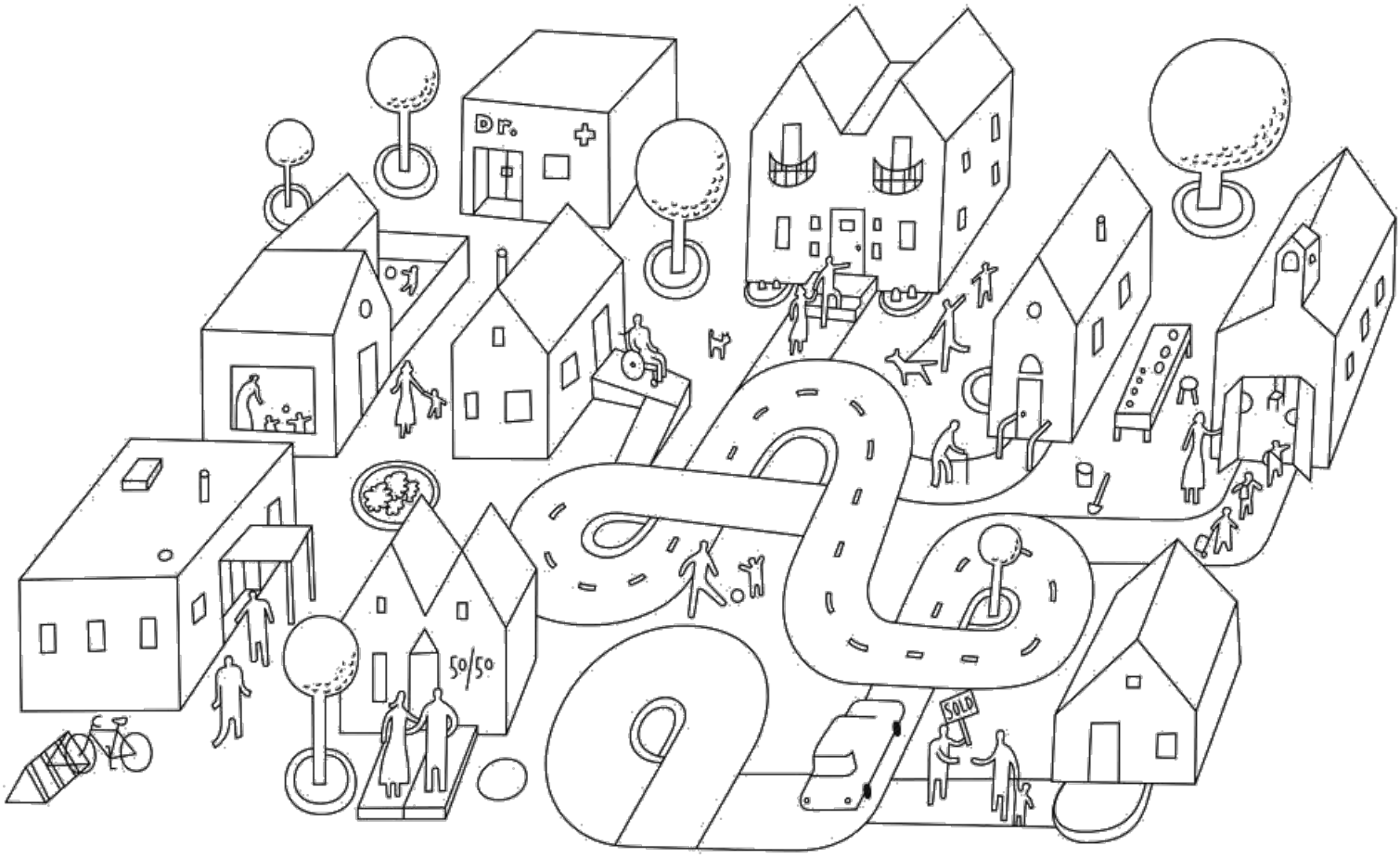
Value for Money

Self-Assessment 2016-17

Approved by bpha Board 18 July 2017



Content of Self-Assessment Report

1 Value for Money (VfM) – Introduction and Regulatory Requirements

1.1 Regulatory requirement

1.1.1 The Board is responsible for our compliance with the Homes and Communities Agency (HCA) regulatory framework including the requirement to evaluate and communicate our VfM performance.

1.1.2 This self-assessment report has been prepared with input from all areas of our business and has been reviewed by our Board. This report is published on our website www.**bpha**.org.uk and a summary of this report has formed the basis of the information included within the published audited financial statements for the year ended 31 March 2017.

1.1.3 This self-assessment sets out how we have delivered VfM across the business during the year to 31 March 2017.

1.2 Overall Value for Money (VfM) strategy

1.2.1 We have a VfM strategy which sets out the framework by which efficiencies and savings are generated and how the delivery of 'Value' is measured. When measuring value, we look at quality as well as cost. Other factors considered in assessing value include:

- Achieving the best possible outcomes with the best use of finite resources;
- Budgetary control, forecasting and benchmarking drives cost reduction to increase quantity, quality and appropriateness of our homes and services;
- Exercising discretion where appropriate to apply innovative techniques to drive value for money;
- Providing services that aim to improve customers' financial wellbeing which enables them to sustain their tenancies.

1.2.2 In summary, value for money means:

- Spending less – delivering services on budget and on time, procurement achieves the lowest possible cost without harming quality;
- Spending well – delivering services efficiently;
- Spending wisely – demonstrating that we have achieved our objectives within budgetary constraints;
- Spending fairly – demonstrating that all services and benefits are distributed equitably.

2 Value for Money – Executive Summary

2.1 A Successful Year in Delivering Value for Money

2.1.1 The Board has concluded that we have been successful in delivering VfM, having continued to maintain tight control of operational costs with investment into resident service delivery and the maintenance of existing stock, delivered new homes and restructured funding at lower cost. The following paragraphs set out the basis for this conclusion and the report concludes with a summary of key VfM benchmarks.

2.2 Return on Assets

2.2.1 Over the past five years our operating surplus has grown significantly. This has been achieved through a combination of a strong contributions from social housing lettings, first tranche shared ownership and asset sales as well as the benefits of refinancing undertaken in previous years.

2.2.2 During the year, in line with our target and consistent with previous years, we developed or acquired 508 homes at a cost of £57.3m. Each of these developments has met various financial hurdles and therefore contributes positively to our on-going performance whilst providing much needed affordable accommodation.

2.2.3 We have an experienced in-house Property Sales team who sell our own properties as well as providing services to other associations. During the year, we made 493 sales (some of which represents the sale of further equity to our shared ownership residents). These sales delivered a surplus of £19.7m.

2.2.4 Our investment of £4m into our joint venture, Gog Magog Partnership LLP has returned profits of £2.1m this year. This surplus will be reinvested in further development of affordable homes and provides us with the opportunity to work in partnership with a commercial developer.

2.2.5 During the year £22.8m (£11.4m capital and £11.4m revenue spend) was invested to maintain or improve our existing stock. This investment equates to £1,252 per home which is low by benchmark standard. This relatively low cost for repairs and maintenance is attributed to several factors including the young age and the good average condition of our stock and efficiencies from procurement.

2.2.6 To ensure that this investment in our existing stock delivers value for money, we use 'live' stock condition information. We record stock condition data for all our stock

where we have a repairing responsibility and resurvey all such stock every five years. During the year 2,520 properties were resurveyed to keep stock condition data up to date.

2.3 Social and Environmental Returns

2.3.1 £284k (2016: £396k) was invested in aids and adaptations to support disabled and elderly residents with 98 (2016: 85) major and 315 (2016: 312) minor adaptions carried out. This investment contributed to the continued independence, autonomy and well-being of our residents.

2.3.2 We measure the energy efficiency of our homes using the Standard Assessment Procedure (SAP) rating. We now have SAP ratings for 13,995 properties, which is 97% of our eligible stock. Our average SAP rating is 73.52, which is an increase of 0.94 from the previous year. Whilst new properties will typically be more energy efficient this rise can largely be attributed to the collection of additional energy performance certificates (EPC) following energy efficiency works. In the coming year, we plan to reassess a further 195 properties to ensure that SAP rating information is kept up to date.

2.3.3 We now have a very good understanding of the energy efficiency of our stock and have had a budget approved to address the poorest performing properties in the coming year. Measures we will be taking include installing cavity wall insulation, improving loft insulation, fitting new, more efficient storage heaters and replacing old boilers. Carrying out this work, with a budget of £319k, will ensure we do not have any properties with a SAP rating in the lowest bands.

2.3.4 We consider that investment in energy efficiency represents VfM:

- from a resident's perspective; this reduces their potential bills, improves the quality of their lives and reduces the risk of fuel poverty; and
- from our perspective; more energy efficient homes are more valuable, improving return on assets, and the reduction in fuel poverty potentially improves the chances of residents being able to meet their rent commitments.

2.3.5 Our volunteers support our work with local communities and comprise members of the local community, members of staff and our customers. Together these volunteers contributed more than 2,200 hours during 2016/17 on activities such as garden clearance, helping with the local Food Bank, school reading programs, communal area painting, bulky waste collections, litter picks and many more. In addition in March 2017 we ran a call centre on behalf of the BBC's Comic Relief – Red Nose Day – with staff volunteering over 540 hours to make this possible.

2.4 Resident satisfaction

2.4.1 We are committed to improving the quality of services offered and thus improving resident satisfaction. Results from customer contact surveys, detailed in the table below, show that targets were generally met or exceeded and therefore we anticipate that the benefits from this ongoing investment and focus will be fully realised in due course.

Customer Satisfaction	Ease of Contact	Polite	Knowledgeable	Dealt with enquiry fully	Overall satisfaction
Target	90%	95%	93%	85%	95%
Average 2016/17	95%	98%	93%	88%	95%

2.4.1 During the year, we improved the way we collect and evaluate post-repair customer feedback. Results from these surveys show that the overall resident satisfaction rate for the whole year was 96% which is excellent and indicates a good level of customer service in this area.

2.4.2 Complaints are a great source of information in order to identify areas for improvement and we have made it easier for customers to contact and provide feedback. During the year 432 complaints were managed, which represents a reduction of 27% compared to the previous year.

2.4.3 Each year, we canvas our new shared ownership customers to ascertain their satisfaction with our Options to Buy sales service. We are pleased that for 2016/17, 89% of customers were either satisfied or very satisfied with the overall service delivered by our Options to Buy team.

2.4.4 Resident satisfaction performance over time and against benchmark:

Resident satisfaction with:	2017/18 Target	2016/17 Actuals	2016/17 Target	2015/16 Actuals	2014/15 Actuals	Benchmark* Median
General Needs						
Rent Provides value for money	85%	87%	85%	85%	85%	83%
Overall Service Provided	87%	89%	87%	82%	82%	84%
Housing for Older People						
Rent Provides value for money	85%	88%	85%	93%	89%	90%
Overall Service Provided	95%	94%	95%	95%	93%	91%
Shared Ownership						
Rent Provides value for money	70%	73%	70%	68%	72%	67%
Overall Service Provided	70%	78%	65%	62%	59%	48%

*Benchmark Data Housemark April 2016

2.4.5 We continue to increase our focus upon mobile working and during the year, new hardware and software has been rolled out to Home Agents to enable an increasing number of tasks to be done on-line whilst staff are face to face with our customers. Planned investment in new IT systems over the next two years will increasingly enable residents to access information, to request services and to make amendments to tenancy, payment and other data via smart phones or other devices at times which suit them best.

2.5 Efficiency gains and future improvements to VfM

2.5.1 Our approach to recording efficiency gains is to include only the gains achieved relating to the first year, since even if they recur in later periods they are considered to be "business as usual", as they will have been absorbed into budgets and business plans. Accordingly, recurring gains are not recorded in later years' VfM self-assessments.

2.5.2 During the year, we have started to manage our operations through defined business units. This has been done to enable a more commercial approach to asset management. Specific assets have been aligned directly to the services that are provided from them, allowing the income and costs that are directly associated with each property and service line to be analysed in more detail. The insights from this more sophisticated approach will support further improvements in ensuring that the best VfM performance is achieved from our assets.

2.5.3 Last year we identified £1m of expected efficiency gains from re-procurement of various repairs and maintenance contracts. We estimate that we have actually

delivered just under £2.5m from this major piece of work which was delivered during the year by our new Procurement department.

2.5.4 Where we have strength and depth in areas such as Development and Sales, we continue to sell these services to other organisations (typically other housing associations and Local Authorities). This generates additional income to cover our costs and allows other organisations to benefit from our expertise in these areas. These strong in-house teams allow us to control the quality of service that we provide to our customers.

2.5.5 We have been actively promoting a shift in our customer service to our on-line self-service portal and this has already had the effect of reducing call demand. We have set ambitious targets for a wider channel shift to digital via our planned investment in technology which will deliver further efficiency savings once it is achieved. However, these improvements will not be realised immediately and will build up over the next two years.

2.5.6 We have recently implemented improvements to debt collection by better use of automated work-flow and refreshed letters and a better system for early intervention.

2.6 VfM Benchmark

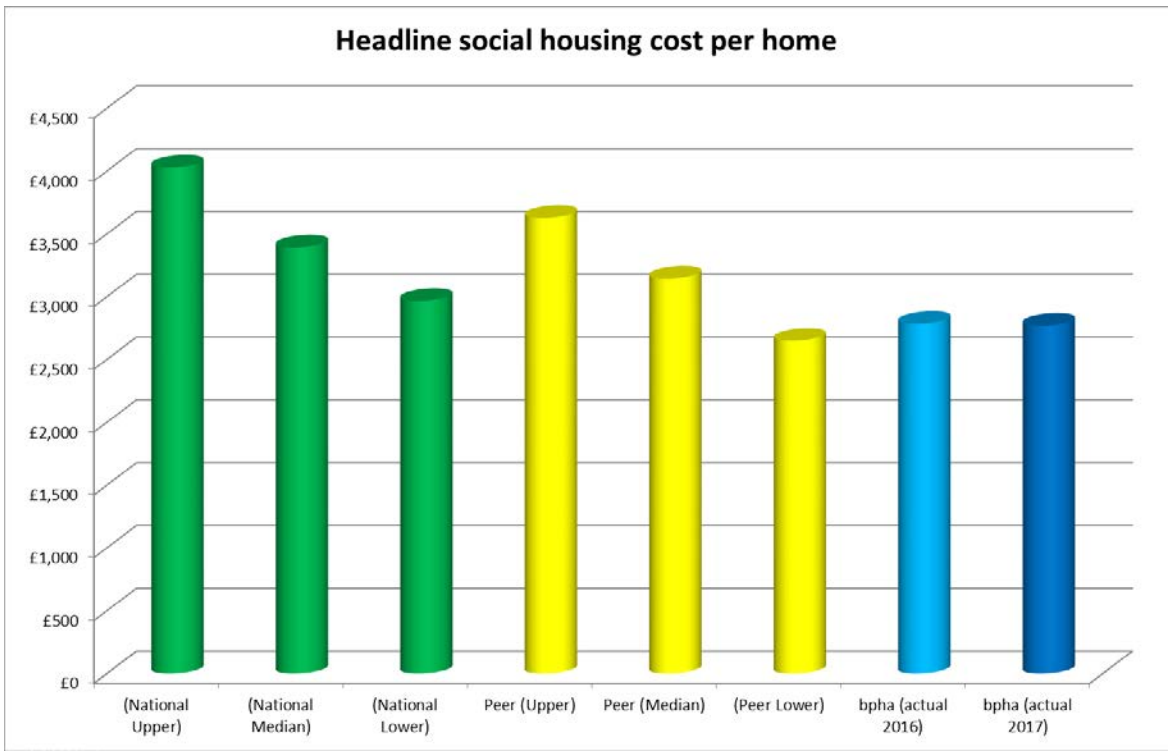
2.6.1 Our group performance against the key VfM indicators we benchmark ourselves against, together with our targets for 2017/18, are set out in the table below. The benchmark used in the table below is from the 2016 HCA Global Accounts. As discussed in the preceding paragraphs, we achieved results which were better than benchmark. In most areas, we outperformed our 2016/17 target, but depreciation costs increased, causing our operating cost per home to exceed target.

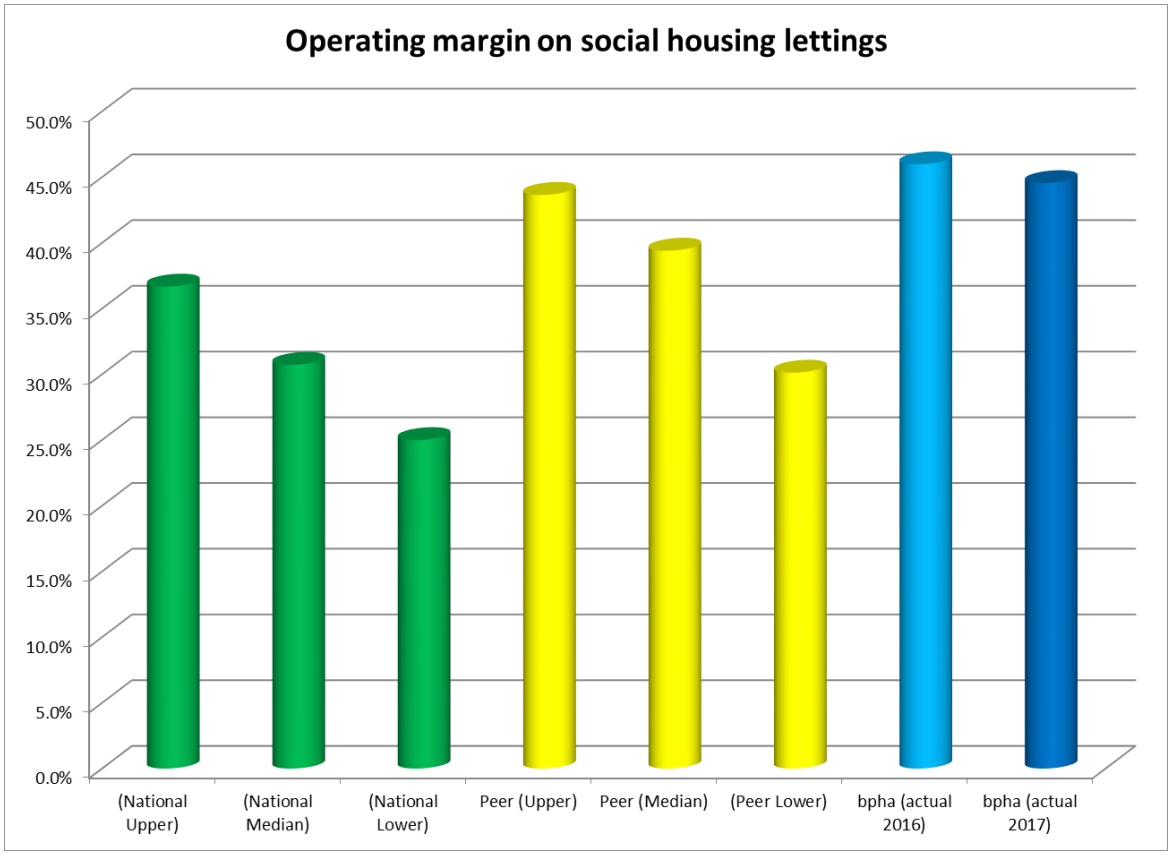
	2017/18 Target	2016/17 Actual	2016/17 Target	2015/16 Actual	Benchmark
Staff cost per unit	£768	£687	£695	£700	£1,076
Planned and routine maintenance cost per home	£594	£626	£645	£639	£1,015
Capital expenditure on existing properties per home	£668	£626	£653	£655	£887
Total expenditure on properties per home	£1,262	£1,252	£1,298	£1,294	£1,902
Management & other operating costs (£'000)	£34,356	£32,099	£33,165	£31,184	-
Depreciation (£'000)	£14,179	£14,439	£12,781	£12,522	-
Total expenditure on social housing lettings (£'000)	£48,535	£46,538	£45,946	£43,706	£40,283
Operating cost per home excluding first tranche shared ownership sales	£2,629	£2,559	£2,517	£2,442	£4,999
Operating margin on social housing lettings	44.5%	44.5%	45.0%	46.0%	31.6%
Rent void loss per home [1]	£72	£47	£56	£45	£81
Rent arrears %	3.2%	3.3%	3.8%	3.5%	3.4%
Bad debts per home	£30	£46	£30	£20	£36
Total number of homes	18,461	18,186	18,254	17,896	8,058
Units developed as % of units owned	2.6%	2.8%	2.9%	2.5%	1.6%
Net debt per home	£40,997	£37,833	£38,694	£38,020	£20,468

[1] Higher target set for 2017/18 to reflect the impact of the roll out of Universal Credit

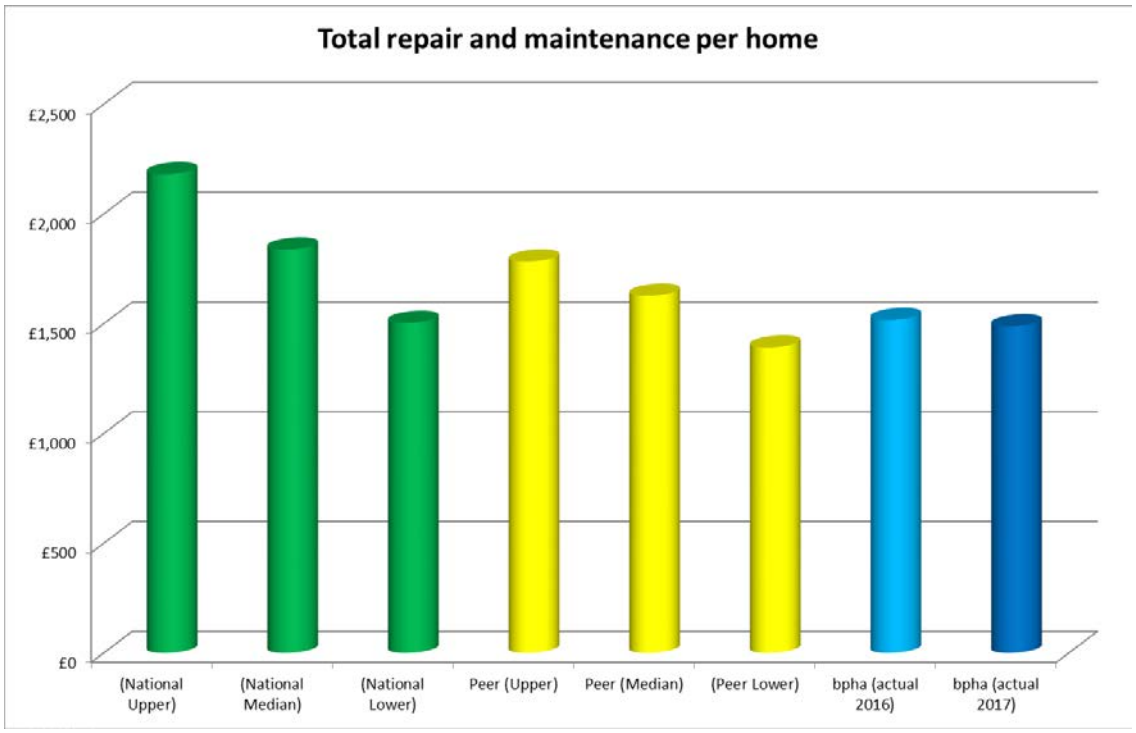
2.6.2 Whilst it is useful to consider our performance against that of the sector as a whole, we recognise that the associations included in the HCA Global Accounts include many whose operations and business model are fundamentally different to that of bpha.

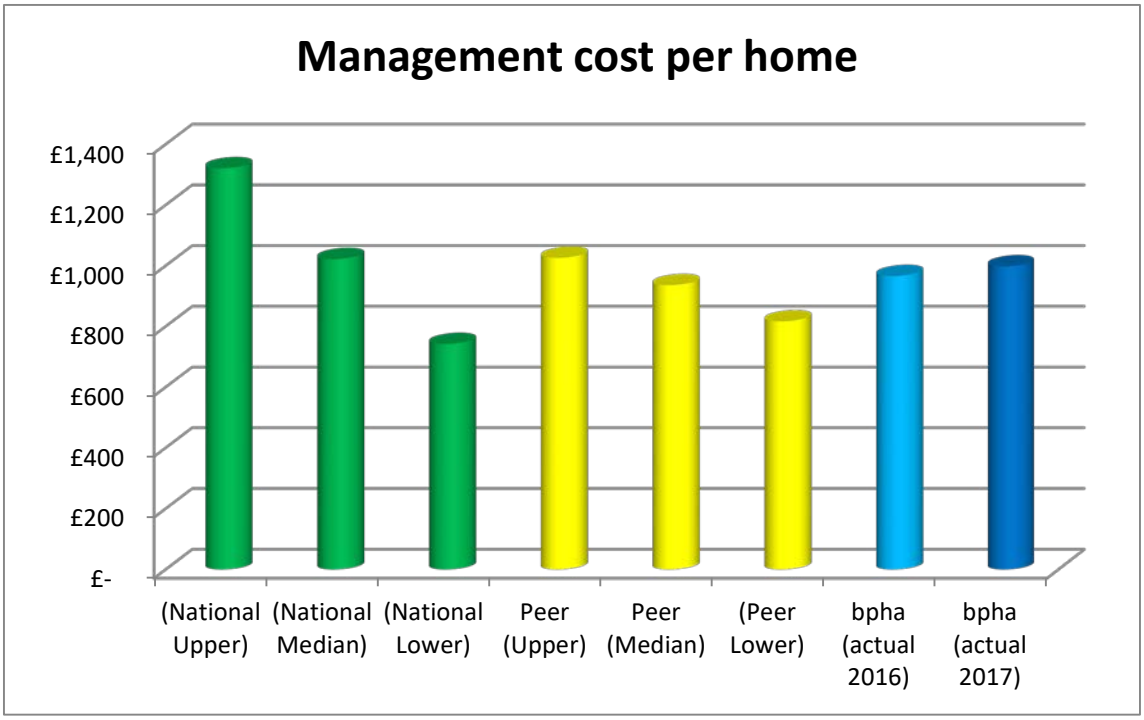
2.6.3 Therefore in 2017 for the first time we have also benchmarked ourselves to a group of housing associations which are comparable in terms of size and geography. This has shown that our performance is generally within or stronger than the upper quartile of our benchmarking group reflecting our tight focus on financial controls, younger stock profile and commitment to building new homes. This benchmarking reflects bpha Limited performance against the peer group, so some results vary from those shown in the table above which includes bpha group results.


Headline social housing cost per home
£4,500
£4,000
£3,500
£3,000
£2,500
£2,000
£1,500
£1,000
£500
£0
(National Upper)
(National Median)
(National Lower)
Peer (Upper)
Peer (Median)
(Peer Lower)
bpha (actual 2016)
bpha (actual 2017)

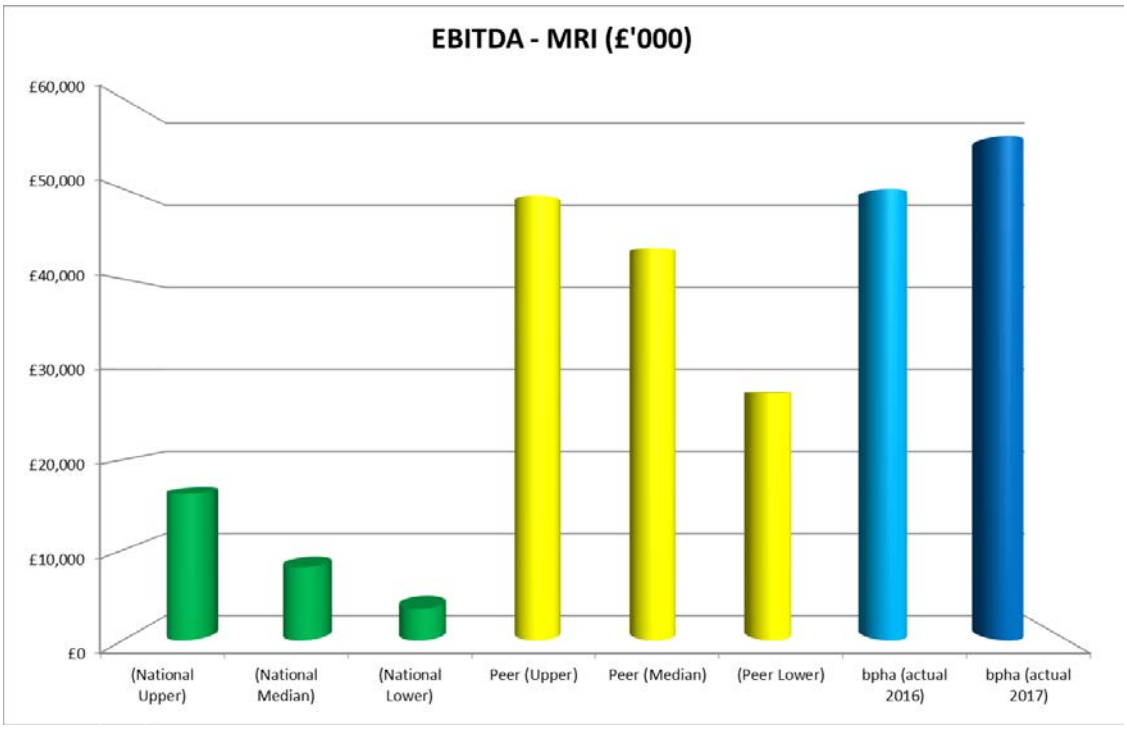

Operating margin on social housing lettings
50.0%
45.0%
40.0%
35.0%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
(National Upper)
(National Median)
(National Lower)
Peer (Upper)
Peer (Median)
(Peer Lower)
bpha (actual 2016)
bpha (actual 2017)

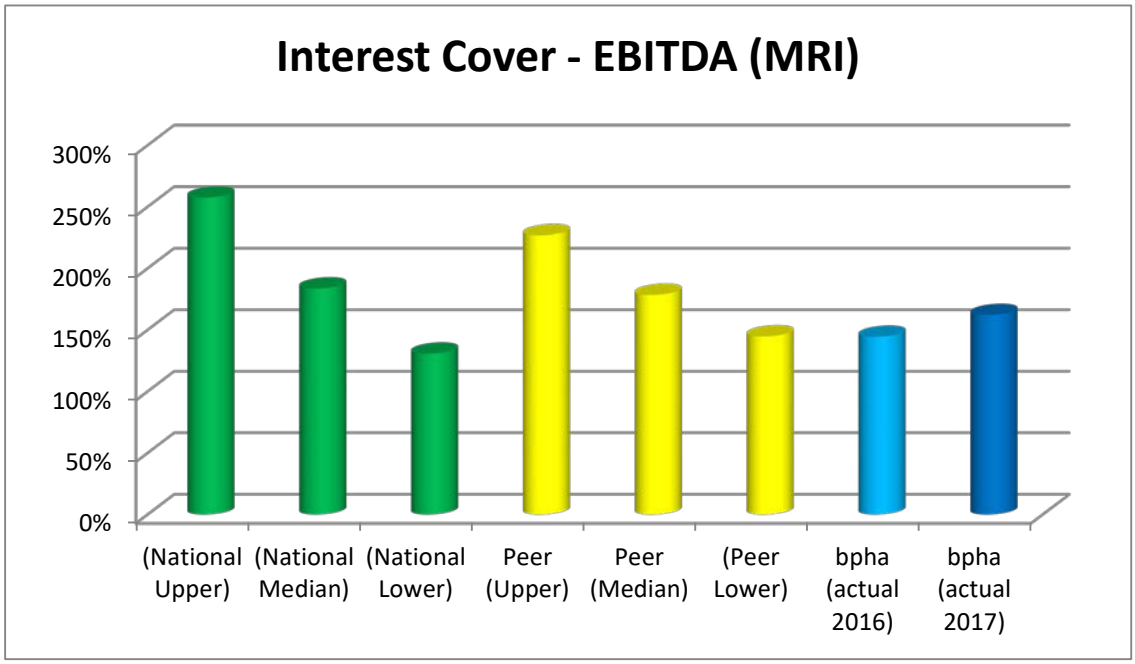
2.6.4 Our operating margin on social housing lettings is high by sector standard and we also perform better than the upper quartile of our peer group on this measure. Headline social housing cost per home is between the lower and median quartile compared to our peers.





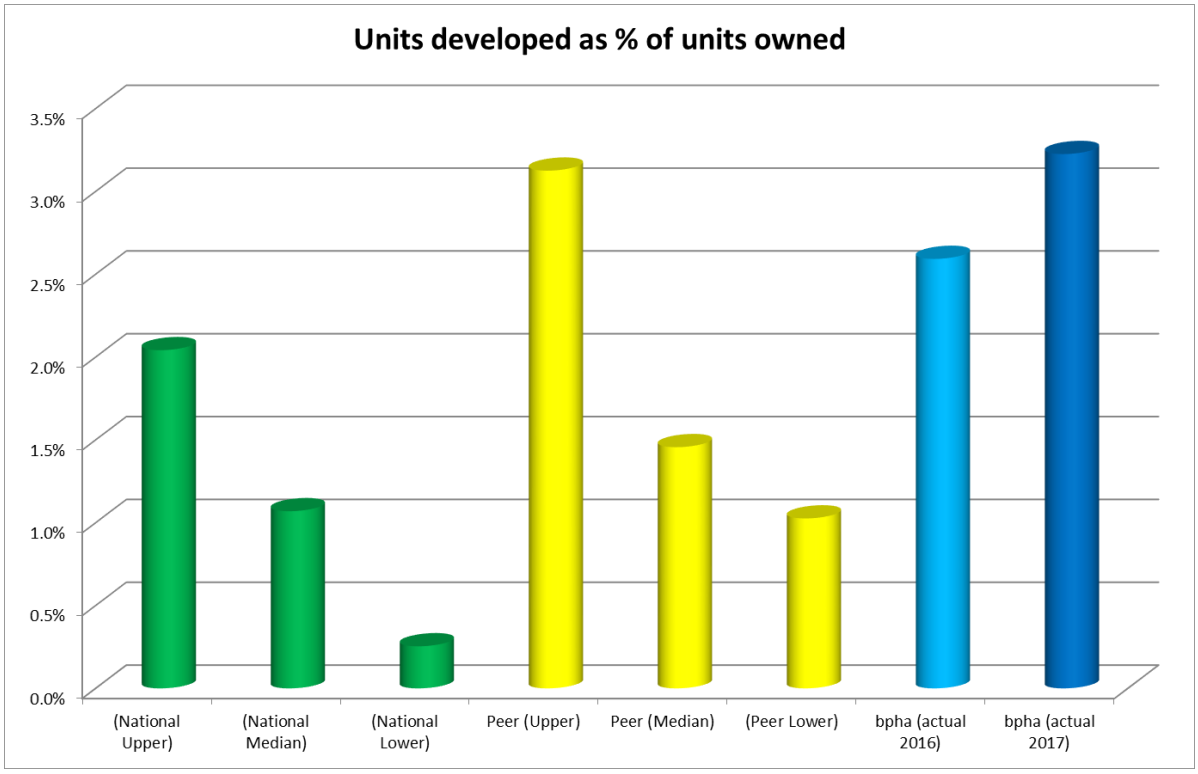
2.6.5 Our repairs and maintenance costs per home are also between the lower and median quartile compared to our peers, in part reflecting our relatively young stock but also due to efficient contract procurement and management. Our management cost per home is between the upper and median quartiles compared to our peers.





2.6.6 Earnings before interest, tax, depreciation and amortisation, major repairs included

(EBITDA MRI) is used to measure financial strength. In absolute monetary terms we perform strongly on this measure against our peers, being above the upper quartile. When we look at EBITDA MRI as a percentage of interest payable and similar charges, we perform between the lower and median quartiles of our peer group. This is a sector standard measure which is used to assess the level of headroom on meeting interest payments on outstanding debt and our performance reflects our relatively high gearing.



2.6.7 We are proud of our development track record and the graph of units developed as a percentage of units owned illustrates a strong performance relative to our peers. In 2017, our performance on this measure was above the upper quartile of our peer group. We would note that there is a wide range of performance amongst our peers on this measure.

3 Regulatory Framework for VfM

3.1 What the Regulatory Framework requires of the self-assessment

3.1.1 The Homes & Communities Agency (HCA) sets out the requirement that we should articulate and deliver a comprehensive and strategic approach to achieving value for money in meeting our objectives, considering the interests of our various stakeholders. We are required to:

- Have a robust approach to decision making regarding the use of resources.
- Understand the return on our assets and have in place a strategy for optimising this in the future.
- Have performance management and scrutiny functions that are effective at driving and delivering improved value for money performance.
- Understand the costs and outcomes of delivering specific services.

3.1.2 Our Board has ultimate responsibility for the governance of the organisation. Its central role is to lead, direct, control and evaluate our work. Our Board is required to be able to demonstrate how they are meeting the HCA Value for Money Standard and this is done as follows:

- All decision reports to the Board include a section on value for money;
- Financial regulations are set and compliance is monitored;
- Our plans are formulated by budget holders from a zero base each year. Our budget challenge process requires that expenditure needed to deliver plans is scrutinised by Senior Managers, Executive Leadership, Finance and Treasury Committee and finally, agreed by Board. Budget holders have to consider and justify that budgets deliver VfM. The overall proposed budget is also scrutinised regarding the HCA value for money industry average indicators (obtained from the published HCA housing global accounts), against previous year's results and against comparable organisations.
- Our financial performance is measured against our plans;
- Our performance is managed by ensuring staff and teams are given targets which are monitored regularly;
- Our annual value for money self-assessment enables stakeholders to understand the return on assets measured against our objectives, sets out the absolute and comparative cost of delivering services and evidences the value for money gains that have been and will be made.

3.2 Key stakeholders

3.2.1 We have many stakeholders including residents, potential residents, local authorities, the HCA, HMRC, suppliers, employees, banks and investors to name but a few. In some cases, the interests of these stakeholders may not align or may potentially conflict.

3.2.2 We appreciate the importance of considering stakeholders' different interests to deliver VfM on a sustainable long term basis whilst meeting our objectives. We recognise the need to balance the deployment of assets and resources between the various competing claims. We have detailed strategic business planning and budget processes to ensure that assets and resources are deployed in an optimum manner over the short, medium and long term to deliver VfM whilst enhancing long term viability.

3.3 What does VfM mean to bpha?

3.3.1 Our purpose is by being increasingly efficient and always considering those we house, we will continue to build and maintain quality homes and thriving communities.

3.3.2 Our ambition is to achieve exceptional value for money through:

- the adoption of a new, focused operational structure which delivers efficient services to defined standards;
- the pro-active pursuit of housing developments for profit to improve our overall financial performance whilst delivering on average at least 500 new homes per annum;
- working in partnership where doing so can utilise synergies to enhance value;
- fostering community cohesion which is good for our customers, their neighbours and makes business sense;
- making our properties more desirable and easier to let;
- developing new products and services that will support and encourage people to take control of their own housing needs to meet their longer-term housing aspirations.

3.3.3 We face several challenges in the next 3 to 5 years including welfare reform and other economic pressures. We plan to manage these challenges by building on our

experience of delivering social housing and other services and by investing in technology and people to improve the efficiency and flexibility of our services.

3.3.4 The surplus that we deliver is re-invested to both maintain our homes and to provide more affordable homes.

3.3.5 We will deliver value for money through agreed outcomes in our organisational strategies and plans. Our budgets and operation plans will set out our value for money targets and our decisions will be based on business cases which set out the value for money considerations. Our aim is to:

- Embed value for money across the business, for example, our six values and behaviours encourage colleagues to work innovatively and efficiently;
- Continue to incorporate value for money targets into our procurement and asset management strategies;
- Measure value for money consistently transparently and objectively, for example, joining the sector score card pilot scheme;
- Report our value for money challenges and achievements each year in our Value for Money Self-Assessment;
- Understand the cost and outcomes of delivering specific services by working through defined business units, each with a commercial manager, who will bring strong commercial focus to drive the delivery of value for money, quality assured services;
- Monitor our progress against our internal targets and with reference to external bench mark performance throughout the year. We will utilise HCA global accounts and other sources to provide appropriate bench mark data for these comparisons;
- Via regular re-forecasts we will ensure we achieve our annual targets. This will also give greater insight into our budgets to allow us to have more financial manoeuvrability during the year. This approach will enable us to make robust strategic decisions.

3.3.6 VfM is at the heart of all that we deliver and is considered at all levels in the organisation both when making resource allocation decisions and in reports on performance. This is now also routinely considered as part of Governance through various layers of management reporting and through Board and Committees.

3.3.7 In summary, value for money means:

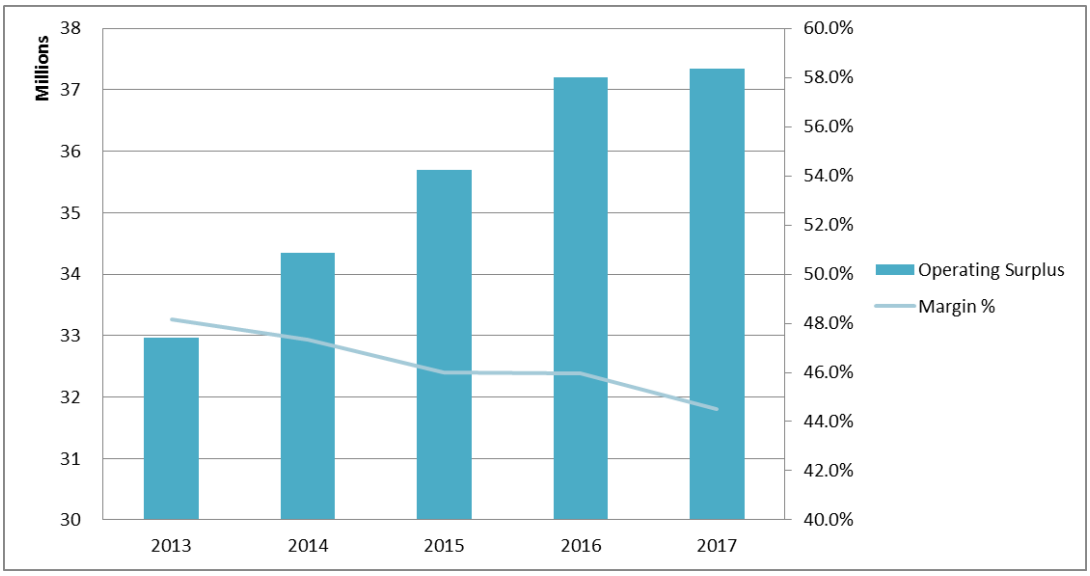
- Spending less – delivering services on budget and on time, procurement achieves the lowest possible cost without harming quality;

- Spending well – delivering services efficiently;
- Spending wisely – demonstrating that we have achieved our objectives within budgetary constraints;
- Spending fairly – demonstrating that all services and benefits are distributed equitably.

4 Return on assets

4.1 Operating costs

Operating performance 2013-2017 on social housing lettings:



4.1.1 Over the last five years our operating surplus on social housing lettings has grown from £33m to over £37m with the margin slightly lower than last year at 45% (2016: 46%), due to the impact of the 1% general needs rent reduction year on year. Over the same five-year period, our overall operating surplus, including non-social and non-lettings activities, has grown from £36m to £55m in 2016/17.

4.1.2 In assessing if this high margin represents good Value for Money, we have considered various factors including whether:

- The margin is evidence of effective cost control or whether it could suggest under-investment in operational services? and
- The total expenditure on properties per home, which is much lower than the sector average, was evidence of efficiency or had simply been achieved through cutting back on maintaining the stock?

4.1.3 Before addressing property expenditure as part of the VfM analysis we have considered the costs of staff involved in social housing activity. We have continued this year as the Help to Buy agents for the East & South East of England, and staff providing this service are not involved in either the provision of housing management services or in development of new homes, so the analysis has excluded costs and staff numbers in relation to Help to Buy employees. Details are set out below:

		2017	2016
Staff Numbers (excluding Help to Buy)	A	319	306
Total Staff Costs (excluding Help to Buy) £'000	B	12,492	12,529
Total Number of Units	C	18,186	17,896
Staff Cost Per Unit £	B/C	687	700
Units Per Member of Staff	C/A	57	58

4.1.4 This year employee costs at £687 per unit (2016: £700) were slightly lower than our target of £695 as recruitment into vacant posts took longer than planned. Our plan is to invest in capacity and capability to drive efficiencies which will be delivered during subsequent periods. This means that our target for staff cost per unit is £768 for 2017/18 reducing to £746 the following year. This target is set against a national benchmark average staff cost per unit of £1,076.

4.2 Return from existing properties

Introduction

4.2.1 Our existing properties can be summarised as follows:

Number of units owned and managed	2016
General Housing	11,662
Low cost home ownership	2,060
Supported housing	725
Residential care homes	959
Non-social	1,009
TOTAL OWNED	16,415
Homebuy & shared equity	988
Leaseholders	597
Managed for others	186
TOTAL OTHER PROPERTIES	1,771
TOTAL OWNED & MANAGED	18,186

4.2.2 In summary, nearly two thirds of our stock is classified as general housing property. This stock is relatively young with nearly half of it being less than 20 years old. It is predominantly conventional family housing, concentrated in the Oxford to Cambridge arc and easily accessible from our Bedford base. All of these factors help to control costs; the on-going operational expenditure as well as the investments required to maintain the stock.

4.2.3 We routinely have to make decisions regarding existing stock between:

- Maintaining stock in its current condition; or
- Investing to improve or redevelop the stock; or
- Disposing of the stock.

In each case, we consider how the decisions impact on our overall business and VfM objectives.

4.2.4 We take account of various factors in reaching such decisions, including:

- The need to ensure that all stock meets or exceeds the Decent Homes standard and the current or projected future cost to achieve this;
- The demand for the type of property and the void experience;

- The on-going repairs and maintenance and housing management service costs;
- How the property fits into the wider portfolio – both by location and type – as this impacts upon on-going costs;
- If the property were to be sold what this would mean in terms of recycled grant becoming repayable, what it means to levels of security available to charge to lenders/investors, whether funds released would be sufficient to support development of a replacement property and so forth; and
- Whether the property could be redeveloped to provide a better solution to meet local needs.

Stock condition data

4.2.5 To help answer the above questions, we use our 'live' stock condition information. We record stock condition data for all our stock where we have a repairing responsibility and resurvey all such stock every five years. During the year 2,520 properties were resurveyed to keep stock condition data up to date.

4.2.6 This detailed stock condition data makes future maintenance liabilities visible and enables us to plan work in cost effective packages to deliver the greatest VfM. Historically our budgeting for this type of cost has been reliable, but the increased data makes it possible to plan specific works by estate, street, block or house enabling us to place larger contracts at more competitive prices.

4.2.7 The stock condition data has led to greater proactive contact with residents during the year: firstly, there is contact to update the stock condition data which provides a useful opportunity to listen to residents even when there is no "need" for them to speak to us; secondly we are contacting residents to inform them well in advance as to what improvements are planned and when these will take place. We believe that both of these proactive contacts will help to improve resident satisfaction.

4.2.8 Whilst stock condition data enables efficient planning of work, components will only be scheduled for replacement at the end of their working lives. There can be considerable variance in the programme of works required between years as early replacement simply to smooth out capital spending does not represent good VfM.

4.2.9 As well as improving resident satisfaction, ongoing investment in our relatively young homes will improve the overall housing pool thereby maximising asset values and ensuring that we avoid the build-up of legacy problems. Increasing the values of our

stock strengthens our overall financial resilience and provides assets chargeable to lenders or investors to support the ongoing development programme.

Responsive repairs

4.2.10 During the year to 31 March 2017 £22.8m (£11.4m capital and £11.4m revenue spend) was invested to maintain or improve our existing stock. This investment equates to £1,252 per home which is low both by national benchmark standard but also compares favourably to our peer group. This relatively low cost for repairs and maintenance is attributed to several factors including the young age and the good average condition of our stock and efficiencies from procurement.

4.2.11 Details of the improvements to homes resulting from this investment included:

- 27,021 responsive repairs made at the resident's request within a defined SLA;
- 713 refits of void properties; and
- 6,670 components repaired or replaced.

4.2.12 We have considered whether the responsive repairs service represents VfM. Our responsive repairs service is essentially provided by three teams:

- Our in-house, award winning call centre who provide the first point of response to a resident;
- Property Services – our in-house team of surveyors and other technical specialists who manage contractors and oversee the work undertaken; and
- The responsive repairs contractors – who deliver the responsive repair work.

4.2.13 The in-house staff costs have already been considered as part of the cost analysis in 4.1.2. During 2016/17 the total cost per home on planned, routine and responsive maintenance was 3.3% lower than prior year. This was in part due to savings delivered by the re-procurement of several contracts at the start of the year. Despite slightly reduced spend, investment on existing properties is carefully controlled to ensure our stock continues to meet the government's Decent Homes standard and therefore the reduction in spend represents good VfM for our residents.

Net Present Value

4.2.14 During the year we undertook analysis of Net Present value of our stock concentrating upon stock located outside of core operational areas or where we have lower stock concentration. This built upon a full review of the NPV of all stock

undertaken in 2014.

4.2.15 The NPV analysis did not identify any stock with a negative net present value and accordingly there is no reason to embark upon a wider asset disposal programme to generate / preserve value.

4.2.16 During 2017/18 we intend to extend this analysis to update the NPV data to include all stock.

Asset modelling & disposal decisions: case studies

4.2.17 The conversion of our old head office, Pilgrims House in the centre of Bedford, into affordable homes is an example of the use of financial modelling to inform decisions. The business had outgrown its current accommodation and decided that the option of occupying two office sites would mean losing out on the efficiencies that being located on one site with our repairs contractor could offer. A business case was constructed using suitable analysis and scenario testing to support the office move to a new location and the application using the Permitted Development planning rights route to obtain a change of use to provide new affordable homes. We explored several options for redeveloping the site including selling the site in its existing state, and concluded that we would generate the most value by converting into apartments for sale. Modern and affordable housing in the centre of Bedford is in high demand evidenced by nearly the entire scheme selling off plan.

4.2.18 During the year, properties in the Queens Park area in Bedford were scheduled for replacement roofs. However, during the survey phase we recognised that we would achieve greater Value for Money by combining these works with other improvements to enhance the properties. In total, 194 properties have benefitted from the programme of work which has included reroofing, communal area improvements and repair of existing boundary walls and gates for a total contract value of c£900k. We worked with Councillors, highways and community development, our resident inspectors, street rangers and Fire Safety officers to ensure that the project ran smoothly. CE, a resident in Queens Park since 1999, said “It has been completely refreshed. It looks like a new area now. This has given us a sense of pride and it has really brought the community together.”

4.3 Benchmarking

4.3.1 Key benchmark data (using HCA Global Accounts for 2016) relating to group cost is set out below and shows that costs are carefully controlled and compare well with

other associations in the sector.

	2017/18 Target	2016/17 Actual	2016/17 Target	2015/16 Actual	Benchmark
Staff cost per unit	£768	£687	£695	£700	£1,076
Planned and routine maintenance cost per home	£594	£626	£645	£639	£1,015
Capital expenditure on existing properties per home	£668	£626	£653	£655	£887
Total expenditure on properties per home	£1,262	£1,252	£1,298	£1,294	£1,902
Management & other operating costs (£'000)	£34,356	£32,099	£33,165	£31,184	-
Depreciation (£'000)	£14,179	£14,439	£12,781	£12,522	-
Total expenditure on social housing lettings (£'000)	£48,535	£46,538	£45,946	£43,706	£40,283
Operating cost per home excluding first tranche shared ownership sales	£2,629	£2,559	£2,517	£2,442	£4,999
Operating margin on social housing lettings	44.5%	44.5%	45.0%	46.0%	31.6%
Rent void loss per home [1]	£72	£47	£56	£45	£81
Rent arrears %	3.2%	3.3%	3.8%	3.5%	3.4%
Bad debts per home	£30	£46	£30	£20	£36
Total number of homes	18,461	18,186	18,254	17,896	8,058
Units developed as % of units owned	2.6%	2.8%	2.9%	2.5%	1.6%
Net debt per home	£40,997	£37,833	£38,694	£38,020	£20,468

[1] Higher target set for 2017/18 to reflect the impact of the roll out of Universal Credit

4.3.2 Whilst it is useful to consider our performance against that of the sector as a whole, we recognise that the associations included in the HCA Global Accounts include many whose operations and business model is fundamentally different to that of bpha.

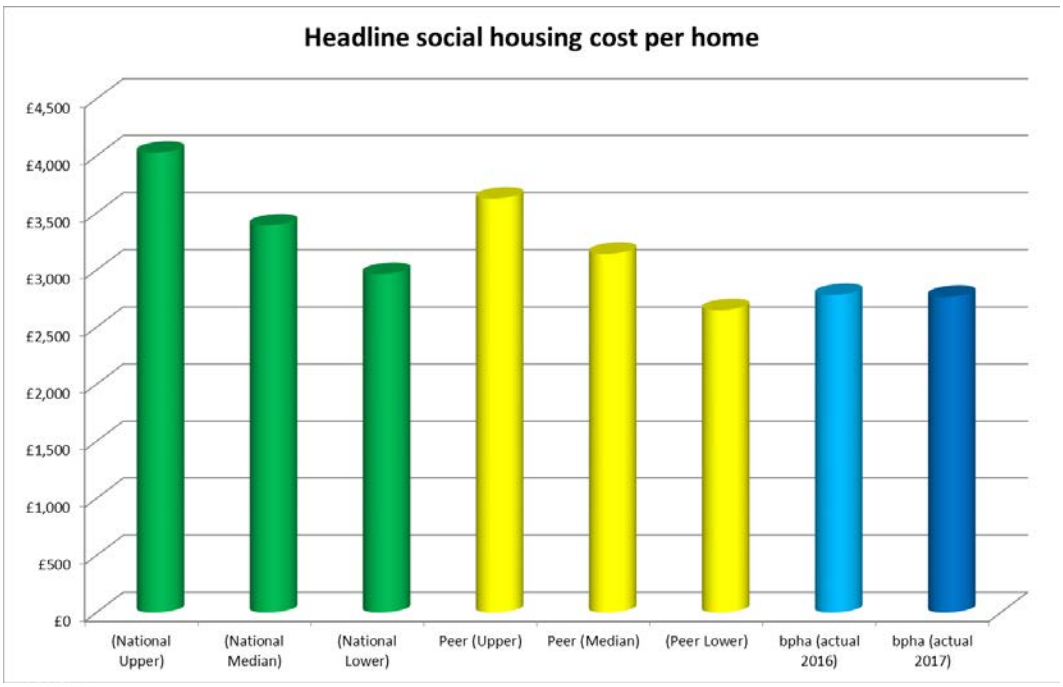
4.3.3 Therefore in 2017 for the first time we have also benchmarked ourselves, using the 2016 HCA Global Accounts, to a comparable group of housing associations in terms of size and geography, as well as nationally. This has shown that our performance is generally within or stronger than the upper quartile of our benchmarking group reflecting our tight focus on financial controls, younger stock profile and commitment to building new homes. This benchmarking reflects bpha Limited performance against the peer group, so some results vary from those shown in the table above which includes bpha group results.

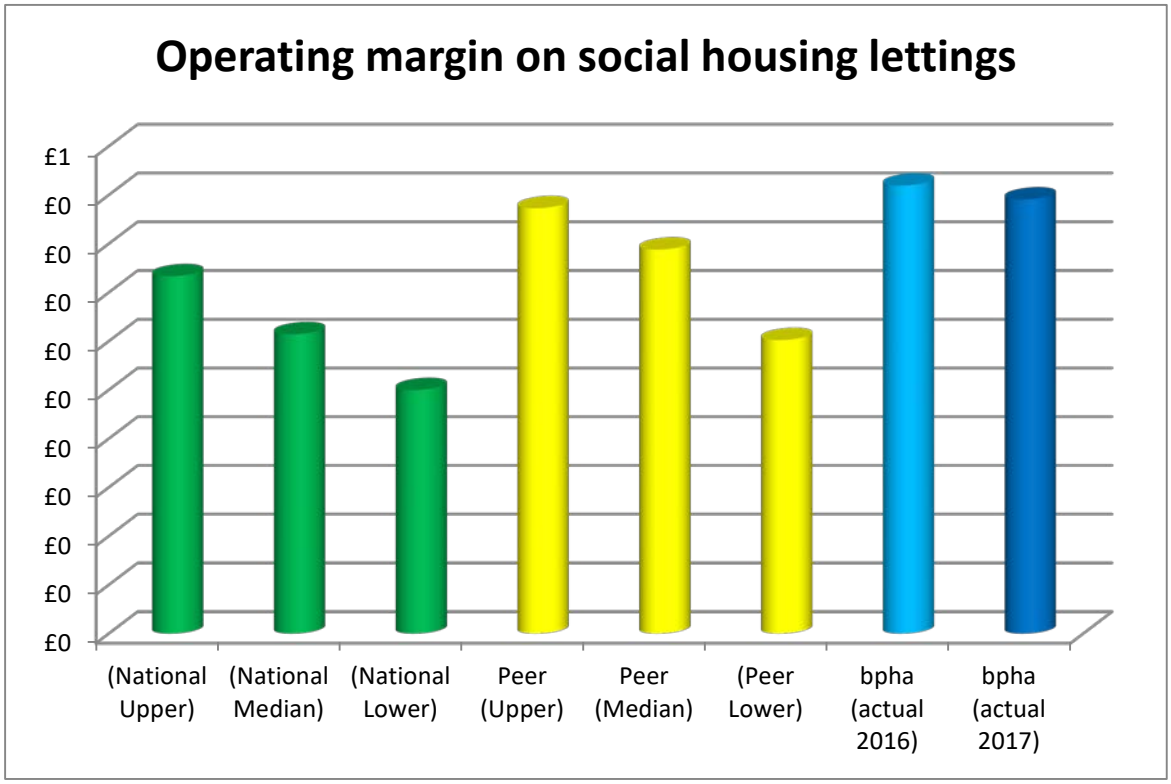
4.3.4 To create an appropriate peer group for comparison, we have reviewed the HCA Global Accounts for year ended 31 March 2016 and applied the following criteria:

- Included associations with 50% or more of social housing stock within the eastern and south eastern regions;
- From this group, we excluded associations with over 30,000 and those with less than 7,000 units to retain associations of a comparable size;

This resulted in a peer group of 13 associations, which contains 7 associations with a larger number of social housing units than bpha and 6 with a smaller number of units. The peer group is made up of the following associations:

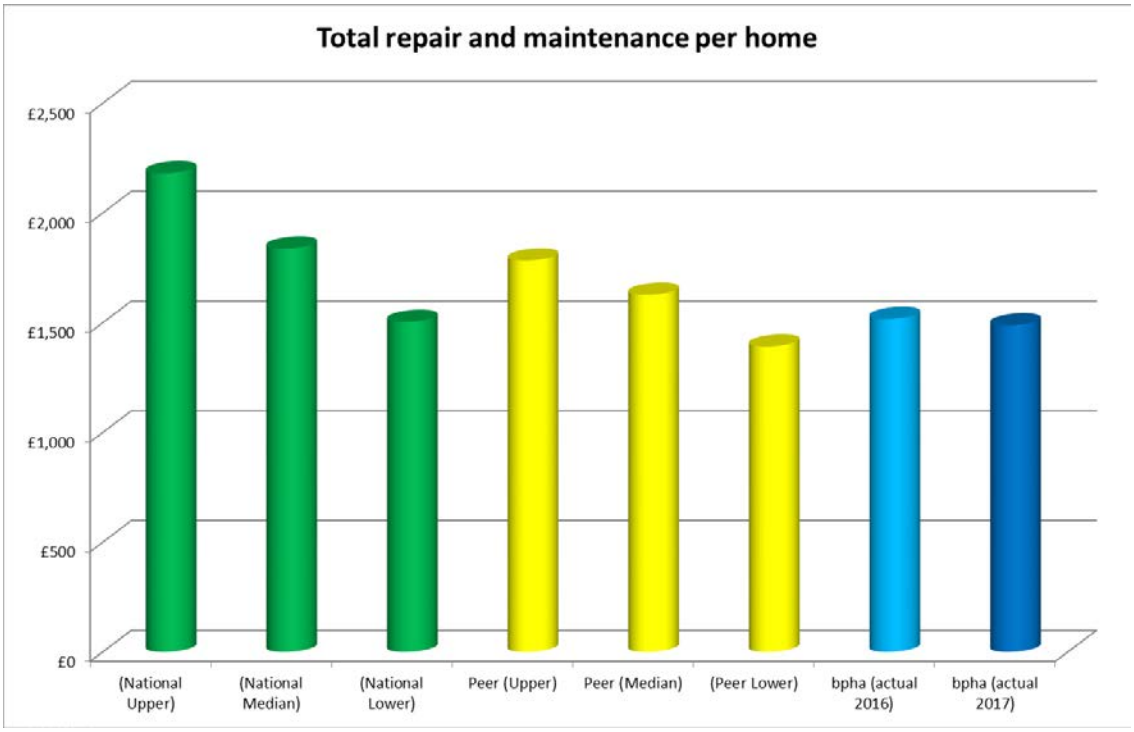
- A2Dominion Housing Group Limited
- Aldwyck Housing Group Limited
- AmicusHorizon Limited
- Cross Keys Homes Limited
- First Wessex
- Flagship Housing Group Limited
- Grand Union Housing Group
- Moat Homes Limited
- North Hertfordshire Homes Limited
- Paradigm Housing Group Limited
- Radian Group Limited
- Southern Housing Group Limited
- Thames Valley Housing Association Limited

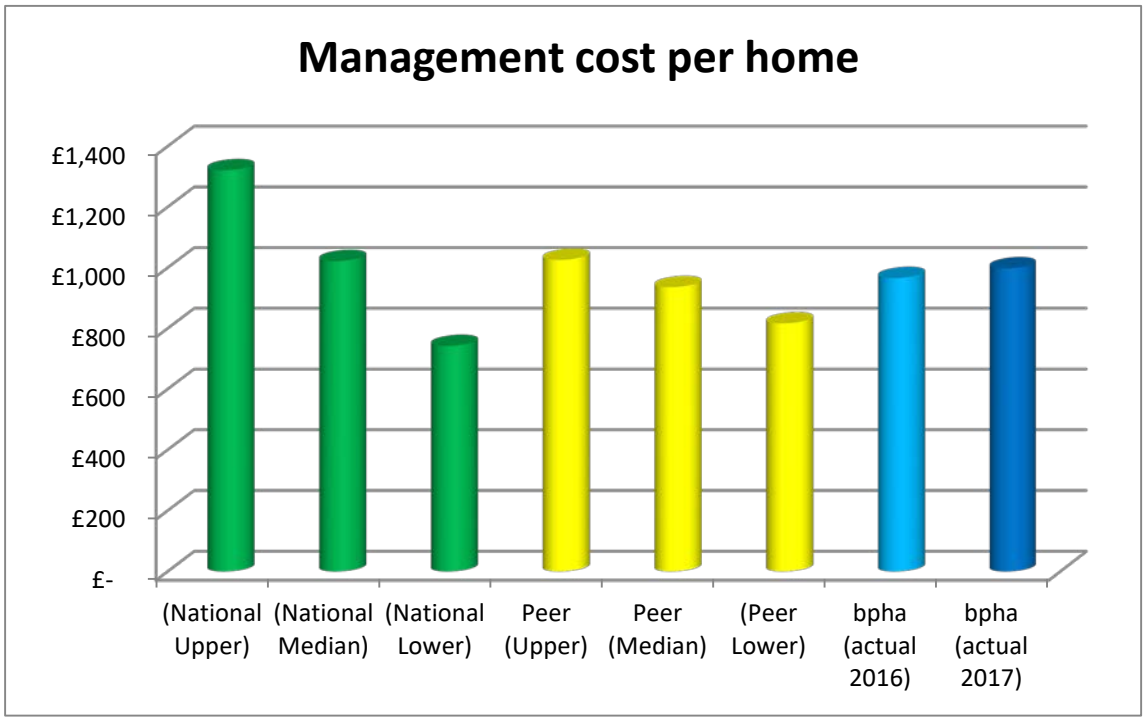




4.3.5 Our operating margin on social housing lettings is high by sector standard and we also perform better than the upper quartile of our peer group on this measure. Feeding into this performance, our headline social housing cost per home* is between the lower and median quartile compared to our peers.

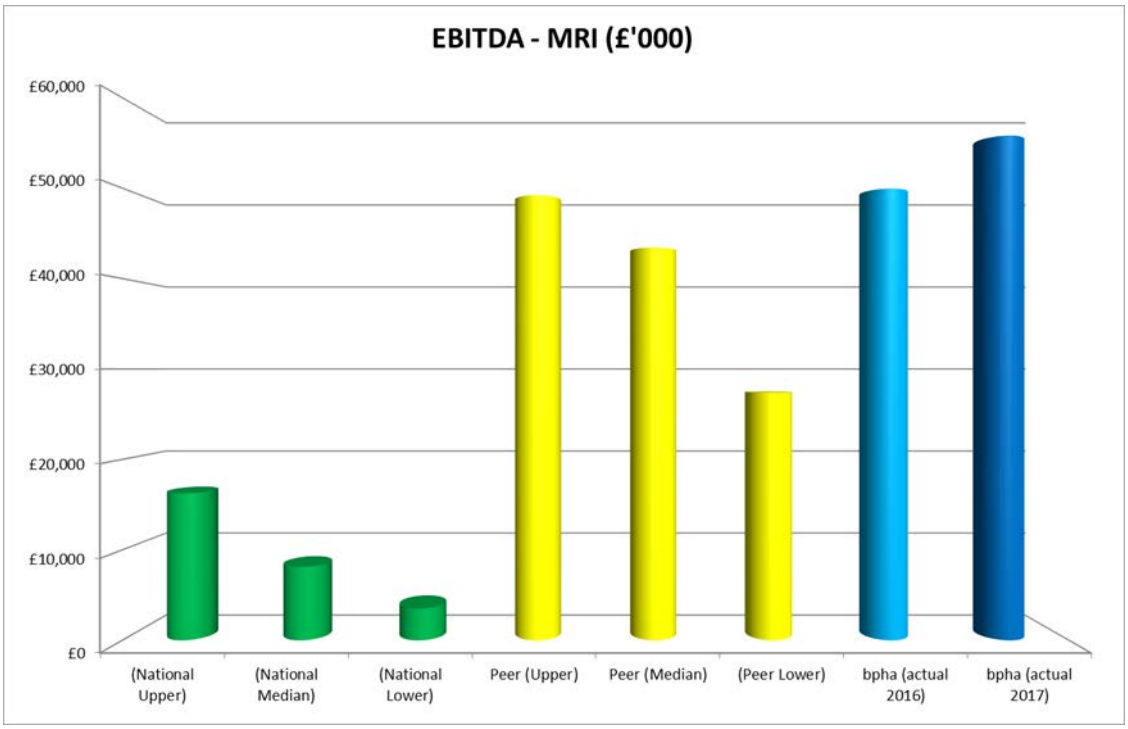
*as defined on the sector scorecard as management and service charge costs plus routine, planned and major repairs expenditure plus other social housing expenditure divided by social housing units managed.

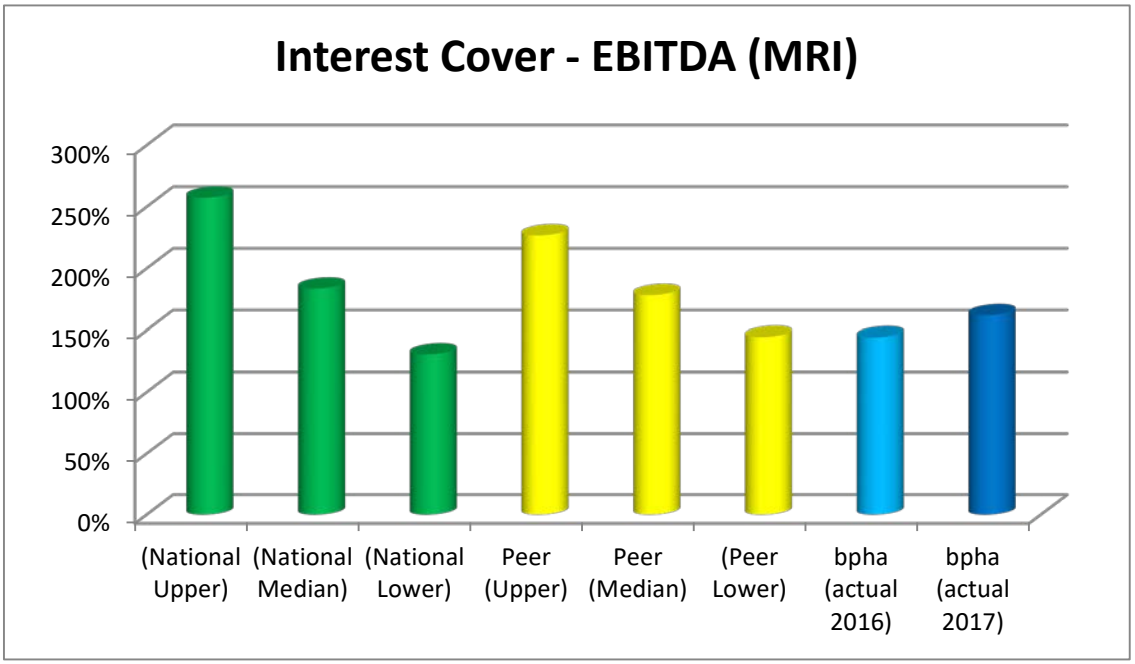




4.3.6 Our repairs and maintenance costs per home are also between the lower and median quartile compared to our peers, in part reflecting our relatively young stock but also

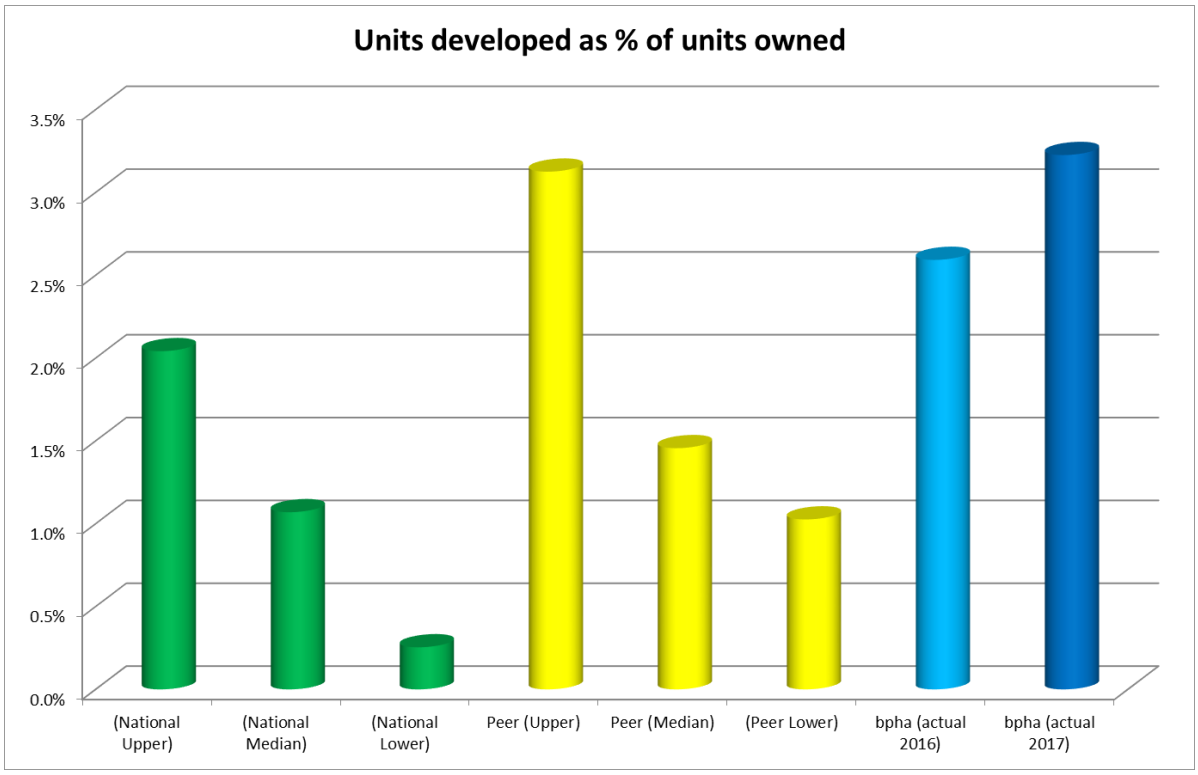
due to efficient contract procurement and management. Our management cost per home is between the upper and median quartiles compared to our peers.





4.3.7 Earnings before interest, tax, depreciation and amortisation, major repairs included (EBITDA MRI) is used to measure financial strength. In absolute monetary terms we perform strongly on this measure against our peers, being above the upper quartile.

When we look at EBITDA MRI as a percentage of interest payable and similar charges, we perform between the lower and median quartiles of our peer group. This is a sector standard measure which is used to assess the level of headroom on meeting interest payments on outstanding debt and our performance reflects our relatively high gearing.



4.3.8 We are proud of our development track record and the graph of units developed as a percentage of units owned illustrates a strong performance relative to our peers. In 2017, our performance on this measure was above the upper quartile of our peer group. We would note that there is a wide range of performance amongst our peers on this measure.

4.3.9 In section 4.1.1 above we posed the question whether our strong margin on social housing letting represents VfM? We want to ensure that the return on assets represents VfM considering different stakeholders' interests. Our conclusion is that:

- The margin benefits from the stock profile which makes it efficient to service and maintain and this represents good VfM;
- Cost control has been good, particularly in relation to total expenditure on properties per home, and this represents good VfM;

- Stock has been maintained to a good standard with benefits arising from good data, and this represents good VfM;
- There is no VfM advantage to be gained from stock rationalisation; and
- The year has delivered some improvements in resident satisfaction levels, however, our resident service targets were not completely met this year and we therefore plan to continue to focus on service delivery with the aim of continuing improvement over the coming years.

4.3.10 Therefore, whilst we will continue to develop new homes, there will be a continued emphasis upon investment in existing stock, improving communities and investing in technology to improve our service delivery to residents. We believe that these measures will continue to improve our delivery of VfM.

4.4 Delivery of new homes

4.4.1 Across our core area of operations, broadly the arc between Oxford and Cambridge, the huge demand for housing and relative economic affluence has pushed up housing prices. This has created an ever-greater need for affordable housing for those who are unable to access housing for rent and sale at the prevailing market rates. We have been a provider of new affordable housing for a significant time, building or acquiring an average of 485 units per annum in the five years to 31 March 2017.

4.4.2 Before considering how we deliver/determine VfM in relation to specific development sites, in general terms, the reason that we deliver VfM on developments is that having been a significant developer of new homes in our region for many years in relation to our size:

- We employ large and experienced in-house development and employers agents teams who have the broad range of skills necessary to undertake developments efficiently; and
- Our development on-costs are spread across a large number of homes and accordingly the cost per home is kept much lower than would otherwise be the case.

4.4.3 It should be noted that each development scheme must independently meet various financial hurdles. Scheme appraisals do not take account of any cross subsidy from the surpluses generated from the existing stock of properties. As in previous years, during 2016/17 current residents' rents have not subsidised the development of new

homes for future residents.

4.4.4 During the year ended 31 March 2017 we developed and acquired 508 homes (2016: 450 new homes) at a gross cost of £57.3m (2016: £47.6m). This delivery was slightly ahead of our target for the year of 491 new homes. Our aim is to continue to build new homes across our operating region and in the year to 31 March 2018 we aim to deliver around 500 new homes.

New Units	2016/17
Rented social housing	194
Shared Ownership	191
Care	64
Other	59
TOTAL	508

4.4.5 This year, our investment of £4.0m (2016: £5.0m) into our joint venture associate, Gog Magog Partnership LLP returned profits of £2.1m (2016: £1.6m). This surplus will be reinvested in further development of affordable homes and provides us with the opportunity to work in partnership with commercial developers.

4.4.6 Many of the new homes this year have been built on the Cambridge Southern Fringe, where an active local economy and high demand have led to some of the highest price increases outside of London. This has made it impossible for many people, including those working in low paid employment, to access housing on the open market. Including Cambridge, we are currently developing homes over 27 separate development schemes across 16 locations.

4.4.7 Since demand for new housing massively exceeds our capacity to supply we have established a process to determine where scarce financial and development resources should be invested to deliver the greatest VfM. This process includes regular executive meetings which consider and approve or decline all development opportunities and which, in reaching decisions as to what represents VfM, consider many factors including:

- The overall financial capacity to commit to development;
- The Internal Rate of Return that will be achieved from the development and how this compares to cost of capital;
- Risks;
- Local demand – not only need for homes, but the types of homes in shortest supply, competition, and development concentration;

- How the development fits with other housing we own, including how efficient it will be to manage and service;
- How affordable the rent and service charges will be and how cheap the property will be for residents to live in, particularly utility costs;
- The importance of building communities not just houses; and
- The security value that will be achieved for the homes when the development is completed compared with cost net of grant and therefore whether this enhances or dilutes our capacity to continue to develop in the future.

4.4.8 This rigorous process means that we turn down more development opportunities than those to which we commit and ensures that those undertaken represent VfM.

4.4.9 Our conclusion is that our development activity represents good VfM.

4.5 Help to Buy

4.5.1 At the start of 2014/15 we were awarded by HCA the Help to Buy agency for the South East and East of England. During 2016/17 this contract was extended to March 2017 and has since been extended again, to July 2018. In due course, we intend to bid for this contract post July 2018.

4.5.2 The Help to Buy team of around 50 employees have processed around 80,500 applications and 74,500 calls under the Shared Ownership and Equity Loan Scheme. The team have exceeded the HCA performance target for the third year running with the number of completions reaching over 8,500 for 2016/17.

4.6 Property Sales and other Services

4.6.1 In terms of delivery of new homes, we have provided various services to other associations to help them increase housing supply. In 2016/17 units were developed under agency agreements for another organisation generating a surplus on sale of £194k (2016: equivalent development agency fee income of £76k). In addition, first tranche shared ownership sales were made on behalf of other RP's generating a further £101k (2016: £329k) in agency fees. Such work offers VfM both through the income generated on the back of existing skills and capacity and to the partner associations through giving them access to our expertise and developments without them needing to recruit in-house development resource.

4.6.2 In addition to our sales agency work, we had a successful year with regard to sales of

our own properties, with 259 existing units either sold outright or sold to increase the proportion owned by the shared owner. This activity contributed £8.6m surplus for re-investment. Additionally, 169 units were sold as first tranche shared ownership which contributed £10.3m surplus for re-investment.

5 Social and environmental returns

5.1 Resident satisfaction

5.1.1 We are committed to improving the quality of services offered and thus improving resident satisfaction. Results from our customer contact surveys, detailed in the table below, show that targets were generally met or exceeded and therefore we anticipate that the benefits from this ongoing investment and focus will be fully realised in due course.

Customer Satisfaction	Ease of Contact	Polite	Knowledgeable	Dealt with enquiry fully	Overall satisfaction
Target	90%	95%	93%	85%	95%
Average 2016/17	95%	98%	93%	88%	95%

5.1.2 During the year, we have worked with our Resident Inspectors to increase the profile of the repairs and maintenance work we carry out and to increase the amount of feedback we receive from our customers. During the year, we have produced a more useful and informative post repair customer satisfaction form. Results from these surveys show that the overall resident satisfaction rate for the whole year was 96% which is excellent and indicates a good level of customer service in this area.

5.1.3 Each year, we canvas our new shared ownership customers to ascertain their satisfaction with our Options to Buy sales service. We are pleased that for 2016/17, 89% of customers were either satisfied or very satisfied with the overall service delivered by our Options to Buy team.

5.1.4 The tables below detail results of the annual STAR resident satisfaction survey for General Needs tenants, for tenants of Housing for Older People and for Shared Ownership residents.

5.1.5 For General Needs and Shared Ownership in 2016/17 overall satisfaction increased and exceeded target whereas, for Housing for Older People it worsened and did not meet target by 1%. We note that, in comparison to benchmark median, all groups of residents are satisfied with the service we provide and that their rent provides VfM.

5.1.6 We continue our commitment to improving the quality of services offered and thus to improve tenant and resident satisfaction. Tenant and resident satisfaction target levels have therefore been set at or above the benchmark median level as recorded

by House Mark for the coming year.

Value for money indicators General Needs Satisfaction with:	2017/18 Target	2016/17 Actuals	2016/17 Target	2015/16 Actuals	2014/15 Actuals	Benchmark* Median
Rent Provides value for money		87%		85%	85%	83%
Service charge provides value for money		62%		61%	61%	73%
Quality of home		83%		82%	86%	82%
Neighbourhood as a place to live		83%		85%	84%	85%
Overall Service Provided	87%	89%	87%	82%	82%	84%
*Benchmark Data Housemark April 2017						

Value for money indicators Housing for Older People Satisfaction with:	2017/18 Target	2016/17 Actuals	2016/17 Target	2015/16 Actuals	2014/15 Actuals	Benchmark* Median
Rent Provides value for money		88%		93%	89%	90%
Service charge provides value for money		81%		85%	90%	82%
Quality of home		91%		94%	95%	94%
Neighbourhood as a place to live		95%		90%	86%	93%
Overall Service Provided	95%	94%	95%	95%	93%	91%
*Benchmark Data Housemark April 2016						

Value for money indicators Shared Ownership Satisfaction with:	2017/18 Target	2016/17 Actuals	2016/17 Target	2015/16 Actuals	2014/15 Actuals	Benchmark* Median
Rent Provides value for money		73%		68%	72%	67%
Service charge provides value for money		51%		46%	46%	39%
Quality of home		87%		84%	85%	76%
Neighbourhood as a place to live		91%		90%	89%	83%
Overall Service Provided	70%	78%	65%	62%	59%	48%
*Benchmark Data Housemark April 2016						

5.1.7 We continue to increase our focus upon mobile working and during 2017 new hardware and software was rolled out to Home Agents to enable an increasing number of tasks to be done on-line whilst staff are face to face with our customers. Planned investment in new IT systems over the next two years will increasingly

enable residents to access information, to request services and to make amendments to tenancy, payment and other data via smart phones or other devices at times which suit them best.

5.2 Complaints and compliments

5.2.1 We have continued to monitor and review complaints throughout the year. We acknowledge that there are times when we do not get things right and so fall short of the standard of service we want to deliver. In handling complaints our focus this year was to be customer and outcome focused, to make it easier for residents and other customers to let us know when they have been unhappy and for us to inform them what we are doing to resolve their issues.

5.2.2 A total of 432 complaints were logged during the year which is a 27% reduction in complaints from the previous year. We analyse the top 10 causes for complaints which enables us to identify areas where we have improved and target areas for improvement in the year ahead.

5.2.3 Each month our resident Complaints Panel carry out customer complaints satisfaction surveys on all the complaints closed in the previous month. These surveys are carried out 4 weeks after a complaint has been closed. In this reporting year, we surveyed approximately 380 customers and received a response rate of 41% as of 28 April 2017. Our response rates have been improved due a new process of contacting customers at more varied times whereas last year these calls were only carried during office hours.

5.2.4 As well as complaints we look to learn from examples of good service where compliments or other positive feedback have been received. The profile of compliments has been raised throughout the year, sharing successes on the intranet and through workshops and training sessions. Compliments logged have more than doubled compared to last year.

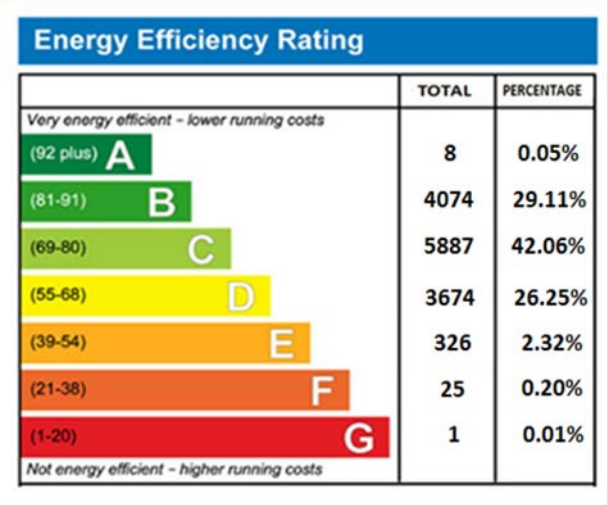
5.3 Energy efficiency

5.3.1 We measure the energy efficiency of our homes using the Standard Assessment Procedure (SAP) rating. This year, we have been validating the SAP ratings of our properties to enable us to plan and budget adequately to ensure we address the deficiencies of those properties in the lowest bands.

5.3.2 We now have SAP ratings for 13,995 properties, which is 97% of our eligible stock.

Our average SAP rating is 73.52, which is an increase of 0.94 from the previous year. Whilst new properties will typically be more energy efficient this rise can largely be attributed to the collection of additional energy performance certificates (EPC) following energy efficiency works. In the coming year we plan to reassess a further 195 properties to ensure that SAP rating information is kept up to date.

5.3.3 Our current SAP profile is as follows:



Energy Efficiency Rating

	TOTAL	PERCENTAGE
Very energy efficient - lower running costs		
(92 plus) A	8	0.05%
(81-91) B	4074	29.11%
(69-80) C	5887	42.06%
(55-68) D	3674	26.25%
(39-54) E	326	2.32%
(21-38) F	25	0.20%
(1-20) G	1	0.01%
Not energy efficient - higher running costs		

5.3.4 We now have a very good understanding of the energy efficiency of our stock and have had a budget approved to address the poorest performing properties in the coming year. Measures we will be taking include installing cavity wall insulation, improving loft insulation, fitting new, more efficient storage heaters and replacing old boilers. Carrying out this work, with a budget of £319k, will ensure we do not have any properties with a SAP rating in the lowest bands.

5.3.5 We consider that investment in energy efficiency represents VfM:

- From our resident's perspective, this reduces their potential bills, improves the quality of their lives and reduces the risk of fuel poverty; and
- From our perspective; more energy efficient homes are more valuable, improving return on assets and the reduction in fuel poverty potential improves the chances of residents being able to meet their rent commitments and correspondingly reducing the risk of bad debt and void losses.

5.4 Aids and adaptations

5.4.1 £284k (2016: £396k) was invested in aids and adaptations to support disabled and elderly residents with 98 (2016: 85) major and 315 (2016: 312) minor adaptions

carried out. This investment contributed to the continued independence, autonomy and well-being of our residents.

5.5 Volunteers

Our volunteers support our work with local communities and comprise members of the local community, members of staff and our customers. Together these volunteers contributed more than 2,200 hours during 2016/17 which we estimate to be worth more than £31k (using the Office for National statistics data for average pay in the South East of England). Projects include activities such as helping with the local Food Bank, school reading programs, communal area painting, bulky waste collections, litter picks and many more. This is less than last year when volunteering was specifically encouraged as part of our 25th Anniversary volunteering campaign. However, in addition to the above programme in March 2017 we ran a call centre on behalf of the BBC's Comic Relief – Red Nose Day – with staff volunteering over 540 hours to make this possible.

6 Efficiency gains delivered and planned

6.1 Introduction

6.1.1 Our approach to recording efficiency gains is to include only the gains achieved relating to the first year. A one-off saving will be recorded in the VfM self-assessment in the year in which the saving was contractually achieved, irrespective of the year(s) in which this will be accounted. For a recurring efficiency gain that will be achieved over a prolonged period over many years, such as on a long-term contract or as a consequence of refinancing, the efficiency gains achieved after the first full year are considered to be "business as usual", as they will have been absorbed into budgets and business plans and accordingly are not recorded in later years' VfM self-assessments.

6.1.2 There are many specific examples of activities undertaken which have delivered efficiency gains during the year 2016/17. This section summarises and gives details of some of those activities but this is not an exhaustive list.

6.2 Summary of efficiency gains delivered in 2016/17

6.2.1 We had planned to deliver annualised efficiency gains of £1.0m in 2016/17 (2016: £1.2m) and we have actually achieved £2.5m (2016: £5.2m). The table below summarises the main identified efficiency gains realised:

Department	Summary	Efficiency Gains 2016/17 Actual realised £'000	Target set last year £'000
Property Services	Procurement savings on maintenance and void contracts	641	626
Property Services	New electric heating system and boiler installation contract	932	174
Property Services	New contract for windows and doors	379	225
Property Services	Additional procurement savings	508	0
	TOTAL	**2,460**	**1,025**

6.2.2 As can be seen, we have had a successful year in delivering efficiency gains in excess of target, the bulk of which can be attributed the success of the re-procurement of many of our repairs and maintenance contracts at the start of the year. In addition, there have been various operational efficiencies across many departments which are explained within the following case studies.

6.2.3 On a practical level, it can be difficult to assess accurately the monetary value of efficiency gains delivered and in producing the table above we have taken a prudent and conservative approach to evaluating these. Accordingly, many of the items detailed in the case studies below have not been ascribed a monetary value.

6.2.4 We monitor performance in a variety of ways including delivery against operational plan which is formally reported each quarter. In the coming year, we plan to improve our ability to capture and report upon VfM efficiency gains data and will continue to track this as part of operational plan reports.

6.3 Case studies

6.3.1 The case studies chosen have been split between those which achieve quantifiable financial efficiency gains, which will be reflected in reported results, and those which deliver VfM to residents but do not necessarily benefit our financial results.

Quantified Efficiency Gains achieved 2016/17

6.3.2 Development and sales: The role of the department in delivering VfM through new developments has been outlined in 4.3 above. Sales activity on behalf of other associations contributes agency fee income of £347k (2016: £405k). During the year, we have installed key safes to our properties at handover where they are more than

30 miles from the office to save time and resource in letting new build properties. We are now using our own sales advisors to sell our asset disposals rather than using external estate agents. We estimate that this has generated savings of £10k during the year.

6.3.3 Housing Management: We have been actively promoting the self-service portal and automated payments to reduce call demand. The number of payments taken by our in-house call centre is reducing as registrations to the self-service portal are increasing (6,362 in total this year) as this is a more cost efficient means of service delivery.

6.3.4 Property Services: Our caretakers ran a trial using drainage rods to unblock the rubbish chutes within our high-rise blocks instead of paying an external contractor for this service. This has proven successful and training has now been provided to the rest of the caretaking team. We estimate that this change reduces the service charge to residents by 11 pence per week.

6.3.5 Housing Management: We have stopped tracing former debt using an external agency and now undertake such tracing in-house at a cost of £1 rather than £30 per trace.

6.3.6 Housing Management: We have recently implemented improvements to debt collection by better use of automated work-flow and refreshed letters. This will also result in a more proactive system for generating referrals for early intervention by the Financial Inclusion team. The work of the Financial Inclusion team is crucial to the collection of debt and during the year £181k of income has been gained from Housing Benefit as a result of the work of this team.

Other Value for Money Improvements Delivered 2016/17

6.3.7 Finance: Finance have a key on-going role to ensure VfM is delivered through the budget setting process, utilising a zero-based budget to ensure that all expenditure is justified, and then monitoring actual expenditure and ensuring budget holders are held accountable.

6.3.8 Treasury: The restructuring of derivatives and the arrangement of new funding via the AHF / EIB in 2015/16 continued to produce savings and resulted in weighted average cost of capital falling during the year. During the year, our security headroom (made up of undrawn facilities which are fully secure and available to draw against plus cash on deposit) has risen to £153m from £80m last year. This is because of many factors including the charging of newly developed units and amendments made to the process of charging of property security against existing

loan facilities which has increased the efficiency of this charging.

6.3.9 Property Services: We have a team of dedicated call handlers who received additional training to ensure repairs are correctly diagnosed. The team are raising works orders to contractors, helping reduce any follow-on works and providing a first fix service. We have also improved our out of hours service delivery by contracting this work to a dedicated call centre with a long track record in successfully managing repairs.

6.3.10 HR: During the year, there have been a number of efficiency initiatives. These include securing discounted or free training where possible, negotiating discounted rates with recruitment agencies and obtaining early sign up savings. We have also made improvements to our training programme, for example, by in-house delivery where appropriate and by maximising staff attendance.

6.3.11 Development: During the year, we have rationalised our core operating area to 11 Local Authority areas across the Oxford to Cambridge arc and withdrawing from seeking new development opportunities in South Oxfordshire and the Vale of White Horse. By concentrating our stock in core areas, we can maximise our efficiencies in management and service delivery costs. We will also benefit from developing strong relationships in these areas to ensure that we are in a good position to take advantage of opportunities as they arise.

6.4 Planned efficiency gains for 2017/18

6.4.1 As noted earlier, our operating costs are already low by sector standards, which makes it increasingly challenging to quantify the efficiency gains that will be delivered. There are plenty of improvements in service that will deliver VfM, though in many cases the savings through process efficiency will be recycled through better services to our residents.

6.4.2 During the year, we have started to manage our operations through defined business units. This has been done to enable a more commercial approach to service streams and asset management. Specific assets have been aligned directly to the services that are provided from them, allowing the income and costs that are directly associated with each property and service line to be analysed in more detail. The insights from this more sophisticated approach will support further improvements in ensuring that the best VfM performance is achieved from our assets.

6.4.3 Our restructuring into business units will require changes and investments which will

continue throughout 2017/18 and beyond. We have set ambitious targets for a channel shift to digital via our planned investment in technology and this will deliver efficiency savings once it is achieved. Ultimately, our new approach will enable us to make better commercial decisions and drive further improvements to the return on assets. However, these improvements will not be realised immediately and will build up over the next two years.

6.4.4 An area where savings are planned during 2017/18 results from changes to our processes for letting empty properties. We will become more focussed upon the incoming tenant, for example, by offering decorating vouchers and paint packs to let properties more quickly. We will adopt the 'Clean, Clear and Safe' standard which will reduce the void repair costs incurred. These changes are budgeted to deliver £307k savings in void repair costs during 2017/18 with expected savings rising to £700k per annum once new processes are fully embedded.

6.4.5 We are also planning several re-procurements during 2017/18 and we estimate that we will save more than £150k as a result. The largest savings are anticipated from the negotiation of new boiler install rates £50k, the competitive tender of new servers for in-house IT storage via Crown Commercial Services framework agreement £60k, new archiving contract £20k and new fixed lines and mobile phone contracts £20k.

If you have suggestions as to how we can deliver improved Value for Money, or if you have any questions regarding this self-assessment we would like to hear from you.

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