

housingplus[™]
together for the right reasons

ssha[™]
your local housing provider

PROPERTYCARE[™]
your customer care guarantee

careplus
make every day amazing

The Housing Plus Group Value for Money Short Summary 2015/16

Value for Money Short Summary

Introduction

Value for Money (VFM) being a specific standard within this framework requires registered providers to articulate and deliver a comprehensive and strategic approach to achieving value for money in meeting their organisation's objectives. Their boards must maintain a robust assessment of the performance of all their assets and resources (including for example financial, social and environmental returns).

Additionally 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 Group understands that transparency is a key element of the social housing regulators approach to VFM and embraces this approach. This year we have produced a 'Value for Money Short Summary' which identifies key elements of how we achieve and embed VFM throughout the Group; we hope that this is more comprehensible and accessible to a wider range of customers and key stakeholders. A more detailed self assessment is available alongside and supports the Summary if you require further information.

VFM self assessments for previous years are published on the Group's website: <http://www.housing-plus.co.uk/value-for-money>

What Value for Money means to us

We want to make sure that we manage our resources economically, efficiently and effectively to produce the best possible return.

We do this in the context of our three strategic goals:

Business: are the individual businesses within our Group commercially viable? Are they generating a profit to reinvest in homes and services achieving our social objectives?

Social: are we taking positive steps to create and maintain balanced communities?

Corporate: are we promoting and supporting good governance and complying with all relevant legal and regulatory frameworks?

How are we doing?

In last year's Value for Money report we established some long-term plans and actions. Some of those have been delivered in 2015/16. We are continuing to work on other objectives. This table shows our progress so far:

Our plans and actions	Our progress
Reduce operating costs with a particular focus on Property Care, bringing more services in-house	<p>Starting by bringing electrical testing in-house, the team is now responsible for all other electrical works including full re-wires. The saving is anticipated to be £63,000 per year. Boiler installations were also brought in-house during 2015/16. Whilst any cash savings were negated by set up costs in the year it is anticipated that 2016/17 will see savings of around £70,000. The benefits of accountability, improved controls over quality and the ability to plan works outweighed the costs and risks of employing and training the additional employees.</p>  <p>The new boiler installation team</p> <p>Therefore we believe that we have been very successful in reducing costs whilst delivering the same output (400 boilers installed in 2015/16).</p>

Prepare staff and customers for welfare reform

We are continuing to monitor the impact of welfare reform. This year we have set up an Interventions Project to help us to understand the trade offs and opportunity costs from our exceptional arrears performance. This will enable us to make an informed decision on whether the resources we spend on arrears collection provides appropriate value for money.



We are aware that maintaining low arrears is essential to achieving value for money. Our current tenant arrears were 2.33% in 2015/16 which is significantly lower than the sector average of 4.60% in 2014/15. In 2015 income manager Sam Allcott was invited to address a national conference about how we reduce arrears, so that other housing associations could learn from our experience.

We have been successful in keeping our arrears low through challenging and uncertain times however we are aware that there is more work to be done in coming months around understanding if the effort put in to maintain this level achieves value for money.

Improve our procurement processes.

We have re-negotiated eight service-related contracts around our Facilities Management service. These contracts ensure compliance with legal and regulatory standards at the best possible price. The savings that we make will be passed onto customers through investment in homes and services. Maintaining service quality and compliance means that opportunity costs of this decision are minimal.

Therefore we have been successful in reducing costs whilst maintaining compliance with legal and regulatory standards.

<p>Reduce the amount we spend on responsive repairs and use those savings to invest in planned maintenance</p>	 <p>Planned maintenance delivers improved value for money because more customers benefit from a wider programme.</p> <p>By concentrating on repairs which are our responsibility we could spend an extra £600,000 on replacement kitchens, bathrooms, energy-saving boilers and MOT home upgrades. The Group has made customers aware of repairs which are their responsibility. Any effect of this communication on satisfaction ratings in the short term was seen as a worthwhile trade off to ensure a fairer allocation of resources for all of our tenants.</p> <p>We have therefore been successful in providing more money to benefit more of our customers resulting in improved value for money.</p>
<p>Improve business assurance and delivery of services through improved IT systems.</p>	<p>Our gas servicing system provides us with the necessary reporting and assurance to ensure 100% compliance in this area. We have also launched a new repairs diagnostics system (Keyfax) and will monitor the benefits of that during 2016/17. Compliance assurance and better first time resolution of customer enquiries means that opportunity costs of this decision are minimal.</p> <p>We have been successful in improving business assurance through investing in our systems. We are aware that we have further work in monitoring the ongoing benefits of this spend in future months.</p>
<p>Improve the repairs process to create efficiencies and to make sure customers receive a consistent experience</p>	<p>We have introduced a new Schedule of Rates to deliver accuracy and consistency when we raise orders. Our new repairs diagnostics system will bring more efficiencies. The system cost us around £31,000 to put into place but it is anticipated that the system will support a reduction in costs going forward of £50,000.</p> <p>We have been successful in beginning to improve the repairs process however we do have some further work to do in monitoring and measuring the efficiencies made to ensure that value for money is achieved and is demonstrated.</p>
<p>Develop a new Corporate Plan and Business Strategy</p>	<p>The new Corporate Plan was approved by the Board on 16th May 2016. It was developed in partnership</p>

	<p>with the Board and employees. The plan sets out how we will deliver a range of homes to match the needs of our communities.</p> <p>We have been successful in recognising the need for change and developing a new corporate plan. We will need to continue to work to ensure that the plan is delivered and money is spent developing homes to meet the specific needs of our communities.</p>
<p>Using staff and customers to identify and deliver further savings</p>	<p>We held a series of workshops with staff to identify potential efficiency savings. For example, 'going digital' with staff publications and payslips is estimated to have an annual saving of £32,000. The results of these workshops were used to drive key business efficiencies which have been agreed by the Board for the next financial year.</p> <p>Our Customer Insight Strategy is also helping to identify potential savings. Telephone surveys of customers who have recently vacated SSHA homes were used to learn whether we could improve the way we communicate the requirements of the Empty Home Standard. Those findings fed into work being done by the Service Review Partnership, where our customer panel has been looking at ways to reduce the cost of empty homes. Involving customers and staff and acting on their suggestions means that they are better engaged with ensuring value for money and understanding the trade offs and opportunity costs of decisions.</p> <p>Therefore we have been successful in using staff and customers to identify and deliver savings ensuring ownership and understanding of the importance of value for money.</p>

Understanding our assets

The majority of our homes are traditional houses, bungalows and apartments including specialist provision for Care Plus customers.

Investing in home improvements

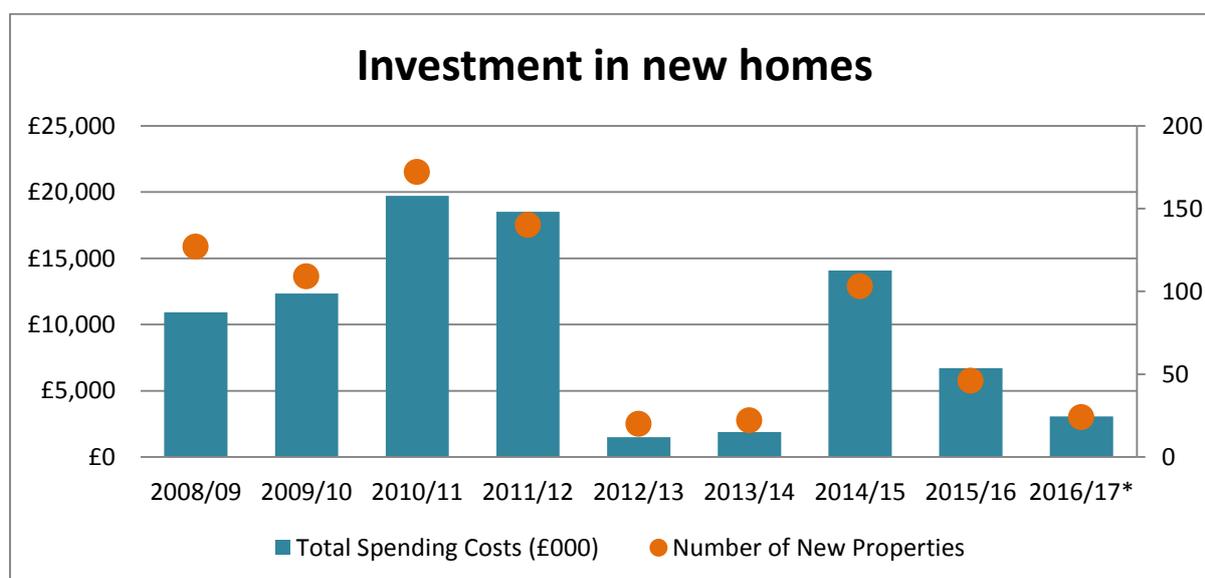
2015/16 was the second successive year when we delivered above our targets for planned maintenance work while staying within budget.

Savings were made by bringing work in house, working smarter and being clearer about our repairs policy were reinvested into planned maintenance, delivering home improvements.

Planned Works Completed	2015/16		2014/15	
	Actual	Target	Actual	Target
Kitchens	266	260	336	290
Bathrooms	229	230	290	200
Wetrooms	41	40	46	80
Boilers	400	400	609	450
External Doors	553	550	779	550
Porches	-	-	110	-
Rewires	51	-	105	60

Building new homes

In the last eight years we have invested £85.65m into building new homes. We are spending a further £3.07m in the current financial year to build 24 more homes helping to meet the housing need in South Staffordshire.



A more efficient repairs service

We have re-shaped our repairs service to reduce costs while keeping quality high.

We have achieved this by:

- Increasing our investment in planned maintenance (including the MOT home upgrade programme) to reduce the need for expensive repairs in the future
- Concentrated on the repairs which are part of our responsibility as a landlord and been clearer about those responsibilities.

- Reducing the costs of empty homes (voids)
- Developing in-house skills to cut our reliance on subcontractors

As a result we:

- Maintained high levels of customer satisfaction: 96.16% of our customers said that they were satisfied with work carried out, compared with a national average of 85% across the sector.
- Reduced our use of subcontractors as a percentage of turnover from 30.74% in 2014/15 to 18.4% in 2015/16.
- Expanded our in-house skills with a new boiler installation team, extended electrical team and investment in drain-jetting and CCTV equipment.

In 2015 Property Care was shortlisted in the Maintenance & Development Team category of the national Housing Heroes awards. Senior operations manager Andrew Kenny was highly commended in the Inspirational Leader category of the same awards and was also presented with a Managing Performance award in the National Management & Leadership Awards.



Alternative delivery models

Housing Plus Group is the lead partner in the S3 Consortium including Severnside Housing and Stafford & Rural Homes.

The consortium focuses on building homes for the specialist needs of rural communities and older people. It has secured funding to build 355 affordable homes

across Staffordshire and Shropshire. In 2015/16 its target was to begin building 192 homes. By the end of the year construction had started on 205 homes.

In 2015/16 the Group also began considering a merger with Severnside Housing. The boards of both Associations have approved the business case for a merger and agreed to seek the appropriate permissions. We hope to launch a new, stronger housing association on 1 October 2016.

- **Together we will build more new homes across Staffordshire and Shropshire.**
- **Together, we will support and care for our customers to enable them to live independently, for longer.**
- **Together we will be financially resilient and have a greater influence on the things that matter to you.**
- **Together we can be a leading employer in the region**

Listening to our customers and acting on feedback

During 2015/16 we took a fresh look at the ways that we make sure that we take into account the views of our customers and that their input and scrutiny helps us to drive and deliver improved value for money.

Before this review we used a combination of the scrutiny panel, tenant panels, customer committees and events to ensure that the views of our customers were represented. Although this complied with our regulatory framework, we believed that there were limitations on the quality of insight we obtained, which meant that we were not achieving the full value from this process.

Our new customer insight vision is:

*“Customers will be **engaged** about their experiences with SSHA, in a timely manner, using independent means, to provide us with **insight** that shapes priorities and improves services”*

We are gaining an insight into the views of our customers in three key ways:

1. Whole customer base survey
2. Transactional surveys researching the opinions of customers who have received particular services.
3. Service review partners – an independent panel of residents undertaking at least two scrutiny exercises per year, drawing conclusions about services and making recommendations about improvements which will be presented to the Board.

One of the first projects undertaken by the service review partners resulted in recommendations for ways to reduce the cost of vacant properties by improving the way we communicate to customers the requirements of the Empty Property Standard.

Understanding the costs and outcomes of delivering services

Benchmarking our services and examining the detail of costs associated with our services has helped us to make specific value for money achievements in 2015/16 including:

- Printing letters – our letters are now printed in black and white and posted out in most cost effective way (2nd Class). During 15/16 the decision was made to stop sending out rent statements. These were sent out once per quarter and cost the organisation approximately £20,000 per year. We notified tenants of this decision in advance and explained that rent statements could still be sent on individual requests.
- The annual cost of processing incoming payments to the Group is approximately £100,000. We are promoting Direct Debit as the preferred payment option to reduce this cost. During 2015/16, the increase in the number of tenants paying by direct debit has resulted in a £3,000 saving on the overall cost of income collection. We will be looking at ways to extend our payment options to include low cost and simple ways to pay rent.
- A review of the mobile caretaking service reduced the hourly rate charged to SSHA by 55% producing an annual saving of £27,000
- The cost of empty homes (voids) has been cut. The time between inspectors receiving the keys to an empty home and the property becoming available to let has fallen from 30 days at the start of the year to eight days by the end.

Environmental

- Work Clubs in our communities to reduce home visits and provide a single point of support for tenants.
- Going digital – by introducing paperless payslips, reducing our administrative printing and introducing digital options for our customer and staff magazines we have reduced the amount of paper and printing we consume and saved approximately £32,000 annually.
- Recycling drive – changing our waste management contractor has meant that we can recycle even more material and reduce our general waste.
- The Group has introduced three electric cars to be used by our repairs inspectors. These vehicles will reduce mileage costs as well as having environmental benefits. Additional vehicles are being leased for a year to test the benefit of using pooled electric vehicles.

Social

- Any near date expired products (i.e. packets of crisps, cans of pop, chocolate bars etc) from our office vending machines are donated to a soup kitchen.

The soup kitchen staff are fully aware that the products are short dated and make their customers aware of this fact.

- We have introduced apprenticeships in Property Care to support local employment and offer young people a route into skilled trades. The first apprentices have been appointed to the electrical installation team.
- It was anticipated in 2015-16 that we would support 35 tenants into work by the end of March 2016. We actually helped 36 tenants back in to work. This provides not only VFM but also Social Return by reducing residents' dependencies on benefits.
- During 2015-16 the customer services team handled 99,038 calls (102,862 during 14/15). This is a 3,824 reduction from 2014/15. The reduction has been achieved through advisors providing first call resolution to customer enquiries which increases customer satisfaction as well as reducing repeat calls.

Long term plans to improve VFM

- We are considering the option of a Property Care Academy offering apprenticeship training leading to employment in high demand areas.
- In response to the Fair Landlord campaign a project has been set up which will allow our Property Care team to deliver additional services at affordable costs. This will allow us to provide a trusted service to our tenants at reasonable prices.
- We will continue bringing more works in-house to reduce costs and therefore service charges to tenants.
- We are looking to offer a wider range of tenure types (including price points above social rent) to meet the growing needs of our communities.
- We are looking to expand our domiciliary care business to reflect the growing need for this service across our existing communities and also the wider district of South Staffordshire.
- During the financial year 2015/16 Housing Plus Group commenced merger discussions with Severnside Housing. In May 2016 the Housing Plus Board and Severnside Board approved the final business case for the merger. It is anticipated that a new Group will be formed from 1st October 2016. We are hoping that this will provide us with opportunities to improve our value or money further by learning from each other, reviewing our services and gain further efficiencies. We understand that these savings will not happen immediately and want to ensure that appropriate time and understanding is given to each decision on this journey.

Self assessment

After taking into account the information outlined above, we believe **the Housing Plus Group Limited complies with the current VFM standard set by the HCA.**

In compiling this self-assessment we feel that we have demonstrated our current and future plans and approaches to VFM and are well placed to continue this work.

Our self assessment identified that the Group:

- has a robust approach to making decisions on the use of resources, including an understanding of the trade offs and opportunity costs of its decisions
- understands the return on its assets, and has a strategy for optimising the future returns on assets – including alternative delivery models
- has performance management and scrutiny functions which drive and deliver improved value for money
- understands the costs and outcomes of delivering specific services