**Value for Money Report 2019-20**

Teign Housing continues to be fully committed to delivering Value for Money (VfM). The last financial year saw the final year of four years of rent reductions and during that time our rental income reduced by £2m. Rents were permitted to increase from April 2020, and we remain committed to providing good levels of customer service in what has now become a different environment. Whilst managing the changes required as a result of Covid 19, we will look to use our resources in an innovative and still cost-effective manner. We try to make the best use of our customers’ money whilst considering cost, time, quality, stakeholder benefit and meeting our customers’ expectations whilst bearing in mind the benefits to us as an organisation and our ongoing viability as a business.

Value for Money is at the heart of what we do at Teign Housing; and it is driven by our Board. VfM is about constantly reviewing what we do and how we do it so that we make the best choices about how to use resources effectively in the delivery of our services and corporate priorities. Our service delivery and financial performance is monitored by the board at each meeting using reports such as the management accounts and balanced scorecard; any areas of poor performance are supported by a detailed narrative identifying the issues and the steps being taken to deliver improvements.

We continue to develop a Value for Money culture within Teign Housing which starts with the strategic aims in our Corporate Plan and flows through to our operational plan and then onto the teams; it forms a part of our day to day operations. The Corporate Plan is reviewed every three years, the next review being in 2021.

The Board’s focus on VfM allows the organisation to continue to deliver good services and to grow the business by developing new homes. By the end of 2019-20 we had completed 51 new homes, had 137 new homes under construction and capacity in our business for a further 237 homes over the next 4 years.

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 detailed in the graph below is ‘all South West Housing Associations’

Major and cyclical maintenance costs are similar to the median whilst responsive repair and void costs compare favourably to the median and the upper comparison groups. There has been an increase in cost in both areas and this is largely due to greater investment in regeneration and increased void costs. There has been a decline in the standard of the void properties being returned which has resulted in an increase in costs to get them to a lettable condition.

Housing management costs are above the median comparison group and have increased from last year. This partly due to the purchase of software to improve the efficiency and effectiveness of our arrears management, an increase in the size of the housing team, enabling them to provide more direct support through our head start and invest time in the housing management system. There were also increases in the costs of communal maintenance and health and safety. A full review of the provision of housing for older people, Project Transformation, is underway; this takes an in depth look into our service provision and explores the potential for an enhanced offering. The review will examine all the costs associated with this and the use of resources.

Estate service costs have also increased from last year and are above that of the median comparison group. This is due to increasing the size of the grounds team in order to deliver an improved service.

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Over the last year we have:

* Phased in an ‘MOT’ type system continued for responsive repairs. Our initial intention to visit every home over a 5-year period to carry out all routine repairs will not be achieved, due to insufficient resources, therefore we have needed to modify our approach to MOT’s going forward. These will be ‘triggered’ by observations and feedback from a range of resources, i.e. Estate Inspections, KIT (Keeping In Touch) visits, surveyors observations during routine and planned maintenance validation surveys and other trends identified from data analysis, to allow us to prioritise high risk homes and focus our MOT activities. 2020-21 will be the pilot year to determine if this is a more realistic approach.
* During the year we received Board approval to invest a further £200k in Health and Safety to be spent over the next two years. This includes replacement of fire doors, reviewing evacuation procedures and improvements to notices and signs. This will ensure that we keep customers safe and informed.
* We continued to work with our customers to support them through their move to Universal Credit. Our 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.
* We have employed a third Head Start Advisor to provide further support to customers. With a clear focus on tenancy sustainability they consider affordability assessments and checks prior to sign up and then keep a close eye on the tenant’s payment behaviours during the first 12 months of their tenancy, offering additional support as and when required. Since the service started, we have supported our tenants in achieving a total of £116k financial gains from charitable payments, discretionary housing payments, income support, employment support allowance and Universal Credit.
* We continued use of Active Asset Management Sustainability software allows us to identify and to dispose of inappropriate and high value assets. We identified a large old property comprising 9 homes which was not proving efficient in terms of the rent received against the cost of maintaining it. This was placed on the market in early 2020 and was sold in August 2020.
* We continue to be a member of the Advantage South West Procurement Consortium. This organisation exists to improve lives and homes through innovation and collaboration and improves value for money for its members. In the 9 months to December 2019, the savings delivered through the membership of this consortium total £113,697 and a further £75,723 of RPI avoidance.
* The payroll processing for Teign Housing was brought in house in the winter of 2019. As a result of now having a qualified payroll technician we process both the Teign and Templer HomeBuild payroll one system meaning we have a faster, more accurate and more efficient service along with a small cost saving of £1,500.
* As well as no longer outsourcing the payroll there are also other areas that we have been able to bring in house. The business continuity plan was rewritten in 2019-20 and this was done by members of the corporate team, saving over £5,000.
* The whole company attended equality and diversity training in 2019-20 and again this was delivered in house over several sessions Where we previously would have commissioned an external trainer to do this, running this in house has saved us £3,000. The training was very well received and the feedback from staff was excellent.
* We have partnered with the local NHS foundation to ensure that our customers who have a community alarm have access to the Assisted Lifting Response Team (ALRT) service. In a bid to provide a better service for the community and take some pressure off paramedics, this service was introduced when someone suffers a fall. Any customer who pulls their pull cord to trigger their alarm will immediately be ‘triaged’ by the call monitoring team to establish if the individual would be best attended to by the ALRT service rather than an ambulance. From the time the ALRT service went live, we have had 30 customers benefit from this and whilst it is difficult to evaluate the wider cost saving to the NHS, it is a significant service improvement for our residents.
* In 2019-20 we commissioned a broker to conduct an audit of our energy supplies to ensure that we are being charged appropriately, had the best tariffs and were being charged the correct rate of VAT. This resulted in a positive outcome and we have since received a refund of over £15,000 and there will be continued savings.
* In July 2019 we terminated the leases on our town centre office and the nearby carpark. We were continuing to see reduced footfall to that location and felt it no longer viable or efficient to have two offices and have our staff spilt over 2 locations. There was an initial investment of around £12,000 needed in our main office to accommodate the additional staff; whilst the ongoing annual revenue savings amount to £42,000.
* The wholly owned subsidiary, Templer HomeBuild, continues to provide us with greater control over service delivery and cost efficiencies. There is a strong emphasis on ‘right first time’ generating progressive efficiencies and cost savings. The VAT savings to be realised from Templer HomeBuild in 2019-20 were £371,000. The 2020-21 budget includes a further VAT saving of £402,000 and a further 2.5% saving through efficiencies.
* We continue to further enhance the capability of Civica Cx, the new housing management system which went live in February 2019. We are heavily involved in the user group which drives forward product enhancements and we are a flagship site for the software which has allowed us to negotiate additional support and training days free of charge, in exchange for sharing our experiences with potential customers. As we are still developing the software, we cannot yet confidently measure the cost savings from using the new software, but we have seen benefits of improved accuracy of our data and centralised communication logs and record keeping. Ultimately, we still plan to save around 40% of processing time as a result of the full implementation of Civica Cx but this has not been realised as soon as we would have liked.
* We have made some digital enhancements which are being implemented along with the new housing management system:
	+ We are reviewing our mobile and homeworking practices
	+ We have introduced a webchat service, which was particularly successful in the period of lockdown with 99 webchats in one week
	+ The CX tenant portal now has 333 tenants enrolled onto it.
* In 2019-20 we have seen a significant increase in the costs of repairing our void properties. The number of voids was as expected but we saw a decline in the standard in which they have been returned, resulting in an overspend in the voids budget by £266,000 (32%). We continue to analyse these properties and their tenants to try and identify any trends or patterns in order to move towards mitigating these issues.
* In 2019-20 the Board approved a new void standard which was to be implemented at the start of 2020-21. This has resulted in an increase to the voids budget of almost £600,000. It will include the property being fully decorated, the installation of more power sockets, enhanced tiling in the kitchen and bathrooms and in some cases floor coverings, curtains or blinds being provided. It will also include some white goods for those most in need. The success of this additional investment in our properties will be difficult to gauge in the short term, but it is hoped that in the longer term we will see less tenancy turnover and the properties that are being handed back being in better condition.

**Looking forwards**

We will continue to actively engage with our tenants and the wider community. We have a Resident Involvement Manager who co-ordinates this and a tenant forum which meets every 6 weeks which we consult on issues in which they have an interest in and have valuable input to key decisions. We have a Scrutiny Panel made up of tenants who undertake regular reviews of our services, from a tenant point of view and provide critical feedback and recommendations for service improvement. We also have involved residents who inspect our void propertied before they are re-let to ensure they are of a good standard. As we move forward with our digital agenda, we will consult with our tenants to ensure that we are making the decisions to best service their needs.

All these savings and efficiencies strengthen our business plan and help us to ensure we can make the strategic decisions necessary to improve the quality of our homes and services and to keep our customers safe whilst continuing to deliver new homes, increase our capacity and deliver our company’s aims and strategies.

The opportunity to further enhance the digital offering to customers and staff continues to be a vital part our approach to Value for Money. Our corporate plan sought to ‘provide excellent services’ with a focus on increasing mobile working capacity by 15% by March 2020. The lock down, accelerated this and we are currently working above 80% from home. We continue to encourage more residents to get online by offering training through our ‘digibug’ service. A paper was presented to the Board in January 2018, outlining the approach to our digital strategy, presenting the current position and suggesting what the future may look like, including the barriers that may be faced. A strategy will be developed during the year ending March 2021.