

## Chapter 1 Value For Money Statement 2013-2014

We are committed to providing excellent services that offer real value for our residents and customers. We believe that social value is what Chapter 1 is all about and this is illustrated by our Vision statement.

The Value for Money (VFM) Strategy was first approved by the Board of Trustees in 2012. We have decided not to prepare a specific VFM strategy document going forward but to embed our strategic approach to value for money and social value in each individual strategy. Our opinion is that this embeds achieving value as a key principle of everything that we do and emphasises that everyone has a responsibility to help achieve this. This will be crucial to our success in continuing to improve value for our residents.

We regularly monitor the value offered by our services by benchmarking with peer group organisations through the House mark service. Our value for money target is for all of our core services to deliver above peer median performance, whilst maintaining the costs of delivery at below average. We track the change in the value for money measures over time and this has shown consistent improvement over the last three years with two core services (rent collection and estate services) now achieving the overall standard, a further four services achieving our standard on performance, and two on cost alone.

We have not set a fixed monetary savings target each year as we have found that our value for money service targets have been effective in continuing to drive efficiency gains from our services – in our opinion a hard savings target can be counterproductive.

### Self-assessment of performance

The regulatory framework for the sector includes a specific standard for VFM. Our regulator, the Home and Communities Agency, expects us to “have a strategy for optimising VFM, and system to ensure this strategy is delivered”. The regulatory framework also includes the requirement to prepare an annual self-assessment report for our residents.

We have undertaken a range of activities to improve our value position including a review of our overhead procurements. We identified the following potential savings with the help from independent consultant Expenses Reduction Analysis:

- Stationery
- Photocopiers
- Water and Sewages
- Communications
- Utilities

We have secured a national contractor to supply all our stationery requirements at an agreed price delivered locally to all our projects with potential savings of up to £19k. We have consolidated all our energy providers with the same start and end date for all contracts and energy providers were invited to bid for Chapter 1’s energy requirements. Chapter 1 managed to secure reduce rate of Value Added Tax status from 20% to 5%.

### Value for Money Analysis

	<b>Chapter 1</b>	<b>Peer Group Median</b>
Number of lettings	1,820	519
Average re-let times	14 days	74 days
Service user planned departures	76%	84%
SP block grant income as % of turnover	28%	22%
Operating Cost as % of Turnover	99%	92%
Rent collected – Supported housing	97.0%	95%
Current arrears – Supported housing	4.7%	5.25%
Former arrears – Supported housing	2.0%	1.14%
Void losses – Supported housing	7.5%	6.6%
Maintenance expenditure as % rent budget	3.0%	19.3%
Reactive maintenance % of total	63%	47.1%
Planned maintenance % of total	36.3%	52.9%
Average weekly cost per dwelling of responsive repairs	£4.4	£4.6
Average weekly cost per dwelling of planned/capital repairs	£2.5	£1.3
Emergency repairs completed within target	100%	97.6%
Urgent repairs completed within target	96.2%	96.1%
Routine repairs completed within target	98.4%	96.9%
Total staff turnover	11.0%	7.4%
Agency staff costs as % of payroll	7.4%	5.1%

Source: Housemark

### **Managing Voids Risk for Public Sector Leasing (PSL)**

To manage voids risk we operate a waiting list policy where demand for the accommodation usually outstrips the supply, plus each tenancy agreement contains a notice period clause, which each resident is expected to comply with.

### **Homes & Communities Agency**

We are regulated by the Homes & Communities Agency.

### **Future Aims**

The Board of Trustees has continued to deliver Strategic Implementation Plan to 2015 which was approved in 2012. This has three main themes:

- Equipping people for a better future & delivering today
- Developing partnerships including the church
- Developing new income streams: social enterprise and fundraising

These are underpinned by our mission and values. During 2014, it will complete a strategic review of the environment and its operations and agree new priorities as part of its business planning process. The VFM Statement will be updated annually.