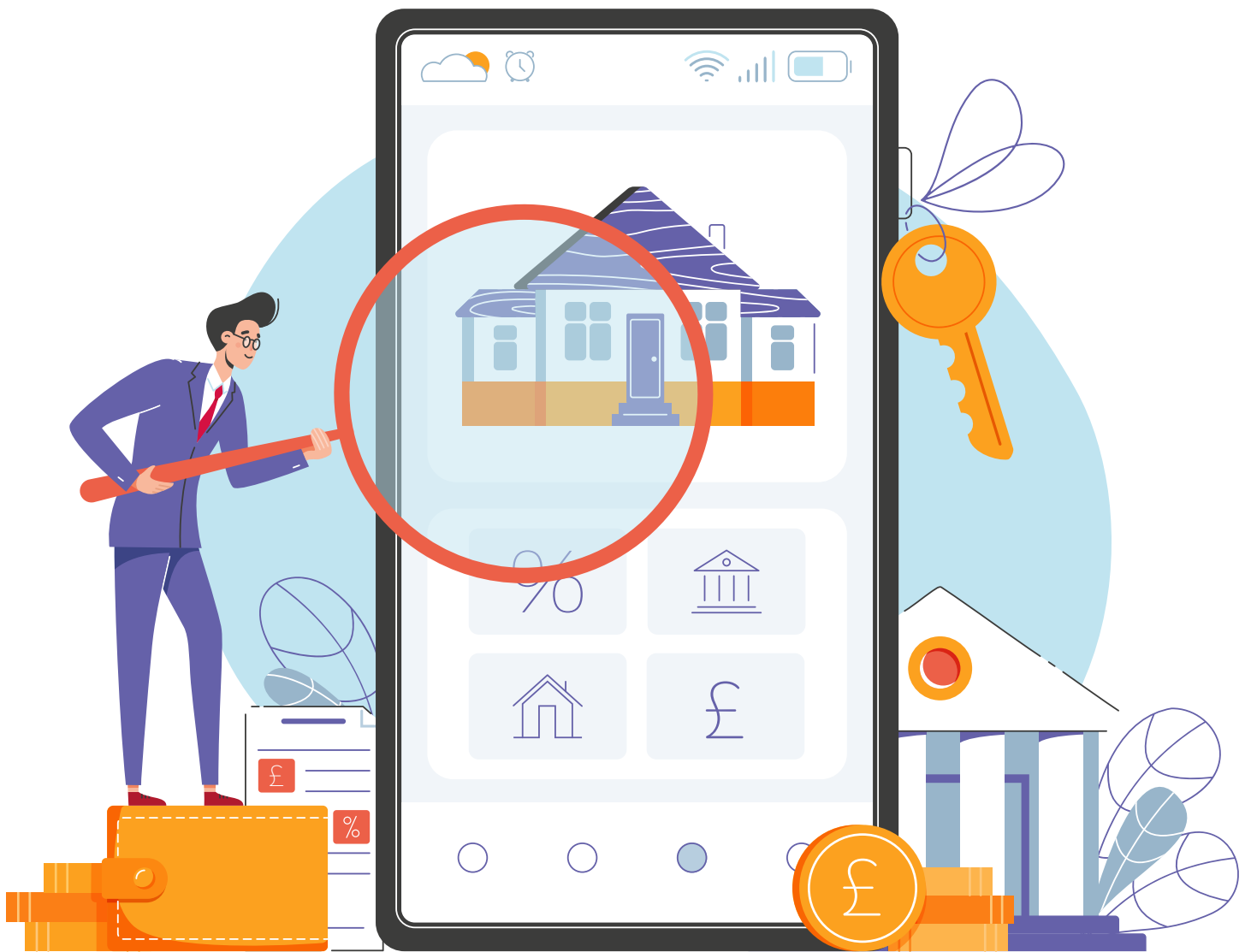




Monmouthshire Housing
Tai Sir Fynwy



Our Value for Money Statement **2020/21**

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Open

Fair

Flexible

Achieving

Executive Summary

Monmouthshire Housing Group was established in January 2008 following a large scale voluntary transfer from the local authority. Since transfer MHA Group have worked hard to improve the lives of residents, delivering high quality, affordable and accessible homes and services within the communities it serves. A strong commitment to Value for Money is always embedded and optimised when developing our vision, strategy and annual objectives.

Vision

MHA is known for providing high quality homes and services that meet our stakeholders' expectations. Daily, we seek to transform lives by enabling communities to realise their ambitions. We have created an environment where people can have a brilliant quality of life, in areas where they aspire to live and work.

Making our money go further enables us to devote more resources to achieving and exceeding our LEEP (Our four main objectives: Landlord, Economic, Env and People) business objectives: providing more and better homes, improving service quality and supporting a wider range of activities to help tenants realise their ambitions.

Operationally we strive for high performance and high satisfaction, whilst considering the costs. Our key drivers and values are culturally embedded throughout the organisation so all are making the right choices in how the Group uses its money and resources. Staff are encouraged to think not just about saving money, but also about Value for Money in its wider sense, such as the cost to the customer, service quality, performance and social value.



Defining

What is meant by Value for Money and what are the perspectives of key stakeholders?

What does the term 'Value for Money' mean?

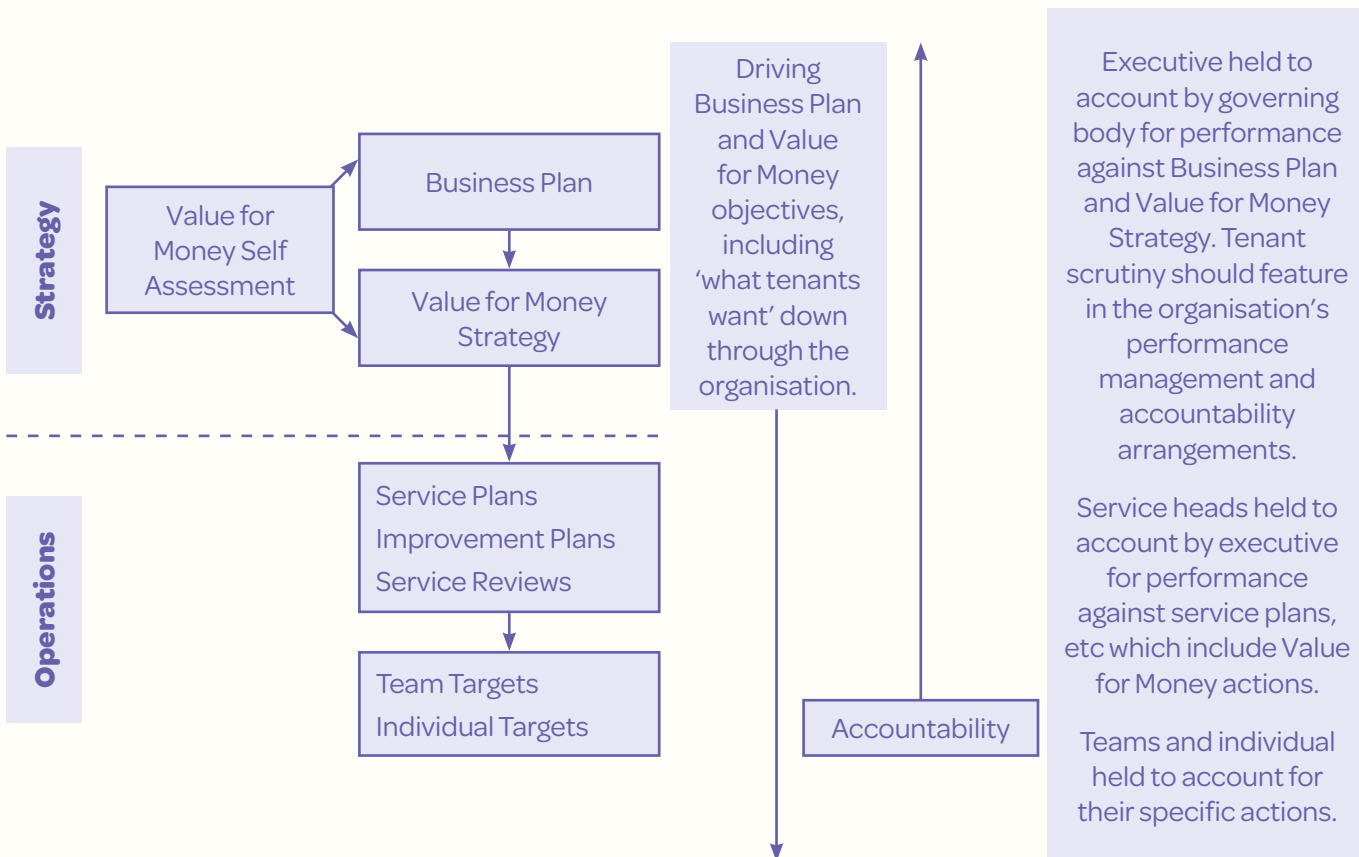
According to our representative body, Community Housing Cymru and Housemark:



Value for money is about ensuring that every pound spent delivers the maximum impact possible in terms of quality and/or quantity. Without Value for Money as an overarching principle: you will inevitably spend more than you need to achieve your objectives. Nobody likes throwing money away and our tenants certainly can't afford for us to do so."

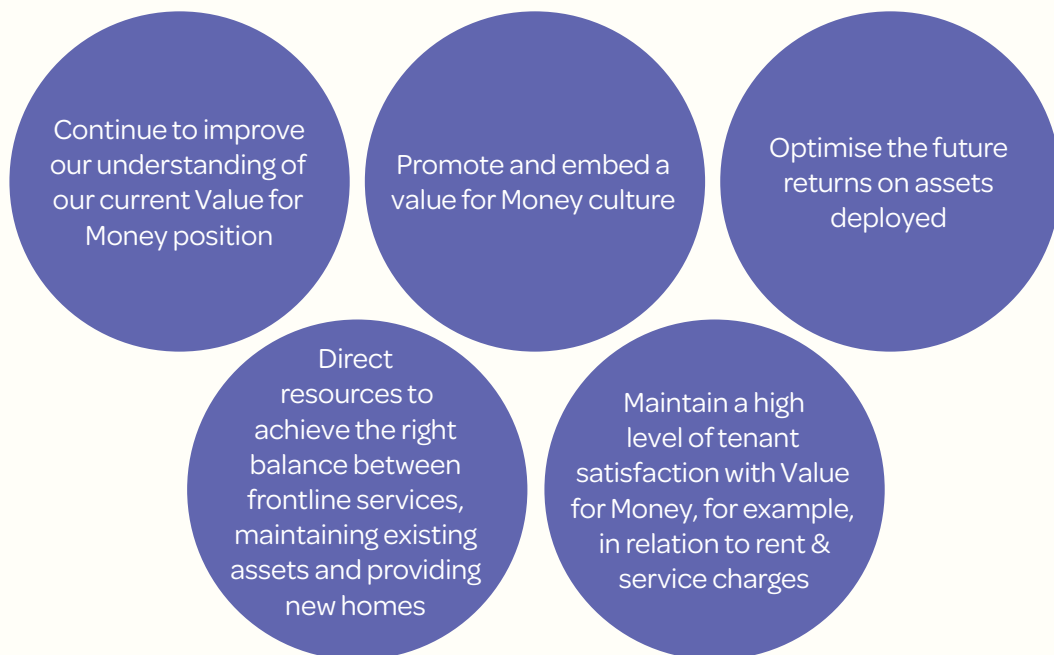
Embedding value...

This statement parallels our Value for Money Policy, which sets out MHA Group's approach to Value for Money. It gives key aspects of the Value for Money process, and identifies the main reporting procedures. The policy is reviewed annually by the Board of Management and complies with Welsh Government's regulatory requirements, to ensure our costs and performance are transparent and accessible to our stakeholders. This is the model adopted by MHA Group:



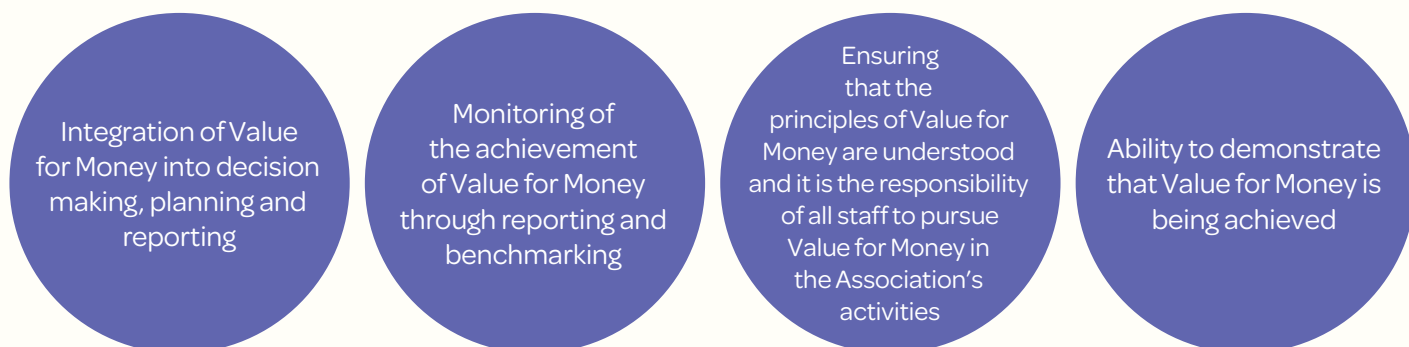
We will continue to work with a wide range of partners from the local community so that the best possible outcomes are achieved for our tenants, making sure we are delivering services equitably and addressing those in greatest need. Service users are at the heart of the decision making process, from the scrutiny group, mystery shoppers to dedicated service improvement focus groups. With changes to our governance framework, the removal of tenant Board Members will be replaced by a Community Voice Committee who will also play a pivotal role in driving value, maximising positive outcomes for service users and holding MHA Group to account.

Our commitment to Value for Money, is to:



The association’s corporate objectives include a commitment to securing Value for Money through our activities so we have a clear understanding of the association’s costs, performance and quality of services and by taking action to ensure that the right balance is achieved.

Key objectives detailed within MHA’s Value for Money Policy:



Measuring the value of our key stakeholders

Key costs and performance are benchmarked across the sector through Housemark and Community Housing Cymru so that we can compare and understand any differences, and strive for further improvement. The key ratios from the latest published results are shown below. MHA invests more of its resources than its peers in major repairs, ensuring our properties are kept to a high standard.

Key Performance Indicator	MHA 2020/21	MHA 2019/20	All Wales LSVT average 2019/20	MHA 2018/19	All Wales LSVT average 2018/19
Operating costs for lettings per social housing unit	£3,915	£3,626	£3,633	£3,631	£3,349
Management costs per social housing unit	£1,047	£1,076	£1,353	£1,158	£1,280
Reactive repair costs per social housing unit	£1,721	£1,413	£1,353	£1,426	£1,255
Major repair and component costs per social housing unit	£1,074	£1,738	£1,452	£1,830	£1,656
Bad debts per social housing unit	£18	£51	£49	£17	£38
Weighted average cost of capital	2.46%	3.05%	5.76%	3.36%	6.28%
Gross arrears / social housing turnover	5.0%	3.3%	4.5%	3.2%	4.0%
Total rent per social housing unit	£5,891	£5,672	£5,100	£5,318	£4,934
Rental void loss per social housing unit	£42	£58	£81	£51	£73

Our stakeholders play a vital role in driving improvement and helping us to maximise our positive impact. We want to continue to nurture and develop these relationships. Plans are afoot to bring a more structured approach to achieve a mutually beneficial arrangement in terms of future strategic planning.

On a more local level MHA Group want to continue to measure the wider impact on the communities in which we serve, and use a range of other tools to monitor our Value for Money effectiveness as a social landlord.



Delivering

What are we doing to achieve Value for Money and what are the big issues that need to be tackled?

Tenant Satisfaction

Satisfaction data is collected and used across all service areas (see Housing Management [p12] & Repairs [p14]). In addition, a county-wide general satisfaction survey is conducted every two years. The last survey conducted in 2019/20 achieved a response rate of **36.74%**, our highest engagement to date. The results are used at team level to identify gaps in provision, so resources can be targeted in the right areas.

89.5%

satisfied with overall service

78.3%

satisfied with service charges providing Value for Money

94.6%

satisfied with the lettings process

87.7%

satisfied with repairs and maintenance

87.8%

satisfied that rent provides Value for Money

86.4%

satisfied with neighbourhoods as a place to live

52.5%

satisfied with the way ASB complaint was handled

84%

of residents who trust MHA as a landlord

97.2%

satisfied with their new home at time of letting

89.4%

satisfied with quality of their home

The recent commission of Voicescape software has given us an opportunity to capture satisfaction in real time. The Customer Contact Centre and Repairs Service have been the focus of the pilot scheme.

Customer Call Centre



The team have taken on average **22** seconds to answer calls (a decrease of seven seconds from last year).

The percentage of calls answered within **20** seconds has also increased this year by **6.3%** to **86.6%** (Industry standard is 80%).



98.66% of calls received were answered.

1.34% calls unanswered called back as soon as possible.



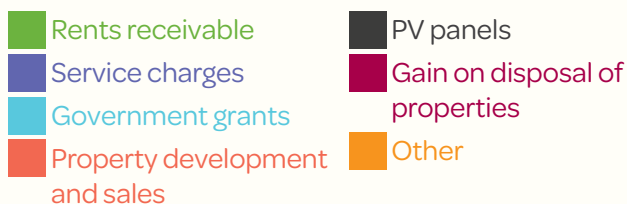
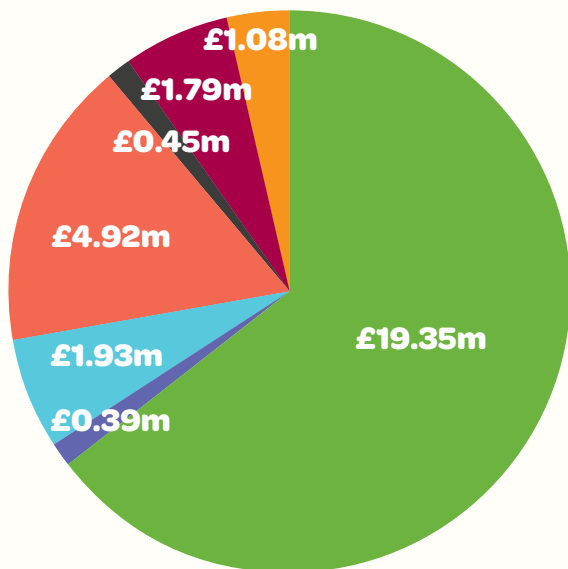
83.2% resolved at first point of contact and **99.3%** satisfied with the outcome.

Customer satisfaction with the service provided by the Contact Centre is **99.3%**

Cost & Performance

Where the Group receives its money:

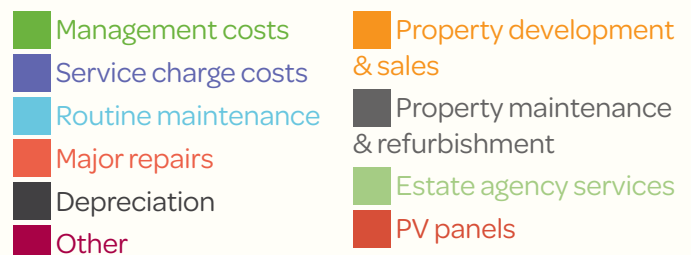
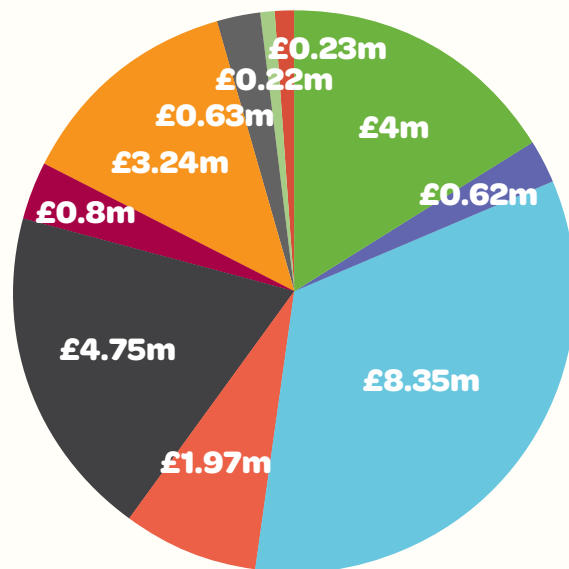
Income 2020/2021



Total **£29.91m**

How the Group's funds are spent:

Expenditure 2020/2021



Total **£24.81m** / Operating Surplus **£5.1m**

Our treasury activities during the year included a refinancing of all existing loans of **£38.9m** to secure new facilities amounting to **£85m** at one of the lowest interest rates secured in the UK sector during the last year. In doing so we also attracted a new high profile investor to make its first direct investment into the UK housing sector, demonstrating confidence in our long term business plan.

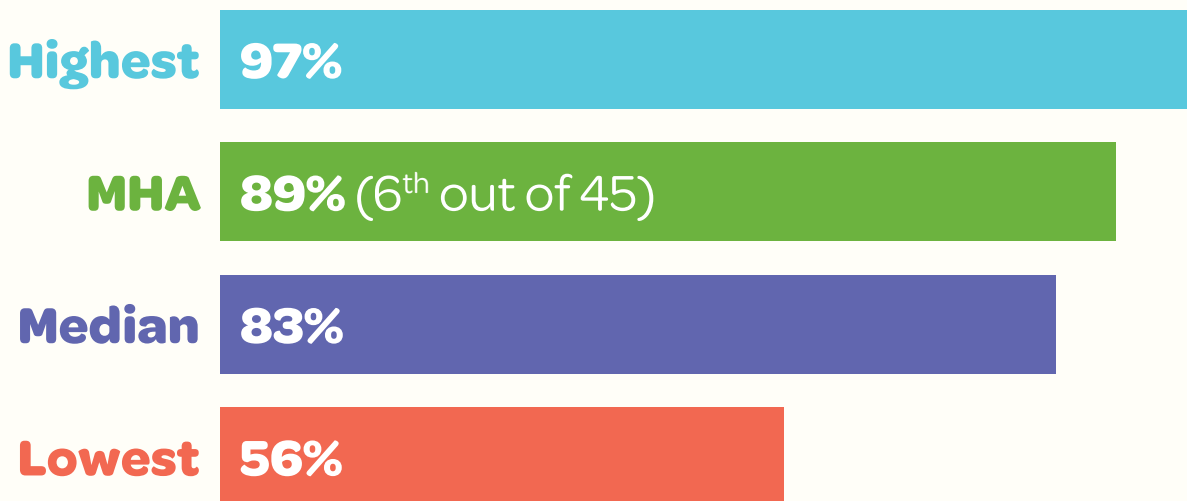
We now have a **£65m** long term private placement loan funding from the Pension Protection Fund with **£50m** drawn at the end of the financial year and a further **£15m** available for draw down in three years' time. We also negotiated a competitive five year revolving credit facility with Barclays of **£20m**, which is currently undrawn. This refinancing has laid a truly solid foundation for MHA's future ambitions, and has already helped to fund the major repairs expenditure and contribute to the funding of our development programme and corporate plan objectives. Alongside this external funding, we expect Welsh Government will continue to provide an annual dowry of **£2.6m** which is vital to the funding of our planned repairs programme and the financial health of the organisation.

We continue to build on the success of previous financial years with strong corporate health. Our operating margins on social housing activities are in excess of **18%** and cash generation from operating activities is strong with **£7.4m** cash generated from operating activities during the year.

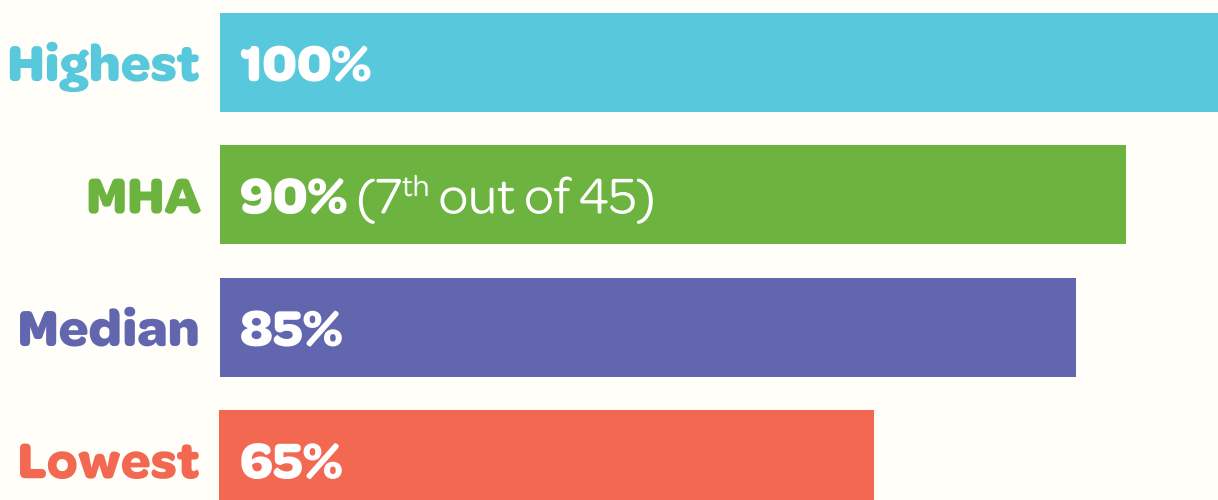
Performance

The Group monitors a range of Performance Indicators (PIs) across all service areas and strive for excellence, delivering the best services we can to our customers. MHA also works in collaboration with Housemark to benchmark our performance against others in the sector. A recent Countrywide Sector Satisfaction Survey, compiled by Welsh Government, reflects a proud achievement of **sixth position** in terms of tenant's satisfaction where rent provides Value for Money.

How satisfied or dissatisfied are you that your rent provides Value for Money? ⁱⁱ



How satisfied or dissatisfied are you with the service provided by your social landlord? ⁱⁱ





Our Board and Senior Management Team (SMT) receive quarterly reports on performance, with relevant areas of responsibility also devolved to the respective committees through a pyramid monitoring system.

Annual targets are reviewed and boundaries pushed, particularly in relation to maintaining low rent arrears so more resources can be ploughed into delivering front line services.

101.36%

of rent collected from current and former tenants

1.96%

of current rent arrears

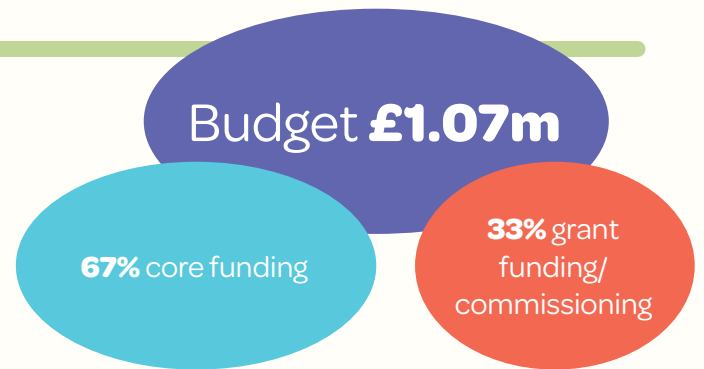
Housing Management

Social Value

Delivering our vision throughout the crisis has proved challenging. However we have responded to the needs of our tenants and maintained a lifeline for many, particularly those facing unemployment or struggling with debt and wellbeing. A range of support from assistance with arrears, running virtual activities, to helping with neighbour problems has continued throughout. Where face to face contact could not be achieved we have tailored communications appropriate to the individuals' circumstance.

Satisfaction is not the only driver. Understanding and measuring the social value and positive outcomes within our wider communities are equally important.

Every single tenant has had contact to check on their welfare, followed up with a further **1,960** welfare calls to those deemed at risk and vulnerable to the virus. We were also able to link them in with wider community support and safeguard their wellbeing. **150** check-ins continued on a weekly basis.



44

tenants supported into work through our dedicated Work & Skills Wise team

£557,971

saved by tenants thanks to our in-house money saving experts

WEEKLY

virtual lounges set up to help tenants connect during the pandemic

£25K

shared between 16 groups through Pitch For Your Project in addition £7k awarded to local groups through our Corporate Sponsorship Programme

51

volunteering and work placements started

26

staff members trained by RNIB to support tenants with visual impairment

£2,750

donated (including £750 for Christmas food parcels). We have worked hard to build strong relationships with local foodbanks, helping people put food on the table when times were hard

13

attended Bootcamp, 7 set up business

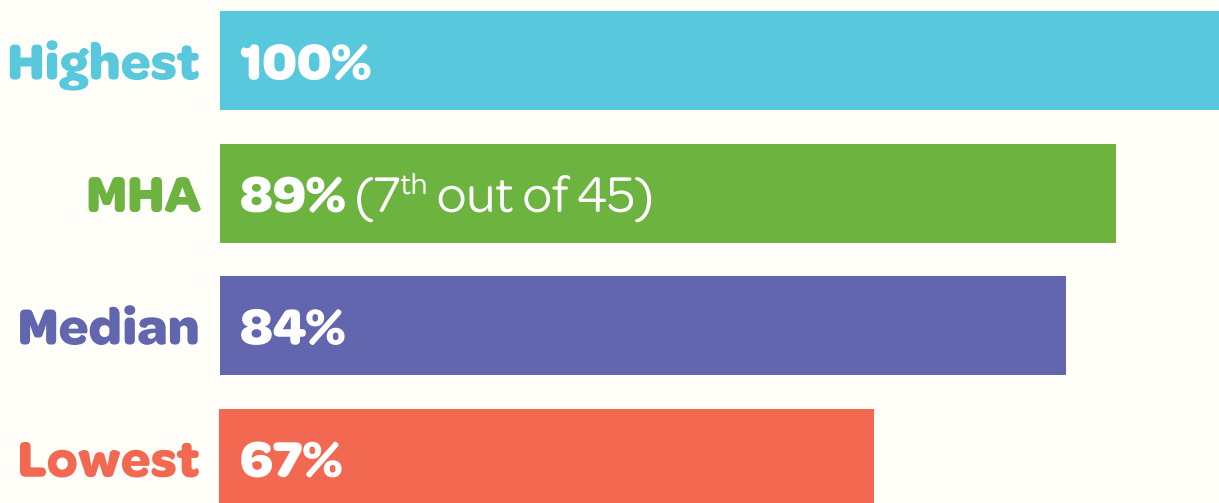
Neighbourhoods

Tenancy Coaches work closely with the local authority's Housing Options team, providing face to face contact with those coping with homelessness or living in temporary accommodation. In all **120** people have been supported, whether this be through welfare calls for those suffering from isolation or loneliness or walking/talking with people needing emotional support.

We received **£17,113** in Community Benefits from development and asset management procurement and are using this to support community development activity and local community projects across the County as well as helping struggling families at Christmas.

Regardless of our head office closure colleagues have remained accessible and responsive. Our Customer Services team have answered **30,605** calls, **1,318** live chats and **10,170** emails. This totalled **41,682** inbound customer interactions.

How satisfied or dissatisfied are you with your neighbourhood as a place to live? ⁱⁱ



Responsive Repairs, Voids & Planned Maintenance

Repairs and maintenance is one of the most important services MHA provides for its tenants. 2020/21 was a challenging year for everyone due to Covid-19, but MHA continued to provide a repairs and maintenance service to its tenants throughout the year. We also continued with our gas servicing throughout the pandemic acknowledging that the health and safety of our tenants and their homes is paramount.

At MHA we strive to provide a repairs service that is convenient to our tenants, we listened when our tenants told us the most important thing to them is having an appointment for their repair and getting it right first time.

In 2020/21 we attended to over 95% of appointments made in time and completed over 95% of the repairs Right First Time. It is pleasing that satisfaction levels for our repairs is high at over 89% satisfaction. We have an internal work force carrying out planned maintenance works, responsive repairs and refurbishments to our empty homes, meaning the values of MHA are at the heart of everything we do.

Five years ago, MHA reviewed the empty homes (voids) service. As a result of this MHA introduced a full decoration and carpeting of voids meaning tenants moving into their new homes can move in without needing to find the time or to have the financial worry of decorating or carpeting. We believe that this additional investment is integral to the quality of service we provide and in creating a home that tenants value at the beginning of their tenancy. An external consultancy company recently undertook a full Value for Money exercise in 2020 on both MHA's responsive repairs and voids services and reported that both service areas offer Value for Money for tenants.



96.29%

Repairs completed right first time (Target 96%)



96.87%

Repairs completed by appointed (Target 99%)



92.03%

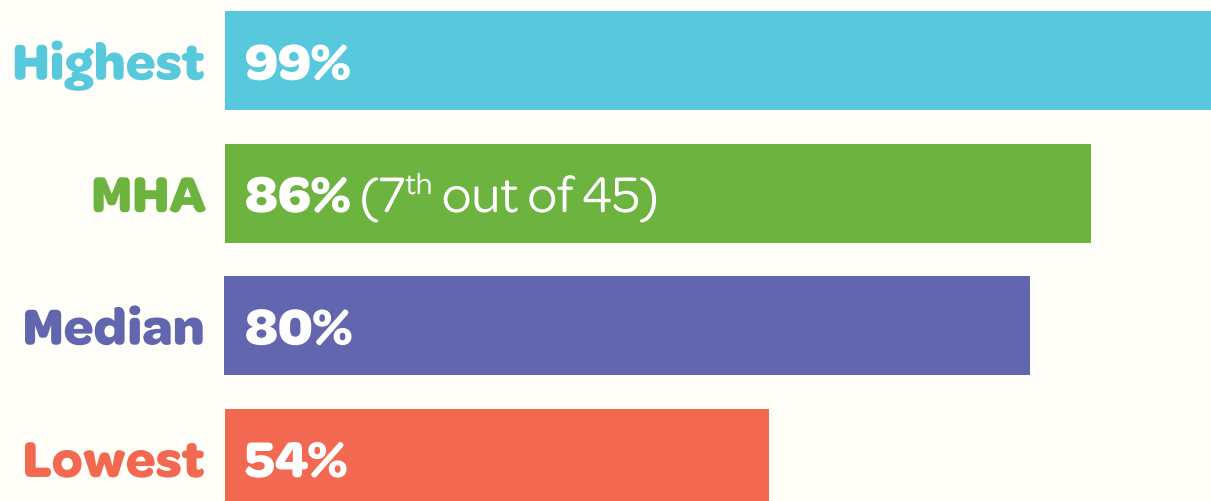
Customers satisfied with repairs (Target 95%)



43.55

Days void turnaround time - standard lets (Target 25 Days)

How satisfied or dissatisfied are you with the way your social landlord deals with repairs and maintenance? ⁱⁱ



Property Management

Asset Management, 'Procurement & Community Benefits'

Targeted Recruitment and Training (TR & T) and Community Benefits

MHA is currently undertaking work to review and revise its Procurement Policy to take account of new legislation and guidance, including further guidance for TR & T and Community Benefits

However, MHA has already committed to providing employment and training opportunities to the people of Monmouthshire and / or securing funding or "benefits in kind" for local communities. It is imperative that we support the economic needs of the communities and we therefore aim to maximise spend within local communities and increase local business capacity as a part of sustaining our business. In addition, we will provide educational, training and work placement opportunities for unemployed people/tenants, which will develop their work related and employability skills.

To support this outcome, MHA has incorporated clauses into our invitations to tender and works contracts for all major development and property maintenance projects to ensure that each successful contractor agrees that by entering into the contract for 'the works' as outlined within the contract, they are agreeing to enter into providing the required financial Community Benefits and /or TR & T opportunities or both.

Our Engagement and Work & Skills Wise teams will then work with the contractor to ensure the communities directly receive funding or support for local projects and / or to support a tenant or member of a tenant household into any available work opportunities.

Recent examples of achieved Community Benefits and TR & T include:

- Dewstow Primary School - **£1,000** awarded to improve the outside play area up to Estyn requirements. Children are now able to play outside safely and creatively.
- Ysgol Gymraeg Yr Fffin - **£1,000** awarded for fencing to the outside play area. This helped to make it more secure for children to play outside safely.
- Caldicot Football Club - **£2,800** awarded to sponsor match day kits, training equipment and to help towards the cost of improvements to toilets and the club house. Toilets are now fit for purpose for their members many of which are MHA tenants and residents and the football team's kit was paid for meaning that club funds could be spent on other things, like travel and matching the community benefit funding to improve the club house.
- 1 x 13 week ground-worker role
- 1 x forklift truck driver
- 1 x site labourer

Way Forward

This report outlines MHA's strong commitment to securing Value for Money from its' activities, and in doing so demonstrate to our tenants that we deliver effective and efficient use of the resources available to us.

Operationally MHA strives for high performance and high satisfaction, whilst considering its costs. Our key drivers and values are culturally embedded throughout the organisation so all are making the right choices in how the Group uses its money and resources. Staff are encouraged to think not just about saving money but also about Value for Money in its wider sense, such as the cost to the customer, service quality, performance and social value.

Our commitment to Value for Money, is to:

- Continue to improve our understanding of our current Value for Money position
- Promote and embed a Value for Money culture
- Optimise the future returns on assets deployed
- Direct resources to achieve the right balance between frontline services, maintaining existing assets and providing new homes
- Maintain a high level of tenant satisfaction with Value for Money, for example, in relation to rent & service charges

In reviewing 2020/2021, we have to recognise that the pandemic has impacted on our expected end of year outcome. We have had to manage the delay / cessation of key activities such as the development of new homes and planned maintenance, instead refocussing our resources on emergency repairs and strictly adhering to health and safety requirements.

Our economic vision for 2021/22 will be to remain financially viable, build on our resilience and invest in our growth and diversification strategies to achieve additional income for reinvestment in core activities.

MHA's significant refinancing in 2021 has provided the strongest platform for growth in its history and will allow us to continue to strive for excellence in all that we do. The Association has a significant development programme scheduled for the next five years along with the further growth of our trading subsidiary (Capsel Limited) which will enable the undertaking of commercial works for the benefit of the Association. All of which will strengthen the organisation and feed back into our corporate vision to create high quality homes and an environment where people can have a brilliant quality of life, in areas where they aspire to live and work.

MHA introduced its Local Rent Policy in 2021 in order to set a fair, transparent and affordable rent for all. This policy will be monitored and adapted throughout 2021/22 to ensure that our rents remain affordable and continue to provide excellent Value for Money.

MHA has ambitious plans to extend the provision of affordable homes in Monmouthshire and will continue to seek development opportunities to create an average of 100 new homes per annum. We continue to benchmark our services against other RSLs in Wales and England and will seek to identify efficiency opportunities from any sector to bring into MHA's own work processes.

In order to support our plans we have created a Business Improvement team who will lead on implementing our digital strategy, improving our customer experience and continually improving and streamlining our services to benefit our customers.

ⁱCommunity Housing Cymru & Housemark 2016 'Maximising Our Contribution: A practical guide for Welsh Housing Associations on how to define, deliver and demonstrate Value for Money' - Steve Smedley & Hayley Macnamara

ⁱⁱWelsh Government report: Social landlords: tenant satisfaction survey - What housing association and council tenants think about their homes. First published: 11 May 2021 (based on a range of data provided pre-pandemic).

Full results can be found by visiting <https://gov.wales/social-landlords-tenant-satisfaction-survey-html>