VALUE FOR MONEY STATEMENT 2013/14

We've been busy
Working on delivery
And value for money

shropshire
housing group

Shropshire Housing Group - VFM Self-Assessment 2013/14

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Shropshire Housing Group - VFM Self-Assessment 2013/14

Introduction

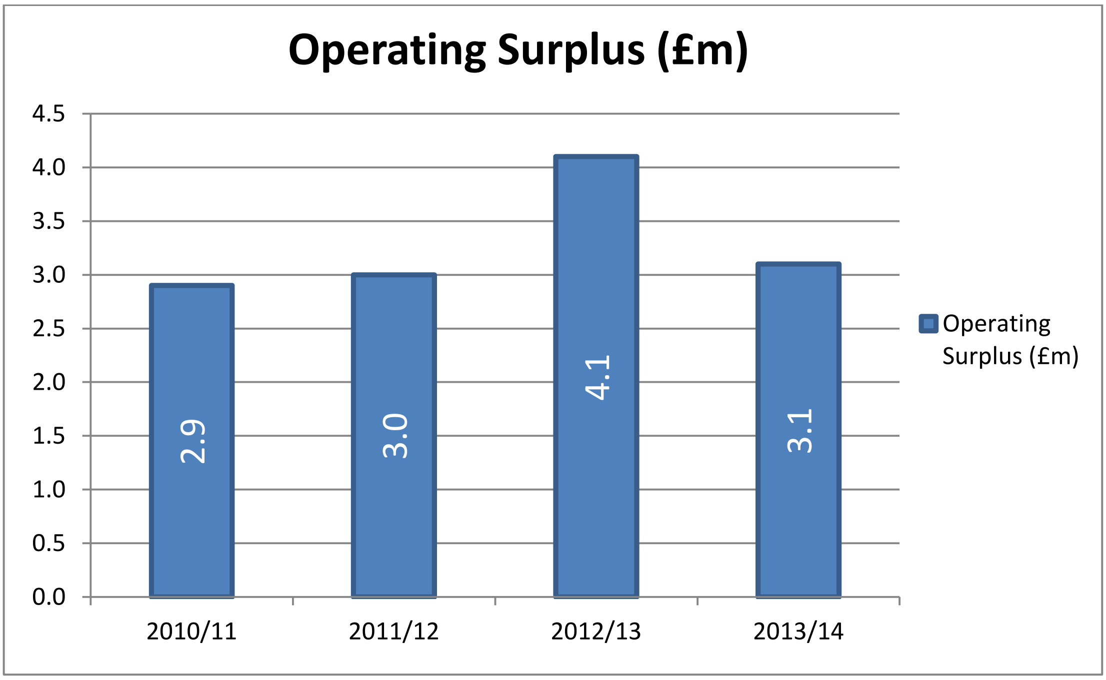
The purpose of this statement is to demonstrate how we have delivered Value for Money (VFM) in 2013/14 and to highlight future initiatives. It explains how VFM is vitally linked to achievement of our corporate objectives, what resources and assets we have available and what activities we have undertaken to ensure we make best use of these; and assessments of the effectiveness of our activities – including cost and performance comparisons.

A summary of the key points is included in our Financial Statements and Tenants Annual Report. Click on highlighted text for hyperlinks.

Our Strategy for Delivering Value for Money

Last year Shropshire Housing Group (SHG) began a review of its approach to Value for Money (VFM). In May the Board agreed a **Business Effectiveness Strategy**. This set out our overall approach and what we needed to do to make our organisation more operationally effective. We described our position as work in progress and quickly began deploying our business effectiveness approach to support a value for money culture throughout SHG.

As a learning organisation we are continually changing, improving the way that we work so that we spend every pound available to us wisely. In the year 2013/14 our operating surplus was £3.1m, broadly comparable to figures seen over the past few years. After accounting for the depreciation of our commercial property, a decision we took to minimise the impact of regulatory changes (IFRS). This is a strong set of results with continued development, a strengthening balance sheet and improved validations.



At heart we are a social business, but a commercially minded one. Our profit for purpose approach means that we re-invest surpluses into our business; improving and developing homes and investing in our communities for social purpose benefiting existing and future tenants.

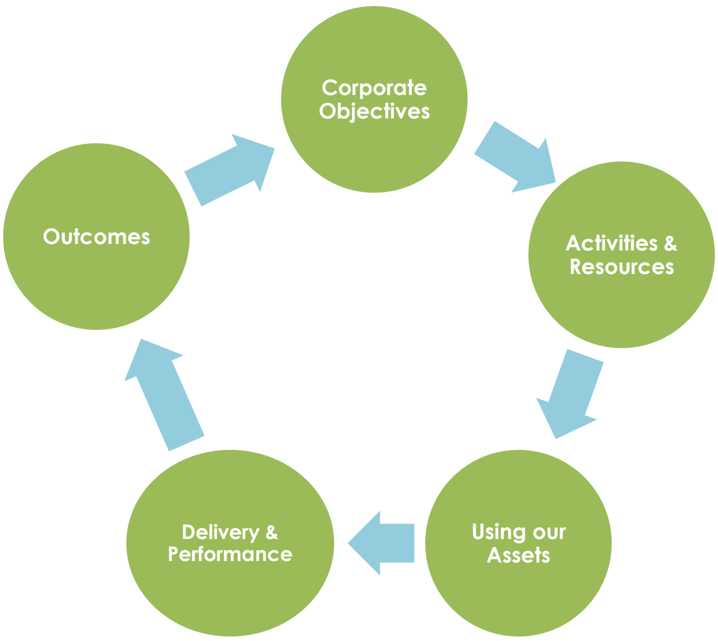
The surpluses we make should be viewed as working capital as it reduces the amount we need to borrow, and interest payments. Last year alone we spent £11.9m on development and improvements.

Working with Others

Throughout the year we have strengthened our relationship with our tenant representative bodies **TASS** and **TARCA**, and established a new Tenant Scrutiny panel **TRIP**. We have maintained an open dialogue with our regulator, the Homes and Communities Agency (HCA), engaging with them on our activities, governance, finance and funding, and our approach to demonstrating value for money. We enjoy strong relationships with our **Local Authority** partners, with many shared aspirations and meaningful partnership working on finance, assets and services. Our active collaborations with other housing associations, such as the **SUSTAIN** Consortium (providing support services across Shropshire) and unITe (providing shared IT solutions with Severnside Housing) are delivering real value for our business and important services for customers. Although our IT and networking costs are still comparatively high due to our rural location, we are working to reduce them and they are trending downwards with unITe helping both organisations to be more efficient, giving us a cash saving of approximately £46,000 a year.

Demonstrating Effectiveness and Value

Our business effectiveness approach to Value for Money (VFM) means delivering our business objectives efficiently and making the most of our assets and resources. This report now follows our business effectiveness model:



Corporate Objectives

Change at the Top

In April 2013 we appointed a new Chief Executive who took up the post in July, following a staged handover. This represented an additional one-off cost in recruitment, however the new Chief Executive was appointed on a reduced grade to allow for development within the role.

Change of Approach

We have revised our previous performance management framework **'Aiming High'** to become our operating manual for Business Effectiveness. We also changed the focus for VFM from a small working group to a collective responsibility for everyone in the organisation. 'Aiming High' is available to all staff and explained to new starters as part of their induction. The **SHG Board of Directors** is responsible for setting corporate objectives and strategy required to deliver those objectives, including VFM. We have appointed a Board VFM Champion to constructively challenge our work on business effectiveness and VFM. The Group Board regularly reviews progress with subsidiary Boards and the Executive Team. From July 2014 the Group Board will complete an annual assessment of outcomes and set future VFM targets channelled through the annual budget cycle. It is responsible for reporting these to stakeholders including the Homes and Communities Agency, whilst delegating to the ongoing monitoring of performance to our Performance Committee.

Here are our VFM targets for 2014/15:

- 5% off revenue budgets excluding maintenance across all services, for a cashable saving of £161,000
- £300,000 saving on responsive repairs compared to 2013/14
- 15% or £183,000 Total Response Ltd operating efficiencies compared to 2013/14
- 50% reduction in letting costs, with a target cost per let of £70 and £35,000 overall saving compared to 2013/14
- Improve our STAR customer satisfaction rating to at least 2010 levels (please refer to p.21 for STAR outcomes)
- Have a single Group Board in place to manage the business more effectively

Future reports to Boards will increasingly use the VFM section to specify the actual or anticipated 'return' to the company, customer or wider community of the proposed investment or course of action.

Corporate Focus

Building on previous consultation from tenants about the future direction of the organisation and feedback from others, we took another look at our **Core Values** and refreshed our **[Corporate Plan]** in early 2014. The Executive Team, staff and the Boards collectively agreed a clearer way of stating our organisational Vision and Values to sum up our approach to achieving our ambitions and what it means to be part of the Shropshire Housing Group. PRIDE sums this up for us.

The Group's five corporate ambitions and business priorities for 2014/15 are:

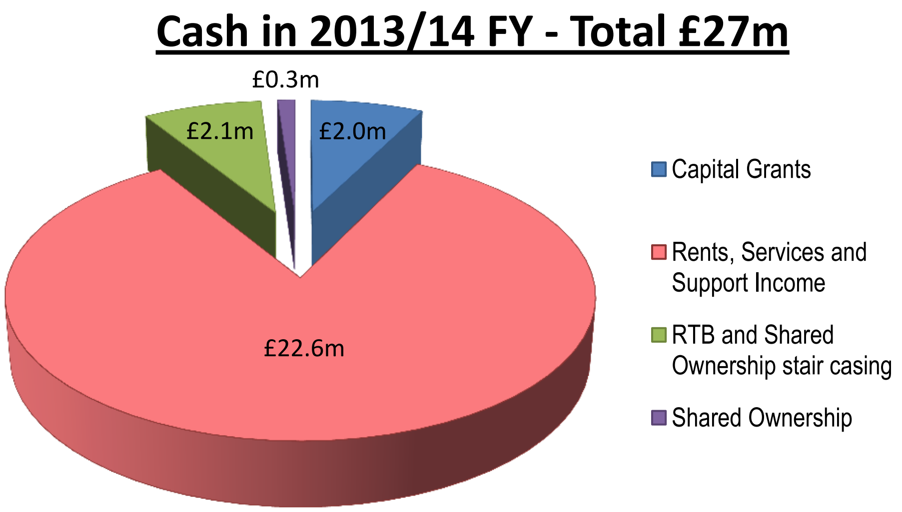
Business Planning and Governance

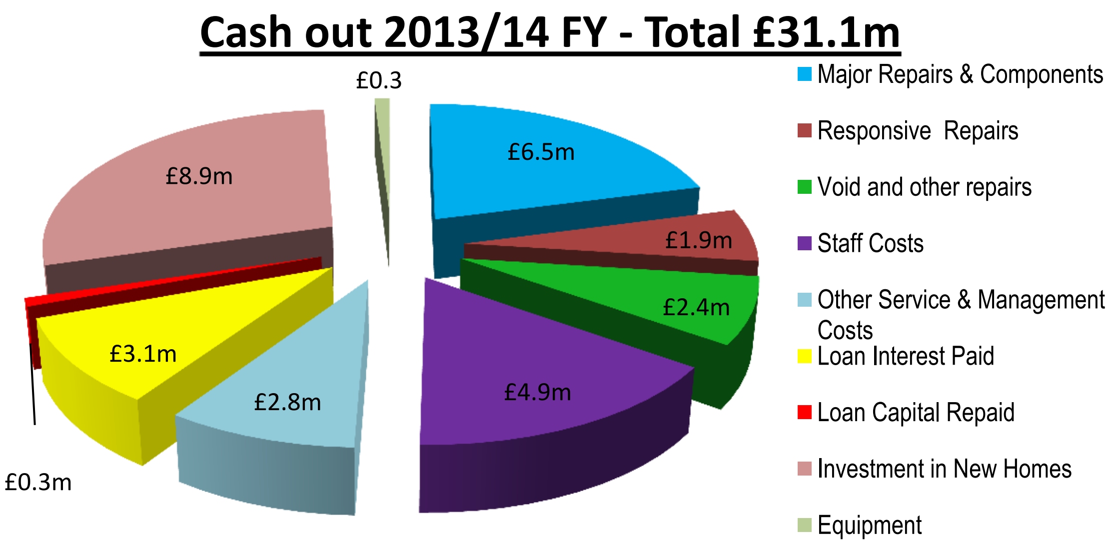
Over the last 12 months we have moved from a position of having separate business plans for our subsidiaries, South Shropshire HA and Meres and Mosses HA, to having a consolidated business plan. This more effectively directs our resources to strategic business priorities. The consolidated Business Plan and re-financing arrangements mean that we have greater financial control across the Group, helping our aspiration to improve our financial rating from V2 to V1 by year three of the plan. As part of our on-going treasury management, we have continually appraised our loans and investments, taken independent advice and flexibly applied our policies, allowing us to generate over £230,000 of interest savings in 2013/14, which have been made available for services. The weighted cost of borrowing for the year was 3.22%. In the future the cost of borrowing will increase to an average of 5.082 % as a result of our decision to refinance. By removing existing restrictions on borrowing the business will have more flexibility and freedom to continue to grow and develop.

The Group has also been undertaking a Governance Review to introduce a more streamlined, efficient and effective way of managing the organisation's affairs which will as a consequence result in half the number of paid Board Members and release capacity within back office services.

Activities and Resources

How we Spend our Money





In 2013/14 we received £27 million of cash and spent £31 million, reducing our cash held by £4.1 million. Despite the £3.2 million surplus, in real cash terms we spent more last year than we received. We reinvested this into our stock in line with what our customers have said is important to them through the tenant satisfaction survey. As part of the STAR survey and stakeholder engagement later in the year we will be asking tenants and other stakeholders whether we have got these priorities right. We will be able to respond to what we are told through our budget and policy review processes, as well making room for new opportunities by using efficiency and VFM savings.

How our Costs Compare

We have compared our **absolute and comparative costs** of delivering services with other similar organisations, benchmarking our costs through organisations such as Housemark. In the past we have looked specifically at cost and performance data for each of Shropshire Housing Group's subsidiaries, Meres and Mosses Housing Association (MMHA) and South Shropshire Housing Association (SSHA), but as part of our overall approach to Business Effectiveness we have pooled information, on costs for the Group as a whole. This means that some year on year comparison is difficult but more usefully reflects our operations. The table below shows some broad analysis over time:

Business Activity	Measurement	2013/14			2012/13			2011/12		
		Our Result	Peer Average	Quartile	Our Result	Peer Average	Quartile	Our Result	Peer Average	Quartile
Overheads	% Of Adjusted Turnover	14.08%	12.49%		12.40%	11.45%		15.59%	10.98%	
Major Works & Cyclical Maintenance	Total Cost Per Property	£1,705	£1,391		£1,478	£1,497		£1,650	£1,803	
Responsive Repairs & Void Works	Total Cost Per Property	£775	£776		£678	£695		£671	£727	
Housing Management	Total Cost Per Property	£418	£445		£448	£390		£422	£383	
Estate Services	Total Cost Per Property	£102	£142		£100	£127		£110	£100	

= Top Quartile = Upper Median Quartile = Lower Median Quartile = Bottom Quartile

Looking at our Overheads

Our overhead costs as a percentage of adjusted turnover has fluctuated in recent years but at 14.08% in 2013/14 they are still lower than 15.60% in 2011/12. We have done considerable work to ensure that the overheads of the different parts of the business are properly identified. As we have grown, in 2013/14 we adopted transfer pricing which means that all transactions within the Group are treated as arms-length and back-office services have been appropriately recharged to Total Response Ltd. This means we no longer make an adjustment to turnover and explains the recent increase to 14.08%, which we would not expect to fluctuate again.

Benchmarking information tells us that in cash terms we have comparatively high overheads at £610 per property, compared with a peer average of £539 per property. We are endeavouring to reduce overheads where possible and focus on front line services. We have for instance been successful in containing costs on our **Estate Services**, which compare favourably in cost terms with others. We will, however, see future pressure on our property overhead as we have taken a business decision to retain offices where our tenants live and not to centralise them.

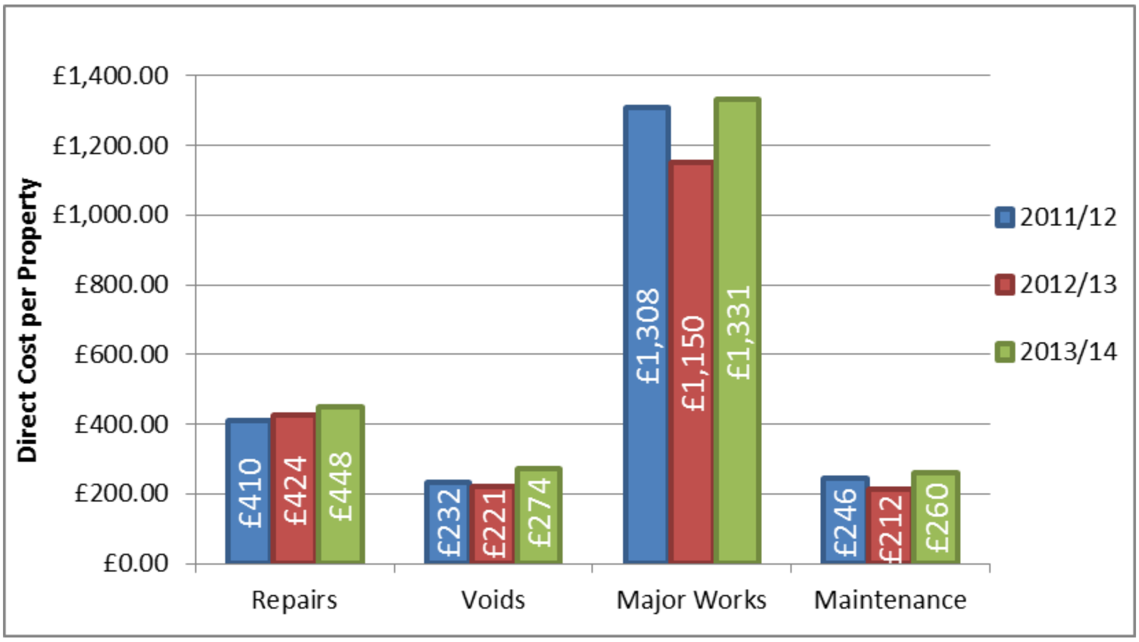
It is important that we continue to manage our costs to make efficiencies when opportunities arise and to focus as much of our resources as possible on service delivery. To help put this in context we:

- Pay a price for operating in Shropshire, a deeply rural area with dispersed population and stock

- Are a relatively complex organisation for our size having
    - A large supported housing team in the **SUSTAIN** consortium
    - A domestic violence **refuge** and a **foyer**, which works with young people to support their transition to independence)
    - An in-house contractor, **Total Response Limited** (TRL), for repairs and maintenance. A large workforce, with over 100 employees increases our overheads, but is offset by VAT savings
- Have diversified our business into not-for-profit areas such as **Homelife**, providing valuable services to our customers

All these factors lead to higher costs; however we are not at all complacent in this area and would like to see our corporate overheads moving towards the median over the next couple of years.

Looking at Repairs and Maintenance



In 2013/14 we struggled to contain our responsive repairs budget due to significant demand (up on the year by 15.5%) and our desire to address the fall in customer satisfaction recorded in the 2012 STAR survey.
To contain costs, we have revisited our responsive repairs policy for 2014/15, being much clearer about tenant responsibilities for their homes. Positively, in 2013/14 planned maintenance expenditure was managed within budgets supported by cost reductions in other areas.
The Value For Money (VfM) focus in 2014/15 remains with the responsive repair service, having targeted a saving of £300,000 compared with 2013/14, whilst being tasked with improving customer satisfaction with repairs from 91% to 95%.

We continue to invest extensively in our existing stock, during 2013/14 we introduced the following improvements as part of our planned maintenance programme, agreed with customers:

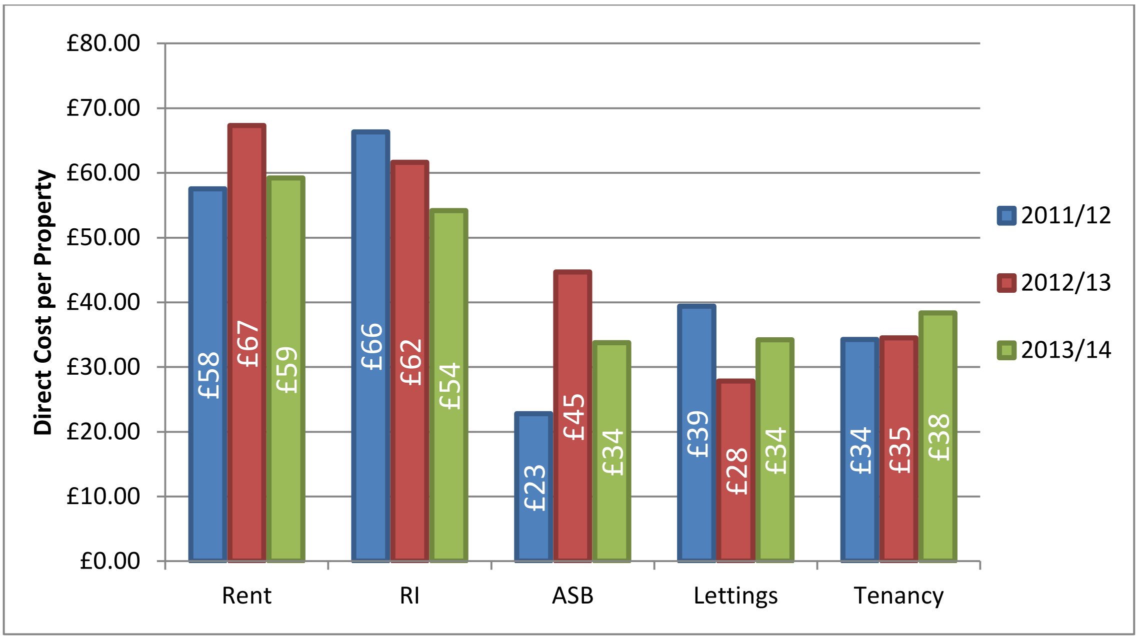
- 180 kitchens, up from 99 in 2012/13
- 119 bathrooms, down from 134 in 2012/13
- 208 external doors, down from 296 in 2012/13
- 200 heating systems, up from 159 in 2012/13
- 90 roofs, up from 47 in 2012/13

With 28.5% of our homes not on mains gas and with fuel costs continuing to rise, we also continued to invest in renewable heating technology. In 2013/14 we fitted 27 ground source heat pumps (up from 26 in 2012/13) and 48 air source heat pumps (up from 0 in 2012/13). By investing in renewable technologies SHG is benefitting from small Feed-In Tariff payments and is hopeful of domestic renewable heat incentive payments. These revenue streams will be identified and collected centrally and used for further renewable investment, with an ambition to install at least 5 new renewable heating schemes next year and being increasingly ambitious in the future.

All of the above meant that during the year we spent £8,748,818 on planned, responsive and cyclical maintenance. By continuing to offer all repairs by appointment, 2013/14 showed an improvement in our percentage of repairs on time compared with 2012/13, from 89 to 93%. We continue to fall behind peer performance, and remain focused on improving this further. Our tenant scrutiny panel **TRIP** is helping us to improve. They have carried out their first review on right first time repairs, with their recommendations currently being implemented.

Our in house contractor Total Response Ltd continues to maintain a quality service within an agreed market benchmark cost. They returned a profit for the Group of £40,552 in 2013/14, compared to £3,756 in 2012/13. With the VAT savings we make by having an in-house service provider, this remains the most cost effective way to provide quality services to our tenants. They are currently undergoing a LEAN review, have an efficiency savings target of 15% in 2014/15 and are expanding private works.

Looking at Housing Management



Our costs for housing management have always been relatively high compared to others. Our conscious decision to invest more in anti-social behaviour, tenancy management, and improve performance on rent collection and management of voids may have increased our overall cost per property. However, this has improved, being £418 in 2013/14 compared to a rising peer average of £445.

Anti-Social Behaviour

With the support of our tenant bodies, TASS and TARCA, we are focussed on being clear with residents about what we expect from them as good neighbours, and what we can reasonably do in relation to cases of anti-social behaviour. We are committed to promoting positive community relations, which we believe will help improve overall tenant satisfaction, but we are also becoming much clearer about what we expect in return from tenants. In 2013/14 we dealt more robustly with serious cases of anti-social behaviour which increased our legal costs. We will continue to ask TASS and TARCA about their priorities for spending.

Welfare Reform

Like many social landlords responding to welfare reforms, Shropshire Housing Group have invested more in tenancy support allowing customers to better manage their tenancies whilst protecting our income. During 2013/14 we have focussed on combating the effects of under-occupancy deductions and the overall benefit cap, whilst preparing ourselves for the introduction of Universal Credit. To support tenants we recruited a new Money Management Officer who has helped affected tenants by explaining options, offering home visits, advising and supporting benefit claims, completing income and expenditure assessments, providing money and debt advice, and working with, and referring to other agencies if necessary.

We are pleased with the overall impact of this investment so far. For example, in April 2013, 465 or 10.5% of our tenancies were affected by under occupancy, whilst in April 2014, this had reduced to 356 or 8% of tenancies affected. We have increased our work with partners and are pleased that 58 tenants moved into work and 85 have downsized (either through direct lettings, mutual exchanges or choice based lettings), with 36 of these accessing our downsizing fund. We have provided free access to HomeSwapper for all our tenants, held mutual exchange events with other landlords, set up a downsizing fund and identified possible exchanges, to aid tenants to move and downsize.

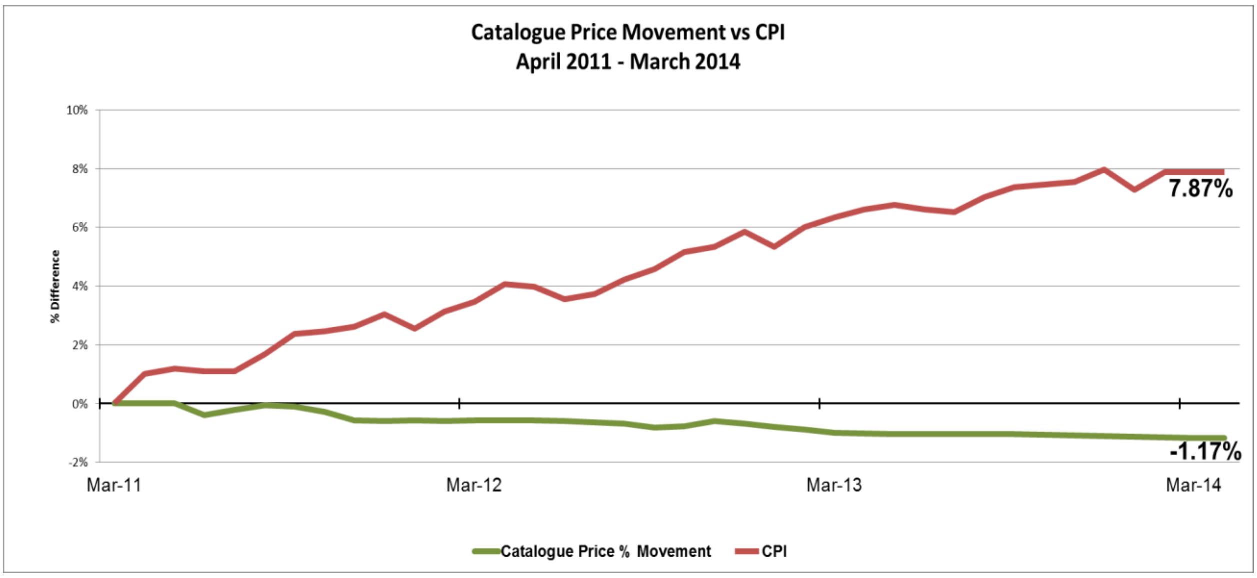
Sustaining Communities

The Group has sought to improve our resident involvement offering and reducing associated costs in two ways. Firstly, by moving away from specialist Resident Involvement Officers and expanding our generic Housing Officer team, who are now tasked with engaging residents directly and devising and delivering new Neighbourhood Action Plans. We are also looking at the costs of providing information to customers to ensure that spending on this is as effective as possible. Over the coming year we will be comparing ourselves with others and seeking tenant feedback on what works best for them. We are also increasing our internet and social media presence, to allow for different methods of communication.

We have been proud to manage the county-wide choice-based lettings system since 2009. As the system has grown, costs have not always been apportioned fairly, causing us to absorb some. Therefore, we have agreed the transfer of the service to Shropshire Council from summer 2014, which will save us around £35,000 a year.

Procurement

Efficient procurement is central to achieving VFM. Our broad approach is set out in our **Procurement Strategy**. We are founder members of Central Housing Investment Consortium, (**CHIC)** and procure most of supplies and materials for our business through this group. Using CHIC has saved £217,047 (or 8.4% of our materials budget) over the last two years. This is balanced with other spot purchasing to ensure that we get the best price, whilst allowing us to support the local economy. Importantly this also helps us to manage the market place and ensure Shropshire Housing Group get competitive prices all year round. The graph below shows the trend in material price inflation over our savings period.



We subject a number of services to tender to ensure we purchase at competitive prices. During 2013/14 the following services were re-tendered, following a rigorous and compliant process:

- Staff health scheme - £22,000 annual saving
- Internal Audit – projected £13,000 annual saving

We are developing a full procurement programme to support our **Procurement Strategy** which shows our future plans for review. In 2014/15 we will re-tender for the following products and services:

• Mobile Phones - May 2014	• Insurance - September 2014
• External Audit - July 2014	• Utilities - November 2014
• Office Cleaning - August 2014	• Fuel - March 2015

Value For Money Savings 2013/14

Over the last few years we have encouraged our staff to identify smarter ways of working to produce efficiencies and savings, to be pooled for the building of a new exemplar energy-efficient home to use for promotional and training purposes. With over £150,000 of savings generated from staff ideas, we hope to design and build our new VFM home in 2015/6.

We did not start 2013 by identifying specific VFM savings, but nevertheless generated efficiencies within the year to balance our budgets, whilst dealing with severe budgetary pressures in responsive repairs. A selection of the VFM savings contributed by staff in 2013/14 is shown below:

VFM Item	Savings Made
Use of a local company to rack Total Response Ltd vans	£806 per van x 6 vans = £4,854 annual saving and reduced carbon footprint.
Entry level vacancies advertised at the job centre, our website and using Facebook and Twitter. Reducing local press advertising	£1,442
In house mediation by Neighbourhood Management Officers	£700 per case – £1,400 so far
We secured £202,500 funding from Energy Savings Trust for renewable heating investment	Monetary and C02 savings to tenants still to be calculated. Additional £31,410 grant secured through negotiation.
IT cost savings as part of unITe consortium	£41k comprised of Networking & Telephony £10k Server Hosting £15k Specialist systems maintenance £7k Virtual and Anti-Virus Licenses £4K Consultancy days £10k

Social Value

Business effectiveness is ultimately about achieving our objectives in a way that delivers more with every available pound by being efficient and effective in all that we do. Some of what we do within Shropshire Housing Group does not produce an income or financial return, but does have a wider social value. For example, during the year we spent over £87,000 on customer-led **Community Regeneration** projects and have expanded our Homelife service, to provide more bespoke support to the most needy in our communities. Homelife increased their customer base from 99 in 2012/13 to 126 in 2013/14, whilst increasing the average hours purchased per customer from 1.6 hours to 1.9 hours. With no additional staff input, our support services have dramatically increased the use of our sheltered communal facilities from 12,818 attendances in 2012/13 to 21,065 attendances during 2013/14. They have done so by opening them up as hubs for community use and increasing the range of activities available. We have also been developing stronger links through unITe with the Mayfair Trust in Church Stretton and the Beechtree in Whitchurch, for example, where we have supported our communities in achieving greater digital inclusion.

We have recently developed a tool to help us measure social return on investment. We use this to better understand and evaluate the trade-offs and opportunity costs of spending decisions in terms of their impact on the lives of our customers and the neighbourhoods they live in. We see this social accounting tool as the third part of our business effectiveness measures, adding measures of return to our communities, to returns to the company and customers.

New projects are now being evaluated in this way and our aim is to produce a set of social 'accounts' each year to complement our financial accounts.

Using our Assets

Our People

Employees are one of our greatest assets. In July 2013 we achieved the **Investors in People** Gold Award confirming the great strides that we have made in providing the right working environment for our employees, ensuring that they continue to be well trained, highly motivated, rewarded appropriately and focussed on delivering the services that our customers want and need.

The annual pay award settled within the period for staff across Shropshire Housing Group was 1.5%, with no increase for the Executive Team or Board Members. We have held pay at or below the regional average for a number of years now, but will conduct a review of pay and rewards in 2014/15 to ensure that we remain competitive in areas where we are in active competition with other providers in the market, including the private sector. We are proud to support the living wage and moved all remaining staff earning less than this to a living wage in April 2013.

By increasing our return to work support we have reduced sickness absence from 9.8 days per person in 2012/13 to 6.8 days per person in 2013/14. Staff turnover has risen over the past few years, as the economy picks up and opportunities in the building trades increase. We have countered this by promoting our wide array of other benefits such as contributory pensions, flexible leave policies and subsidised private medical care, whilst resisting inflationary pay increases.

Working closely with Young Shropshire in Work social enterprise, we have recently offered a total of 7 apprenticeships throughout the Group, facilitated another 2 through a contractor, and offered 12 work placements to local people, including our tenants. We were supported in this with grant funding, attracting an additional £10,500 into the business.

Through careful and appropriate use of zero-hours contracts (currently 32 agreements in place), we have been able to offer more flexible local employment to support teams such as Homelife, for covering staff absences and for special projects. This has helped us avoid costly agency fees, which typically add 15% to hourly rates and has resulted in 4 staff joining us on a permanent basis, saving us around £1,500 in advertising costs.

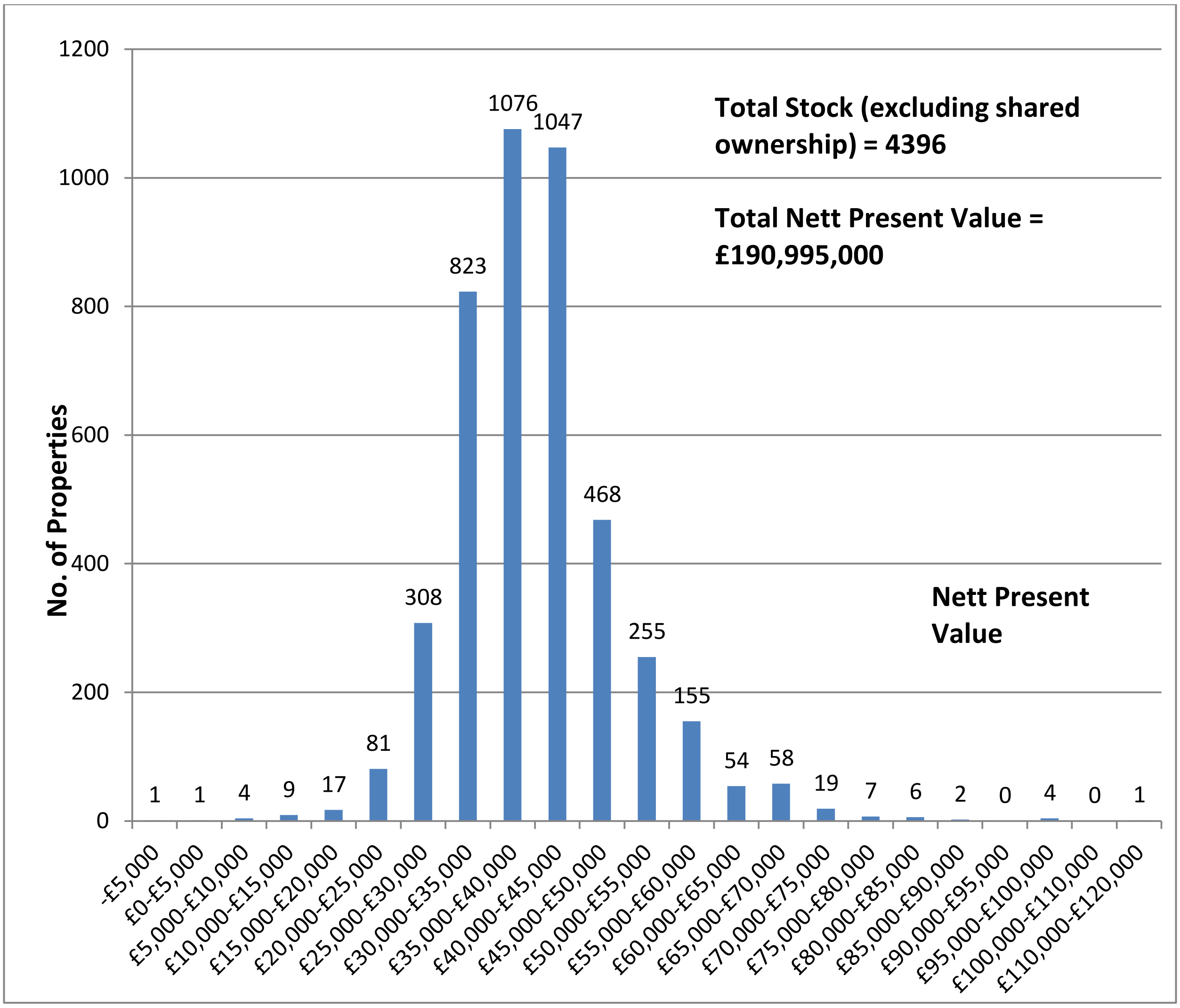
Our Properties

Making our assets work for us is important to Shropshire Housing Group.

We aim to make the most of all the property we own and make informed decisions about investment. Where possible the Group has sought to work with valued public sector partners, rationalising our property holdings and coordinating our efforts and resources to meet both collective and community needs. Seeking to underpin fragile local economies in Craven Arms and Wem, we have bought our two office sites, The Gateway and Edinburgh House, from Shropshire Council and now run them as shared use facilities renting accommodation to Shropshire Council, Shropshire Community Health Trust and West Mercia Police. This form of collaboration is at the heart of our business approach to help sustain communities and stakeholder relationships.

We use regular stock condition surveys and **Net Present Value** to inform our investment decisions for our properties. We use an industry standard asset management system to guide attribute lifecycles, help manage costs, inform business plans and explain **Improvement Plans** to tenants.

We agreed a **Dynamic Asset Management** approach with our boards and tenants in November 2013. We now evaluate our worst performing assets, to inform where we need to continue to invest and maintain a quality home where tenants wish to live and where we need to consider other options including changing tenure and outright sale. This table identifies 32 properties with issues, such as being hard to heat and 1 property with a negative net present value, these are under active review. During 2014/15 our investment plans will address these.



Asset Decisions

In 2013/14 we:

- Disposed of Georgian House, Ludlow – securing a capital receipt of £880k against a long term maintenance liability in excess of £2 million.
- Sold Windsor Place, Church Stretton – an ageing sheltered scheme with desirability issues and long term maintenance liabilities of £1.5 million. This secured 7 new affordable homes to suit local needs and an additional £60,000 from the developer's improved open market sales.
- Converted a property in Longville to shared ownership, given its importance as one of the last affordable properties in this very rural location. Total Response Ltd won a competitive tender process, demonstrating VFM and increasing opportunity.
- Obtained outline planning consent for an open market housing scheme at Old Mill Close, Worthen. This redundant sheltered scheme will now be marketed, increasing the value by an estimated £130,000.
- Reviewed the impact of introducing the Affordable Rent tenure as part of the 2011-2015 development programme. The Group made the decision to extend

this over the life of our new business plan, bringing an additional £121,000 per annum in rental income.

- Secured over £200,000 of grant funding from the Energy Savings Trust and installed 75 renewable heating systems to address high energy costs for tenants in off-gas locations.

Delivering New Homes and Future Ambitions

Underpinning Shropshire Housing Group's core ambition of 'More Homes, More Choice', during 2013/14 we completed 44 new homes adding 1% to our stock numbers. This 1% continues to contribute to the overall aim to increase our stock by 7% by over the next five years. We also commenced another 102 homes in 2013/14 which will add a further 2.25% towards our growth target, supported by £5 million of our own spending and £1.5 million in grant claims through the Homes and Communities Agency and Shropshire Council.

During the year we have also sold 16 properties under the Governments right to buy scheme. As part of the 2011-15 HCA development programme we remain on target to have completed 185 new homes over the period

The Group has adopted a **New Homes Strategy**, and have bid to build another 152 homes in this period as part of an overall aspiration to build or purchase at least 200 homes by 2018. The Strategy seeks to target new homes to geographic need and deliver more small homes in response to welfare reforms, whilst being clear about the build quality, benchmark costs and return on investment required.

The average net cost per unit built during the year has been £86,714 in 2013/14, compared to £76,598 for 2012/13. This compares favourably with our peers, whose average net cost per unit built was £103,589 in the same period.

We purchased 8 properties at Roman Downs in Craven Arms, in an aim to revitalise an unsightly stalled development. This marks our first foray into market rented property, starting to meet one of our corporate ambitions of increased housing choice in the areas we operate.

The Group has adopted **Constructionline**, the UK's largest online database of pre-qualified suppliers, improving our efficiency while maintaining a credible select list of suppliers, returning competitive tendering and reduced costs. Our last 6 tenders were below budget by an average of 5%, producing savings of £673,000 in total.

We have a strong reputation for rural housing delivery recognised for our innovative approach to **Community Led Development**, not only securing the largest national funding allocation, but also supporting neighbourhood planning and community aspirations. We look forward to launching the Marches Community Land Trust Services forum in Summer 2014.

Delivery & Performance

Our Targets and Performance

Shropshire Housing Group acknowledges that we have not always been expert at managing new initiatives, sometimes taking too much on at once; so, with some external support, in October 2013 we introduced a robust project management methodology that we use to help us to better commit time and resources to our priorities, and to better manage our performance.

The Group sets targets annually with the aim of improving performance over time and taking into account the performance of others. For 2013/14 our Performance Committee agreed targets which would mean better services within mostly existing resources. The Committee receives regular reports highlighting trends and enabling performance to be challenged and actions agreed. We have had a mixed year in terms of performance. This table shows 2013/4 key performance areas:

Key Performance Indicator	Cumulative Yearly Performance			Benchmark
	2013/14	2012/13	2011/12	Median
Rent Collection and Arrears				
Current Tenant Arrears as % of Rent Due	2.50	2.33	3.15	2.43
Former Tenant Arrears as % of Rent Due	1.37	1.25	1.58	1.12
Rent Collected as % of Rent Due	99.5	99.7	98.1	100.4
Empty Properties				
Average Relet Time (standard, in days)	29.8	26.1	28.9	27.8
Average Relet Time (major works, in days)	57.8	97.2	N/A	51.9
Properties Let on First Offer %	56.0	63.3	N/A	65.7
Void Work Time (days)	11.7	11.2	12.9	8.2
Tenancy Turnover %	10.2	8.4	7.5	8.5
Anti-Social Behaviour				
ASB Satisfaction with Handling %	73.5	66.9	76.3	84.6
ASB Satisfaction with Outcome %	74.1	60.6	72.8	80.7
ASB Cases Resolved Successfully %	81.4	79.9	N/A	94.3
Responsive Repairs				
Appointments Kept %	98.7	98.5	N/A	98.1
Average Length of Repair (days)	11.7	10.4	N/A	8.2
Repairs Satisfaction %	91.0	84.5	96.4	94.0
Average Repairs per Property	3.5	3.7	3.6	3.6
Servicing and Maintenance				
Gas Servicing Compliance %	99.7	99.6	99.6	99.9
Average SAP Rating (Energy Efficiency)	64.5	64.3	63.6	68.3
Non-Decent Homes %	0.1	0.1	0.1	0.0
Corporate and Customer Service				
Staff Turnover %	11.9	15.7	13.6	14.5
Average sick days per employee	6.7	9.8	7.7	8.4
Average call waiting time (seconds)	22.5	31.0	N/A	17.0

Our Housemark benchmarking group is based in the Midlands, with an emphasis on small housing associations, some having a group structure and/or a DLO. This ensures that we are comparing ourselves with organisations that are similar to us. In 2013/14 we also added a criteria of at least 50% rural based on DEFRAs urban/rural classification.

Rent Collections and Arrears

Performance for rent collection and arrears fell in 2013/14, after improvements seen in 2012/13. Like others in the sector, Shropshire Housing Group has been affected by under-occupancy and benefit cap deductions which have lessened the Group's ability to collect rent owed. However, we believe the work we have done on managing these changes has put us in a better position compared to our peers. When we profiled our tenants, arrears owed by unaffected tenants remained level, whilst arrears for affected tenants rose 50% over the last year. We have been proactive in dealing with such cases by helping tenants with budgeting, fast track appointments with outside agencies, e.g. Citizens Advice Bureau, benefit claims and support into work. This has reduced the number of tenants affected significantly, so should pay dividends in terms of more consistent rent payment over the coming months.

Empty Properties

Average re-let times for Shropshire Housing Group's properties (excl. major works) has risen from 26.1 days in 2012/13 to 29.8 days in 2013/14, whilst the properties let on first offer fell from 63.3% to 56.0% in the same period. This reducing performance is of concern to us and we have asked our tenant scrutiny panel, TRIP to make this their second investigation. A number of pressures on the service have arisen over the year, including:

- 20% increase in the number of properties becoming vacant – rising from 419 in 2012/13 to 499 in 2013/14, some as a result of welfare reform downsizers
- Increasing number of offers refused. This may be addressed by changes which we have influenced in the operation of the counties choice based lettings system
- Limited demand for some of our older sheltered housing schemes, addressed through of our new dynamic asset management policy
- Welfare reform reducing demand for some larger properties, particularly rural 3/4 bed houses and 2 bedroom flats

Monitoring tells us that the time taken for works to be completed remains stable and within our target range at 14 days, and the time taken to re-let properties requiring major work has almost halved in 2013/14.

The average cost of works per property fell from £2117 in 2012/13 to £2085 in 2013/14.

All these measures demonstrate more efficient planning of work; maximising time available to attract perspective tenants and minimising rent loss.

Repairs and Maintenance

The cost per property of responsive repairs continues to rise alongside increased demand, giving a direct cost of £448 per property. The Group's focus of right first time and repairs appointments has driven a rise in customer satisfaction in repairs of 6% over 2013/14. However, due to increase demand and customer focus the average length of repair has continued to rise (up to 11.7 days in 2013/14). The number of repairs per property is still higher than we would like, even after falling to 3.5 per property in 2013/14.

As stated previously, Shropshire Housing Group are now being much clearer about tenant responsibilities for home maintenance, continuing to focus on right first time repairs to minimise costly repeat visits, and reviewing our labour force to ensure it is fit for purpose.

Direct cost per property of major works and cyclical maintenance rose over 2013/14, from £1150 to £1331, and from £212 to £260 respectively. This can be explained by the Group's continuing desire to invest in its stock. Performance on servicing compliance continues to rise, after disappointing contractor performance is recent years, and we have also increased servicing on other assets, increasing our costs. Our investments in energy efficient heating systems, insulation and new windows and doors, has driven up average SAP ratings and has helped us reduce fuel poverty for our tenants.

One area of concern is the cost of management of these services, for which we have seen costs trending upwards over the last 3 years. Work is underway to understand this, as in comparison with our peers, we do not have a large asset management team. We are looking to benchmark on a more meaningful cost invested per asset management staff member, which currently sits at £500k per person.

Satisfaction and Customer Services

The Group's customers have, through consultations, recognised that effectiveness is not always about the lowest cost. We carry out a range of surveys, and with others as part of the bi-annual STAR satisfaction survey. This will be tendered in spring 2014, with results available later in winter 2014.

Satisfaction Measure	2010	2012	2014 Target
Overall Service	88.0%	86.6%	88.0%
Quality of Home	90.0%	86.5%	90.0%
Neighbourhood	88.0%	88.9%	88.0%
Rent Value for Money	88.0%	84.7%	88.0%
Repairs and Maintenance	85.0%	80.6%	85.0%

Last the Group showed its disappointment with its 2010 STAR satisfaction survey results. We put action plans in place to improve customer care, without driving up costs. The STAR satisfaction survey showed the wish of tenants to have warmer homes which are more affordable to heat and this has driven our programme of investment. We have also responded by investing more time and energy into responding promptly and politely to service requests, suggestions and complaints, demonstrating that the Group values and cares about the opinions of its customers. We have invested in a new Service Improvement Coordinator post and have overhauled customer services by increasing staff training, revising policies and procedures, and investing in technology including telephony and customer relationship management systems. We will be sharing progress with customers and asking for their feedback, to ensure that we remain the landlord of choice locally.

During 2013/14 we strengthened our customer services team to help us answer calls more promptly, an improvement of over 7 seconds on last year and enhanced the general service we provide. We have also invested in web based and texting services to help future customers carry out routine transactions in a way that is both more convenient to them and less costly for the Group. Our new procedure to acknowledge and deal swiftly with complaints still has some way to go, however we have seen a 15% increase in satisfaction over the past year.

Outcomes

Concluding Remarks

Striving to provide Value for Money is not a one off process, it is part of what we do. It informs our discussions with customers, and is very much part of the day job of everyone in the organisation and our Boards, who provide strategic guidance and rigorous oversight.

This self-assessment brings together some of the highlights of our VFM approach in 2013/14 and looks forward to set out our agenda for 2014/15 and beyond. All of Shropshire Housing Group's staff and Board members have been instrumental in reflecting upon where we have come from, how we have performed in comparison to others, and are already engaging stakeholders on future ambitions and priorities.

The Group Board concludes that after a period of consolidation and change, and the improvements made during 2013/14, Shropshire Housing Group is in a stronger position to make business critical investment decisions to make the most of our assets and to return great value to the business, our customers and the community.