

## Value for Money Statement

### Value for Money

Value for Money underpins all business activities at Teign Housing and it is driven by the Board. A new Value for Money (VfM) strategy was put in place in June 2018.

VfM is about reviewing what we do and how we do it in order to make informed choices about how resources are effectively channelled towards the delivery of services and corporate priorities. The aim is to make the best use of our customers' money whilst balancing the cost and time with quality as well as stakeholder benefit, reasonable customer expectations, organisational benefits and business survival.

Focusing on VfM allows us to continue to deliver good services and grow, through developing new homes. The recent business plan includes the delivery of 339 new homes over the next 5 years.

In 2017-18 we delivered a total of 41 units, 30 affordable rented properties and 11 shared ownership properties.

The Asset Management Strategy continues to give us a clear direction about the future use of our assets such as continued use, redevelopment or disposal; it also redefines the Teign Standard which continues to be above the Decent Homes standard. Where we dispose of properties that were not suitable or sustainable as affordable housing, the proceeds are used to support the development of new homes.

The void losses and turnaround time are receiving much scrutiny and have been subject to a lean process review in order to maximise efficiency. As a result, the way that void repairs are purchased and invoiced was changed from July 2018 which should have a positive impact on costs and turnaround time.

Annually we submit data to Housemark to allow us to compare our costs and satisfaction against a variety of peer groups. The peer group that we use and evidenced in the table below is 'all South West Housing Associations'

Teign Housing Cost Per Property	Teign Housing		Comparison Group 2016-17	
	2016-17	2015-16	Median	Upper
<b>Department</b>				
Major and Cyclical Maintenance	£1,330	£1,445	£1,395	£1,250
Responsive and Voids Repairs	£698	£775	£848	£748
Housing Management	£503	£544	£470	£426
Estate Service	£159	£222	£136	£119
No of Properties	3749	3719	6279	6279

Maintenance and responsive repair and void costs compare favourably to the median, whilst housing management and estate services are above the median comparison group. We are however showing an improvement on the 2015-16 figures in all areas.

The rent reduction continues to present a significant driver for efficiency. The opportunity to enhance the digital offering to customers continues to be a vital part our approach to Value for Money into the future.

In 2017-18 our VfM focus was on

- Continually reviewing the overall planned maintenance programme in light of the rolling stock condition surveys and improved component lifecycles whilst continuing to maintain a good stock investment standard. The Planned Maintenance programs have been re-profiled and 'smoothed' to ensure consistency of delivery and manage peaks in expenditure, this smoothing will be reflected in future budget setting and used to inform the business plan.
- There is going to be an 'MOT' system for responsive repairs that will be phased in over the next few years and will lead to each property being visited on an annual basis for routine repairs; with reactive visits only being required for emergency repairs. Annual MOT's are being rolled out in 2018-19 with priority being given to 'high cost' properties and those with low repairs activity, the roll out will be progressive and is intended to work and be co-ordinated alongside annual Tenancy Management visits.
- The Wholly Owned Subsidiary, Templer HomeBuild, began trading on 1 July 2017. This will provide us with greater control over service delivery and the aim is to make the repairs service more efficient by providing a one stop "fix all" service which will eliminate the need for multiple visits to the property and hence reducing costs and providing a better service for the tenant. The Price Per Property model which has been implemented as part of the Templer HomeBuild mobilisation places a greater emphasis on 'right first time' and this alongside the introduction of annual MOT's will drive a reduction in visits to properties generating progressive efficiencies and cost savings. From a customer perspective the 'one stop shop' has been achieved as all services are now provided via THB. The financial savings to be realised from Templer HomeBuild will start to be seen from 2018-19. The 2018-19 budget includes a VAT saving of £280k and a further 1% saving through efficiencies.
- From April 2018 we brought our gas servicing contact into Templer Homebuild. It is anticipated that this will bring an annual saving which has not yet been quantified but is anticipated to be in the region of £100k, but more importantly will give us the control over service delivery and enable us to provide an efficient service to our tenants.
- The implementation of Civica CX, the new housing management system continues and will go live at the end of 2018
- In May 2017 the Board set a 5% efficiency target, equating to £0.5m from 2018-19. In light of this, a staffing restructure was approved by the Board in June 2017 which created cost

savings and more importantly enables the organisation to better deliver services into the future.

- A zero inflation budget has been maintained for 2018-19
- Technological enhancements are being implemented along with the new housing management system. The website has been redesigned to allow customers greater and easier access to services and, in some areas, for more automated responses to be delivered thereby reducing staff involvement. We are also reviewing mobile working practices to provide more flexibility and to enable staff to be more accessible to our customers.
- We continue to work with our customers and our employees to prepare for the Universal Credit due in September 2018. The Welfare Reform Action Group continue to meet regularly to share knowledge and best practice to allow us to develop our knowledge and support customers through the changes.
- Use of Active Asset Management to dispose of inappropriate and high value assets. We have disposed of one property in 2017-18 and two in early 2018-19.
- The development team was brought in house from April 2017 this has allowed us to increase the team at no additional cost and look for broader development opportunities.
- Two LEAN process reviews have been undertaken in invoice processing and voids and lettings. They have both resulted in different ways of working. We have seen success in the finance team with reduced processing time for invoices and getting things right first time. We have further work to do on this project as the process of receiving the goods on the system is still not working as it should. The progress on the new targets for voids and lettings is not yet as expected and will be closely monitored as part of the Balanced Scorecard to ensure the efficiencies are delivered.
- We planned to bring the processing of the payroll in house in April 2018. A decision has been made for this to be delayed as we focus on the implementation of Civica CX. This will be brought in early in the 2019-20 financial year.

All of this continues to allow us to manage the impact of the rent reduction, deliver new homes whilst still delivering the aims and aspirations of the company.