

Value for Money Self-Assessment 2015/16

Growing communities
through investment

BIGGER

BETTER

STRONGER

The Wrekin
Housing Trust

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EXECUTIVE SUMMARY

REDUCE COSTS ✓

Operating Surplus – **£20.9 million**. Out performance of operating budgets - **£1.81 million** – this could potentially build **45 additional homes** within the business plan.

Reduced gas servicing and maintenance costs per property from £200 in 2011 to £145 in 2015/16 and the number of gas repairs per property from 1.6 to 0.99.

Received **£14 million** of additional income through the sales of poor performing assets, Right to Buy and gift aid of profit from subsidiary companies – this could potentially build 350 additional homes. Reduced the average re-let cost by £524 per property.

IMPROVED QUALITY ✓

	2015/16	2014/15	Trend
Overall satisfaction with the Trust as a landlord	96%	95%	↑
Overall satisfaction with repairs and maintenance	93%	93%	↔
Satisfaction with rent as value for money	88%	82%	↑

IMPROVED PERFORMANCE ✓

	2015/16	2014/15	Trend 5th year
Properties with an in date gas certificate	100%	100%	↔
% of rent collected	99.8%	99.2%	↑
Customer satisfaction with repair completed right first time	88.9%	88.4%	↑

IMPROVED SOCIAL VALUE ✓

Provided 1303 people with an affordable home	✓
Created 63 apprentice, training or work placements directly and 54 apprenticeships through our development programme	✓
Generated £861,000 benefits for our tenants	✓

INVESTED IN ✓

£86.2 million on developing **512 new homes in 2015/16** and already on site with **1,208 in 2016/17** as part of **2458 homes** in the pipeline or planned over the next four years.

Invested **£20.87 million** in repairing and improving tenants homes.



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2. Introduction

- 2.1 This Value for Money (VFM) Self-Assessment provides a critical analysis of achievements in 2015/16 and demonstrates our accountability to all residents and stakeholders, including our regulator, local authorities and other partners.
- 2.2 We include a summary of our overall approach and achievements, focusing on measurable outcomes and those that are harder to measure but nevertheless add social value for our residents and local communities.
- 2.3.1 A summary of this document is included in our statutory accounts for the year ended 31 March 2016, which contains a link to this self-assessment. A copy of this self-assessment is also available on our website at <http://www.wrekinhousingtrust.org.uk> This document is also available to residents via our Annual Report to Tenants, available on our website or in hard copy on request and in a range of formats.
- 2.4 While the Wrekin Housing Trust is part of the Wrekin Housing Group, this Value for Money Strategy and Self-Assessment will only cover the operating business of The Wrekin Housing Trust, the main asset-holding registered provider in the group.

3. Operating context

- 3.1 The Wrekin Housing Trust (The Trust) was set up in 1999 following the transfer of homes from Telford & Wrekin Council. At the end of 2015/16 the Trust owned and managed 12,009 homes across Telford, Shropshire and Staffordshire, made up of the following:

Affordable rented – General Needs	9,786
Intermediate Rents	278
Affordable Rented – Retirement Living	1,659
Market Rented	117
Shared Ownership	131
Business Lets	38

In addition to the above the Trust manages 1,009 leasehold properties and 2,357 garages.

3.2 VISION

The Trust's vision is: "To provide excellent homes and services."

The way in which the Trust will deliver its vision is expressed in its values.

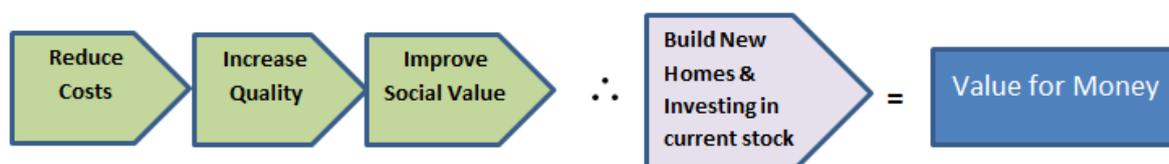
Values/Principles: The Trust has five key values:

- Putting the customer first
- Getting it Right First time
- Having a 'can do' approach
- Working as one team
- Valuing each other

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4. Approach to Value for Money

4.1 Our approach to value for money is set out within our Value for Money Strategy and depicted below:-



The 2015–2020 Value for Money Strategy can be found by clicking [here](#).

5. The story so far

The Board set a target in 2010 to reduce operating costs by 10%, in real terms, by 2014/15 as compared with 2008/09. This was achieved, with the 2014/15 operating costs budget being 10.2% lower in real terms than the 2008/09 budget.

As an organisation committed to quality the objective was to achieve these efficiencies as a minimum without any loss of quality but, where possible, to continue to improve the quality of service. We have developed a Systems Thinking culture to achieve this and this is generating real results throughout the organisation, achieving both cost savings and quality enhancements. In addition to this we have fine-tuned our procurement activity to control or reduce costs. As part of this, wherever it has been cost effective to do so, we have brought services in-house, which means we gain a VAT saving on labour costs while having greater control of the quality and delivery of the process.

We have also continued to develop our approach to achieving Social Value, generating as much value as we can, from the core work that we do.

In 2015/16 the Trust's turnover was **£64.2m** and it generated an operating surplus of **£20.9m**.

The table below shows what has been achieved in the last three years.

	2013-14	2014-15	2015-16
	£m	£m	£m
Turnover	56.76	59.33	64.17
Operating surplus	20.81	19.90	20.94
Out performance against operating budgets	4.02	1.87	1.81
Operating surplus (before depreciation)	27.61	28.59	30.78
Operating surplus % (before depreciation)	48.6%	48.2%	48.0%

The operating surplus before depreciation is the best measure of the Trust's financial success in its day to day operations as the depreciation charge is a non-cash item (and therefore not part of the Trust's loan covenant calculations) and it is driven by past investment decisions, including the continuing impact of implementing component accounting, rather than current day to day operations. Based on this measure it can be seen that the Trust has maintained its high level of operating surplus, at about 48% of turnover, during a period of rapid growth, when its turnover has increased by 13% between 2013/14 and 2015/16.

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6. Maximising resources and delivering efficiency savings

6.1. As noted above, our journey to create an efficient organisation started in 2010 when the Board set a target of an overall reduction in operating costs of 10% in real terms by 2014/15 compared with 2008/09. This was achieved by the end of 2013/14, in that the 2014/15 operating costs budget was **10.2%** lower than the 2008/9 budget in real terms.

But as well as the real term reductions in budgeted operating costs we have achieved further efficiencies in actual costs compared to what we expected to spend within our budgets in 2015/16. An additional overall net saving of **£776,000** was achieved within operating cost budgets and our operating surplus was **£1.81m** better than budget. This additional surplus alone could potentially fund up to **45** additional new homes. Our overall surplus for the year, including surpluses on asset disposals, treasury costs and gift aid, was £14.25m, some £9.2m better than budget.

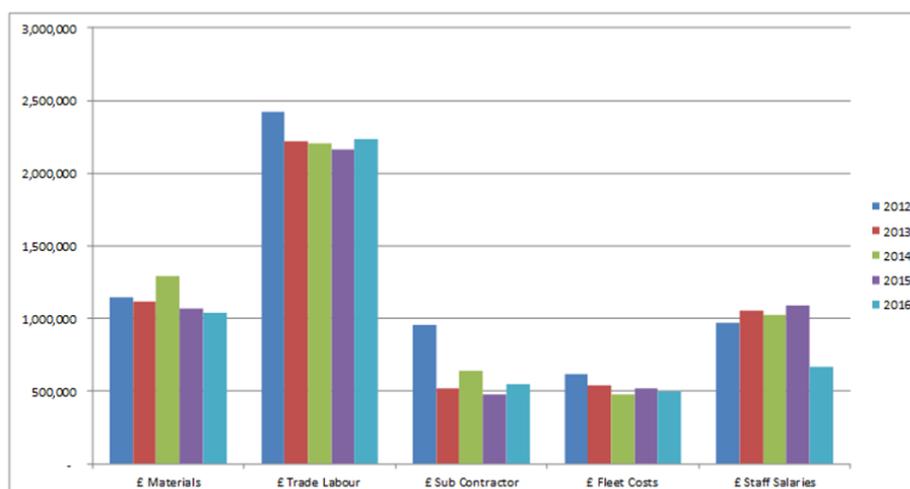
6.2. Loan Covenants: Strong financial performance over the last few years has had a positive impact on our loan covenant compliance. High levels of surplus have meant that the interest cover covenant has been met with ease, and that loan drawdowns have been lower than planned, extending the life of the current loan facility as the surpluses are reinvested in development activity. Good financial results also help to sustain strong property valuations, meaning that the asset cover ratio is also met with room to spare and generating additional capacity for the future.

	2015	2015	2016	2016
Ratio	Target	Actual	Target	Actual
Interest Cover Ratio	1.15	1.59	1.04	1.36
Asset Cover Ratio	110%	141%	110%	144%

6.3. Value for money and efficiency continue to be firmly embedded within the business. Here are just some examples of efficiencies made during the year, some of which will continue into future years:

a. Repairs and Re-let costs: Since the introduction of Same Day Repairs and other improvements in 2011/12 savings of **£700,000** have been achieved within the responsive repairs service. In addition **£1.37m** was saved in the Repairs and Maintenance Budget in 2015/16.

The graph below shows the areas this has been achieved in:-



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At the same time:

- stock has increased by 700 over the period
- repairs numbers are down by 6,000 per year
- cost per property has reduced by £90 over the period
- the average cost per repair has reduced by £4 a repair over the period

After a review of staffing within our area teams following of Systems Thinking reviews of empty property management, lettings and landlord permissions, a further 13.75 FTE posts were removed from the establishment, helping to reduce the costs the repairs & maintenance and housing management services.

- b. **Contract Management:** The majority of our capital improvement contracts are annually renewable based on contractors' performance and their ability to manage costs. We made savings of **£622,000** saving in the capital improvement and major repairs programme against budget during the year, whilst still delivering **2,916** property improvements against a budgeted number of 2,874. These savings were realised partly as a result of selling the worst performing assets via our asset renewal policy and partly as a result of strong management of contracts. The **£622,000** saved this year brings the total savings over the last seven years in this area to over **£6.3m**.

We also started reviewing office facilities and catering contracts during the financial year, identifying **£18,000** of direct cashable savings via contract negotiations. These savings should be fully realised in 2016/17.

For 2016/17 we have identified **£450,000** of potential savings in the capital improvements and major repairs programme, which will be treated as a contingency, to manage any risk around the impacts of welfare reform, rent reductions and Brexit. However, we will still deliver the programme to ensure the good condition of our housing stock is maintained.

- c. **Gas Servicing and Maintenance:** In 2011 it was costing us £200 per property to manage service and maintain our heating systems. We have managed our costs well, with the cost per property now £145, which is competitive when comparing the scope of the work we undertake and the fact we add the management costs to our figures which would fall within housing management costs in other organisations.

We have managed to reduce costs over the last five years, since transferring the service in-house, by:

- Reducing the number of heating related repairs from 1.6 repairs per property to 0.99.

2011/12	2013/14	2014/15	2015/16
1.6	1.3	1.16	0.99

- Reducing costs by £55 per property.
- Introducing same day repairs for heating. This has reduced abortive appointments and therefore reduced waste in our processes. Since the introduction of same day repairs in August 2015 **100%** of repairs have been attended on the day reported, with **88.9%** of repairs actually completed on the same day.
- Continuing to benefit from previous close working with existing suppliers to reduce the cost of the top 100 gas parts, thereby reducing the cost per property. Benchmarking was undertaken, which resulted in a continuing overall 11% reduction on prices, an approximate annual saving of £30,000.

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- d. **Housing Management:** The removal of 5 maintenance coordinator and 6.75 FTE property executive posts from the re-let process is achieving salary cost savings of £405,469 p.a. In addition to the financial savings, the new relet process sees a more customer driven, streamlined process that has removed waste, whilst improving service delivery and accountability to our customers. This has seen a reduction in the average void cost from £1,794 to £1,270, over £500 per property. As the new process is based on customer-focused, sustainable tenancies we have accepted that this may mean losing our very high performance on average re-let times, as all properties have to be 'ready to live in' rather than just ready to let. We are pleased that the impact of this has not been too great, with average relet times only increasing from 14.53 days to 16.59 days, maintaining top quartile performance.

Housemark Benchmarking report 2014/15: Average relet times

Peer group summary	
Q1	21.29
Median	30.56
Q3	39.50

- e. **Retirement Living:** Following a systems thinking review of our adaptations processes, it was agreed to restructure our Able Living team, incorporating their roles and processes into other functional specialist areas. The restructure resulted in a number of roles becoming redundant and year on year savings of **£106k**.
- f. **Estate & Flats Improvements:** In 2014/15 the Trust used 'Clean Cut,' a social enterprise operated by our Group partner **Fuse**, to provide estate improvement work to the value of £30,000, and saw VAT savings of 20% which allowed further work to be carried out. Building on this success, in 2015/16 we have seen a significant increase in improvement works awarded to Clean Cut totaling £102,191. Once again the VAT savings now in the region of **£20,000** were reinvested to allow for further works to be carried out, creating increased value for money with the added benefit of supporting a social enterprise company.
- g. **Leaseholder Management:** 2015/16 saw a review of the leasehold management fee charged to our 1,009 leaseholders. The fee had always been an estimated charge (£69 in 14/15) to cover the costs of administration of the leaseholder services, including billing and service charge management. A detailed exercise was undertaken to establish the true cost of the leaseholder service and following the review it was identified that there was a need to increase this charge significantly. Through this review, it is anticipated that the annual management fee received from leaseholders will increase from £71,496 to £199,907, an increase of £128,411.
- h. **Partnership with Shropshire Housing Alliance:** in 2015/16 we developed a partnership with Shropshire Housing Alliance whereby they agreed to lease properties on a short-term basis that were vacant awaiting demolition or disposal. This partnership not only helped to house customers in acute housing need, it also generated rental income of £24,000 and saved the Trust council tax payments of £7,500.
- i. **Telephony Costs:** In 2014/15 we retendered both of our telephony contracts and, during 2015/16 achieved savings of **£45,658** on mobile phones and landline usage. These savings will be annual savings in the future.

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- j. **Conveyancing Costs: £200,000** a year continues to be saved on conveyancing charges by delivering the service in house through our Legal Services Team when benchmarked with external charges.
- k. **Tenant's handbook:** The new handbook was written and designed in-house and published online for the first time in 2015, saving **£73,349** of design and print costs when compared to what it would have cost to issue every tenant with a revised printed handbook. It also allows us to keep the information up to date and continually improve it. The online handbook has been designed so that if a tenant does want a section but does not have access to the internet, we can print the relevant section off and give or send it to them.
- l. **Annual Calendar:** £1,500 was saved in the production of the calendar through the use of in-house photography.
- m. **Organisational Development:** £13,000 p.a. savings are now being realised through the introduction of electronic pay slips which has created the capacity to take on group partner payroll management. A systems thinking review of the Trust's induction process has reduced the number of induction days and released the capacity of both the new recruits and the managers who are involved in the process, realizing a £9,000 p.a. saving which is being re-invested into other priority areas.

In 2015/16 we retendered our Occupational Health provider contract which saw an efficiency saving of £4,000 p.a. Through our insurance broker Chartwell we retendered and market tested our PHI scheme and reappointed our existing provider. Whilst we were unable to make any efficiency savings, due in part to an increase in medical insurance which has affected all private medical providers, we reaffirmed that our provider was the most cost effective in the marketplace. We also reviewed our life assurance provision and were successful in fixing costs at the previous financial year's rates. We also reviewed and renegotiated our child care voucher scheme and saw a small efficiency saving as we were able to reduce administration costs.

High absence levels can damage the productivity of an organisation, affecting the quality of work output, staff morale and ultimately the effectiveness of the organisation. The overall absence figure for the 2015/16 financial year at the Trust was low at 2.88%, with a 2.27% non-manual and 3.9% manual worker split. This is 0.6% lower than the median absence rate of the not for profit sector and for an organisation of our size (CIPD). The Trust has maintained absence levels of under 3% for the last 4 years.

7. Prudent Treasury Management

- 7.1 A further saving of **£1.6m** has been delivered against the budget through prudent treasury management and an effective hedging strategy.

8. Return on Assets: Active Stock Management

- 8.1 We started our active asset management journey in 2006, when a large proportion of the stock was identified as being of negative value to the Trust in Net Present Value (NPV) terms. By 2010, we could see there had been a positive impact on the stock but were aware of a high concentration of flats that were either negative or only making a small surplus for the organisation.
- 8.2 The Net Present Value model has been in operation at the Trust over some time to support decisions about retention, improvement and disposal of properties to get the maximum return on our assets. During 2014/15 the Board agreed a revised Asset Renewal Policy for 2015–20, and

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in 2015/16 this was aligned and incorporated within our updated Asset Management Strategy 2016–20. Under the policy older uneconomic properties, those that are in low demand or those that have a high capital value continue to be sold and the proceeds reinvested, along with some grant funding and bank borrowing, in the development of new homes. Since the start of the Asset Renewal Strategy in 2005/6, 1,489 properties have been sold, generating proceeds of **£102.2m**. Over the same period, **3,117** homes have been developed or acquired from other registered providers, which represents **2.09** new homes for every old property sold. The home sold remains in place as a private sector affordable home - thereby the one home effectively becomes three homes. Even after adjusting the business plan for the impact of the 1% rent cut, we will still be able to deliver three newly-developed homes for every two disposed of.

In total, during 2015/16 a total of **259** homes were sold through our active asset management strategy, **210** through asset renewal generating an income of **£13.51m**. **49** were sold through the preserved right to buy or right to acquire. If they had been retained and we had carried out the capital works required (not including void work or responsive repairs) to continue to meet decent homes over the next 10 years, the cost to the Trust would have been **£3,014m**. The homes that will replace them will not require any capital works for a minimum of 10 years.

We added **512** homes to our own stock and completed the Northfield Village scheme in Stafford, which won Inside Housing's Top 60 Developments Joint Venture Scheme of the Year. The Maywood Extra Care Scheme in Wombourne, which was completed towards the end of 2014/15, was shortlisted in the Top 60 Developments Extra Care category. In total we invested almost **£86.2m** on development during the year.

We are currently the 25th largest developing Registered Provider, having risen from 35th the previous year. In terms of annual percentage growth in stock we rank 7th, having increased our stock by 3.9%.

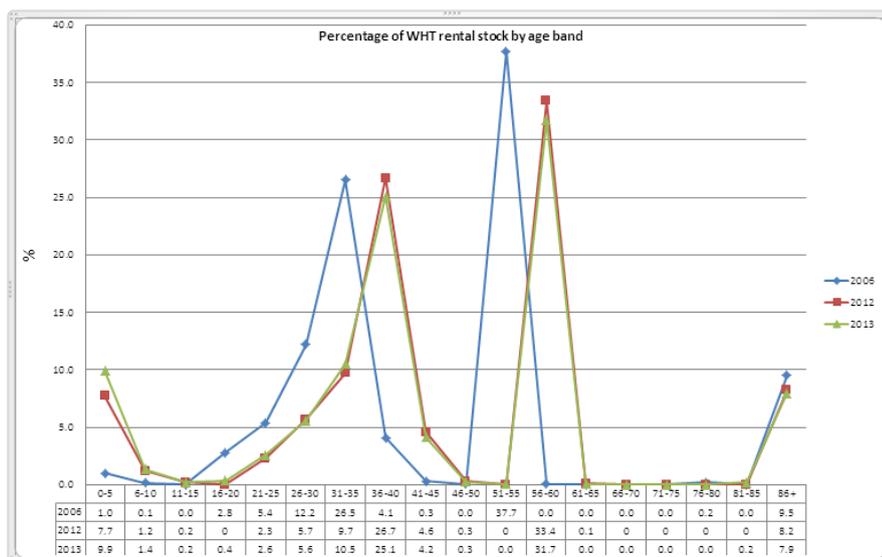
Our business plan supports the development or acquisition of a further **2,458** homes over the next four years with 1,208 homes already started on site in 2016/17 and 783 due for completion in 2015/16, which would make us the 14th largest developing RP.

Completing the development of **512** new build affordable homes during the year generated **£130m** for the UK economy, **£28.3m** in employee earnings and supported over 1,000 jobs including 54 apprenticeship positions (1 apprentice for every £1m spent).

- 8.3 During 2013/14 we commissioned Savills to complete the 5 yearly update of our Stock Condition Survey and Stock Valuation. This confirmed an increase in the overall valuation of our stock for loan security purposes from £278m in 2009 to £438m in 2013/14. The updated loan security valuation carried out in 2014/15 showed another increase, to £456m, and in 2015/16 this increased again, to **£460m**. The survey also showed a reduction in capital funding required to improve the stock due to our active stock management. There has also been an overall improvement in the age profile of the total stock as can be seen in the graph below:-



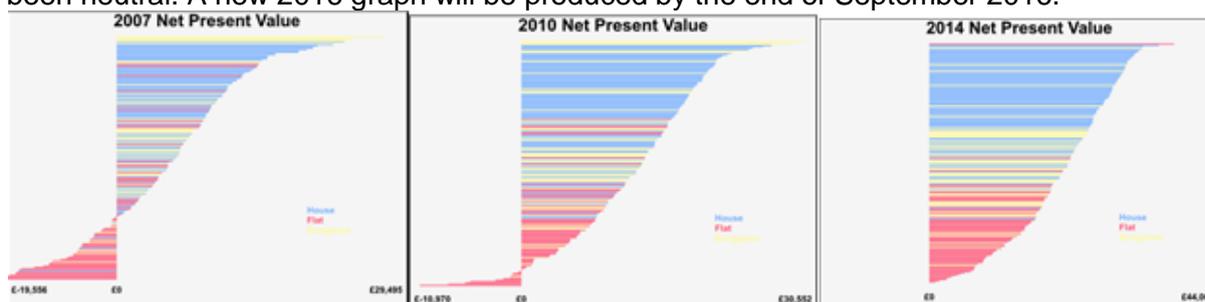
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8.4 In 2007 a significant proportion of Trust stock had a negative Net Present Value (NPV), but by 2010 this number had reduced as a result of our Asset Renewal strategy and by 2014 all properties had a positive NPV. The graphs below show the effect over time and demonstrate that all properties now lie in positive NPV territory.

The 2015–20 Asset Management Strategy addresses the long term let-ability and ongoing capital requirements for those properties likely to fall into negative NPV in the future, which as the graph demonstrates, are mainly flats. Our Asset Management Strategy going forward will involve looking at the decisions that need to be taken with regard to the lowest 10% of properties, mainly a number of blocks of flats, regarding retention and investment, demolition and redevelopment or disposal. This will be undertaken in consultation with residents and stakeholders.

We have recently re-modelled the NPV information to take into account the effect of the 1% rent reduction over the next 4 years and the overall impact on the value of our stock in NPV terms has been neutral. A new 2016 graph will be produced by the end of September 2016.



House
Flat
Bungalow

Using this model as a base, the Trust has carried out a strategic review of its flats and has formulated a programme which is now being implemented. Some blocks will be targeted for investment, whilst others will either be demolished, to make way for new development on the same sites, or sold outright, with the sale proceeds being reinvested in building homes elsewhere.

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- 8.5 The Trust has two trading subsidiaries, Old Park Services Limited and Strata Housing Services Limited. Old Park Services continues to generate a commercial return from the provision of services to external third parties which can then be transferred back to the Trust by way of gift aid to be reinvested in the Trust's existing and new housing stock. The graph below shows the amount gift aided back to the Trust over the last three years.

2013/14	2014/15	2015/16
£400k	£552k	£490k

- 8.6 Strata Housing Services Ltd, which provides development services to the Trust, has saved **£1.34m** in VAT which would otherwise have been an irrecoverable cost to the Trust, since it began operating in 2014/15.

9. Reinvesting Efficiency Savings

- 9.1 The sale of assets under the Asset Renewal Strategy and Right to Buy generated **£13.51** in income in 2015/16.

This will fund the development of 350 additional homes within the Business Plan, when combined with loan funding.

The financial efficiency savings generating **£1.81m** of additional operating surplus will potentially fund an even further **45** homes within the current Business Plan.

- 9.2 A key part of our income maximisation strategy is the re-alignment of resources to improve services for those facing challenges from welfare reforms. Our journey has already begun with the commissioning of our partner organisation, Shropshire Housing Alliance (SHA), to deliver work through its Money Matters and Tenancy Sustainment teams. This has already generated very positive results with **£861,000** in additional benefits realized for customers in 2015/16, helping to prevent further rent arrears and improving the quality of their lives.
- 9.3 In 2014/15 we invested in the 'Who's Home' software for a proportion of our properties to investigate whether this technology would have a positive impact on income management. It was purchased for an 18 month trial period covering 2,000 tenants for £6,000. In 2015/16 a value for money assessment was carried out, the results of which showed that the most valuable aspect of the process was the facility to carry out credit checks on new or current tenants. As part of the Rental Exchange with Experian, which uses tenant's rental payments to add to their credit history and therefore credit rating, credit checks were available to us at a cost of £5,100 for all our 12,000 tenants. The Who's Home software was therefore not taken up on a permanent basis. This has added value to tenants and saved money.
- 9.4 We are also investing in the Experian former tenant debt prioritisation service, which allows you easily to concentrate on former tenant debt where there is an increased likelihood of recovery at a cost of only £1.50 per case. This prevents resources being wasted in chasing unrecoverable debt.
- 9.5 Improvements to flats and Retirement Living schemes: Following on from the successful refurbishment in 2014/15 of 7 Retirement Living schemes, in 2015/16 a further investment of £771,000 was made in 14 other schemes to deliver substantial refurbishment of their communal areas, enhancing the living experience for residents while modernising the schemes and making them sustainable in the longer term.

2015/16 saw £200k spent on environmental improvements to communal areas of blocks of flats,

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with work including fencing, landscaping redesign, resurfacing of paths and improvements to car parking areas. A further £48,132 was spent on internal decoration of common areas and £165,000 on improving security through the fitting of new door entry systems.

9.6 Invested the resources and time to carry out full Systems Thinking reviews.

Following the systems thinking reviews carried out in the following areas in 2014/15, the following results have been achieved in 2015/16:-

- Income Management & Former Tenants Arrears: Prior to the systems thinking review housing executives were responsible for income management and tenancy management functions only. Following the reviews, the new streamlined income management process has been used to create the arrears module on CADRE, the new housing management system.

The time released within the new process, together with other smaller housing management systems thinking reviews, has allowed the same housing executives to take on both the empty property management functions that remained following the systems thinking review of that service and the lettings functions that remained following the Choose Your Home lettings system review, with no increase in staff numbers.

- The Responsive Repairs Supply Chain arrangements:
The review was run over a four month period and identified 6 areas for improvement:
 1. Tools and uniform management.
 2. Van stock management.
 3. Delivery service to trades on site.
 4. Management and use of third party suppliers.
 5. Out of hours arrangements.
 6. Travis Perkins system for order management and links to the planning teams for follow-on jobs.

Work on the first 5 improvements is now complete, but we are still looking at how best to implement the final area, with a further review of planning systems scheduled to take place in Quarter 2 of 2016/17.

The annual spend on materials compared to 2014 has reduced by £380,000. Some of this is not directly attributable to the systems thinking review as it is influenced by a different mix of products purchased throughout the year and not necessarily all as a result of the improvement work, but nevertheless it is a significant saving.

Customer satisfaction with repairs and maintenance generally has risen to 93% from 92% and customer opinion of right first time has risen to 88.9% from 88.4%.

Equally importantly, internal controls are much improved. Prior to the review we had identified some weaknesses in purchases from the smaller suppliers which represent approximately 10% of our total purchasing throughout the year. We identified that trades were able to purchase materials that were not part of the Trust's agreed specifications and therefore were charged at rates that were not pre-agreed. The improvement work has reduced our exposure in this area to 2% from 10% which equates to £150,000 of purchasing.

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- Empty Property Management: The systems thinking review contributed to the reduction in staffing set out in section 6.3.d.

The new process has resulted in a customer centred service which has also reduced the average void cost, again set out in section 6.3.d.

- Further review of the Choose Your Home lettings system: This review commenced late in 15/16 and is still ongoing. It is looking at the following and the outcomes will be reported in the 2016/17 VFM statement:-
 - Review the VFM of the tenancy sustainment service under the current arrangements
 - A new system for all Trust homes (Rent, Buy, SO and InReach) – almost completed and will launch in September 2016.
 - Review eligibility rules – following the effect of removal of the spare bedroom subsidy and other demographic changes.

During 2015/16 the following other Systems Thinking reviews were carried out and are being implemented in 2016/17. Potential efficiency savings were identified and actual efficiency savings generated as a result of these reviews will be reported in the 2016/17 VFM self-assessment.

- Leasehold management fees: See section 6.3.g
 - Adaptations management: See section 6.3.e
 - The management of vacant and unavailable properties within the Active Asset Management strategy. See section 6.3.h
 - A number of smaller housing management processes: untidy gardens, red flagging, data exchange protocol and the Homecheck service
 - A number of other team processes: The management of support plans and the new home application risk assessment process.
- 2016/17 Systems Thinking and other reviews. In 2015/16, as a deliverable within the Board Assurance Framework, the Trust Board approved a 'Value for Money Risk Assessment Framework' which facilitated the assessment and prioritisation of services for systems thinking or other reviews. The process was piloted and completed during the year, with the results presented to Services Committee in February 2016. This formed the basis of the improvement activity for 2016/17 and is aligned to the Co-Regulation Framework and the work of the co-regulatory groups.

In addition to this, as part of the Business Planning process all senior managers identified areas of achievable further cost reduction in their areas of responsibility, some of which were included within the 2016/17 budgets and some of which were identified for further review to achieve cost reductions in future years.

The priorities for reviews in 2016/17 were:-

Repairs

- Out of hours repairs service review
- Materials supply review
- Contact Centre and work planning function review
- Same day gas service review

Planned Investment programme

- Component specification review
- Category management costs review

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- Office facilities management review

Housing Management

- Operating Base review
- Lettings Review
- ShireLiving management review
- Legal Tenancy Enforcement

Non-core community investment

- Sponsorship review
- Community Support Officer review
- Community Fund review

This is not an exhaustive list and other smaller reviews will take place within teams as a matter of course. Other areas may become a priority if and when government or Board priorities change during the year.

- 9.7 IBS replacement system: In 2015/16 we continued the work to create our own in-house housing management IT system, in partnership with Documotive, to replace the outdated and unsupported IBS housing management system.

The cost of purchasing a new off the shelf system would have been in the region of £1m in total. Creating our own full system will save in the region of £250,000, while gaining added value and direct control over future developments in the system, future proofing the business against the external control of software companies. It also creates the opportunity of generating future income through selling the system to others in the sector.

By the end of March 2016, the basic core systems were in place including the customer relations management (CRM) front end work flow system, responsive maintenance, lettings and the rents and service charges module. The team has also been working on the development, asset management and empty property management modules which will go live in 2016/17, along with the estate management module. By December 2016 all housing functions will be managed through the system.

- 9.8.1 During 2016/17 we invested in the development of our new website, producing this internally. In 2016/17 we will also be investing in a 'Customer Portal' within the new website, which will expand on the current on-line payment system, providing further interactivity and options for customers to self-serve.
- 9.8.2 The Trust has over 1,000 leaseholders and this year we will be reviewing how they are charged for repairs to the blocks they live in, introducing a fixed price charging system. This will remove the excessive variation in the system, giving leaseholders more stability in charges, whilst removing a proportion of the internal administration costs. See 9.3.
- 9.10 Learning and Development: High quality services can only be delivered by employees who are well trained and highly motivated, so we have a strong commitment to the learning and continuous personal and professional development of our employees. During 2015/16, 212 training courses were delivered at the Trust by a variety of external and internal providers with 1,865 attendees at these events. These events ranged from management development activities to health and safety events and a total of £57,000 was spent.

During the year 43 employees enrolled on external college courses to further reinforce their

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development. Employees are developing in a range of areas from HR, law, accounting, computer design, and housing practice through to executive MBA's. This cements the skill sets of employees within the organisation and the return on our investment is a highly skilled, knowledgeable and committed workforce.

The coming year will see an emphasis on management development with the introduction of a bespoke management development programme for area managers which will run in-house over a 6 month period in partnership with an external provider.

We have also developed our offering of courses based on the needs of the business, so we have introduced new events around professional boundaries / conversations with vulnerable people and building emotional resilience. These will be delivered by a mixture of providers with an aim of increasing the capacity to deliver courses in-house in future.

A further nine people received our full systems thinking training, bringing the total number trained up to 122, around a quarter of the workforce.

10. Quality & Performance

10.1 Properties

- a. We have completed improvement work to 2,916 homes over the year spending just over £13.6m as well as investing £7.2m on responsive repairs achieving an optimum spend ratio of **65 planned/35 responsive** split.
- b. The average SAP rating of our homes has increased from 71.2 in 2014/15 to **71.8** in 2015/16.
- c. We continue to be Decent Homes compliant. The end of year figure was **99.85%** with only 18 units, which were awaiting disposal, being non-compliant.
- d. For the fifth year running **100%** of our properties had an in date gas certificate at year end or were in the gas no access process. An internal audit of our gas service during the year received a substantial assurance rating with no management actions and a tenant audit of the service were also carried out with the following key findings and recommendation:-

'The auditors found that the services provided by the gas team are of a high standard and have agreed that since the gas maintenance has come In-house, customer satisfaction levels have improved and the number of service failures has reduced. The auditors also agreed that the service provided by Phoenix on installations is also of a good standard and meets expectations.'

The recommendation from the Tenant Audit Group (TAG) was: - 'the auditors recommend that the gas repair works are made "rapid response" to be the same as repairs'. This has now been actioned. As a result of the audit the TAG now also carry out quarterly mini audits into the information held on CP12's to ensure that this information is correct.

- e. Repairs performance remains strong as we continue to refine the service. The table below demonstrates key performance information.

	2013/14	2014/15	2015/16
Repairs completed same day as	85.8%	87.9%	85.2%

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reported			
Non rapid response appointment kept	95.5%	97%	97.6%
Average duration rapid response	1.9 days	1.2 days	1.5 days
Customer satisfaction with rapid repair just carried out	95.4%	96.1%	93.9%
Customer opinion of right first time	90.8%	88.4%	88.9%
Customer satisfaction with repairs overall	89%	92%	93%

As noted above, the gas maintenance service was converted to a rapid response service in 2015 and is now included in the figures. We believe that the introduction of this new service is the reason for the small decrease in customer satisfaction repairs completed the same day. We are investigating responses from customers to identify any trends in the causes of this dissatisfaction, so that we can address them and improve the service in future.

The speed of our repairs service benchmarks very positively with our Housemark peer group.

Housemark Benchmarking data: 2014/15 Average number of days to complete a repair.

Peer group summary	
Q1	5.97
Median	8.70
Q3	11.59

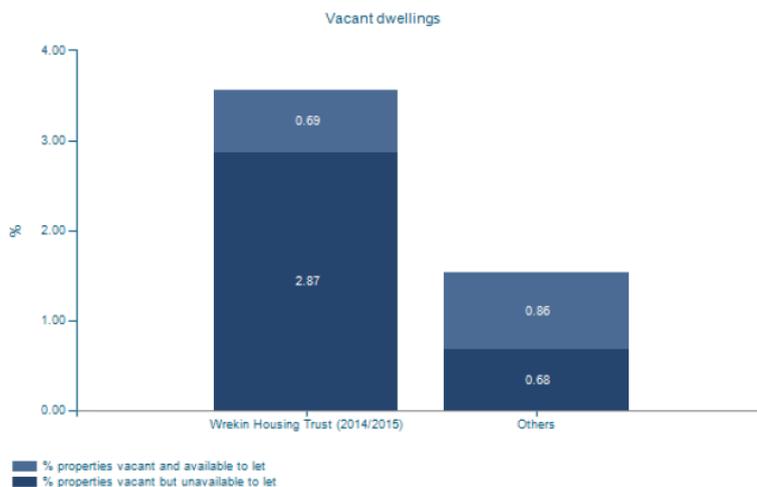
Benchmarking: The highest performer in our Housemark Benchmarking Group for satisfaction with repairs and maintenance was 90.4% compared to Trust performance of 93% overall and 93.9% for responsive repairs.

Our assessment of right first time is based on the customer's opinion as to whether we got it right first time, not our own assessment.

- f. Our Active Asset management strategy has had an effect on both rent lost due to void properties and the number of properties void but un-available for letting at year end. The rent we have lost through properties being empty is 0.48%, slightly higher than last year, which was 0.31%. The graph below shows the comparison with our peers relating to vacant dwellings, which shows that the majority were unavailable for letting in 2014/15.

Vacant dwellings at the end of the period

This stacked bar chart shows the percentage of units vacant at the end of the period, split between available and unavailable to let. This is then compared to the average for your peer group.



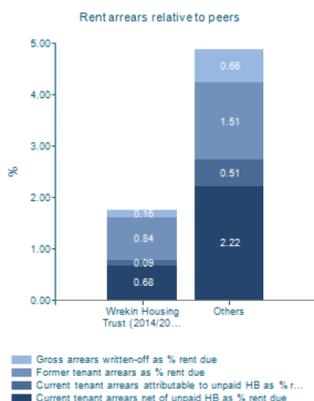
This performance remains similar in 2015/16 as we continue to empty blocks of under-performing flats prior to the regeneration of sites. Of the 373 properties void at year end, only 39 were available and in the lettings process, 334 were unavailable, 320 of which were going through the asset renewal and regeneration process.

10.2 Money management

- We continue to be in the top quartile at letting homes (Housemark Benchmarking 2015) at an average of 16.59 days.
- During the year we charged **£59.6m** in rents and collected **99.8%** of that, compared to 99.2% in 2014/15. The rent owed to us, as a percentage of the rent we charge, was **0.73%** compared to 0.76% in 2014/15.

The table below shows the Trust’s performance compared to our peer group in 2014/15, and performance has improved since then. (Source: Housemark 2014/15)

Rent arrears relative to peers



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10.3 Growth

- a. We continue to have a strong development programme with **512** new homes built or acquired during the year and a robust future programme. A significant number of new homes are being delivered using grant funding as detailed below:-

	Number	Value	Funding Source
Completed by March 2015	322	£6.51m	National Affordable Homes Programme (NAHP)
	57	£1.38m	Reallocation under the NAHP
	45	£2.6m	Empty Homes and Mortgage Rescue Programmes
Ongoing programme	81	£2.48m	Dept. of Health Care & Support Programme (Completion Mar 18)
	588	£13.67m	HCA Affordable Homes Guarantee Programme (Completion Mar 17)
	1,165	£33.74m	HCA Affordable Homes Programme (Completion Mar 21)

A considerable number of homes are also being developed by means of Section 106 acquisitions and these, together with acquisitions from other providers and the homes in the grant funded programmes shown above, are expected to add 2,458 properties to the Trust's stock over the next four years.

10.4 Customer satisfaction

- a. Customer satisfaction is measured through the monthly STAR survey and other bespoke customer experience exercises. The table below shows general satisfaction levels for the last two years, alongside the latest Housemark benchmarking upper quartile performance limits. (2013/14 STAR Benchmarking report)

		YTD 2014 -2015 satisfied	YTD 2015 -2016 satisfied	Housemark Top quartile
Question 1	Satisfaction with how the Trust deals with repairs and maintenance	93%	93%	84%
Question 2	Satisfaction with being treated fairly and with respect	95%	93%	N/A
Question 3	Overall satisfaction with the services provided by the Trust	95%	96%	89%
Question 4	Value for money for rent satisfaction	82%	89%	84%
Question 5	Satisfaction with views being taken into account and acted on	89%	85%	74%

Customer satisfaction with repairs and maintenance is contained in 10.1.e.

- b. Other customer satisfaction is collected following the receipt of a service by way of a customer experience discussion followed by an overall performance rating.

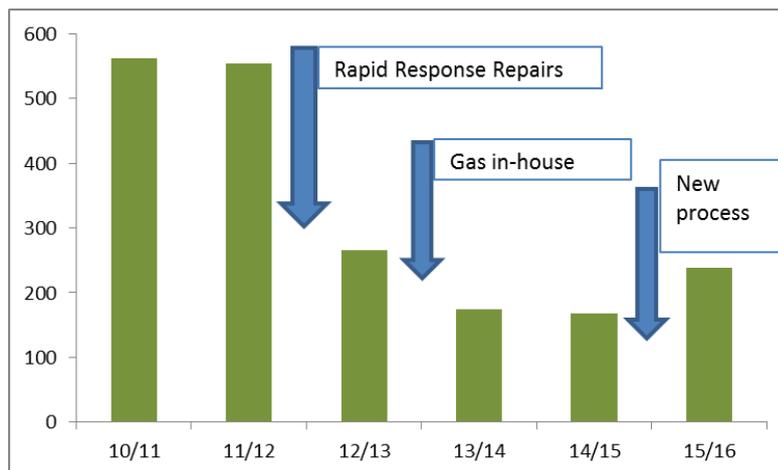
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a.

Other customer satisfaction	YTD 2014 - 2015 satisfied	YTD 2015 - 2016 satisfied
Satisfaction with the relet process (Score of 1 - 10)	9.53	9.52
Satisfaction with capital improvements (score 1 - 10)	9.68	9.71
Satisfaction with gas servicing (Score of 1 - 10)	9.79	9.86

b. The chart below shows the trend in the number of complaints received, and the cause and effect of any significant changes. In February 2016 the new CADRE system went live for the management of complaints. The system was designed to maximise the recording of complaints through the use of a Customer Relationship Management (CRM) system. This is working well and we saw an immediate rise in the number and types of complaints recorded. This has been a deliberate move to capture as much dissatisfaction as possible, so that we can learn from it and improve services based on real customer demand.

b. Complaints trends & cause and effect.



11 Benchmarking

11.1 Housemark benchmarking results for 14/15 continued to demonstrate an overall positive picture of performance. In 2014/15, while some indicators have varied slightly, all process and satisfaction indicators remain in top quartile positions.

Satisfaction benchmarking can be seen in 10.4.

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Headline measures Housemark Benchmarking Report 2014/15

Headline measures	Your value	Quartile
Costs headlines		
Overheads as a % of adjusted turnover	10.8	
Total CPP of Housing Management	401.35	
Total CPP of Responsive Repairs & Void Works	773.14	
Total CPP of Major Works & Cyclical Maintenance	1,431.45	
Operating margin	33.7	
Operational performance headlines		
Rent arrears of current tenants net of unpaid HB as % of rent due (HAs only)	0.68	
Average re-let time in days (standard re-lets)	14.38	
Rent loss due to empty properties (voids) as % rent due	1.06	
Average number of calendar days taken to complete repairs	2.80	
Percentage of repairs completed at the first visit	80.0	
Percentage of dwellings that are non-decent at the end of the year	0.07	
Percentage of properties with a valid gas safety certificate	100.00	
Staff turnover in the year %	14.7	
Sickness absence average working days/shifts lost per employee	5.7	

The table shows that the Trust is either in the top or upper quartile for all headline measures other than in three indicators.

Key to KPI symbols
Performance
 = Your performance result is in the upper quartile of the peer group (top 25%)
 = Your performance result is in the middle upper quartile of the peer group (between 25% & 50%)
 = Your performance result is equal to the median of the peer group
 = Your performance result is in the middle lower quartile of the peer group (between 50% & 75%)
 = Your performance result is in the lower quartile of the peer group (between 75% & 100%)

- Repairs completed at the first visit. The Trust's performance in this area was based on our new same day repairs based on repairs completed on the same day reported. In 2015/16 we are now able to measure repairs completed on the same visit and performance was 88%. While this improved performance we will remain in the same quartile.
- % Dwellings that were non-decent The 2015/16 figure was **0.15%** with only 18 units, which were awaiting disposal, being non-compliant.
- Staff Turnover for the year reflected the efficiency saving that had been made during the year resulting in less employee resources as well as normal staff turnover, In 2015/16 this has reduced to 8.5%, which would place us in top quartile position if the quartiles remain the same.

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11.2 HCA Global Accounts: Comparisons with the HCA Global Accounts 2014/15 are shown below:-

Category	WHT 2015/16	WHT 2014/15	Whole Sector 2014/15	LSVTs 2014/15
Growth in turnover	8.2%	3.7%	4.1%	5.0%
Operating margin	32.6%	33.7%	28.3%	28.8%
Management costs per property	£480	£519	£1,034	£972
Routine and major repairs costs per property (inc. capitalised repairs)	£2,271	£2,261	£1,946	£2,156
Total operating costs per property	£3,441	£3,302	£3,963	£3,598
% rent loss through bad debts	0.45%	0.67%	0.81%	0.77%
% rent loss through void properties	1.02%	1.15%	1.77%	1.67%

The above table compares figures from the Trust's audited accounts for 2014/15 and 2015/16 to the equivalent figures in the Global Accounts 2014/15, published by the HCA, which adds together all the accounts of registered providers of social housing so that an individual organisation can compare its results with either the average for the whole social housing sector or a group of similar organisations (in the Trust's case other LSVT housing associations).

The Trust's management costs per property are extremely low compared to the sector averages and its total repairs costs (which include responsive, void, cyclical and planned and major repairs) are slightly above average. This seems to be because of the way the Trust allocates the time of some of its staff, which may be different to other associations. For example, the Trust allocates all the costs of its call centre as a repairs cost whereas others include at least an element of that cost as a management cost.

However, the key messages from the above table are:

- the Trust is generating strong growth in turnover, reflecting the success of its development and growth strategy and it is maintaining operating surpluses at levels above the sector averages, showing that the growth is not being delivered at the expense of efficiency;
- it is spending less than the sector average in terms of total operating costs per property, showing that, however it allocates its costs to various services within that total, it is performing strongly in cost terms;
- the amount of rent money that it loses either from properties being void or from tenants not paying their rent at all, is very low compared to the sector averages, confirming that when properties do become empty they are relet quickly and efficiently and that the Trust is extremely effective in collecting the income that is due to it.

Further work will be carried out in 2016/17 to definitively identify the reason for any anomalies and any action that we need to take, if any to better reflect our costs compared to our peers.

11.3 We are part of a Midlands based Peer Benchmarking Group HAMMAR, where we benchmark capital component replacement unit costs and specifications in detail, as well as responsive repair costs and specifications, to help us better understand our cost and quality base.

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We are member of HQN and active members of several of their good practice forums, including Rent Income, Asset Management, Finance and Leasehold Management.

11.4 External Verification

During the year we were assessed by independent external bodies and our peers on the quality of our services and achieved the following:-

- Housing Heroes Communications Team of the Year: WHT Marketing & Business Research Team
- Investors in Excellence Re-accreditation
- Inside Housing Top 60 Developments: Joint Venture Scheme of the Year: Northfield Village phase 1
- Inside Housing Top 60 Developments: Extra Care Scheme of the year: Maywood, Wombourne (short-listed)
- Apprenticeships 4 England Awards 2016 - Silver award for Employer of the Year (501-750 employees) category
- RoSPA Occupational Health and Safety Award for 2015 - Gold medal and converted gold medal

12. Adding Social Value:

- 12.1 We contribute to the well-being of our tenants, the wider community and larger neighbourhoods in many ways. Although some of the benefits are hard to measure, we can provide some estimates based on the factual information we have.
- 12.2 The most effective thing we can do as an organisation to improve the lives and wellbeing of the community, is to give people a good quality, affordable home.

In 2015/16 we have provided **1,303** people and their families with a much needed, affordable home. The CORE data for 2015/16 shows that we have:

- a. Taken 161 people out of homelessness, insecure or poor quality accommodation, providing them with security and a base to build on improving their lives.
 - b. Provided 66 larger homes for families who were overcrowding their previous home, alleviating the stress and disruption that overcrowding causes.
 - c. Helped 64 people move to a smaller property which better suits their needs and prevented a potential increase in hardship for 58 people due the new bedroom tax charges.
 - d. Assisted 158 people to move to a home that helped them manage an illness or disability and/or receive support.
 - e. Supported 11 people escape domestic violence through the provision of a safe alternative home.
 - f. Enabled 169 people to move to become more independent.
- 12.3 Completing the development of **512** new build affordable homes during the year not only provides a greater choice of housing, but also has a positive impact on the local economy. Using National Housing Federation calculations, the number of homes we have developed in 2015/16 will have generated £130m for the UK economy, £28.3m in employee earning and supported over 1,000 jobs including 54 apprenticeship positions (1 apprentice for every £1m spent).
- 12.4 Our turnover of **£64.2m** as a housing provider will have generated around **£60.5m** in gross value for the economy of the West Midlands region (Source NHF database), supported over 2,300 full time equivalent jobs in the Telford & Wrekin borough (over 2,700 in the UK as a whole), with

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employee income of £30.1m in Telford & Wrekin and £38m across the UK.

12.5 The **£20.87m** we have invested in repairing and improving tenants' homes during the year and through our other services has not only provided employment to our workforce but has led to the creation of a further **6** apprenticeships, **14** maintenance training places and **20** business administration training places.

Throughout the supply chain a further 14 apprenticeships, 12 trainee posts and 2 work experience opportunities were created by our contractors.

12.6 The **£355,000** we have invested in adaptations for disabled people supplemented the **£149,000** of additional income from other agencies. This investment has not only given people a better quality of life and the ability to stay in their homes longer, but through the prevention of falls, which could have required treatment of associated injuries, and through the prevention of admission to hospitals or care accommodation, it has prevented costs being incurred within the NHS and social care agencies.

12.7 There were 308 mobile response officer call-outs over the course of the year, and whilst there is the obvious value attached to this service for the tenant requiring assistance in Retirement Living schemes, the contribution they make to savings within other agencies is estimated to be more than **£60,000**. These savings relate to the prevention of hospital admissions, as well as savings to the ambulance, police, and fire services, GPs, social workers and mental health services.

12.8 The retirement living service plays a large part in tackling social isolation and improving social inclusion, through the provision of social activities and escorted trips regularly organised by the Retirement Living schemes. Participation in these activities is summarised in the table immediately below.

Year-End	Events	WHT Tenant attendance	Non-Tenant attendance	Total attendance	Staff Involved	External agencies
2015-16	164 events	21,220	712	21,860	139	40
	Ratios:	1 (event) : 129 (tenants)	1:4.3	1:133	1:0.8	1:0.25

12.9 Our partnership working with other agencies: the **£60,000** a year contribution to the Community Patrol Service and the secondment of a Trust employee to the ASB hotline service is contributing to making people feel safer in their homes and to the reduction in ASB cases of 22.5% last year.

12.10 During 15/16 the Money Matters team, through our partnership with Shropshire Housing Alliance, brought in **£861,000** of extra Housing Benefit and an additional **£567,000** in other benefits for our customers, engaging with over 571 households and carrying out over **1,100** pre-tenancy assessments.

12.11 In 2015/16 we invested £6,000 from the Community Fund on the Energy Extra energy advice scheme, which achieved the following outputs and outcomes:-

- 113 home visits were undertaken to customers
- £50,395 was saved by those tenants visited:
 - £11,480 in Warm Home Discounts
 - £6,210 utility arrears cleared
 - £28,024 in savings due to Energy Efficiency advice
 - £4,681 saved due to customer switching energy suppliers

12.12 Employees continue to raise funds for charities in 2015/16 as shown below:-

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Charity Fundraising

Raised by Employees	£19,442.68
Match Funded by Trust	£17,777.12
Total Raised	£37,219.80

12.13 The Trust also invested £16,540 in sponsorship of over 30 teams, individuals and organisations – including the Pride of Shropshire ‘Good Neighbour’ Awards, football, rugby, bowls, boxing, swimming, netball and hockey clubs (including ladies and girls’ teams), an older persons walking football group, county shows, a golfer and a wheelchair athlete, village Brownies and primary schools close to new developments. The sponsorship includes advertising on kits, at grounds and events and through the media, raising the profile of WHT whilst supporting a variety of clubs and communities.

12.14 Just over £38,437 was granted through the Trust’s Community Fund during the year to:-

3 Extra Care Shire Living Schemes.	5 junior football clubs – all who now have our logo on some of their kit
7 Trust Retirement Living Schemes	2 cricket groups, including the Cricket Shropshire disabled cricket programme
Telford Hornets Rugby Club	3 community carnivals, including Oakengates, Newport and Shrewsbury.
5 community or charity groups including Staffordshire Women’s Aid	3 training initiatives including 1 Pop-up Employment School where 8 Trust tenants received a week’s work skills training, followed by 8 week work placements. 4 of the work placements then took up longer term training placements with the Trust.

12.15 During 2015-16 we provided the following employment training opportunities:-

During 2015-2016 we continued with our commitment to provide a range of good quality placements and training opportunities within the local community. We focused on building links with schools and colleges in areas where we have a high stock density and we have made efforts to target our tenants to make them aware of these opportunities. As a result we accepted **3** TCAT students for work placements, **11** secondary school work placements and attended **7** careers events at secondary schools across the borough of Telford and Wrekin.

In addition we accepted **9** voluntary work placements of which 8 were WHT tenants.

We continued our links with our contractors and secured a 6 month paid placement with our contractor, QA kitchens, for one of our tenants. Last year’s temporary tenant QA employee has now been employed by QA on a permanent basis.

We have also attended local jobs and careers fairs to promote awareness of our extensive range of employment and training opportunities.

During 2015-2016 we provided the following employment training opportunities:

Employed **6** new apprentices, **20** business admin trainees in total (including 4 WHT tenants) and 14 maintenance support trainees (12 month contracts).

12.16 Group Partners

Reviive offer to remove unwanted furniture from tenants that can be recycled or reused and are

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contracted to clear homes when they become empty but are not cleared out by the customer. In 2015/16 they have dealt with the following, reducing landfill by over 700 tonnes:

Tonnes of Furniture	2015/16
Collected	855
Reused	516
Recycled	200
Waste	139

Reviive have also helped 18 people into employment, provided 35 volunteer/work placements and given 14 apprenticeships.

Wrekin Housing Trust tenants are given a 30% discount on any furniture they buy from Reviive, and this is funded by the Trust. In 2015/16 £30,000 was repaid to Reviive in discount.

Shropshire Housing Alliance are contracted to provide a Tenancy Sustainment Service to Trust tenants. Customers applying for a Trust property are given a full 'benefit health check', and this is then built into a robust income and expenditure assessment to ensure the customers can afford to take on a tenancy. During 15/16, SHA teams carried out over 1,200 assessments, and this includes over 50 existing tenants that have been referred back to the team as they were struggling in their tenancy. Over 14% of our assessments uncovered debt issues and enabled us to offer support. 20% benefited from additional guidance to help them manage their budget, and over 5% were invited to attend a tenancy training workshop in advance of them taking on a tenancy. The team also works with external agencies and charities to source goods or funding for customers.

- 12.17 Through working with our other partners we have levered in additional resources to generate social value.

Travis Perkins: DIY SOS Big build - £4,000 in material costs in addition to the volunteer hours given by the Trust and Travis Perkins employees. The Trust itself provided four employees for two days.

Travis Perkins have also contributed £3,000 towards the Pop Up Employment school and one work experience placement, Telford Bikes community repair service £500 and Northfield Village Women's Aid refuge £1,500.

- 12.18 Changing hearts and minds: Our coordinated multi-channel "More than a home" campaign has continued, the objective being to raise awareness locally, while tying into the national agenda too, of the wider positive impact our new build programme has, to help influence stakeholders (including local councilors) and local communities to back new developments, by showing the positive impacts of affordable social housing.

- 12.19 Since the campaign began, the number of objections to our planned schemes has definitely reduced, with our planning applications meeting less contention, meaning many more new schemes and affordable housing getting the go ahead.

In a survey of stakeholders about the campaign, the question was asked "Has this campaign influenced your opinion on the benefits of providing affordable homes 67% of respondents said Yes, 33% Somewhat, with 0% saying Not at all. The campaign has gained national recognition, has been noted as best practice in the sector, and it formed the case study for our 2015 Housing

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Heroes Awards nomination, for which the Marketing Team won “Communications Team of the Year”. The judges said “This well thought through campaign captured the very heart of what affordable housing is all about”.

13. Co-Regulation

The Trust has a well-established co- regulation framework as follows:

- a. **Elected Tenants’ Panel**, who scrutinise all operational policies and strategies before they are presented to the Trust Board. All operational policies are required to be ‘Tenant Approved’ before the Trust Board or their Committees will consider them.
- b. **Tenant Audit Group**, in place since 2002. Volunteers who carry out in-depth audits of services, reporting directly to the Service Committee of the Board.

During 2015/16 the group carried out audits of the Trust’s Lettings System, Energy Extra, Damp and Condensation Management and the Residents’ Agreement.

During the year they continued to carry out monthly audits of gas CP12 certificates, with positive results.

The most significant of the previous year’s recommendations, to move gas maintenance to a rapid response service, was fully implemented during the year and is now demonstrating an improved service for customers while making efficiency savings.

- c. **Customer Assurance Panel**, created in 2011. Appointed volunteers who are independent of other tenant bodies, whose remit is to scrutinise Trust performance against the National and Local Standards, giving assurance to the Board that they are being complied with, or making recommendations for improvement.

The group reported to Service Committee of the Trust Board on May 2016, giving the Board assurance that in 2015/16 the Trust met and in most cases exceeded Local Standards, and that previous recommendations had been completed.

The CAP also reviewed the suite of local standards during the year, making recommendations on changes, removals and additions and these were sent out to wider tenant consultation in July 2016.

In September 2015 we commissioned an independent review of our Co-Regulatory Framework, which was carried out by Phil Morgan. His report found: - *‘Wrekin Housing Trust has a considered and comprehensive approach to co-regulation. Overall the current approach works well, offers the Board assurance about consumer compliance and ensures there is a strong tenant voice. The review of consumer compliance showed a very good level of compliance, with no urgent areas for attention’.* (Phil Morgan Sept 2015)

The review did make several suggestions for improvement, all of which were implemented. As a result during the year we have introduced quarterly Joint Co-Regulation Meetings, one which agrees the programme of co-regulation work for the following year, one which will agree the compliance with the Consumer National Standards, with the other two meetings are held for training and the exchange of information between the groups.

In June 2016 the Joint Co-Regulation group met and agreed that in all cases the Trust complied with and in most cases exceeded the National Consumer Standards in 2015/16 and this will form part of the annual compliance statement to the Board.

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Within this last year our tenant volunteers have put in over 4,600 hours to help improve the services the Trust offers. This equates to over £31,000 if this had been paid employment (based on minimum wage for over 21 year olds), demonstrating the dedication of these individuals, for which we are very grateful.

The Real Shopper scheme continues to grow. By the end of March 2016, 300 tenants had signed up to tell us if a service is good or bad or if we have done something right or wrong, so that we can improve our service to them. We are looking to grow this group to 1,000 by the start of the 2017/18 financial year.

14. Future Objectives

14.1 2016/17 Objectives

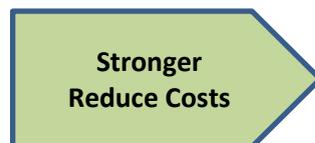
The 2015-2020 strategic plan contains three key objectives:

Bigger: Better; Stronger

- i. Bigger - To increase the number and quality of rented homes available for customers across Telford & Wrekin, Shropshire, Staffordshire, Herefordshire and Wolverhampton
- ii. Better - To deliver improved services, defined as excellent by our customers
- iii. Stronger - To maintain a strong business model, delivering in the present and prepared for the future

14.1 How we will improve Value for Money in 2016/17

a. Objective 1:-



- Using Systems Thinking as part of our quality management system to ensure that we are delivering the right services, that meet customer demand, in the most efficient and effective way.(see 9.6)
- Continuing the downward pressure on operating costs to mitigate the 1% reduction in rents in the next 4 years by achieving efficiency savings of £1.8m in operating costs over the life of this strategy.
- Further developing our understanding of our operational cost base within the HCA's global accounts, particularly, but not limited to, the following areas:-
 - The balance between responsive and planned repairs compared to capital works.
 - Development
- Continuing the downward pressure on costs through effective procurement activity, to contribute towards the mitigation of the 1% reduction in rents and the overall efficiency savings described above.
- Through our Active Asset Management Strategy, ensuring that we are investing in the right housing and operational assets, disposing of uneconomical assets to invest in new homes. We will make at least 140 sales during the year generating £7,700,000
- Continuing to grow the business without increasing overhead costs. Developing 2,192 new homes between 2015 and 2020 and completing the Bushbury Estate stock transfer
- Reviewing and formalising our development strategy for the period beyond 2020.
- Continuing to implement our OD strategy to invest in our people, getting the most from them.

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- Maximising our income, both from current sources and new sources. Maintaining current income collection performance throughout the Universal Credit rollout.
- Improving our understanding of the drivers of cost and actual costs within the organisation.
- Revisiting our digital services strategy to focus on cost effective digital services that will deliver cost savings in the medium and long term without reducing the quality of service we provide.
- Investigating alternative methods of construction to reduce costs within the development process, conducting a pilot scheme in 2016/17 and analysing the outcome.
- Continuing to Benchmark the cost of our services and learn from the results.



We will do this through:-

- Using Systems Thinking as part of our quality management system to ensure that the services we deliver to customers meets their demands and expectations and are continually improving. (See 9.6)
- Maintaining the quality of our systems, as measured by our customers while dealing with the 1% rent reduction for the next four years.
- Using the Trust's Co-Regulation framework, to continue to develop tenant scrutiny structures to provide effective assurance of the quality of Trust service delivery.
- Further developing tenant feedback mechanisms to maximise the feedback we receive, allowing us to improve services according to customer demand.
- Aligning the activities in the Board Assurance Framework and the Co-regulation groups to focus on what matters most.
- Improving digital access to service through our website and other digital media where it is cost effective to do so and delivers increased value for money.
- Continuing to benchmark the quality of our services.



We will do this through:-

- Maximising social value through our core service delivery.
- Improving the social value achieved throughout the development process.
- Maximising the achievement of social value through the procurement process.
- Generating social value through joint working with partners within the Wrekin Housing Group.
- Improving our measurement of social value where it is cost effective to do so.
- Continuing to achieve this within the lower income base generated by the 1% rent reduction.