

Value for Money (VFM)

Executive Summary

Strategy - We have prioritised VFM as one of our key strategies for 2015-19 within our Corporate Plan which sets out clear objectives and key priority areas to ensure we deliver improvements to services, attain a stronger financial position and gain competitive advantage through partnership working. The VFM strategy for 2015-19 was approved by the Board in May 2015 and it includes six strategy-specific goals.

Actions 2015/16 - Progress has been made against each of these goals during 2015/16 including the following:

- Understanding costs better – Zero-based budget approach delivering a £1.3m operating cost saving in 2016/17;
- Delivering improved services to customers and cost savings – Cashable savings register completed identifying £261k of savings in 2015/16;
- Effective use of assets – All relets assessed to determine whether they are relet at social or affordable rent, considered for alternative use or sold;
- Improving procurement – Review of the procurement process is underway and will be progressed further in 2016/17;
- Involving customers, staff, board and stakeholders – HACT (Housing Association Charitable Trust) methodology utilised for all new projects and a new Customer and Community Investment Strategy introduced;
- Demonstrating improvements – Overall satisfaction at 91% against a target of 89%.

Maximising Return On Assets - We regularly review options available for making best use of existing stock. Decisions are based on impacts on financial performance, levels of demand, impact on service and implications for strategic goals. Improved housing stock data is driving decision making to maximise return on assets. From April 2015 we have introduced an in-house 20% annual rolling programme of stock condition surveys to provide up to date and reliable data. We use an asset modelling tool to help us understand how each individual asset and asset group perform in terms of financial and social return on investment.

Performance Monitoring - Monthly and quarterly monitoring is undertaken by EMT and Board respectively. Operating costs, improved procurement, benchmarking and performance KPI's are key areas of monitoring to ensure objectives can be achieved.

- Operating costs were reduced by 3.6% in 2015/16 including efficiency gains savings of £261k. We will continue to focus cost optimisation in 2016/17 – further savings have already been identified.
- We will be reviewing our approach to procurement of planned works and new development in 2016/17 with a view to delivering works to the required standards as cost effectively as possible. The contract for responsive repairs will be reviewed in 2016/17 to ascertain a preferred option which optimises VFM for 2018 onwards when the current contract comes to the end of its 5 year term. Efficiency enhancements will be made through better understanding responsive repairs demand and improving the planning of programmes.
- Benchmarking - The HCA Global Account's defined 'headline social housing cost per unit' aims to provide a consistent measure for cost performance benchmarking. Our 2015/16 cost is lower quartile when compared to 2014/15 sector level data and our Business Plan is set to deliver a 2.4% reduction in 2016/17. Also cost and performance comparisons against a peer group of Registered Providers of social housing are made annually by Housemark. Performance measures are based on a range of operational metrics e.g. number of repairs, average time to complete, tenant satisfaction for responsive repairs performance etc. Cost per property is used for the cost measure. Aggregated cost per property for WH of £2,703 in 2015/16 compared favourably to the peer group median of £2,887. Performance scores in 5 out of 7 categories were better than our peer group median.
- 18 KPI's were reported to Board quarterly in 2015/16 with KPI is linked to a Strategic Corporate Goal and at year end there were 12 greens, 5 ambers and 1 red reported. These are being revised in line with evolving business priorities for 2016/17.

Social Value - VFM is enhanced through investing in our customers and community where targeted outcomes align to overall strategies. During 2015/16, we recruited an in-house Debt & Benefit Advisor to support the development of in-house knowledge and skills to best manage communication and activity around Welfare Reform. We have also developed partnerships with Citizens' Advice Bureau (CAB) and Northamptonshire Credit Union. We invest to support our customers and increase their household income thereby enabling our tenants to better sustain their tenancies which in turn enhances our VFM.