</b>
Do you feel supported to manage your tenancy?	<b>+48</b>	<b>+73</b>
Are you satisfied you are listened to by Inclusion staff?	<b>+34</b>	<b>+64</b>
Are you satisfied with how safe you feel in your home?	<b>+62</b>	<b>+76</b>
Are you satisfied that your opinions are taken seriously?	<b>+39</b>	<b>+62</b>
<b>Overall Average for Questions</b>	<b>+40</b>	<b>+64</b>

A close-up photograph of a hand using a tool to adjust a faucet handle. The faucet is chrome and has a curved spout. The hand is holding a small tool, possibly a screwdriver or a similar instrument, and is working on the handle mechanism. The background is a plain, light-colored wall. The image is overlaid with a semi-transparent dark blue filter.

7.0

**PROPERTY  
MANAGEMENT**

A SUBSTANTIAL AMOUNT OF WORK HAS BEEN CARRIED OUT BY OUR DEVELOPMENT AND PROPERTY TEAM IN 2016/17 WORKING TOWARDS ACHIEVING EXCELLENCE IN ALL AREAS.

### ENHANCED PERFORMANCE

We have implemented significant improvements in the following areas:

- collation of all compliance and property data into a central database
- proactive management of repairs delivery and performance.
- proactive management of all servicing contracts.
- tendering and procurement of investment works.
- focus of achieving value-for-money in all our activities.

### GREATER COMPLIANCE

All property compliance certification is now held in a central database (SDM) and is monitored and reported upon through this database. A compliance working group has been set up to regularly monitor progress and performance, this group has a key role to play in ensuring compliance remains a key focus for Inclusion Housing. Property compliance performance data is regularly presented to Board Members within the Balanced Scorecard.

### HANDYPERSON SERVICES

The “handyperson service” implemented in 2016/2017 is performing well and we continue to receive positive feedback from tenants and care providers. We now have fifteen schemes where the handyperson service is currently being offered and a further five schemes are currently being negotiated by the Property Managers.

### PROCUREMENT LEADING TO LOWER COSTS

This financial year the property team tendered many of its service contracts through various framework agreements, competitive tendering or renegotiation of existing arrangements. The **retendering** of servicing contracts has resulted **in an annual saving of £188,932**.

### 100% SURVEY OF STOCK

We have carried out stock condition surveys on **100%** of our properties - completing this task in December 2016.

The analysis of this data identified that the stock was in generally **good condition**. To ensure this valuable information remains accurate and up to date over the long term we are committed to completing a rolling programme of stock condition surveys on a minimum of 20% of our properties annually. This data will continue to inform the annual review of the 30-year investment plan ensuring resources are allocated in the most cost-effective manner.

### INCREASED CUSTOMER SATISFACTION

A Customer Satisfaction Survey carried out in September 2016 shows **79%** of customers were **satisfied** with the condition of their home set *against a figure of 67% in April 2016*. Significant improvements in the back-office repairs function, the introduction of handyperson services, and tighter control and management of contractors provides confidence that customer satisfaction will continue to improve with each survey undertaken.

### PLANNED MAINTENANCE PROGRAMME

Planned and preventative maintenance improves the quality of our homes and reduces demand for responsive repairs, maximising value for money, whilst minimising disruption and improving resident satisfaction. The annual investment programme is prepared in line with approved annual budgets based on the stock condition data within our asset management system.





**CASE STUDY:**  
**CLAIRE (LATE 30'S) - HULL**

Claire has lived in her Inclusion Housing property in Hull since July 2013. She was born in Preston and moved to Hull with her parents at the age of 14 where she stayed until she left school to study clothing technology at Kent University. It was here, during her second year of study, she met her husband and they both moved back to Hull after they got married. They bought a house in Hull and went on to have two children.

Soon after the relationship failed the pair got divorced. Claire's ill health meant the children were taken into foster care. Then, she was diagnosed with schizophrenia and diabetes. She struggled to cope living in the community and her life spiralled out of control.

Living in her own flat has made a huge difference to her life. She now has a better quality of life and she is receiving all the help she needs. She can also see her children again - going from supervised irregular visits with a social workers to regular contact with support from staff.

Claire is a lot more confident and focused and is happy and content living in her flat. Inclusion Housing is proud to have made a positive impact on her circumstances.



8.0

**PERFORMANCE  
MANAGEMENT**

## 8.0 PERFORMANCE MANAGEMENT

The tables below provide insight into our key performance management indicators compared to national benchmarking figures. This is the second year of such benchmarking and plans are already in place to improve upon our void, maintenance and overall customer satisfaction performance.

**Source:** Balanced Scorecards 2015/16 & 2016/17      Housemark Benchmarking Data 2015/16

## 8.1 CUSTOMER INDICATORS

Overall there has been a significant positive trend in customer service indicators reflecting the high standards being achieved within the business. Benchmarked against other supported housing organisations Inclusion is demonstrating favourable comparison and achieving high levels of customer satisfaction.

Customer Indicators	Benchmarking [Supported Housing]	2015/16 Inclusion Housing	2016/17 Inclusion Housing	T/L
Customer Satisfaction - Net Promoter Score/ %	90%	72%	89%	●
Complaints Resolved within timescale	96%	n/a	100%	●
Landlord listens to their views	78%	70%	84%	●
Satisfied with Managing Agent	88%	68%	94%	●

## 8.2 PROPERTY INDICATORS

In comparison with other supported housing peers Inclusion Housing is performing comparatively well in benchmarking of property services. During 2016/17 we have implemented significant improvements to overhaul our maintenance services and the impact has been positive across all areas.

Property Indicators	Benchmarking [Supported Housing]	2015/16 Inclusion Housing	2016/17 Inclusion Housing	T/L
Satisfaction with Home Condition %	89%	67%	79%	●
Gas Servicing	100%	100%	100%	●
% Repairs Completed on First Visit	93%	85%	96%	●
Routine Repairs Completed in Target Time	96.8%	41%	97.3%	●



9.0 CONTINUOUS  
IMPROVEMENT

## 9.1 OVERALL ANALYSIS

We use a number of frameworks and data analytics to score and analyse our performance and progress across business critical areas. The table below highlights the respective scoring for each of these frameworks to measure continuous improvement across the year.

The frameworks have been approved by Board previously and the scoring represents the manifestation of their active implementation including the balanced scorecard, delivery plan, risk, board reporting, property compliance and governance frameworks.

The table below satisfies two objectives of the framework in regard to measurement and links to business frameworks. Overall the Continuous Improvement Approach has resulted in a positive trend with the average Continuous Improvement (CI) Score for the Business improving from: -

Year	2014/15	2015/16	2016/17	Trend
CI Score	45% (est)	77%	86%	91%

This represents a **91% positive trend** improvement since 2014/15 and reflects the progress made during the last two financial years. During 2016/17 the improvement trend increased by 12% over the year.

Framework	2015/16	2016/17	Trend
Risk	64%	67%	+ 5%
Performance	46%	71%	+ 54%
Delivery	94%	92%	-2%
Governance	93%	97%	+4%
Facilities	81%	89%	+10%
Customer Service	72%	89%	+24%
Development	86%	85%	-1%
Compliance	n/a	97%	n/a
<b>Average CI Score</b>	<b>77%</b>	<b>86%</b>	<b>+12%</b>

## 9.2 2016/17 DELIVERY PLAN SUCCESSES

The following section provides proof and demonstration of the progress made as well as the evidence base for the conclusions.

Continuous Improvement – Systems		
Ref	Description	Impact
i	<b>Customer Service Excellence</b> Accreditation achieved	High – Enhances profile and provides reassurance for audit and regulation purposes
ii	<b>Investors in Excellence</b> Accreditation achieved	Medium - Enhances profile and provides reassurance for audit and regulation purposes
iii	<b>Internal Audit</b> implemented through Mazars	High – Enhanced insight into system compliance and performance to enhance compliance and regulation.
iv	<b>Compliance review</b> and overhaul to ensure best practice and compliance	High – High standards of compliance being achieved through implementation of robust monitoring and best practice.
v	<b>ASB Case handling</b> enhanced; training delivered	Medium – Enhanced recording leads to better interventions and enhanced intelligence
vi	<b>Governance registers</b> introduced	Medium – Formal recording of declarations of interest and incident ensures better governance oversight and regulatory compliance.
vii	Roll out of <b>Handyperson service</b>	High – Increased responsiveness, higher productivity and increased satisfaction from customers.
viii	<b>Reduction in contractors</b> following formal procurement exercise to appoint onto our approved contractor lists	Medium – Reduction in number of contractors with focus on cost and quality





## **CASE STUDY: CONNOR (23) - DONCASTER**

“My name is Connor, I am 23 years old and I moved here in August last year.

I decided I was ready to move to a place on my own. Before moving here, I lived at home in Rossington with my mum, step-dad and half brother, who is 17.

Moving to my own flat has allowed me to do new things for myself like keeping my flat clean and tidy with the help of my carer. I started going to the gym as I was overweight weighing 15 stones and 11 pounds and I got down to 11 stones and 11 pounds by going on the treadmill and regulating my diet, cutting out coca cola and sweets. I now weigh 12 stones and 3 pounds as I have put a little bit of weight back on because I haven't been going to the gym quite as much.

I take great pride in my personal appearance and in my home, I like it to be tidy.

I enjoy going shopping to buy DVDs, games and clothes and calling at cafes and sometimes restaurants with carers and other residents for a day out. I have a girlfriend. I visit my mum regularly.

My goal is to either move in with my girlfriend or for my girlfriend to move in here.”



10.0 VALUE  
FOR MONEY

## 10.0 VALUE FOR MONEY

OUR VALUE FOR MONEY APPROACH IS AN IH STRATEGIC OBJECTIVE AND LINKED TO OUR VISION. THE VALUE FOR MONEY OBJECTIVE IS TO: - 'ENSURE ROBUST BUSINESS PLANNING THAT DELIVERS VALUE FOR MONEY'

IN 2016/17 WE MADE SAVINGS IN THE FOLLOWING AREAS: -

Title	Description	Saving
Utility Costs	Bulk contracts established on competitive market rates	Estimated 11% savings £63K
Voids Assurance Policy	New insurer sourced policy on more favourable terms, Premium saving, plus reduced broker commission	£96K
Property Insurance Costs	Market Tested – Second year of Market tested terms and realization of low claims rebate	£4K
Bad Debt	Focused debt collection reduced year on year bad debt provision, 2015/16 £83K – 2016/17 £42,000	£41K
Travel Costs	Reduced managing agents patch sizes – reduced travel costs	£3K
Mobile Phones	New contract negotiated, reduced tariffs approximately 40% saving on previous years costs	£6K
Maintenance costs	Local procurement exercises resulted in spend savings against budget	£46K
Asbestos Reports	Procurement exercise reducing cost of survey from £420 to £102 76% saving	£19K
Legionella risk assessments	Risk Assessments carried out in house – 296 assessments carried out at a per unit saving of £49	£14K
Professional Fees	Rent reviews carried out in house	£47K
Interest Receivable	Change in treasury arrangements – day to day cash in interest bearing accounts	£4K
Loan Repayment	High interest 6% loan repaid – interest cost savings	£9K
	<b>TOTAL SAVINGS</b>	<b>£352K</b>

As a percentage of the overall operating costs (excluding property lease costs), £4.3m, the £352k saving represents an approximate **8.2% efficiency on an annual basis.**

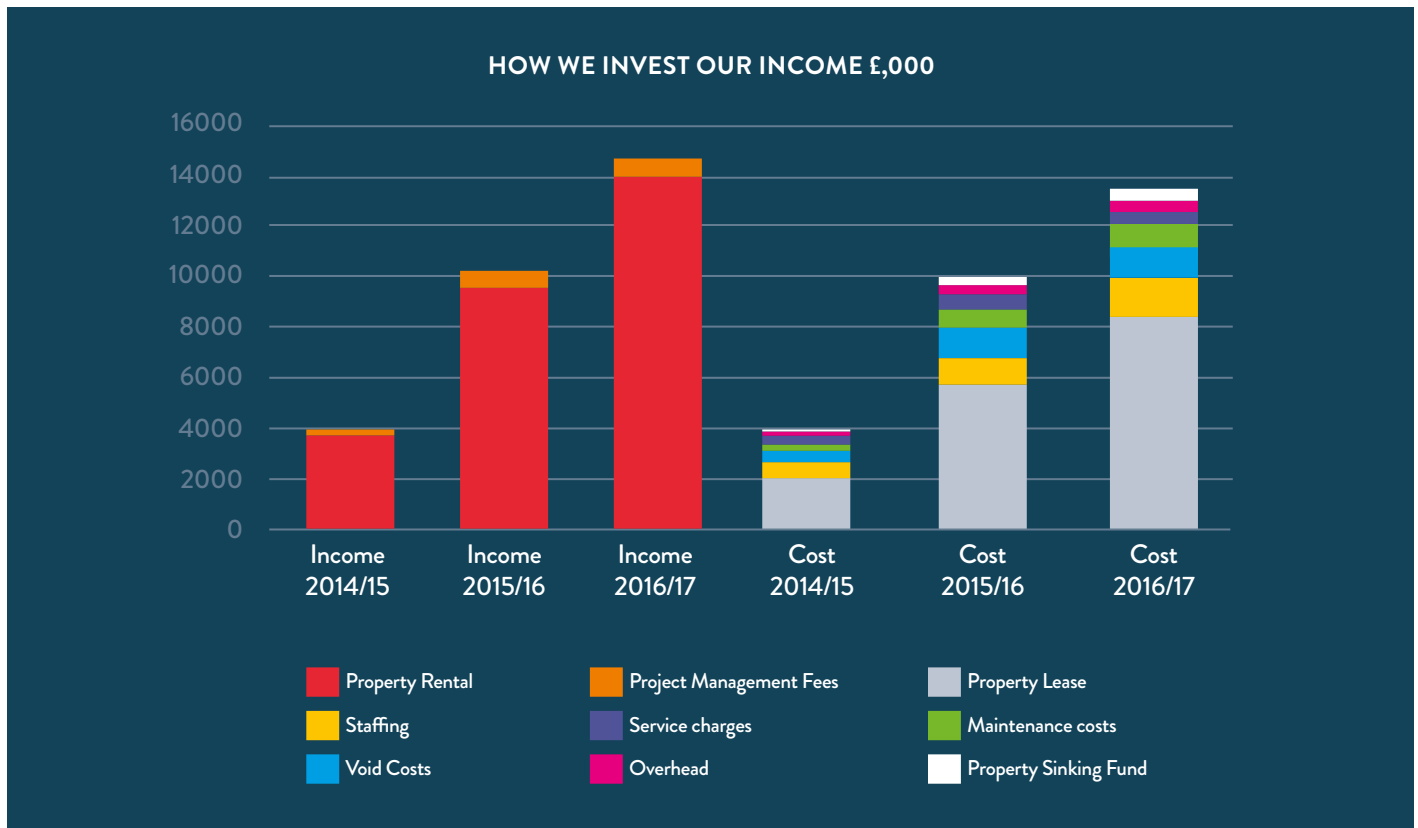


11.0

**FINANCIAL  
VIABILITY**

## 11.0 FINANCIAL VIABILITY

AS A HOUSING PROVIDER, IT IS ESSENTIAL THAT WE MAKE A HEALTHY SURPLUS SO WE CAN FULFIL OUR CORE STRATEGIC PRIORITIES. ALL OUR SURPLUSES ARE REINVESTED INTO BRINGING NEW UNITS EITHER INTO MANAGEMENT OR INTO IMPROVING SERVICES FOR OUR TENANTS.



Since 2014/15 significant yearly growth in the number of units in management from 433 to 1285 and consequently income has grown significantly from £4 million to just over £15 million; 275% increase.

- The reliance on project management income has reduced from 7% of total income in 2015/16 to 4% in 2016/17.
- We lease the majority of the properties in the portfolio and as a consequence the largest expense is the property lease cost, £2.8 million in 2014/15 (60% of income) rising to £6.5 million in 2015/16 (62% of income) and £9.4 million in 2016/17 (60% of income). The agreement to stepped rent arrangements contributed significantly to the short-term fall in costs. Change in the demand for self-contained units is influencing future increased costs, recognising this situation has resulted in all partners involved in the delivery of new schemes to look at reducing future costs of construction, fees and cost of funds.
- Surplus before tax increased from £88K in 2014/15 to £543K in 2015/16 to £1354k in 2016/17 due to the significant period of growth, reduced income loss from empty properties, procurement and efficiency savings.

**OVERALL THE BUSINESS CONTINUES TO BE MORE PROFITABLE AS IT GROWS, AS WE ACHIEVE GREATER ECONOMIES OF SCALE THAT REDUCE OVERALL MANAGEMENT COSTS.**



## **CASE STUDY:** **DARREN (51) ST HELENS**

Darren enjoys going to the cinema with his key worker. He loves to watch Sci-fi type films, but is also very fond of Marilyn Monroe.

Darren likes to collect ornaments especially pigs, he has quite a few of them displayed around his lovely flat.

Darren has two pet budgies which he has had for several years who he loves and they keep him company.

Darren was admitted to hospital after having a nervous breakdown. When he came out of hospital he lived in a small flat in a rundown area of the town. The block of flats attracted lots of drug users and crime. Darren even got his door kicked in and was burgled twice when living there.

As a result, Darren's mental health deteriorated. He suffered from anxiety and depression and became isolated.

Since living at his Inclusion Housing property, Darren's life has turned around. Living here has made a huge difference to his life and his confidence is has been greatly improved.

A few years ago, Darren wouldn't get on a bus or even leave the house alone. Now, he has a bus pass and takes shopping trips to Liverpool. In addition he is now more independent, happier and has never looked back.



# 12.0 GOVERNANCE

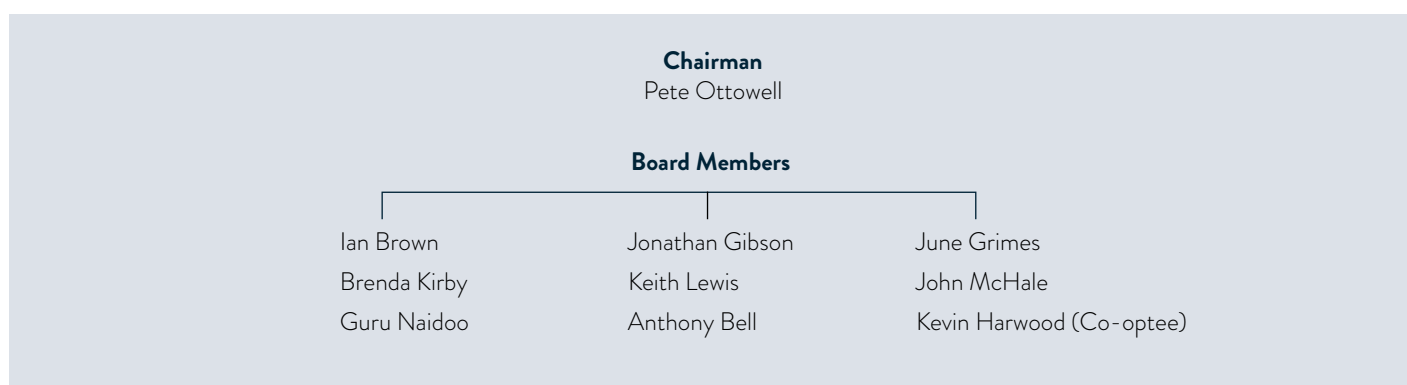
## 12.0 GOVERNANCE

**THE ROLE OF OUR BOARD IS TO PROVIDE STRATEGIC DIRECTION, OVERSEE FINANCIAL CONTROL AND TO GOVERN, CONTROL AND SCRUTINISE THE COMPANY'S OPERATIONS. OUR BOARD IS MADE UP OF UP TO NINE NON-EXECUTIVE MEMBERS. THE BOARD MEETS REGULARLY TO REVIEW THE PERFORMANCE OF THE BUSINESS.**

The **Risk & Audit Committee** meets at least three times per year. It receives reports from the external and internal auditors and reviews the processes for audit and risk management. It is chaired by a member of the Board who is not the Chair of the Board of Inclusion Community Interest Company

The Remuneration Committee keeps under review the composition of the Board and its subordinate committees and to make recommendations for Board appointments. Importantly it determines policy on staff and Board remuneration ensuring that it is aligned to the performance of the business. Fundamentally it promotes effective governance across the Inclusion Housing.

As a **Registered Provider** we are subject to the requirements of the current social housing regulator, the Homes & Community Agency. The Board will continue to review progress against the business plan and assesses progress against the delivery of agreed priorities and targets including those which are VfM related. It will also continue to review this VfM self-assessment process in the context of its wider role of monitoring and ensuring compliance and helping to drive further improvements across the business.



Remuneration Sub Committee	Role
<b>Guru Naidoo</b>	Chairman
<b>Responsible for overseeing terms &amp; conditions of employment, remuneration and the board member appraisal process</b>	

Audit & Risk Sub Committee	Role
<b>Brenda Kirby</b>	Chairman
<b>Responsible for overseeing standards of probity, risk management strategy and internal and external audit</b>	

Each board and committee member is expected to attend at least 90% of meetings each year and all board and committee members are subject to regular performance appraisals.



### ALL ACTIVITIES ARE FOCUSED ON KEEPING INCLUSION SAFE AND SECURE, MANAGING AND MITIGATING RISKS WHILE ENSURING SUITABLE CONTROLS ARE IN PLACE.

We maintain a strategic risk map with a detailed description of each risk, an assessment of impact and probability, causes and the appropriate actions and controls. We focus on the main risks that could impact our ability to fulfil our long-term objectives.

The risk map is reviewed regularly and any revisions are considered by the Board and Risk & Audit Committee. The ARC also reviews the latest HCA regulatory requirement to identify and learn from any related issues. Welfare reform remains our top external risk which is mitigated through our partnership and sharing of risk alongside lobbying of government.

Inclusion adopts financial standards which outline the minimum or maximum financial parameters within which the business should operate and reflects our risk appetite. The impact of planned strategic and operational initiatives is assessed through the business plan against the financial standards. Annual assurance statements are produced by each director, following good practice. This provides a director's overview of the year and a commentary on the effectiveness of delegations and accountability together with their assessment of risks and the control environment

#### HEALTH & SAFETY

Inclusion has a good health and safety record and strives to create a working environment that is safe, comfortable and promotes the long-term health of all employees. There are robust controls in place and a culture of learning from incidents, supported by a comprehensive training programme for employees.

The Board of Management approved the updated Health and Safety policy in 2015; related policies in place are Gas safety, Legionella, Fire Safety, Asbestos, and Personal Safety. All staff have been given access to policy briefing information and as part of team meetings across the business, policies are being disseminated to raise awareness, responsibilities and procedures.

Inclusion has an appointed Health and Safety Advisor to act as the competent person and retained advisor to assist the organisation on policy and management arrangements, staff training, legislation changes and support in investigation of reportable accidents/dangerous occurrences including liaison with any enforcement Authority. Bi-annual review meetings are in place with the Health and Safety Advisor which tie in with legislation changes which are announced each year.

Key performance indicators monitor performance, and compliance is reported to the Audit & Risk Committee and to the Board. The Company secretary leads on monthly review of the H&S register and meetings are in place bi-annually with the appointed H&S consultant. H&S is a standard agenda item at all levels of the business



13.0 BRIGHT  
FUTURE

## 13.0 BRIGHT FUTURE

On 3 April 2017, the Company acquired the freehold to its new Registered Office at 106 Heworth Green, York. It was funded by a fixed rate loan from Santander.

The focus during the next five years will be on 'Excellence & Growth' by providing quality services to our customers and growing to in excess of 3000 units in management.

We will achieve this by enhancing our efficiency to generate increased surpluses for investment in homes and services, and continuing to develop our people and organisation so that we can do more and better. These strategic priorities will help us to deliver our longer-term targets in line with the 2017-2022 business plan.

### THE KEY OPERATING PRINCIPLES OF INCLUSION HOUSING ARE:

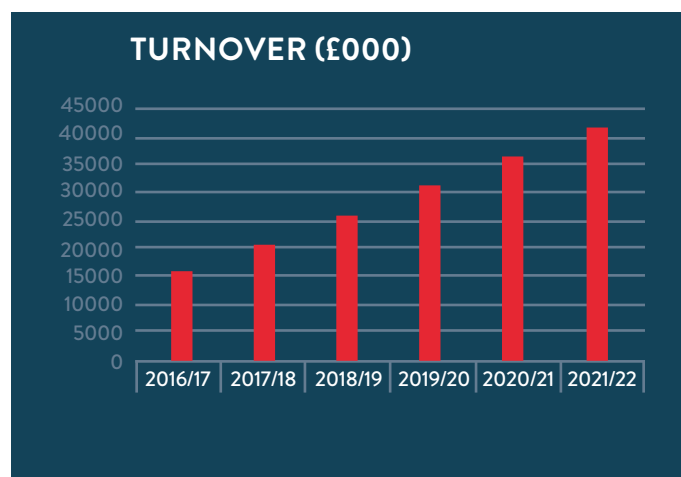
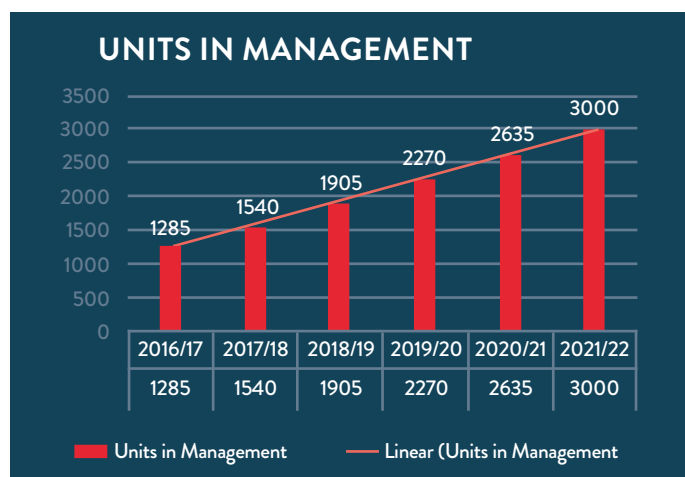
- Continue to grow and develop the number of units in management and provide services on a national level.
- Enhance our working relationship with others; particularly finance partners, care providers, developers, Enterprise Partnerships, strategic partnerships, government agencies, The Homes and Communities Agency and the voluntary sector.
- Ensure that all new development proposals remain demand led, viable and subject to high levels of commissioner consultation.
- Continue to provide accredited excellent services that are sensitive to the needs of residents and communities, and meet the aspirations of our partners and residents.
- Set clear measures of performance that are reviewed and reported regularly, and make a commitment to on-going improvement in service delivery.
- Ensure that our staff are well trained and motivated, and have clear targets that contribute directly to achieving business goals.
- Ensure that our governance and decision-making processes are efficient and accountable.
- Ensure key risks are identified, monitored and managed effectively at a strategic and operational level.
- Ensure that the business remains financially viable, and that we achieve growing surpluses and increased cash reserves in each year of the business plan period.

Over the next five years we anticipated growing at an average growth rate of approximately 365 units per annum; incorporating both new build and portfolio acquisition.

This will result in the stock increasing from 1300 to 3000 units over the business plan term; and turnover reaching approximately £35m per annum.

This is within the management capability of the existing organisational structure and will assist with reducing average management costs, increasing productivity and profitability, reducing risk and further consolidating our national profile.

	2015/16	2016/17	2017/18	2018/19	2019/10	2020/21	2021/22
B/FWD	433	917	1229	1540	1905	2270	2635
In Management	484	368					
Projected			311	365	365	365	365
C/FWD	917	1285	1540	1905	2270	2635	3000
% Growth	111%	34%	25%	23%	19%	16%	13%







**INCLUSION**HOUSING

**ADDRESS**

INCLUSION HOUSING  
106 HEWORTH GREEN  
YORK  
YO31 7TQ

**EMAIL OR CALL**

[WWW.INCLUSIONHOUSING.ORG.UK](http://WWW.INCLUSIONHOUSING.ORG.UK)  
[HELLO@INCLUSIONHOUSING.ORG.UK](mailto:HELLO@INCLUSIONHOUSING.ORG.UK)  
01904 675 207

INCLUSION HOUSING CIC IS A SOCIAL ENTERPRISE / COMMUNITY INTEREST COMPANY AND REGISTERED PROVIDER. INCLUSION HOUSING IS A MEMBER OF THE NATIONAL HOUSING FEDERATION (00146316) AND IS REGULATED BY THE COMMUNITY INTEREST COMPANIES REGULATOR AND THE HOMES AND COMMUNITIES AGENCY UNDER THE FOLLOWING REGISTRATIONS : COMMUNITY INTEREST COMPANY – 6169583; HOMES AND COMMUNITIES AGENCY – 4662