Wellingborough Homes

Value for Money Statement 2016/17

Contents

Value for Money Self-Assessment

Our statement (and past publications) on how we deliver Value for Money is available on our website at

http://www.wellingboroughhomes.org/about-us/strategies-and-policies/

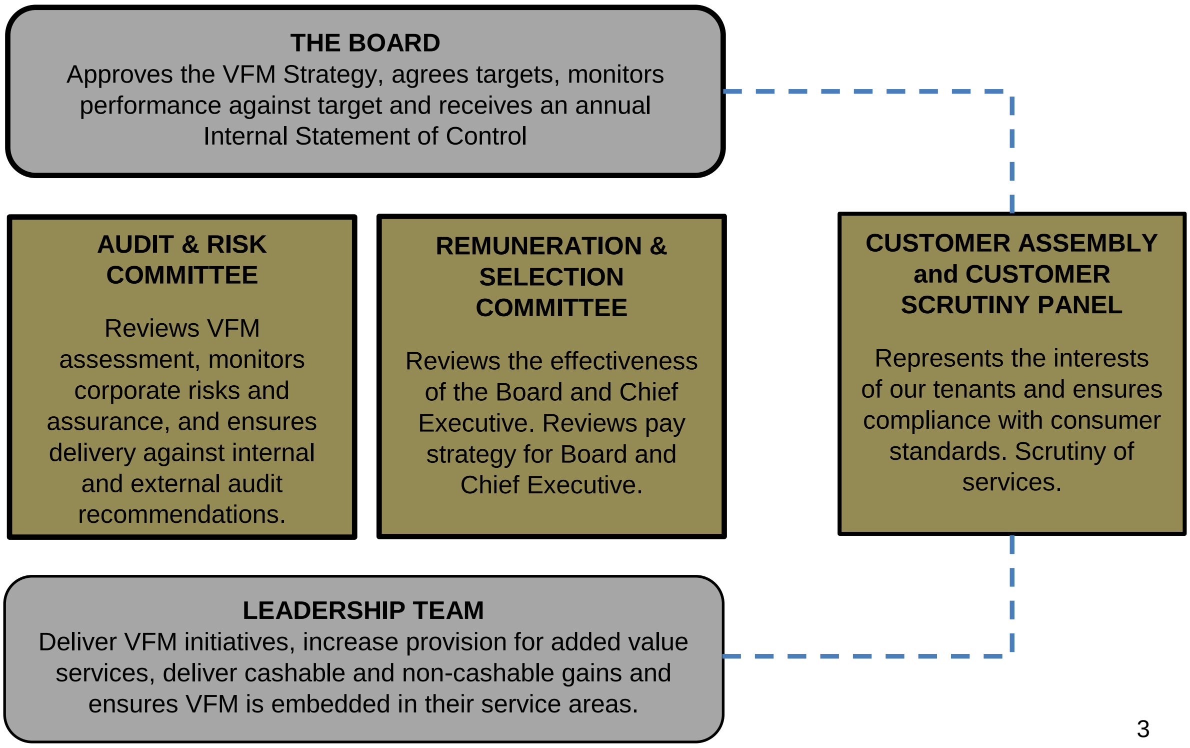
1. Strategy

We are committed to delivering better Value for Money (VFM) for our customers. Our Corporate Plan 2015-19 sets 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. By making VFM one of the six strategies which support delivery of the Corporate Plan, the Board has signalled the importance of VFM to the Association. The VFM strategy for 2015-19 was approved by the Board in May 2015 and it includes six strategy-specific goals which are aligned to our overall corporate strategic objectives:

- Understanding costs better;
- Delivering improved services to customers and cost savings;
- Effective use of assets;
- Improving procurement;
- Involving customers, staff, Board and stakeholders;
- Demonstrating improvements.

To be effective, VFM is made integral to our business planning, with close links to our Performance Management Framework. It is a continual review of information, processes, customer scrutiny, customer feedback, benchmarking and our performance trend. How VFM is embedded in our governance structure is illustrated in figure 1 below.

Figure 1: VFM Roles and Governance



2. Benchmarking and Sector Scorecard Efficiency

There has been a shift towards unit cost analysis when it comes to benchmarking performance and being able to compare ourselves with our peers. As an organisation we have taken part in the national pilot to test the new sector efficiency scorecard with HouseMark.

The results of the 2016/17 sector efficiency scorecard as well as retrospective calculated 2015/16 results have enabled us to identify our direction of travel. Furthermore we have also used 2015/16 and 2016/17 HouseMark benchmarking results to establish our quartile position compared to our peer group* where available as illustrated in table below:

Table 1: Year on year efficiency scorecard comparison including HouseMark and Sector Scorecard quartile position against our peer group

Indicator	2015/16 (as per Sector Scorecard definition)	2016/17 (as per Sector Scorecard definition)	Direction of Travel	2015/16 position against HM 2015/16 benchmarking results Sector scorecard results **	2016/17 position against HM 2016/17 benchmarking Sector scorecard results **	Performance required to reach next quartile as per 2016/17 HM Sector scorecard results
Operating margin – Overall	34.1%	35.6%	⇔	Median	Median	Upper quartile 37.2%
Operating margin – Social housing lettings	34.2%	34.7%	⇔	N/A	Median	Upper quartile 37.71%
Interest Cover – EBITDA (MRI)	303.7%	339.4%	↑	Upper	Upper	N/A
Units developed (absolute)	47	92	↑	Lower	Lower	Median quartile 105
Units developed (as a percentage of units owned)	1.00%	2.00%	↑	Median	N/A	N/A
Gearing	41.8%	38.9%	⇔	Upper	Upper	N/A
Percentage of respondents very or fairly satisfied with the overall service provided (GN and HfOP)	91%	91%	⇔	N/A	Median	Upper quartile 92.25%

Indicator	2015/16 (as per Sector Scorecard definition)	2016/17 (as per Sector Scorecard definition)	Direction of Travel	2015/16 position against HM 2015/16 benchmarking results Sector scorecard results **	2016/17 position against HM 2016/17 benchmarking Sector scorecard results **	Performance required to reach next quartile as per 2016/17 HM Sector scorecard results
£s invested for every £ generated – in new housing supply	0.62	0.85	↑	N/A	N/A	N/A
Return on capital employed (ROCE)	9.2%	9.0%	⇔	N/A	Upper	N/A
Management cost per unit £	828	817	↑	N/A	Median	Upper quartile 579
Service cost per unit £	129	134	⇔	N/A	Upper	N/A
Maintenance cost per unit £	1143	1091	↑	N/A	Lower	Median quartile 900
Major repairs cost per unit £	992	790	↑	N/A	Median	Median quartile 600
Other social housing costs cost per unit £	237	185	↑	N/A	Median	Median quartile 37
Headline social housing cost per unit £	3333	3017	↑	N/A	Median	Upper quartile 2818
Overheads as a percentage of adjusted turnover	8.0%	8.7%	⇔	N/A	Median	Upper quartile 8.63
Ratio of responsive repairs to planned maintenance	1.0	1.2	N/A	N/A	Lower	Median quartile 0.66
Occupancy	99.45%	99.35%	⇔	N/A	Lower	Median quartile 99.41
Rent collected from current and former tenants as percentage of the rent due (including arrears b/f)	91.12%	99.49%	↑	4^{th}	Lower	Median quartile 99.50

** Peer group consists of housing associations of similar age and stock size*
*** Our positions reported for the HouseMark Sector Scorecard results have been updated to reflect the categories used by HouseMark*

While we are in the bottom quartile for rent collected from current and former tenants this is mainly due to arrears brought forward. We have actually reduced current rent arrears from 3.4% to 3% and rent collection has increased by 4% within the last year.

Our repairs and maintenance costs remain higher than the median and a decision has been made to bring the service in-house which is expected to enable us to reduce costs both in year 1 and over the longer term through expanding the activities, for example to include void properties, cyclical and/or planned maintenance.

The majority of our 2016/17 results show improvement when compared to our performance for 2015/16. For some indicators direction of travel has remained the same but most pleasingly there is no negative direction of travel.

Five out of six unit cost indicators including **Headline Social Housing Cost per unit** show a reduction and using 2015/16 global accounts data results would put us in the top quartile when benchmarking against our peer group.

On a national level we would be a median quartile performer.

We are increasing the money invested in new housing supply as we are ramping up our development programme having already developed 92 properties in 2016/17 with a further 450 in the pipeline of which 311 are committed.

3. VFM Actions in 2016/17

The table below summarises the progress we have made against the objectives in respect of each VFM strategy goal that we set out in last year's self assessment.

Table 2: VFM Actions

Corporate objectives	VFM strategy goal	What We Said We Would Do	What We Did
Produce and use effective, high quality, accurate and timely data	**Understanding costs better**	Carry out Budget setting for 2017-18 using zero base budgeting methodology	Completed for the 2017/18 Business Plan update and approved at February 2017 Board meeting
		100% budget lines to be graded as mandatory or discretionary spend to establish organisational spend between the two areas	This has been completed for the 2017/18 budget setting and our Business Plan update
		Undertake a market review of up to date loan funding opportunities and consider if the Barclays loan remains the best option.	Our treasury advisors carried out a review of our current Business Plan and loan facilities which was presented to Board in September. They concluded that our business plan is very strong; a shadow credit rating indicates we would achieve a high rating of Aa3/A1 and our current loan is at current market rates.
		Carry out detailed analysis of Housemark results and link to internal customer insight	New Housemark benchmarking for Q4 2016/17 has been completed. We are part of the pilot of the Sector efficiency score card and the sector scorecard data collection and submission has been completed.
Reduce cost and drive efficiency	**Delivering improved service to customers and costs savings**	Review our investment in FISH looking at providing financial inclusion activity at least at the current level but at reduced cost.	Our FISH funding ended 31st March 2017. A combination of employing in-house specialist resource, up-skilling of our housing and support teams and working with existing and new partners will ensure sufficient resource to assist with supporting our customers in terms of financial inclusion
		IT Review outcomes to be assessed for overall savings and efficiency	Several areas identified for potential savings and efficiencies including telephony, hardware consolidation and application consolidation.
		Review Service Charges to move towards 100% cost recovery	Report to Board in December 2016 and implementation from April 2017 approved the recovery of service charges.
		Review the Supported Living Service to ensure financial viability	An independent service review was carried out and the findings presented to Board in December 2016. This resulted in the introduction of a new chargeable support model and changes to the staffing structure which dramatically reduced internal subsidy.
Ensure operational performance is maintained at a high level		Present 2017/18 Budget to the Board which includes overhead cost savings of 2% compared to 2016/17 Budget	Achieved £61k reduction or 6.7%. The 2017/18 budgets were presented to February Board and approved.
		Carry out an options appraisal on our current repairs service	Options appraisal carried out and the decision has been made to bring the service in-house from April 2018.
		Annual % reduction in actual operating costs of 2% (£223k) set as a target against 2016/17 budget	The 2% efficiency target was signed off by Remuneration and Selection Committee in January 2017. Actual performance was 6.6% lower or £733k. Our 2017/18 budget demonstrated a saving compared to the previous year (excluding reinvestments).
		100% of stock has had a desktop stock condition survey with 20% to have had a	This has been completed by our target date of 31st March 2017.

Corporate objectives	VFM strategy goal	What We Said We Would Do	What We Did
		physical condition survey completed	
Produce and use effective, high quality, accurate and timely data	**Effective use of assets**	Evaluate options for varying rent type across stock	As part of HCA Affordable Rents Programme 2015-18 our social to affordable rent conversions are now complete. Other rent options are to be considered as part of our Savills' Asset and Performance Evaluation (APE) model review.
		All relets continue to be assessed to determine whether they are: 1) relet at social or affordable rent or; 2) considered for alternative use or sold In February 2016 development parameters were approved by our Board. All new development projects are now measured against these criteria and annually reviewed and that all new schemes continue to meet agreed hurdle rates*. *Meeting required standard when appraised against parameters	Re-lets will be in accordance with the Rent Standard. In terms of active asset management, will assess NPV through developing the Savills' APE model and we will seek to embed this to ensure appropriate action is taken on properties not producing an acceptable return on investment.
			The voids process has been amended to incorporate a check on the NPV of the property before any works are undertaken If rated as amber or red this will trigger a review of options to maximise the performance of the property – this may include disposal as well as conversion to an alternative affordable tenure.
Ensure investments generate optimum social and financial value			100% of new developments continue to achieve the agreed corporate hurdle rates*
		Review all data and modelling on existing assets using Savills' APE model and decide future data management.. Target of 100% of Properties to have known NPV	This has been carried forward to the Asset and Development Strategy 2017/18 action plan.
Ensure investments generate optimum social and financial value	**Improving procurement**	Establish, develop and maintain a contracts register	A contracts register has been established and further work is being undertaken to categorise contracts to ensure all savings and efficiencies are being achieved.
		The approved list of suppliers to be updated - including a process and criteria for inclusion/removal	New procedures for managing approved suppliers put in place in the Asset & Development Directorate Some work has been completed to remove old suppliers and match existing suppliers to contracts.
Reduce cost and drive efficiency		Review procurement of key contracts	Asset and Development have completed reviews of their largest contracts and IT is currently reviewing their key contracts. Now included in the Procurement action plan.
		Review Procurement Policy and Processes	Our new procurement plan 2017-2019 was approved by Board in February 2017. A policy will be developed in 2017/18 when the new procurement manager is in post.
Produce and use effective, high quality, accurate and timely data	**Involving customers, staff, board and stakeholders**	100% of new initiatives continue to be measured against methodology	The HACT model was implemented in April 2016 which has enabled us to assess all relevant projects in terms of social value. An annual impact assessment has been developed as a result. OPIs are set to assess tangible service changes as a result of involvement. In addition Customer Assembly will have final sign off of the Tenant Involvement and Empowerment Standard self-assessment. We developed parameters to determine where we will target community investment and established a target return of a ratio of 1:3 for every £ invested.

Corporate objectives	VFM strategy goal	What We Said We Would Do	What We Did
		Review of 100 % of existing work streams to be measured against methodology	We have developed a new community grants programme and this has been rolled out during 2016/17.
		Review approach to community grants, including how grants are allocated and to whom, and ensure we can measure the social impact of those grant allocations.	
Ensure operational performance is maintained at a high level		Review effectiveness of customer input into VFM	This has been done by our Customer Assembly and incorporated into Customer Assembly Terms of Reference. VFM is a key component of any scrutiny carried out during the year by the Customer Scrutiny Panel.
		Develop parameters for Social and Community Investment to determine acceptable level of return	1:3 Social Return on Investment agreed for 2016/17 and 1:6 for 2017/18.
		Ensure there is an effective method for customer involvement in monitoring Service Standards and reviewing progress against the previous year.	Our mystery shoppers monitor our service standards and feed their findings back to the Customer Assembly. New service standards are being developed which will be monitored in the same manner.
Produce and use effective, high quality, accurate and timely data	**Demonstrating improvements**	% of current rent arrears to meet target of 3.2%	Outperformed the target set with a performance of 3.02% of current rent arrears
Ensure operational performance is maintained at a high level		Operating margin to meet target of 30.4	Achieved operating margin of 35.7

4. Maximising Return on Assets

We regularly review options available for making best use of existing stock, including evaluation of the following options:

- maintaining existing stock to at least the Homes Standard;
- improvements to homes and estates, including regeneration opportunities;
- conversion to other tenures;
- disposal of stock.

A number of factors are taken into consideration in reaching decisions about our assets, including:

- costs of ensuring stock continues to meet the Homes Standard;
- level and type of demand;
- on-going repairs and maintenance costs, including voids;
- the implications of any sales, for example on levels of security, and whether proceeds could help fund replacement of same or higher number of homes;
- whether redevelopment would be the optimum solution to meet local needs.

In 2016/17 we supplemented the physical stock condition surveys with desktop reviews to accelerate the coverage of our stock condition information and met our target to complete 100% of surveys by March 2017. This will ensure that stock condition data is based on local intelligence and current knowledge of individual properties, including details of investment made in our homes since they were transferred from the Borough Council of Wellingborough in December 2007.

From April 2017 we will have a 20% annual rolling programme of stock condition surveys to ensure we have up to date and reliable data to inform investment decisions and planning.

Whilst stock condition data is important, as it enables efficient planning for and meeting investment needs of our properties, components will generally only be renewed when they have reached the end of their working life. This approach does often lead to uneven investment needs year on year but in the longer term this is considered to deliver better VFM.

In line with the regulatory requirement introduced in April 2015 we have developed an Asset and Liabilities Register to help us better understand our housing assets and security position and ensure we have swift access to this information in decision making and risk management. This also ensures we understand how we could use these assets to ensure stability should an unexpected crisis arise. We continue to maintain and enhance our Asset and Liabilities Register to ensure it is thorough and up to date and can inform effective decision-making and risk management.

We use an asset modelling tool (Savills' APE model) to help us understand how each individual asset and asset group performs in terms of financial and social return on investment as and when they become void and/or when carrying out an options appraisal in respect of a particular group of assets.

We know from the work we did in carrying out an asset modelling exercise as part of a review of our assets in 2014 that there were no asset groups which had a negative NPV at that time. We are in the process of reviewing model assumptions for the recent economic and political changes that have taken place and expect to have up to date NPV results by September 2017.

5. Performance Monitoring

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

<u>Operating Costs</u>

Operating costs were 5.5% lower in 2016/17 compared to the previous year. Some of the reduction is attributable to efficiency gains and some to savings, which are reported in table 6 below. Others are reductions which reflect the cyclical and demand led areas of expenditure. We continue to focus on cost optimisation in 2017/18 and further savings have already been identified. As part of our continuous evaluation of operational costs, the Performance Clinics capture across the business the key savings/efficiencies achieved in the year. We are pleased to report recurring savings of £117k that are included within the 5.5% lower operating costs. Next year's budget includes an efficiency saving of £474k. We have continued to work hard this year to ensure we deliver more gains. All cashable gains identified contribute to the surpluses realised in the financial year which are used to further our corporate objectives.

Operating cost performance will continue to be a key focus in 2017/18 under the 'Understanding costs better' strategic goal with the ambition to achieve best in class cost efficiency across all areas of the Association

Table 3: VFM actions planned for 2017/18

VFM strategy goal	What We Will Do
Understanding costs better	In-depth meetings with budget holders to review progress and forecast allowing better planning and understanding of costs.
	We are part of the sector efficiency scorecard pilot which is currently under way and we will be analysing the outcomes from the pilot and our results during the year.
	We will out perform our adjusted budgeted operating surplus.
	Introduction of "Ebis" as an automated purchase ordering software allowing for greater control over suppliers and expenditure as well as providing more efficient processes
	Carried forward from 2016/17 – link detailed analysis of Housemark results to internal customer insight
Delivering improved service to customers and costs savings	Establish an in-house repairs team and allow for a smooth transition period from the current incumbent.
	Set up a Treasury task and finish group to look at our development aspirations and opportunities together with alternative funding models to deliver them.
	Implement IT review projects that have been identified to generate savings.

Effective use of assets	Review all data and modelling on existing assets using Savills' APE model and decide future data management. Target of 100% of Properties to have known NPV. Training and further support to be provided by Savills to enable the NPV model to be updated in 2017/18.
	Review of our office accommodation needs to establish future requirements.
	Review of our independent living scheme assets.
	Reduce average re-let times to 25 days on average.
	Reduce unit cost further to £2,869 on average.
	Carried forward from 2016/17 - Evaluate options for varying rent type across stock following NPV review
Improving procurement	Enhance the organisation's procurement capability including recruitment of a Procurement Manager and automated purchase ordering and invoicing system.
	Deliver procurement training to staff.
	Develop and deliver tendering and contract management.
	New procurement policy and processes to be put in place.
	Carried forward from 2016/17 - four incomplete procurement actions
Involving customers, staff, board and stakeholders	Refocus our VFM group to closely monitor our procurement action plan and service reviews across the organisation.
	Continue to ensure VFM is a key component in customer scrutiny programmes.
Demonstrating improvements	% of current rent arrears to meet target of 2.9%.
	We will outperform our operating margin of 30.4%.

.

Table 4: VFM Efficiency Gains

Description	In-year saving in 2016/17 (£)	Recurring saving from 2017/18 (£)	Details
Review of Supported Living		122,880	Following the withdrawal of the Supported People grant from 2017/18 the service was reconfigured. This resulted in a reduction in staff and the introduction of a three tier charge which reduced internal subsidy for the Independent Living service from £184k to £61k
Rent arrears management	51,394	102,788	Income Recovery Team is now responsible for both current and former arrears. Targeted support is now in place for Universal Credit customers. As a result recovery rates have increased. As arrears reduce the amount set aside for writing off bad debt can be reduced. We will maintain continuous improvement in our arrears performance.
FISH		128,425	Supporting the FISH (Free and Impartial Support and Help) shop to become financially independent and therefore leading to a reduction in grant funding from Wellingborough Homes.
Maternity & Sick pay		35,000	Removal of separate budget. Services are now expected to absorb costs within existing budget through vacancy management.
Estate management repairs	22,250	22,250	Budget held by housing Management for estate improvements reduced from £32k to £10k to fund essential works only.
Printing & postage	21,710	21,710	Reduction in printing use and purchase of printed stationary. More access to documents online than in print.
Customer engagement		16,154	The number of customer STAR surveys reduced from 2 to 1 a year. Reduction of printed copies of our annual report and tenant magazine with change to digital copies only.
Legal services	15,324		We became a member of a framework agreement and now select service from a shortlist of approved suppliers and now take advantage of fixed fees. Compared to charges based on hourly rates this has saved £15k this year.
Van Leasing	3,500	14,000	The new contract started in 2016/17 with a phased change over of vehicles. The full year saving will start from 2017/18.
Review of contracts within Resources directorate	1,413	5,652	Better VFM achieved during renewal of contracts.
Employee Assistance	1,319	5,275	External support service re-tendered and expanded from counselling service to full Employee Assistance support.
Total	**£116,910**	**£474,134**	

6. Procurement

The contract for responsive repairs was awarded following an EU compliant procurement process to an external service provider in 2013 for an initial term of 5 years. In 2016/17 we agreed the preferred option for delivering the service from 2018 and beyond which is to bring repairs in-house which will generate an anticipated saving of £356k per annum from 2019 onwards.

There were three planned improvement contracts procured via open tendering incorporating EU Procurement Directives and the UK Public Contracts Regulations 2015:

- The Flat Roof Covering Contract is delivering energy efficient insulation to flat roof dwellings and external wall insulation to ground floor extensions. This contract also delivers energy efficiency improvements, reducing fuel bills for our customers;
- The Boiler and Heating System Replacement Contract was subject to a competitive tender exercise which resulted in 5% reduced installation costs enabling 15 more boiler installations than the anticipated 300 within year one of the contract. Quality assurance inspections and performance indicators within the contract have improved programme delivery. Responsive heating system replacements were reduced resulting in a saving of £86,755 in 2016/2017; and
- The window and door replacement contract for 2016/17 was procured through the LHC Framework Agreement. Contractors are appointed onto the Framework based on a tender with the following weighting criteria; 25% essential requirements, 25% quality and 50% price tender evaluation. This ensures that both product quality and best value are guaranteed.

We will continue to use and explore additional procurement frameworks which are available to us and also procurement of bespoke framework(s) where this would be a better option in terms of meeting our corporate objectives.

Additional work is being undertaken focussing on reducing the volume of approved suppliers, reviewing existing contracts and automating our purchase ordering and invoicing processes.

Key Performance Indicators

We report Key Performance Indicators (KPIs) to our Board on a quarterly basis with performance against target and year-on year performance being examined: The Board has agreed a revised set of KPIs for 2017/18 in line with evolving business priorities and aligned to our four Corporate Strategic Objectives. Both 2016/17 results and 2017/18 targets are set out in the table below:

Table 5: 2016/17 KPI results and 2017/18 targets

Strategic Corporate Objective	Key Performance Indicator	Actual 2015/16	Actual 2016/17	Target 2016/17	Trend*	Target 2017/18
To produce and use effective, high quality, accurate and timely data	% dwellings with a valid gas safety certificate (%)	99.93	100	100	↑	100
	% dwellings that are non-decent (%)	0	0	0	↔	0
	Average NPV of the (social housing) stock	New				TBC – awaiting completion of NPV review
	Board member attendance at meetings as % attendance maximum (%)	85.8	82.5	80	↔	Now monitored at operational level (OPI)
To ensure investments generate optimum social and financial value	Number of development units completed against target (cumulative count)	n/a	92	65	n/a	92
	Unsold shared ownership units 3 months after completion (cumulative count)	n/a	10	6	n/a	Now monitored at operational level
	Number of sales completions achieved within target	New				14
	Number of unit started on site against target	New				150
To reduce costs and drive efficiency	Average re let time of all properties (GN and HfOP) (excl. MR) (days)	30.1	25.5	25	↑	25
	Current tenant arrears as % annual net rent (%)	3.4	3.02	3.2	↑	2.9
	Average number of sick days per employee per annum (days) - cumulative	8.5	9.99	10	↓	8
	Debt per Unit Owned (£)	7,365	7,185	8,524	↔	8,229
	Operating expenses (£)	New				10,984,658
	Unit cost (£)	New				2,869
	Operating Margin (as per FVA) (%)	34.2	35.7	30.4	↑	30.4
	Interest Cover EBITDA (MRI) (as per FVA) (%)	356.26	457.85	318.4	↑	286.92
	Asset Cover (%)	297	295.37	110	↔	Replace by new KPI
	Loan to asset cover ratio	New				1.10
To ensure operational performance is maintained at a high level	% customers satisfied with views being taken into account (%)	75	69.5	78	↓	Changed method of report
	% customers satisfied with WHomes overall (%)	91	89	90	↔	Changed method of report
	% customer satisfied with repairs service (%)	96.1	95.2	90	↔	90
	Completed first visit as % repairs completed (%)	95.7	92.4	85	↓	85
	Emergency Repairs completed in target as % repairs complete (%)	99.3	98.5	98	↔	98

Strategic Corporate Objective	Key Performance Indicator	Actual 2015/16	Actual 2016/17	Target 2016/17	Trend*	Target 2017/18
	Repairs completed in target as % repairs complete (%)	94.2	95.4	96	⇔	96
	% of customers satisfied with complaint handling (%)	New				73.7
	% working time key IT systems are available (%)	99.4	99.1	99.5	⇔	Changed method of report

*Green upward arrows are improvements on previous year - for some KPIs a downward movement is an improvement in performance.

Key messages from the KPIs

Overall we have seen some excellent improvements in our performance with specifically our financial indicators performing well.

We have managed to reduce rent arrears from 3.4% in 2015/16 to 3% in 2016/17 which is an excellent achievement in the light of Welfare Reform implications.

Customer satisfaction with views taken into account dropped during the year and analysis showed that this is due to customers feeling they are not being kept informed enough. This will be a focus for improvement during 2017/18 and the whole organisation will undertake customer care training.

Our repairs service is generally performing well and that is something we are monitoring closely as we are going through the transition from an external contractor delivering the service to mobilising our own in-house team.

7 Social Value

The information below relates to year 2 of our 4 year Customer and Community Investment strategy.
In addition to only investing where we can be satisfied that the majority of beneficiaries are Wellingborough Homes' customers, in terms of social value we also align to the statement agreed by the Wellingborough Homes Board in October 2016 to 'Invest in communities where it supports our customers and protects our business'.

The key objectives for investment remain as:

Building strong and resilient communities enabling customers to improve their neighbourhoods, communities and quality of life through:

- Investing in enabling customers to access financial inclusion services that seek to improve financial security;
- Investing in employment, skills and training to enable customers to access employment opportunities;
- Investing in digital Inclusion to enable customers to become confident in the use of IT and can support themselves to create employment and other opportunities

The Wellingborough Homes Training Academy is managed by the Community Involvement Team and aims to support our customers achieve these objectives. Not including staffing or building costs we invest £3,000 per annum in our Training Academy.

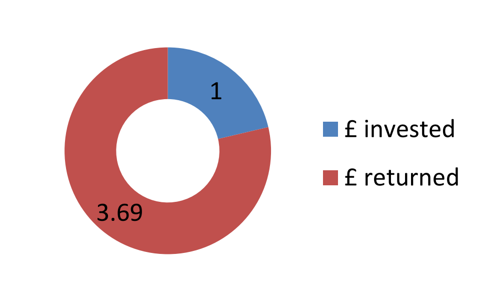
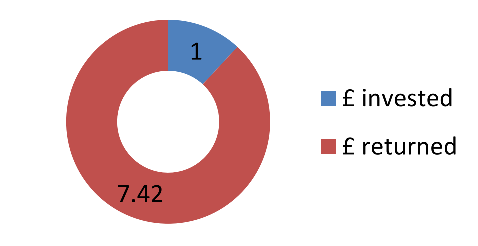
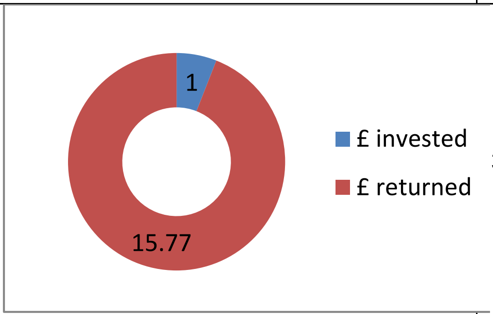
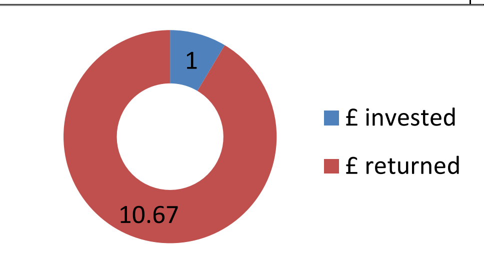
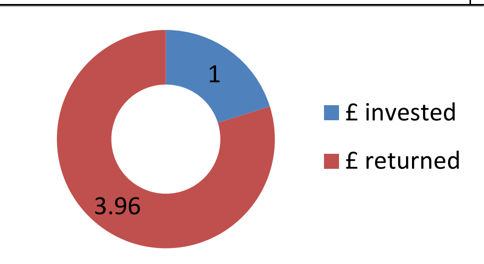
A further £13,645 has been allocated out of the £20,000 annual community grants fund. The funding has been awarded to Community Law Service for telephone benefit and debt advice, The Mallows Company who offer employment support to our customers. We will assess the impact of these projects on an annual basis.

A total of 760 customers have benefited from our investment during the last year. This includes areas like:

- Employment skills, training and finding employment including accredited learning
- Digital inclusion
- Citizen Advice referrals
- Credit Union and debt and benefit advice

We have achieved 1:8.3 against our overall target of 1:3 for the Housing Association Charitable Trust (HACT) Wellbeing Valuation Model for the first year in our key investment areas. This will be set at 1:6 for the next financial year.

Table 6: HACT Wellbeing Valuation Model

Activity Area	Social Impact (ratio)	Overall Social Impact (£)
Community Involvement Panels: This is the value calculated with customers being active in tenants groups e.g. numbers in Scrutiny, Customer Assembly, Neighbourhood services, Asset Management and Development and Wellbeing together etc.		434,991
Community Based Involvement: This includes Residents Associations and other Community based activity such as Neighbourhood Champions.		74,288
Training Academy: Social Return from interventions such as courses, training for jobs and partnerships run through DWP and ESF classed as Government Training Schemes.		358,880
Debt and Benefit Advice: Values are those attributed to helping improve customers financial situation also health and wellbeing attach		205,380
Credit Union: This is for the value of social return collated through questionnaires with individuals who opened Credit Union accounts and the improvements it made to their financial situation and wellbeing.		59,455

9. Overall VFM summary

Value for money is being embedded in Wellingborough Homes' culture and there is a clear understanding of how delivering efficient and effective services benefits both customers and their communities. By improving our value for money performance we create capacity to deliver our ambitious development programme.

Our strong financial performance is the result of the focus we have had on improving value for money. Our operating margin has increased from 34.1% to 35.6% despite the 1% rent reduction. We have decreased operating costs by 5.7% and have created cashable gains of £473k. We have reduced rent arrears and are setting ourselves ambitious targets to continue to do so.

Our sector scorecard performance shows that compared to last year we have improved in 10 out of 18 areas and the other eight areas have remained at a similar level. There has been no decline in performance.

We, along with the rest of the social housing sector, continue to face significant challenges from the changing environment, and continuing to push for improvements in value for money helps our prospects of meeting those challenges successfully.