

VFM is central to achieving our objectives

Summary:

Our mission is 'To be South Lakeland's landlord of choice providing affordable quality homes'. VFM underpins the ability to balance quality and affordability and adherence to VFM principles is critical to achievement of this mission. This will be facilitated through a deeply embedded VFM culture which ensures all investment decisions are aligned with strategic housing need, underpinned by a strong focus on VFM in corporate objectives and strategies.

Our corporate objectives are delivered through a deeply embedded VFM culture, derived from transformational rather than transactional changes such as improvements in ways of working and a strategic decision making process which ensures all decisions are based on overall VFM rather than cost. A considerable amount has already been achieved towards the delivery of the new corporate objectives set shortly after transfer including completion of the first two years improvement programme delivering £871k of VFM savings, and the award of top 'G1 and V1' ratings from our regulators for governance and viability.

VFM IS PART OF OUR MISSION

Our mission is '**To be South Lakeland's landlord of choice providing affordable quality homes**'. VFM underpins the ability to balance quality and affordability and adherence to VFM principles is critical to achievement of this mission.

We can only achieve this by working hard at VFM in everything we do. In our 2013 VFM Self Assessment we identified four key principles which we believed would ensure we exceeded the regulator's standard. These were:

- ✓ VFM underpins everything we do
- ✓ We listen to our customers so that we do the right things
- ✓ We understand our costs and make the most of our resources
- ✓ We are open and transparent about our VFM achievement

ACHIEVEMENTS AGAINST CORPORATE OBJECTIVES

Shortly after the transfer in March 2012 a number of new corporate objectives were set, and a considerable amount has been achieved towards the delivery of these over the last two years. Key achievements against each of the new corporate objectives are as follows:

Objective: Be one of the country's top performing housing associations

- ✓ Top regulatory ratings of 'V1' and 'G1' for 'governance' and 'financial viability' issued by the Homes and Communities Agency.
- ✓ 52% of the transfer promises have been completed; including the two year promise to install 2,632 doors and 222 windows and the launch of a new Freephone 0300 303 8540 to improve customer experience.
- ✓ 100% access performance on issuing landlord gas safety records.
- ✓ Impressive 42% response rate from tenants in the latest customer satisfaction survey producing a healthy 91% overall satisfaction score.
- ✓ 11 new apprenticeships created since transfer with SLH beating off the competition in the Westmorland Gazette Business & Tourism award for 'Training and Development'.
- ✓ £176K reduction in responsive repairs sub-contractor expenditure.
- ✓ £55K savings on void rent loss.

Objective: Develop high quality homes

- ✓ £9.77m improvement works completed to homes including new kitchens, bathrooms, roofing and heating upgrades with £478K efficiency savings created.
- ✓ Improving our performance on 'non decent homes' from 37% last year to 9% at March 2014, with improvements in stock condition data from 20% of stock surveyed in 2012 to 38% in 2014.
- ✓ Commencing site works at SLH's first new build 10 home social rented development scheme at Jubilee Close, Kirkby Lonsdale.

- ✓ Planning permission granted to regenerate bungalows at the Waterside estate in Kendal Town Centre.
- ✓ Agreement reached to recycle SLDC Right to Buy funds with SLH submitting a proposal of schemes worth £2.333M in June 2014.
- ✓ Generated a capacity in the revised business plan for a total of 81 new units by 2018.

Objective: Expanding and adapting services to meet changing needs

- ✓ Increased resources committed to ensuring better utilising of our assets, with 14 tenants downsizing following the introduction of an incentive scheme.
- ✓ £208K spent on aids and adaptations with 42 major adaptations and 244 minor adaptations completed (with 100% customer satisfaction).
- ✓ Matched a £70K Kings Fund grant (a joint SLH, Cumbria County Council and NHS bid) to install 'dementia friendly' improvements including a sensory garden to Birthwaite Sheltered Housing Scheme in Windermere.
- ✓ 204 tenants are now actively using 'online services' to pay rent and report repairs compared to 70 tenants last year.
- ✓ Increased resources for young people's initiatives including fun days across the district, £2K to support Hallgarth Young People's Organisation, installing a Mud Pie kitchen for a primary school in Witherslack and training tenants in DIY.
- ✓ The sheltered housing services has been reorganised following feedback from tenants and also to safeguard the service from risks relating to Universal Credit.
- ✓ Improved performance and access with an increase in telephone calls answered (an average of 700 per week answered within 5 seconds) and a 33% increase in visitors following the establishment of the new Customer Services team.
- ✓ Use of Mobysoft for arrears monitoring to improve information and make better use of resources. This has led to better support for customers through a period of change resulting from Welfare Reform.
- ✓ Upgrade of telephone systems generating up to 50% cost savings and higher connection speeds - leading to better connection to sheltered schemes and a more efficient telephone service for all our customers.
- ✓ Establishment of new payment collection systems including automated direct debit transaction processing allowing a greater choice of payment dates, on-line and mobile card payment devices offering payment facilities in customers own homes.

Objective: Delivering the improvement programme

As part of the stock transfer, funding was made available to deliver £38m worth of improvements over the first five years, and £188m over 30 years. At the end of its second year SLH has achieved its two year promise made to tenants prior to transfer in relation to improvement works. This stated that:

'In the first two years after transfer SLH would have a door and window programme which would provide new 'Secure by Design' front and rear doors for up to 2,000 homes'.

Other achievements in relation to delivery of the improvement programme include:

- ✓ Completion of first two years of the £38m five year improvement programme and generation of VFM savings of £871k through the use of shared procurement frameworks which will be re-invested in the refurbishment of sheltered scheme communal areas, refurbishment of town centre properties to enable retention rather than disposal, carrying out structural and leasehold property surveys to provide improved repair planning information for leaseholders and completion of the five year improvement programme earlier than planned.
- ✓ Achievement of the two year promise to tenants involving delivery of a door and window programme providing new 'Secure by Design' front and rear doors for up to 2,000 homes.

Further actions ongoing to ensure continued improvement in VFM in future improvement programmes include:

- ✓ Plans in place to improve performance on SAP ratings and achievement of Decent Homes Standard.
- ✓ Working with the Tenants' Committee regarding painting of render to ensure use of resources are maximised and SLH delivers what the tenants want.

- ✓ Leading a Cumbria Housing Partnerships project to evaluate VFM savings achieved through collaborative procurement and ensure VFM savings for member landlords continue to be optimised.

DRIVING VFM BY EMBEDDING THE VFM CULTURE

Communicating and driving improvement in VFM

Over the last two years **VFM has been reinvigorated**, with a new VFM culture now firmly embedded within the organisation. **'VFM underpinning everything we do'** was top of the list last year in our self-assessment, and reinvigorating and driving the VFM culture has been a key aspect of 2013/14.

This has been achieved by relaying the VFM message in core briefings, team meetings and a series of **VFM Roadshows** to remind staff that **VFM is not just about saving money and improving efficiency, but is about making the most of all our assets**.

This has been rewarded by front line staff now making regular suggestions as to how we might make the most of our assets and improve outcomes for customers. Examples include:

- ✓ Scheme managers trained in programming alarm units and changing key-safe codes to complete sooner and avoid engineers call out charges.
- ✓ Minor repairs eg sticking doors and windows to be carried out by staff on site reducing disruption and cost.

Through the involvement of all our staff, we maintain a **'VFM register'** which all our staff contribute towards, to build an evidence base of all our VFM achievements and how surpluses or spare capacity are recycled to benefit our customers.



DELIVERING VFM THROUGH TRANSFORMATIONAL CHANGE

Using VFM to drive all our decisions

Our Corporate Objectives are delivered through a deeply embedded VFM culture, derived from **transformational rather than transactional changes** such as improvements in ways of working and strategic decision making processes, and this is evidenced in our achievements set out above.

Our decision making framework is underpinned by stringent financial regulations which require **all decisions to be based on overall VFM** rather than cost, and the close monitoring of **progress against delivery of corporate objectives** under our new Corporate Plan Delivery Framework.

Transformational changes delivered

SLH has made **transformational changes** which have changed the way we work and will ensure continued VFM benefits for our customers over the longer term.

Prior to transfer we put in place new governance and funding arrangements and the robustness of these arrangements has been acknowledged by the award of **top ratings from regulators for Governance and Financial Viability**.



Changes which have **improved efficiencies** and led to vast **improvement and range of services** for our customers include:

- ✓ Move to **new offices** to bring all our office based staff under one roof and implementation of **new ICT networks** creating greater efficiency and independence from local authority systems, improving efficiency and providing a **more accessible service** for our customers
- ✓ Further enhancement of ICT arrangements **increase in the range and efficiency of services** offered to our customers including development of **customer online services** to allow customers to 'self-help' by accessing account balances and logging or checking progress on repair orders.
- ✓ Expanded **payment collection facilities** including on-line and over the telephone payments, roaming card devices to collect in customers' homes and increased number of direct debit payment cycles to make it easier for tenants to pay. This has resulted in a ten-fold increase in the number of tenants paying by direct debit on certain dates.

- ✓ Significant **further investment in other ICT** solutions including introduction of mobile working and automation of back office functions
- ✓ Restructure and establishment of a **new Customer Services team** to provide a greater focus on service delivery at no extra staffing cost. Together with enhanced technologies and new ways of working has already demonstrated improved performance and access to services with an increase in telephone calls answered within target (an average of 700 per week answered within 5 seconds) and a 33% increase in visitors.
- ✓ As promised in last year's VFM Self Assessment we reviewed **tenant participation structures** and as a result replaced a senior office based role with a new Community Youth Engagement Officer. This generated an annual saving of £10k and will deliver social value through an increase in youth involvement.
- ✓ Appointment of a dedicated **Financial Inclusion Officer** to offer and promote a full range of advice, information and support together with new 'Managing Your Money' website pages.
- ✓ Working in partnership with Barclays to provide **Personal Banking guidance and support** and entering agreements with agencies such as Citizens Advice Bureau to enhance support and resources available to enable tenants to take more responsibility for their own financial affairs in preparation for the introduction of Universal Credit.
- ✓ In depth review of the **cost-effectiveness of the in-house maintenance team** and development of enhanced financial information which has led to utilising existing capacity to carry out works for other organisations, generating additional income for re-investment in technology to further enhance the service to our own customers.
- ✓ A **reduction in the use of sub-contractors** following better management of people, performance and productivity (with reductions of £176k on responsive maintenance and £51k on voids over the last two years)
- ✓ **Improved mobile working for operatives** and better work scheduling has already started to reduce repair response and void turnaround times. This is an ongoing project which will facilitate further VFM gains through increased efficiencies and performance over the coming year from the introduction of additional new technologies and further changes to ways of working.
- ✓ **Devolved budgetary processes** which incentivise savings and allow managers to re-invest in their own operational areas to enhance outcomes for customers. A prime example is the re-investment of **£478k of efficiency savings** achieved in the improvements programme which is to be re-invested into improved kitchen facilities and communal areas in our sheltered schemes.

Helping our customers to help themselves



We want our customers to experience the fastest and best possible services, and for many of our customers that means accessing services outside normal office hours. Our **investment in online services** has increased customer connectivity and allows our customers to check rent account balances and report repairs by logging onto our website. This not only enhances access but provides a faster and more efficient service and now has over 200 customers registered to use these services.

Our new **on-line payment facility** has also had good take-up with around 2,000 transactions processed since its set up at the end of 2013.

See our '**VFM Good News Stories**' for further examples of how we have made a difference to people's lives: http://www.southlakeshousing.co.uk/files/7614/1207/0427/VFM_Good_News_Stories_2014.pdf