

Value for Money Self-Assessment

Our Corporate Strategy	Broadland Housing Group Delivering value against our Corporate Strategy	Our VFM Self Assessment
<p>Organisational Philosophy</p> <p>Governance Strategy</p> <p>Value for Money Strategy</p>	<p>Why we exist: Improving life opportunities for people in Norfolk and North Suffolk through housing and support provision</p> <p>Decision-making based on the 4 E's Economy, Efficiency, Effectiveness and Equity</p>	<p>Our VFM Philosophy </p> <p>Assessing Value for Money </p>
<p>Operations Strategy</p>	<p>£26.5m income from social housing lettings used to provide services to tenants</p>	<p>Maximising our Financial Resources </p>
<p>Environmental Strategy</p>	<p>Maintaining and improving the condition of our properties to be energy efficient and reduce fuel poverty</p> <p>Making the best use of our portfolio of properties</p>	<p>Maximising value from our Property Assets </p>
<p>Customer Strategy</p> <p>Neighbourhood Strategy</p> <p>People Strategy</p>	<p>14 Key Performance Indicators benchmarked to other social housing providers</p> <p>233 tenants received personal assistance from our Tenancy Support Team</p> <p>1,134 tenants visited in our Tenant Engagement Review</p>	<p>Delivering value through our Performance </p> <p>Delivering value to our Tenants </p>
<p>Partnership Strategy</p> <p>Diversification Strategy</p>	<p>12 Shared Ownership properties delivered 2015-16</p> <p>74 property build starts on site in 2016-17</p>	<p>Development reaching out to new Tenants </p>
<p>Corporate Strategy 2016-2019</p>	<p style="text-align: center;">Delivering Value for Money over time</p> <div style="text-align: center;">  </div>	<p>Our VFM Journey </p>

1 Our Value for Money Philosophy

In order to deliver our purpose we carefully consider how we can ensure that we provide high quality services to our existing tenants, whilst also developing additional housing to reach out to new tenants.

OUR VALUE FOR MONEY PHILOSOPHY – THE 4 E’s				
Economy – spending less – reducing cost of service delivery whilst maximising performance				
Efficiency – spending well – making best use of resources thus avoiding waste				
Effectiveness – spending wisely – using resources to achieve desired outcomes				
Equity – spending fairly – ensuring services reach all intended groups				
<i>Utilising the right balance of financial and staff resources to deliver the right service to the right people at the right time</i>				
CREATING VALUE				
by carefully considering how we use the money we receive from tenants we seek to:				
<i>understand how we can:</i>	reduce costs	<i>in order to:</i>	re-invest money saved in providing services to our tenants	= Economy
	reduce waste		make sure money is spent on things that matter to our tenants	= Efficiency
	avoid mistakes		make sure we achieve the service standards our tenants value	= Effectiveness
	avoid exclusion		make sure we spend money on services that reach as many tenants as possible	= Equity
these choices and decisions are the way that we seek to be the best that we can be				

The “4 E’s” are embodied in all our cover paper templates used for all Board and Leadership Group meetings, thus ensuring that VFM is considered in every decision. In the day to day running of the organisation this translates into identifying opportunities to deliver value in everything that we do.

2 Assessing our Value for Money

Our Corporate Strategy

We have assessed the value we have delivered during 2015-16 in the context of achieving our strategic objectives and our organisational purpose:

“Improving life opportunities for the people of Norfolk and North Suffolk through housing and support provision”.

Value for *YOUR* money

Fit for *OUR* purpose

Our Peer Group

Throughout the remainder of this self-assessment we have evaluated our costs and performance against a selected peer group. These are Traditional Housing Associations, with a stock size and turnover similar to our own, who are also members of HouseMark.

Our peer group comprises:

Equity Housing Group Ltd, Orwell HA Ltd, Leeds Federated HA Ltd, Hexagon HA Ltd, Estuary HA Ltd, Bournville Village Trust, Octavia Housing, Johnnie Johnson Housing Trust Ltd, Muir Group HA Ltd, South Yorkshire HA Ltd, Irwell Valley HA Ltd, Accord HA Ltd, Shepherds Bush HA Ltd, Origin Housing Ltd, Chevin HA Ltd, Wandle HA Ltd, Newlon Housing Trust, Town and Country Housing Group, Nottingham Community HA Ltd

2014-15 Global Accounts data:	Turnover		Stock size
Broadland Housing Association	£25.1m	Broadland Housing Association	4,992
Peer group average	£30.9m	Peer group average	5,673

Our 2015-16 Value for Money Highlights

The combined pressures of income loss from right to buys, rent loss arising from welfare reform and the rent reductions on social housing for the 2016-19 period are projected to reduce our operating margin from 27% in 2016 to 22% in 2020. Despite this reduction in operating margin we expect to continue to meet loan covenants in our business plan. However, these pressures are creating renewed energy to review working practices and expenditure even more critically in the light of securing a sustainable future for our tenants. The strength of our in-house resources for much of our property maintenance reduce our VAT liabilities and enable us to be less dependent on third party contractor performance.

In response to some benchmark indicators which suggest that our costs are higher than our peer group we have:-

- carried out a staff restructure exercise in 2016 which is expected to secure savings of over £400,000 per annum;
- started to explore further cost efficiencies from improved procurement practices; and
- obtained the use of a revolving credit facility for liquidity management which is likely to save significant funding costs as we expand the development of new homes in the coming year.

Other initiatives to improve our approach to value for money are described below.

We also recognise that some of our rent collection indicators do not meet benchmark standards. We are reviewing the reasons for this in more detail but more resource is being invested in this area, as well as IT improvements which are likely to lead to improved performance.

3 Maximising our Financial Resources

Income

Maximising rent collection

Rent Collection	2014-15 Q4	2015-16 Q1	2015-16 Q2	2015-16 Q3	2015-16 Q4	% change year on year
Rent arrears of current tenants as % of rent due						
BHA	2.85	2.96	3.04	3.74	3.58	26%
Peer group upper quartile	2.99	2.73	2.74	3.18	2.73	-9%
Rent arrears of former tenants as % of rent due						
BHA	1.70	1.81	1.99	1.39	0.41	-76%
Peer group upper quartile	1.14	1.30	1.71	1.42	0.78	-32%
Rent arrears of former and current tenants written off						
BHA	0.31	-	0.08	0.82	1.58	410%
Peer group upper quartile	0.19	-	0.01	0.04	0.35	84%

Our rent collection performance has deteriorated slightly during the current year. We believe that this is primarily due to welfare reform changes explained more fully in section 5 below. We also consider that our benchmarked performance suffers from a higher level of short term arrears caused by the use of monthly tenancies. The use of monthly tenancies appears to a positive practice with the advent of universal credit and so we are reluctant to change this practice given that our rent collection performance continues to meet benchmarked performance. We recognise that there is further work to do in relation to recovering former tenant debt and dedicated resource has been allocated to this for 2016-17. Monitoring income collection in-year and planning for the potential impacts of Government policy in respect of Welfare Reform continue to be key priorities.

Rent Collection Area of Focus	Insight and Key Actions
Current tenant rent arrears	At 31 st March 2016 our current tenant rent arrears figure was £924k 56% of this was attributable to unpaid housing benefit.
Former tenant rent arrears	A decision was taken to write off £412k of former tenant unrecoverable debt more than three months old, in line with accounting best practice.
In-house Tenancy Support Team	Our investment in an in-house Tenancy Support Team facilitates coordinated working with our Income Recovery Officers to assist in managing rent accounts in arrears.

Minimising void losses

Re-let time analysis	BHA 2015-16 days	BHA 2014-15 days
General Needs	12.4	16.6
Housing with Care	20.3	21.8
Sheltered Housing	15.7	16.4
Supported Housing	15.1	17.2

Our rent loss due to void properties in 2015-16 was 0.90% of our total rent debit (1.2% for 2014-15). This places us in the upper median quartile when compared to our peer group and the whole sector. In tandem with this our average re-let time for standard re-lets is 14.55 days which places us in the upper quartile against the sector and our peer group.

We have reduced our average re-let time in our homeless schemes by 4.2 days in

2015-16. There is an increasing demand for these properties from people who are homeless and the demand for this accommodation is likely to increase with changes arising from the Welfare Reform and Work Act 2016 and the Housing and Planning Act 2016. There is a social value in ensuring that people who are homeless have access to good quality accommodation.

Working together our Property and Housing Management teams have employed a number of initiatives to manage our lettings, whilst ensuring that our re-let times remain in balance with our void repair costs.

Void Losses Area of Focus	Insight and Key Actions
Managing void works	We have developed a Void App which links to our bespoke IT system (RSL Manager) that increases efficiency in booking void repairs. The pilot was operated in a localised area (Dereham, Norfolk) and will go live across the whole organisation in 2016-17.
Tenant damage and neglect	We have commenced recharging arrangements to cover the cost of repairs undertaken to rectify tenant damage and neglect at void. This has only achieved a 5% recovery rate but remains important in helping tenants to understand their responsibilities.
Voids at specialist properties	We have developed partnership agreements with other organisations to mitigate or eliminate the risk of rent loss on certain properties. In 2015-16 this equated to a protected income of £49k (projected £57k in 2016-17).

Expenditure

Our operating costs

Operating costs	2015-16 £k	2014-15 £k	2013-14 £k
Turnover	28,277	26,783	25,659
Operating costs	20,590	19,106	18,375
Operating surplus	7,687	7,677	7,284
Operating costs as a percentage of turnover	73%	71%	72%

Our operating costs have risen as a percentage of turnover in the past year entirely because of a pensions revaluation. Without this impact the underlying level of operating costs would have been 70%. Nevertheless, this is marginally higher than our peer group average of 67%. In response to this we have carried out a significant staff restructure in 2016 which is expected to save over £400,000 from annual operating costs from 2016-17 onwards.

In the details which follows we have analysed our costs in relation to the services we provide.

Repairs Service costs

Our Broadland Repairs Service (BRS) is delivered by an in-house team of 78 staff. During 2015-16 we carried out 19,964 repairs, compared to 15,684 in 2014-15. Tenant satisfaction with our repairs service, as measured through transactional surveys, was 98.64% over the year. When compared to our peer group through HouseMark this places us in the upper quartile.

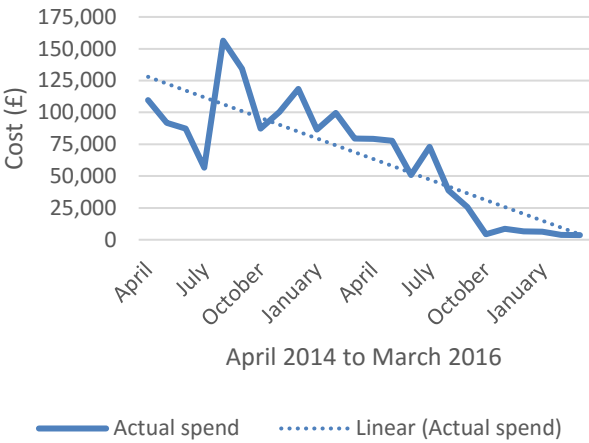
	2015-16	2015-16	2015-16	2015-16
Repairs service tenant satisfaction	Q1	Q2	Q3	Q4
	%	%	%	%
% of residents satisfied or fairly satisfied				
BHA	97.94	97.28	98.58	98.64
Peer group upper quartile	97.24	96.98	95.63	96.04

The cost of providing our repairs service has been kept under close scrutiny during 2015-16. Utilising and expanding on cost per unit (CPU) data provided by the HCA, we have reviewed our costs in the context of the wider sector. A detailed breakdown of this is shown below:

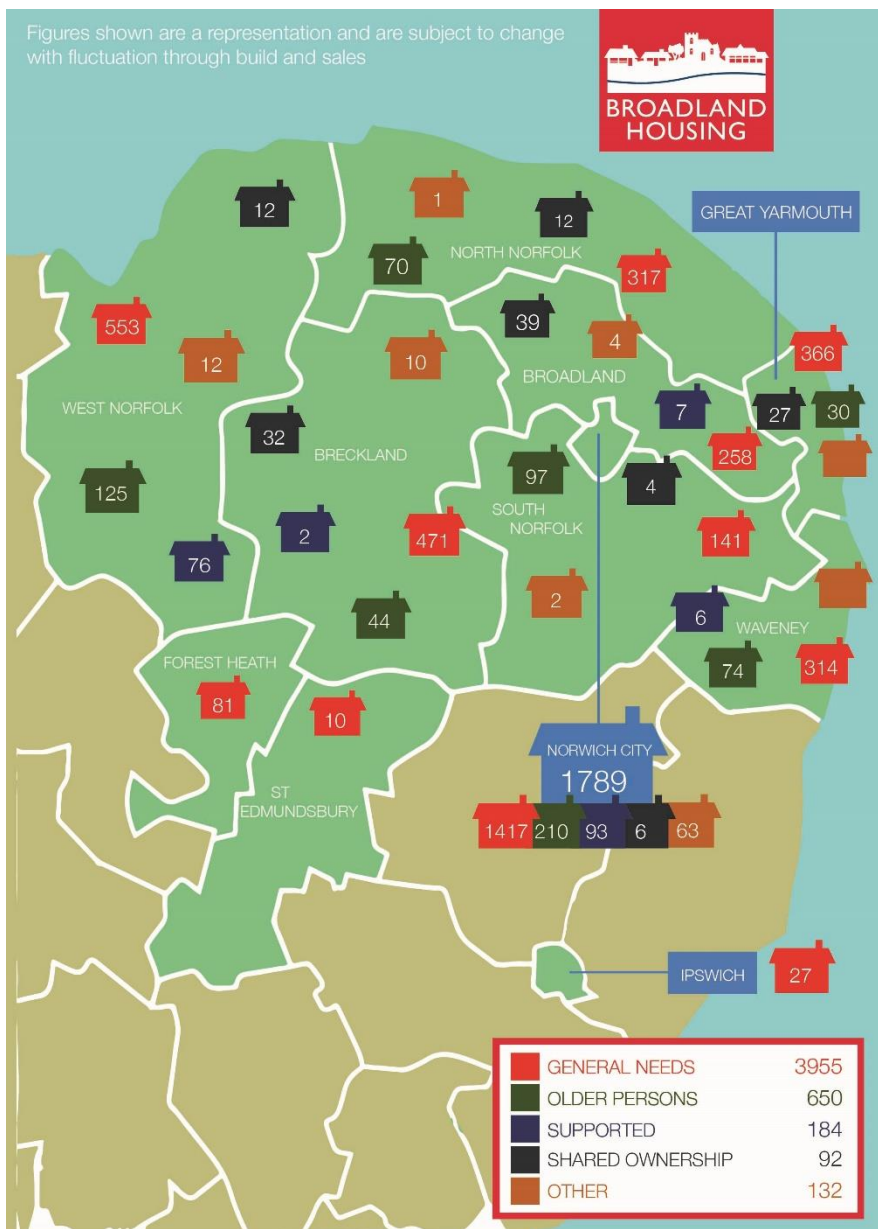
Repairs cost per unit analysis	2016-17 Planned £k	2015-16 Actual £k	2014-15 Actual £k
Maintenance cost per unit BHA	0.84	1.01	0.92
<i>Sector benchmark per HCA - upper quartile</i>			1.18
<i>Sector benchmark per HCA - median quartile</i>			0.98
<i>Sector benchmark per HCA - lower quartile</i>			0.81
Major repairs cost per unit BHA	0.61	0.49	0.66
<i>Sector benchmark per HCA - upper quartile</i>			1.13
<i>Sector benchmark per HCA - median quartile</i>			0.80
<i>Sector benchmark per HCA - lower quartile</i>			0.53

Note: The HCA upper quartile relates to the highest costs as opposed to the highest performance and on this basis we compare our costs in relation to the median and lower quartile.

We expect to continue to reduce routine maintenance costs against sector benchmarks and regard our established in-house team as a key competitive advantage in this regard. Major repairs (including planned component replacements) is likely to increase significantly after 2017 in accordance with stock condition data, although we have mitigated some of this increase by extending life cycle periods where this is appropriate (refer also to section 4).

Repairs Costs Area of Focus	Insight and Key Actions	
Initiatives to control repairs spend during 2015-16		
Use of sub-contractors	<p style="text-align: center;">Subcontractor Costs</p>  <p style="text-align: center;">April 2014 to March 2016</p> <p style="text-align: center;">— Actual spend Linear (Actual spend)</p>	<p>Closer control of spend on sub-contractors was implemented by a change in the authorisation process.</p> <p>This is illustrated by the two year decline in cost of works assigned to sub-contractors that were originally assigned to internal Broadland Repairs Service staff</p>
Availability of materials	<p>The nature of the geographical area that we cover means that the availability of materials can have a significant impact on labour time and therefore cost. By establishing an arrangement with Travis Perkins providing access to materials in more locations and a delivery to site service, travel time and costs have reduced. An indicative measurement of this is our 16% reduction in BRS van mileage from 791,957 miles in 2014-15 to 668,901 in 2015-16.</p>	
Intelligent scheduling		
Categorisation of repairs	<p>We have worked with staff to communicate the distinction between planned and responsive repairs. In 2014-15 £100k was spent on responsive repairs on jobs such as new driveways, which could have been treated as planned works. Increased focus on this will continue into 2016-17 to ensure that grouping of such works is combined with competitive tender processes to improve efficiency and reduce costs.</p>	
Factors influencing our repairs costs		
Geography	<p>Our properties are spread across a geographical area of 2,655 square miles. Whilst we have taken actions through intelligent scheduling and sourcing of materials (as described above), geographical spread will continue to be a factor in our costs being higher than sector averages.</p>	
Investment in our repairs operative staff	<p>We invest in our staff to ensure the quality of the service provided, which incurs costs but is a factor in achieving the high repairs satisfaction rates shown above and a complaints rate of only 3% of repairs. Our rate of upheld complaints is 0.3% which compares to the average rate of 0.33% found in a 2016 study conducted by Paradigm Housing through the HouseMark Customer Contact Centre Benchmarking Club.</p>	

In response to improved stock condition information and our Asset Strategy (section 4) we have increased our planned component replacement spend in our business plan projections to assist in continuing to reduce routine maintenance costs. We have targeted to reduce routine maintenance by £300k in the 2016-17 budget through a combination of working practice improvements and less reliance on external contractors.



The dispersal of our stock has adverse implications for our management and maintenance costs but in our view these are not so material that wholesale stock disposal should be considered. We are continuing to examine ways to mitigate travel time and cost for maintenance operatives.

Housing Management Service costs

Utilising and expanding on HCA data from 2014-15 our costs compare as follows:

Management cost per unit analysis	2016-17 Planned £k	2015-16 Actual £k	2014-15 Actual £k
Management cost per unit BHA	1.06	1.13	1.05
<i>Sector benchmark per HCA - upper quartile</i>			1.27
<i>Sector benchmark per HCA - median quartile</i>			0.95
<i>Sector benchmark per HCA - lower quartile</i>			0.70

Note: The HCA upper quartile relates to the highest costs as opposed to the highest performance and on this basis we compare our costs in relation to the median and lower quartile.

From 2014-15 HouseMark benchmarking data (which shows data based on an apportionment of staff time to specific housing management activities) we recognised that our costs are higher than others in the sector in some specific areas; Housing Management; Tenancy Management; and Anti-Social

Behaviour. We have a number of initiatives in place to review and address our ways of working through which we are driving efficiencies. We are in the process of understanding costs incurred due to geography and a higher than average proportion of Housing with Care provision.

Our Portfolio: Contextual Data	2015-16 BHA	2014-15 BHA	2014-15 Sector Upper Quartile (per HCA)	2014-15 Sector Median (per HCA)	2014-15 Sector Lower Quartile (per HCA)
Supported Housing	3.3%	3.3%	4%	1%	0%
Housing for Older People	12.4%	12.4%	15%	8%	4%

Overheads

We recognise that the higher proportion of supported housing and housing for older people than the remainder of the sector impacts on our overhead costs and this is borne out in HouseMark comparative data:

Overhead Costs 2014-15	Peer Group			
	BHA £	Upper quartile £	Median £	Lower quartile £
Central overheads cost per employee	9,203	5,155	7,897	10,792
Finance cost per employee	2,188	1,633	2,708	4,104
ICT cost per IT user	6,577	3,922	5,427	6,852
Office premises cost per office user	8,883	3,238	4,009	4,328

The main reason for higher than benchmark ICT and office premises costs is that the benchmark group do not all use in house routine maintenance services which require additional support in these areas. The additional costs for ICT and office premises are compensated for by VAT savings through using our own resource.

Overheads Costs Area of Focus	Insight and Key Actions
Office premises	During 2015-16 we operated Local Area Offices in Norwich (St. Benedict's), King's Lynn, Great Yarmouth and Dereham in addition to our Head Office. We have reviewed this model and closed our King Street and St. Benedict's office in the last year with savings of £40,000 pa. The higher level of costs reflects the need for local offices supporting staff in dispersed locations. By having these dispersed locations we are able to provide local maintenance and frontline staff recruited locally and without the need for expensive travel time and cost.
ICT	The major reason for the higher than benchmark level of costs is the investment in further repairs scheduling functionality which saves routine maintenance costs (reflected in our lower costs for routine maintenance). We use a bespoke IT system which is used for all areas of our business and provides critical commercial advantage, albeit at a higher cost. Consequently there is significant investment in IT Developer and Consultancy time required for system additions that enable us to continually enhance the functionality of the system to drive efficiencies. In

Overheads Costs Area of Focus	Insight and Key Actions
	<p>addition we are investing in our 'Digital by Default' strategy to deliver reduced transactional costs. A recent independent appraisal of the advantages of in house development against the costs of an alternative off the shelf system suggested that the bespoke IT system remained better value for money.</p>

4 Maximising value from our Property Assets

Asset Management Strategy

Strategic Disposal Policy Statement:

The Association is continually looking at how efficient our operations are in relation to the location of our properties. Any strategic disposal identified will be disposed of in a transfer to an existing registered provider. These occupied properties will be disposed of to another registered provider, with the tenant's consent, in order to gain operational efficiencies.

The following criteria will be used when considering properties for strategic disposal:

- Outside the Norfolk and Waveney area
- Uneconomical to provide housing management services and repairs and maintenance.

Approved by Group Board May 2015

In line with our overarching Corporate Strategy our policy intentions have been clearly stated and approved by the Group Board. Working within the agreed remit we have continued to make decisions on capital investment, maintenance and disposal of properties in our portfolio during 2015-16.

Stock condition surveys

The information generated from our stock condition surveys links directly to our component forecasting process. System generated reports identify if a component has failed before its planned lifespan, this data is then used to make an asset management decision in relation to repair or replacement. This also facilitates more accurate profiling of our investment in our property portfolio. We have taken the decision to increase the lifespan of specific components:

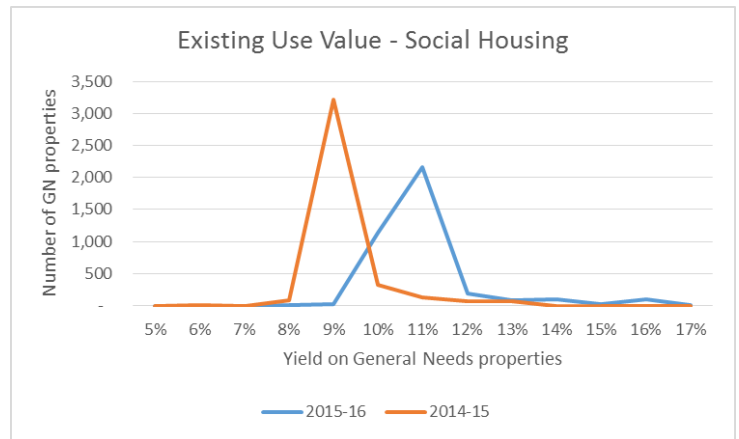
- Kitchens – changed from 19 to 20 years.
- Boilers – changed from 15 to 17 years.

Financial Return on Assets

We commission an annual independent valuation of our entire stock which we use to understand how well our portfolio is performing in terms of rental income and overall value. The 2015-16 valuation reflects the higher risk surrounding future income cash flows arising from the Government rent policy changes announced in the Welfare Reform and Work Act 2016. The reported average Market Value - Vacant Possession valuation across our portfolio is £130k per property.

Our annual rental income as a proportion of the total property valuation (Existing Use Value Social Housing) produces a gross yield value. The average gross yield per property across each of our key property types in our portfolio is shown in the table below.

Portfolio	Existing Use Value - Social Housing (EUV-SH)	
	Gross Yield 2016 %	Gross Yield 2015 %
	General Needs	11.01%
Supported Housing	13.30%	15.71%
Housing for Older People	9.97%	9.09%
Intermediate Market Rent	8.59%	8.99%
Low Cost Home Ownership	4.82%	5.09%



Environmental Strategy

Environmental disposal and reinvestment

Disposal Policy Statement:

Broadland Housing is committed to help customers who are at risk of fuel poverty. We also want to invest wisely in our housing stock to help reduce the running costs of our homes to our tenants.

We will consider the disposal of any properties that cannot meet an EPC rating of at least C without excessive investment. We will use any surpluses generated from the sale of poorly performing properties to fund energy efficiency improvements on other stock with low EPC assessments.

Approved by Group Board May 2015

A set of criteria have been established and approved by the Group Board against which each property is assessed for disposal once void, as set out in our CROHM Plan.

CROHM Plan

In line with our CROHM (Carbon Reduction Options for Housing Managers) Plan we disposed of 14 properties with low SAP ratings (D or E grade) from which we gained £160k surplus on sale. The proceeds were reinvested in energy improvements to 12 other properties (including specialist storage heaters, improved insulation and draft proofing). The heaters selected are 27% cheaper to run, with 90% of heating requirements met using off peak energy, thus reducing costs for our tenants. Business cost savings will arise from the 10 year warranty, reduced routine maintenance costs (no annual gas survey) and they increase the SAP rating of the property from D to high C.

5. Benchmarked Performance Indicators



We submit performance data to HouseMark on a quarterly basis and use this to monitor our performance in key areas of the business.

HouseMark Priority Performance Indicator	BHA Performance vs Selected Peer Group				
	14/15	15/16	15/16	15/16	15/16
	Q4	Q1	Q2	Q3	Q4
Staff turnover	Green	Green	Green	Green	Green
Sickness absence	Green	Green	Green	Green	Green
Percentage of calls answered	Yellow	Red	Red	Red	Red
Time taken to answer calls	Red	Red	Red	Red	Red
Gas safety compliance	Green	Green	Green	Green	Green
Rent collected from current and former tenants	Yellow	Green	Yellow	Yellow	Red
Rent arrears of current tenants net of unpaid HB	Green	Grey			Yellow
Rent arrears former tenants	Yellow	Yellow	Yellow	Green	Green
Rent arrears current and former tenants as % rent debit	Yellow	Grey			Yellow
Rent arrears of current and former tenants written off	Yellow	Green	Yellow	Red	Red
Rent loss due to voids	Red	Yellow	Yellow	Yellow	Yellow
Average re-let times	Green	Green	Green	Green	Green
% properties vacant (available to let)	Yellow	Green	Green	Green	Yellow
% properties vacant (unavailable to let)	Green	Green	Green	Green	Green

Upper quartile
Median
Lower quartile
Annual indicator

We recognise the poorer performance in relation to telephone call management and have taken steps to improve in this area. However further investment will need to be traded off against the ambition to encourage tenants to communicate digitally. Our rent collection performance has deteriorated as a result of one-off factors primarily associated with welfare reform but 2016 performance shows an improving trend.

Performance Indicator	Trend '14-15 to '15-16	Insight and Key Actions
Percentage of calls answered	↓	Performance has been affected by implementation of the Touchpoint system in April 2015 and fluctuations in staffing levels. Our approach is to focus on the quality of response aiming to resolve queries during the call thus avoiding the additional cost of a further call. This increases call duration and impacts on capacity to answer the next call. We recognise that there is a cost performance trade-off between staffing levels and time taken to answer calls. However we will be introducing Interactive Voice Recognition software in 2016-17 to drive further efficiencies in this area.
Time taken to answer calls	↔	
Rent arrears current and former tenants written off	↓	A decision was taken to write off of former tenant unrecoverable debt more than three months old in line with accounting best practice. This £412k write off of bad debts also accounts for the trend change of the 'rent arrears former tenants' PI from amber to green.
Rent collected (current and former tenants)	↓	Rent collection fell in Q4 and was lower than expected. Our initial investigation into this showed a sudden drop in the number of tenants claiming Housing Benefit in January 2016 which impacted on our income collection. Potential reasons behind this include; the roll-out of Universal Credit in Norwich; an increased number of reviews of housing benefit triggered by the Government's 'Atlas' system; and, more part benefit claimants.
Rent arrears of current tenants net of unpaid HB	↓	

Performance Indicator	Trend '14-15 to '15-16	Insight and Key Actions
Rent loss due to voids		Performance has improved compared to 2014-15 due to a number of initiatives set out in Section 3.
% properties vacant (available to let)		Performance in this area is within tolerable levels and is a factor of the cost performance trade-off between keeping re-let times as low as possible without inflating the costs of completing voids repair works.

6 Delivering Value to our Tenants

Tenant Engagement

We visited 1,134 customers (837 living in general needs properties and 297 living in our sheltered schemes) as well as 2,510 by email, in our Tenant Engagement Review. The majority felt that all of the activities we offer represented value for money. However, we will be taking action in respect of feedback on the frequency and attendance of events as part of our Board approved Tenant Engagement Action Plan.

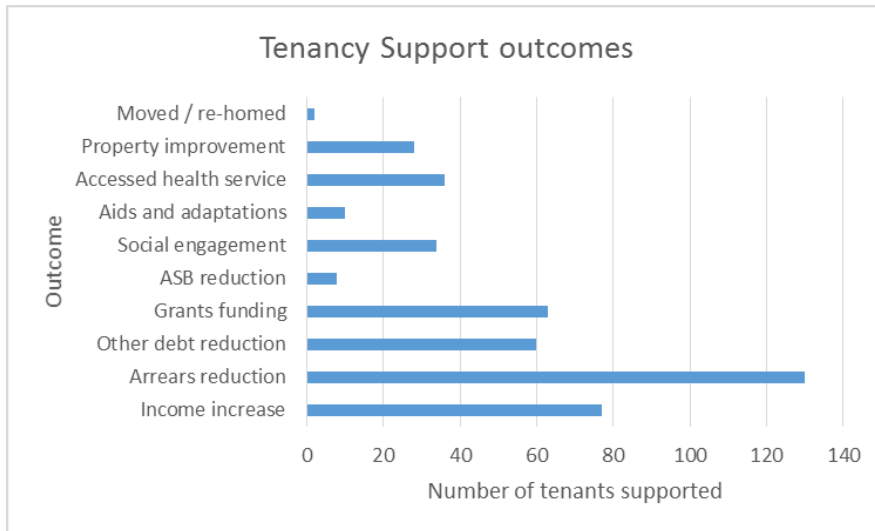
Tenancy Support

Investing £233k in our Tenancy Support Service team of 8 people is recognised as a positive use of our resources which has direct value to the customer as well as reduced costs to the business and wider community benefits.

During 2015/16 our investment in Tenancy Support services has enabled us to		
Provide	Deliver	Benefits to Tenants
6 Tenancy Support Coordinators to assist our tenants in relation to: <ul style="list-style-type: none"> • managing their home • improving their financial position • making a positive difference to their health and wellbeing 	Support to 243 of our tenants £30,584 reduction in tenant's rent arrears balances £20,000 Charitable Grant Applications awarded to tenants	<ul style="list-style-type: none"> ✓ Improved financial position ✓ Sustained tenancy ✓ Access to white goods, carpets and decoration ✓ Less exposure to ASB
1 Tenancy Support Trainer to help tenants with improving their employability and access to work skills Moving On, Moving Up 6 week programme to provide life skills to tenants covering; <ul style="list-style-type: none"> • managing money and budgeting • digital awareness and IT skills Digital Awareness sessions at Housing with Care schemes	Support to 128 of our tenants, of whom: <ul style="list-style-type: none"> 15 secured part-time employment 8 secured full-time employment 2 secured voluntary work 7 secured places on training courses for recognised qualifications 2 enrolled with the Open University 51 became job ready 7 accessed Moving On Moving Up, receiving 6 sessions each 	<ul style="list-style-type: none"> ✓ Reduced reliance on welfare benefits (Job Seekers Allowance and Housing Benefit) ✓ Access to funding for education ✓ Online access ✓ Up-skilling in readiness for Universal Credit

6 accessed digital training sessions

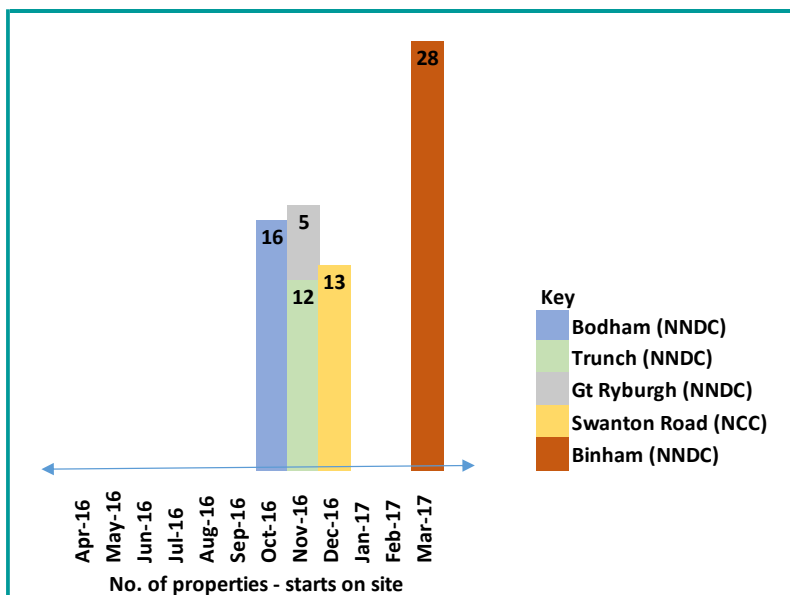
pursue our enduring purpose of “Improving life opportunities for the people of Norfolk and North Suffolk through housing and support provision”



7 Development – Reaching out to new Tenants

Current Development Projects

Our Corporate Strategy 2016-2019 states a minimum number of affordable properties to be delivered at 175 over the next 5 years. In readiness, a number of planning applications have been gained over the past 2 years which will start to deliver this strategy. In tandem we have forecast the right to buy replacements that will also need to be delivered outside of the standard programme, so the land bank has been increased to reflect this additional delivery.



Following signing of the Land Options agreements with North Norfolk District Council 2014-15, planning has now been achieved for five sites in North Norfolk. In addition a sixth site also has detailed planning bringing the delivery total to 107 properties. The initial five sites are connected by a unilateral section 106 which allows surplus monies to move between the villages to create a mix of tenures highlighted by housing need in each location. The first mixed tenure scheme will start on site in October 2016 with two 100% affordable schemes following in November 2016.

Creating Efficiency in Design

With the introduction of our Architects framework 18 months ago we have been working on new standard house types which will be used by any architect on the framework. In planning applications we have used three different architects over five sites but all the affordable properties are the same in size and internal design. This will continue to deliver savings in design fees and construction going forward.

Shared Ownership

The marketing for the 12 properties delivered has been carried out internally with a net saving of £11,500. Our marketing strategy is tailored according to the strength of the applicant waiting list and the response to initial marketing.

8 Our VFM Journey

Our commitment to delivering and creating value extends across financial years. The table below summarises how we have, and will continue to, challenge ourselves to save money, work smarter and deliver high quality services that are valued by our tenants.

2014-15	2015-16	2016-17
Delivering on our 2014-15 published commitments to Value for Money		
<p>Staff ideas: Work will be undertaken during 2015-16 to explore ideas put forward by staff in relation to achieving future VFM gains</p>	<ul style="list-style-type: none"> ➤ Operative Improvement Team projects have; agreed a uniform specification for kitchens; targets for planned works; and, increased recycling ➤ In-house Slips, Trips and Falls assessments provide reassurance to our insurer and control our Public Liability Insurance premium 	
<p>Planned and reactive maintenance costs: 13% reduction in cost of an average kitchen and 29% reduction in cost of an average bathroom</p>	<ul style="list-style-type: none"> ➤ Procurement and recycling initiatives combined to yield a net gain of £17k ➤ Money saved on labour and travelling costs by: <ul style="list-style-type: none"> ➤ Combining the annual programme of cyclical and renewable heating servicing aligned to gas properties ➤ PFH (Procurement for Housing) supplier network deliveries to site 	<ul style="list-style-type: none"> ➤ Recurrent savings from 2015-16 initiatives of £15k ➤ Introduction of automated scheduling and text messaging has improved gas servicing access rates in 2015-16. Further work will be undertaken in 2016-17 to quantify actual savings
<p>Measuring social benefit: We will develop more sophisticated data to quantify the benefits to tenants of the services we deliver</p>	<ul style="list-style-type: none"> ➤ Data collected within our Tenancy Support Service has enabled us to have a greater understanding of the volume of work undertaken, the benefits to our tenants and wider society (as set out in section 6) ➤ Work has been started with our Housing Management team to identify the data that needs to be collected in order to quantify our social benefit 	<ul style="list-style-type: none"> ➤ Work will continue to collate and quantify social benefit data

2014-15

2015-16

2016-17

Measuring social impact:
Commitment to ascertaining the social impact of our developments

- Social impact review undertaken by RSM and utilised within the planning application process proved useful in communicating benefits to communities

Development:
North Norfolk District Council Land Options Agreement

- Planning applications made for a series of six sites across North Norfolk
- Deliver the starts on site outlined in Section 7

Data analytics:
Increased use of Qlikview software to enable us to gain a greater insight into our performance data

- This was taken forward in relation to:
- Tenant Census – to generate data reports ready for update
 - Repairs analysis - we analysed the repair appointments booked per tenant compared to our average of 2.3 per year and addressed the root causes of higher than average call-outs at specific properties

Use of data provided to identify tenants at risk from welfare reform changes or spare room subsidy and referring such tenants to further help from the Tenancy Support team.

Other Long-Term Activities

Welfare Reform:
Monitoring of changes and appropriate mitigating actions within our Risk Management process

- Monitoring the roll-out of Universal Credit in conjunction with Tenant Census data to forecast likely impact
- Rent reduction incorporated into our Business Plan alongside quantified financial risk appetite parameters
- Mapping of Local Housing Allowance rates to ascertain impact of Housing Benefit caps

Campion and Sorrell House improvement works:
Installation of biomass boiler

- Renewable Heat Incentive income from biomass boiler of £28k
- Caretaker appointed resulting in reduction in Anti-Social Behaviour with salary equating to saved extrapolated 2014-15 costs of grounds maintenance and responsive repairs
- Projected Renewable Heat Incentive income from biomass boiler of £35k

CROHM Plan:
Our CROHM (Carbon Reduction Options for

- Disposal of 14 properties generating £160k surplus, reinvested in energy improvements in 12 other properties
- Programme of in-house EPC reviews is 50% complete
- Business Plan includes open market sale of 73 poor energy efficiency homes at anticipated surplus of £30k per property together with reinvestment of

2014-15

2015-16

2016-17

Housing Managers) report 2014, identified an investment of £2.4m was required to bring all properties to a minimum EPC level of C to be financed by disposal of energy inefficient properties

£2.19m for energy improvements to existing homes to achieve a minimum EPC rating of C on all properties by 2020

Board Packs software was implemented in February 2015

➤ Use of Board Packs has reduced committee administration costs in both time efficiency savings and reduction in printing and postage costs

➤ Recurrent savings in administration time, printing and postage costs.

Positive Internal Audit assurance on **governance arrangements**

➤ Positive independent review of our governance arrangements in December 2015 (commissioned from Savills)
➤ Group Board approved Action Plan to achieve additional enhancements in governance arrangements

➤ Implementation of revised arrangements for the structure and frequency of Group Board, Committee and Panel meetings.

Corporate Improvement Projects delivering operating efficiencies to processes and enhanced services

Our long-term corporate improvement projects have continued from 2014-15 with the exception of the Worklessness Project which ceased. However, provision of employability skills to tenants remains a core function of our Tenancy Support Service
Training all staff through our Safeguarding project has been recognised as best practice.
Our continuing projects include; Tenant Engagement; Helping Tenants; Recharges Review; Service Charges Review; and, Digital by Default.

➤ We will develop and implement a project costing methodology so that we can quantify the cost benefit analysis of our corporate improvement projects

2014-15

2015-16

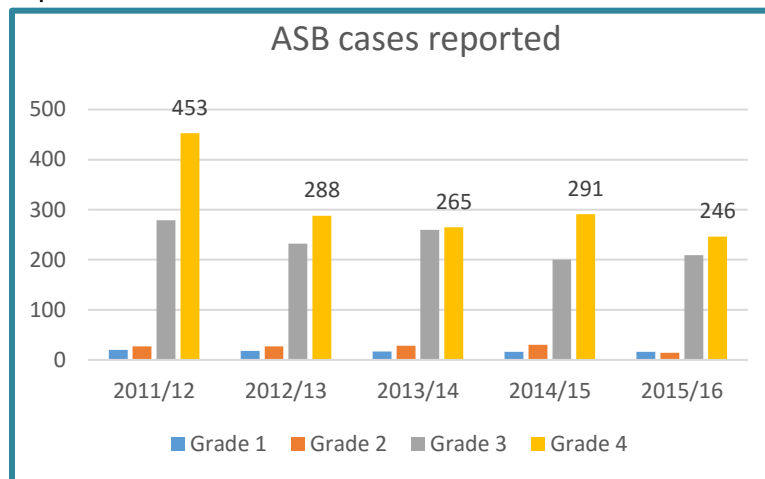
2016-17

Anti-Social Behaviour:

Project launched with initial review of our ASB service

During 2015/16 we consulted with 50 service users, which identified four areas for improvement which have been embodied in our new approach and yielded a 10% reduction in cases reported

- We anticipate improved tenant satisfaction with the process whilst simultaneously reducing the staff time spent dealing with complaints.



Additional future commitments to Value for Money

Procurement:

Changes to our organisational structure and a recruitment process have been undertaken to prepare for centralisation of the procurement function

We will deliver the Procurement Plan approved in March 2016 and compile a savings log:

- 34 work streams covering £4.7m of external spend scheduled for April 2016 to August 2017 with a target saving of £235k
- 5% saving against the current baseline for existing procurement arrangements

Property Directorate Restructure:

Cost neutral staffing restructure following creation of in-house DLO in 2012

- Effective from 1st July 2016 our whole organisation restructure will realise staff cost savings of £400k

Whole Organisation Restructure:

- The restructure will remap geographical areas covered by repairs staff to reduce travel time and comply with

2014-15	2015-16	2016-17
	Plans were drawn up and incorporated into the Business Plan for a revised organisational structure to take the business forward in the current operating environment	the EU Working Time rule
	Customer Contact Centre: The Customer Service Team staffing has reduced by 2.5 FTE in preparation for Interactive Voice Recognition in 2016/17, but this has impacted on performance in 2015-16.	➤ Implementation of Interactive Voice Recognition to reduce calls into the Customer Services Team and automatically direct tenants to the correct service
	Review of Area Offices: Preparations made for ensuring that the balance between providing local service to tenants and costs incurred in doing so is right	➤ Closure of our St. Benedict's and King Street offices saving £40,000 pa. Review of opening hours of all our Area Offices to reduce staffing costs.
	Corporate Strategy: Detailed review of our 2012-2015 Corporate Strategy which was consciously delayed until the outcome of the May 2015 General Election was known.	➤ Implement our new Corporate Strategy 2016-2019 and continue to deliver value in pursuing our mission <i>"to help families and individuals in housing need access high quality homes in Norfolk and North Suffolk."</i>
		➤ VFM Gains: Build on current experience and introduce a new process for capturing and quantifying cost savings and efficiency gains across the business

