

Bristol Housing and Community Foundation

Value for Money Self-Assessment 2015/16

1. Executive Summary

The United Communities Board believe that this comprehensive value for money self-assessment provides a full and honest assessment to enable our stakeholders to understand how we are performing currently and how we are going to continue to improve in the future.

The Value for Money Standard Requirement	Summary of how we have complied
<p>Have a robust approach to making decisions on the use of resources to deliver the provider's objectives, including an understanding of the trade offs and opportunity costs of its decisions</p>	<p>We consider ourselves to have a robust approach to value for money decision making, specifically demonstrated by the following:</p> <ul style="list-style-type: none"> • We have comprehensive financial business plans and a robust budget setting process using zero based budgeting; • We are continuing to develop an in-depth understanding of our assets and returns on investments; • We have implemented a £100k per year savings plan to offset the reduction in rent as a result of the July 2015 budget. These savings will contribute towards delivering our objective of building 200 new homes by 2018; • We restructured our Housing Management team during the year to enable us to develop closer relationships with our tenants. So far the results are positive highlighted by a marked reduction in our arrears figures meaning that more cash is being brought into the business; • We have achieved a number of the improvements identified in the 2014/15 self assessment and we have highlighted any areas where we have not been achieved. We have ensured that these areas are included in our plans for 2016/17; and • We use performance management and benchmarking across all areas of the organisation which informs us about where we need to improve.
<p>Understand the return on its assets, and have a strategy for optimising the future returns on assets – including rigorous appraisal of all potential options for improving value for money including the potential benefits in alternative delivery models - measured</p>	<p>Our asset management strategy demonstrates that we have a good understanding of our assets. In particular, during 2015/16:</p> <ul style="list-style-type: none"> • We are managing the investment in existing assets spending £20k on capital works and £901k on repairs and maintenance. • We have compiled a comprehensive asset register which provides key information on every property we own or lease. • We have undertaken a comprehensive options appraisal on one site leading to Board approval to convert all existing units into shared ownership which will enable us to build 7 new homes and also be positive for the St Pauls community.

against the organisation's purpose and objectives.	
Have performance management and scrutiny functions which are effective at driving and delivering improved value for money performance	<ul style="list-style-type: none"> • We have a comprehensive suite of performance indicators that are reviewed by the Senior Management Team, the Residents Panel and the Board on a quarterly basis. • From performance management, we have identified areas in the business which have not performed as well, specifically direct responsive repair and void per property and arrears. We have prepared action plans and targets for each area requiring improvement in 2016/17.
Understand the costs and outcomes of delivering specific services and which underlying factors influence these costs and how they do so.	<ul style="list-style-type: none"> • We have a comprehensive budget setting process using the zero based budget methodology with challenge and support from the finance team. • We have detailed financial results for the year against budgeted targets. These are reported to and scrutinised by the Board and the Senior Management Team on a quarterly basis. • We understand the importance of using benchmarking against our peers.

2. Context

United Communities undertake an annual Value for Money ("VFM") Self Assessment to evaluate its financial, social and environmental performance. We use targets to drive VFM and performance against these targets enables stakeholders to determine how the organisation delivers VFM.

United Communities is committed to delivering VFM and this self assessment demonstrates compliance with the Homes and Communities VFM Standard as set out in the Regulatory Standards for registered providers of social housing. Under the VFM Standard we must:

- Enable stakeholders to understand return on assets
- Set absolute and comparative costs of services
- Evidence value for money gains over time

This self assessment is for 2015/16 and will outline:

- United Communities approach to delivering VFM, detailing the framework and methodology;
- Progress against areas identified for improvement in the 2014/15 VFM self assessment;
- How United Communities is maximising its assets in terms of financial, social and environmental returns;

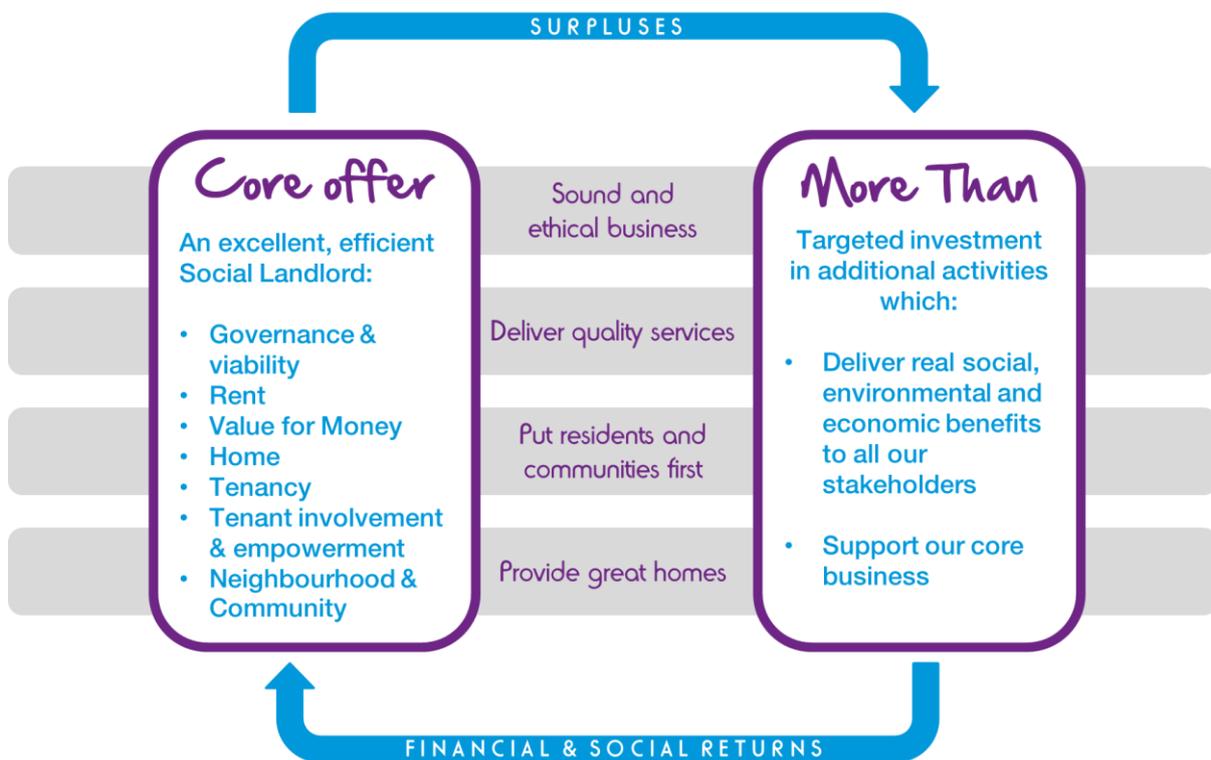
- How United Communities uses benchmarking and analysis of costs to drive improvements and efficiencies; and
- Details of VFM gains achieved in 2015/16 and those planned for 2016/17.

3. Our approach to Value for Money

Our VFM Strategy

The United Communities VFM Strategy demonstrates our aim which is to be “More than just a roof” with a viable business plan that generates realistic surpluses. Our “More Than” offer reflects our commitment to the responsible reinvestment of those surpluses in activities which we can demonstrate have the greatest impact in the communities we support. At the same time, these activities make a broader contribution both to our own core business, through minimising the incidence and cost of evictions and increasing rent recovery rates and to the aims of our wider stakeholders, for example through the reduction of the benefits bill, minimising hospital admissions and saving on the costs of homelessness borne by local authorities.

Our VFM Strategy is encapsulated in the diagram below.



VFM is an ongoing process and the Board recognises that VFM needs to be assessed continually. We maintain a suite of performance indicators that reflect the “Core” and “More Than” strands and the budget sets out the costs of our core business and the amount we choose to invest in “More Than” activities. The indicators ensure that the Board and other stakeholders can measure the performance of the core business, including trigger points for cash interest cover and operating

margin. At the same time, new measures gauge the effectiveness of our conscious investment in “More Than” activities to ensure that these are the right places to reinvest our surpluses.

Policies, procedures and strategies are in place to support United Communities and deliver VFM. These are reviewed and updated regularly and include:

- Financial Regulations – Standing Orders and Standing Financial Instructions to ensure robust financial management;
- Risk Management Strategy – to ensure risks are responded to accordingly and making best use of resources available. Risks, mitigating actions and assurance are reviewed and discussed by the Board via the Board Assurance Framework which was implemented during 2015/16;
- Procurement Strategy – this was developed in 2015/16 and ensures effective purchasing and contracting with social value and VFM being key;
- Asset Management Strategy – to ensure the best use of our assets; and
- Development strategy – how we are delivering our development programme.

4. Progress against areas identified in the 2014/15 VFM Self-Assessment

In the 2014/15 VFM self-assessment, the organisation identified several areas where VFM could be enhanced. Some of these were actioned during 2015/16 whilst others are expected to continue.

Details of these are summarised in the table below.

Business Plan Area	Key VFM action identified in 2014/15	Progress to date
Sound and ethical Business	New funding – BCHF will seek new, low cost borrowing to fund the remainder of the planned development for 2015-18.	Complete – BCHF have agreed a new £6m loan facility with Triodos Bank on competitive rates. This funding is crucial to enable us to deliver the 114 new homes in our 2015-18 development plan. We are also really excited about the opportunity to work with Triodos Bank as a social bank.
Sound and ethical Business	Build new homes – actively seeking development sites to start the 2015-18 development programme.	Ongoing - During 2015/16, we finalised the outstanding units required for the Homes and Communities Agency 2011 – 15 programme that were delayed beyond March 2015. This programme delivered over 115 new affordable homes for BCHF. During the year, we also began to identify sites to deliver the Homes and Communities Agency 2015 to 2018 programme with a pipeline of 115 new

		<p>homes secured.</p> <p>Next steps – continue to identify sites to deliver the 2015 to 2018 programme and beyond.</p>
Sound and ethical Business	New procurement strategy – to focus on procurement compliance, cost saving and making sure we always obtain the most social value from purchasing.	<p>Complete – the Board approved a new procurement strategy in January 2016. The procurement strategy provides a common framework within which all procurement should be managed to ensure we achieve the right social and financial outcomes in line with our Corporate Business Plan.</p> <p>Next steps - the next stage is to prepare a procurement guide for all staff that will set out the practical detail on how to procure goods and services.</p>
Sound and ethical Business	Document Management System – to organise and catalogue our records to enable us to become more efficient.	<p>Ongoing – as a result of the Summer Budget 2015, the Senior Management Team decided to postpone the implementation of the document management system. The decision not to move forward was a hard one but was taken after an assessment of VFM was made which took into account the significant initial investment of £35k which would be required.</p> <p>Next steps - Organising our records was still deemed to be a priority and internal resources have been allocated to implement a simple filing system with an onus on all staff to review all documents and archive where appropriate. This will set us in good stead to be able to implement a more sophisticated system in the future.</p>
Deliver quality services	Listen to feedback we receive from customers to shape and improve our	Ongoing - In 2015/16 we undertook the second stage of our comprehensive

	<p>services, especially in areas of low satisfaction.</p>	<p>satisfaction survey of our tenants using STAR (Survey of Tenants and Residents). This survey was completed by 151 tenants. Overall satisfaction with our services has increased from 80% in 2014/15 to 86% in 2015/16 with a particular increase in staff being friendly and approachable (88%) and staff keeping tenants informed (86%).</p> <p>Areas of dissatisfaction expressed by tenants primarily related to our handling of anti-social behaviour (ASB), the out of hour's service and the length of time taken to make repairs. Tenants who expressed dissatisfaction with our service were personally contacted and an action plan developed to resolve any complaints or particular issues. As a result of the survey, we changed the way we approach ASB with a move to a more restorative approach and to ensure it reflects the Anti-social Crime and Policing Act 2014. We also met with our out of hour's repairs service provider to discuss the areas of dissatisfaction and as a result performance has improved.</p> <p>Next steps – We will be undertaking another STAR survey in 2016/17 and will be picking up on the areas of dissatisfaction raised in the 2015/16 survey as well as topics such as right to buy and IT usage within the household.</p>
<p>Deliver quality services</p>	<p>Increase self reliance in our customer group to reduce demand in key areas such as repairs and housing management.</p>	<p>Ongoing - In September 2014, we launched our "More Than" project at Gainsborough Square in Lockleaze. This project resulted from a desire to change the way we manage and support tenancies and communities so that residents have a greater responsibility for their tenancy and home.</p> <p>This pilot project allowed us to trial; pre-</p>

		<p>tenancy training, Universal Credit, local lettings policy, tenant reward/incentive scheme, a community commitment and 5 year fixed term tenancies.</p> <p>The project was reviewed in November 2015 and the results were encouraging. There were no reports of ASB over the 12 month period and a number of tenants are now in work or training. Rent arrears were however higher than our control group, demonstrating the challenge that Universal Credit will pose for us and our tenants.</p> <p>Next steps – we are continuing to develop the “More than” deal trialled during this pilot with a view to rolling this out to all new tenants in 2016/17.</p>
Put residents and communities first	Work with customers to agree how they can best influence governance and decision making.	<p>Ongoing – during 2015/16, we continued to involve tenants in areas of governance and decision making. This included:</p> <ul style="list-style-type: none"> • A tenant panel was involved in the interview process for appointing a new Chair. • The Resident Panel met six times during the year comprising of ten tenants. The panel were involved in reviewing the Corporate Plan, annual budgets and a number of key policies. • Big Day Out – in 2015/16 we held two of these events where all United Communities staff go out and meet tenants and discuss any areas of concern. <p>Next steps – in 2016/17 we are continuing to re-evaluate the way we approach resident involvement to ensure it is effective and fit for purpose.</p>
Put residents and communities first	Invest at least 20% of BCHF’s/UHA’s surplus in “More Than” activities including	Ongoing - for 2015/16, “More Than” spend was 15% of the 2014/15 surplus.

	<p>£100k energy efficient improvements to some of the worst performing properties.</p>	<p>Due to the age of the BCHF property portfolio (majority dating from 2008) there is limited requirement for energy efficiency investment.</p> <p>A total of £124k was spent on other “More than” activities such as tenancy sustainment, community development, staff development and estate improvements.</p> <p>Due to changes in Government policy, in particular the rent reduction, the “More Than” offering has been reviewed and for 2016/17, 16% of the budgeted 2015/16 surplus has been allocated to “More Than”.</p>
<p>Provide great homes</p>	<p>Develop pipeline schemes to meet the target of at least 75 new homes over the 2015-18 period.</p>	<p>Ongoing - During 2015/16, we identified and secured a development pipeline of 116 new affordable homes, against a target of 98 (for BCHF and UHA combined).</p> <p>These include for BCHF:</p> <ul style="list-style-type: none"> • Redevelopment of Dunmail School, Southmead - in partnership with HAB. The indicative proposals comprise 40 affordable rented units and 10 shared ownership units. • Morris Road – redevelopment of former BCC garage site into 4 affordable rented homes • Combination Club – 26 new affordable rented homes and 7 shared ownership homes through a S106 partnership with housebuilder, Redrow Homes. <p>Next steps – move forward with the above pipeline and continue to identify further sites for development.</p>

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5. The Government Summer Budget 2015

In July 2015, the government announced proposals to change the rent setting regime that BCHF uses to set its social housing rents. Instead of rents increasing from April 2016 with CPI plus 1%, for the next four years the proposal is that rents will in fact be decreased by 1% each year. There were also a number of other challenges for the sector including reductions in welfare benefits such as lowering of the benefit cap to £20k, a four year freeze on working age benefits and limiting tax credits.

The changes in rent regime will result in a £1.5m reduction in rents for BCHF for the four years to 2021 which equates to a 12% loss in income. In response to this, the Board set a target of £100k efficiency savings per annum (which is approximately a 1% saving in operating costs) – the reduction in rent would be met by efficiencies as opposed to additional borrowings. This has enabled the organisation to respond to the Summer Budget whilst maintaining the development programme for new homes.

We also recognise that there are other potential challenges to come in terms of: anticipated rises in interest rates, the impact of universal credit which has yet to be fully felt and further Government cuts aimed at reducing the welfare bill, which will be addressed in future Comprehensive Spending Reviews. Robust stress testing of our long term financial plan has been performed taking into account these potential changes and contingency plans prepared to ensure we maintain viability.

In order to meet this challenge, we are developing a new Corporate Plan for the period 2016 to 2021 along with supporting strategies.

6. Corporate Plan

United Communities is now in the final year of our three year Corporate Plan – “Our Plan for the Future 2015 – 2017”. This plan outlines the following four key strategies:

- Sound and Ethical Business
- Deliver Quality Services
- Put Residents and Communities First
- Provide Great Homes

The Corporate Plan is being revised during 2016/17 to take account of changes in government housing policies and legislation as well as our ambition to build as many new homes as we can.

7. Achievement against the key strategies

This section provides a VFM self assessment in relation to each of the four key strategies that deliver the Corporate Plan. Each assessment is based on a combination of performance indicators and benchmarked data.

7.1 Sound and Ethical Business

To ensure that we are a sound and ethical business, BCHF must:

- A. Understand and effectively manage its asset base (including return on assets and a robust asset management strategy);
- B. Maintain a Business Plan which is funded from low cost, sustainable sources;
- C. Control costs of and maximise the income we generate from our activities.

A Asset Management

Return on assets

In order to maximise the surpluses we generate from our core business, we must ensure that we make the best use of our assets. Return on assets compares the annual surplus with the cost of the properties owned (capital employed). It is a measure of the profitability of our assets. The table below details the return on assets for 2015/16 and a comparison to the previous three years.

	Return on Assets			
	2015/16	2014/15	2013/14	2012/13
	£'000s	£'000s	£'000s	£'000s
Rental Income £'000	5,050	4,353	3,846	3,418
Operating surplus £'000	1,903	1,452	1,661	1,433
Capital employed £'000	58,415	59,358	57,194	54,159
Gross return	8.6%	7.3%	6.7%	6.3%
Net return	3.3%	2.4%	2.9%	2.6%
Operating margin	37.7%	33.3%	43.2%	41.9%

Note that previous have been restated due to the change in accounting policy regarding social housing grants which are no longer netted off of the cost of housing properties.

The data demonstrates that our properties continue to generate a healthy return on investment. The return on a property basis is known with the number of schemes generating an in year loss at zero. Whilst the return on asset measure indicates a strong asset management performance which is reported annually to the Board, it is not currently used in decision making on future asset use.

Alternatively, decisions consider a combination of net present value and asset sustainability as detailed below in our asset management strategy.

Asset Management Strategy

The Asset Management Strategy was agreed by the Board in January 2015. This performs an NPV calculation on a unit by unit basis, taking into account the next 30 years income and expenditure per unit, including management and repairs costs. Trigger points are designed to flag properties which fall below the expected performance level. Properties which are flagged are assessed using a standard evaluation process to identify ways to rectify performance or to use the asset differently, which could include a change in tenure or sale. This process provides a framework for consistent and clear evaluation and decision making in relation to use of assets.

B Low cost, sustainable funding

BCHF has a long term facility in place with Royal Bank of Scotland PLC. The agreement has a much longer term than is available in the current market, and contains margins which are significantly below the current market rate. BCHF is committed to retaining this funding given its advantageous terms. BCHF will be finalising the legal agreements on a new loan facility for £6m with Triodos Bank in 2016/17 which is on favourable and competitive rates.

C Controlling costs and maximising income

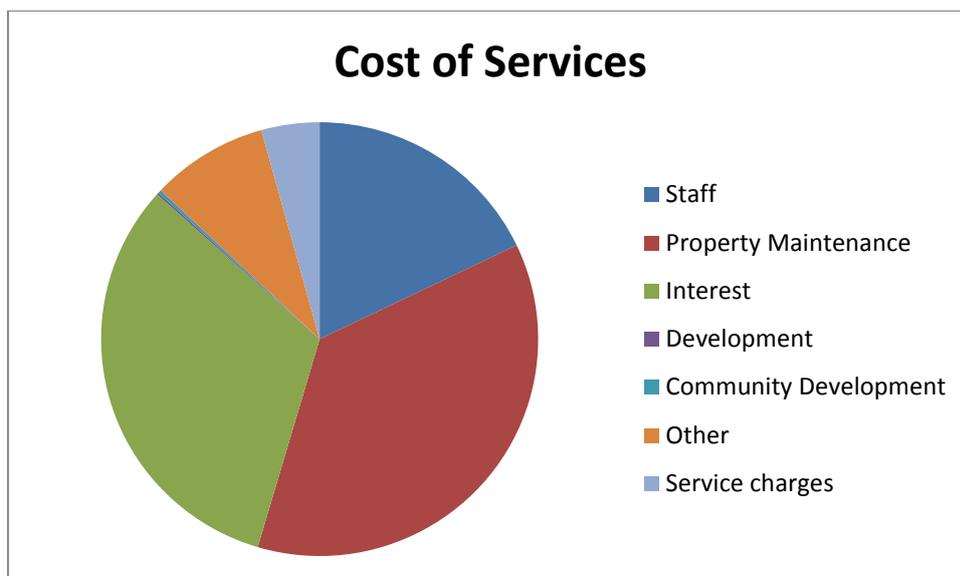
UC is committed to identifying and delivering financial gains through income maximisation and cost control mechanisms to enable additional investment in the business.

Sources of income and resource allocation

The first step in controlling costs and maximising income is understanding where your money comes from and in which areas it gets spent.

In 2015/16 we received a total income £5.1m to fund all of our activities. 88% of this income comes from rent and service charges.

The below diagram illustrates the areas where we spent our income:



In 2015/16 our total expenditure was £3.1m to fund all of our activities and costs. 93% of our costs are incurred in three areas; staff costs, property costs (maintenance and depreciation) and interest costs.

The effectiveness of our landlord service

During the year, we have undertaken regular and varied forms of benchmarking of the cost of delivering our services and our performance. The main tool we use to do this is via Housemark which provides comprehensive benchmarking data. The use of benchmarking tools allows United Communities to form a good understanding of its VFM performance and the direction of travel. Comprehensive budgets and monthly management accounts leads to a good understanding of the cost base.

The table below summarises the year on year movement for a number of key areas of the business subject to this performance management process:

	2015/16	2014/15	2013/14	2012/13	Benchmark	Comment
Overall operating margin	37.7%	43.9%	41.9%	36.9%	28.3% Global Accounts 2015	BCHF is performing significantly above the average operating margin for the sector. Operating costs have reduced during the year as result of savings on staff costs and lower responsive repairs costs than budgeted.
Void loss as a % of gross rent	0.08%	0.18%	0.21%	0.13%	0.69% Q3 2015/16	Void loss performed has improved in 2015/16 with

					Housemark median	loss in income reducing by £4k from 2014/15.
Arrears as a % of gross rent	3.11%	4.5%	3.82%	2.46%	3.65% Q3 2015/16 Housemark median	Arrears have reduced from 4.5% in 2014/15 to 3.11% in 2015/16. This represents an increase in cash collected of £51k.
Salary cost per unit	£694	£590	£660	£791	N/A	Salary cost per unit has increased slightly since 2014/15 due primarily to redundancies paid in 2015/16 relating to the staffing restructure.
Operating cost per unit	£4,145	£3,068	£3,382	£3,361	£4,409 Global Accounts 2015	Operating cost per unit has increased since 2014/15 due to in part to higher planned maintenance costs as a result of BCHF properties becoming older.
Interest cost as a % of income	23.2%	24.9%	28.6%	30.2%	18.4% Global Accounts 2015	Interest cost as a % of income has slightly reduced from 2014/15 at 22.2%. This remains above the sector average of 18.4% due to the high level of debt within BCHF. This is expected to increase in 2015/16 due to the additional £6m to be borrowed from Triodos.
Direct responsive repair and void cost per unit	£599	£605	£547	£565	£693.49 2014/15 Housemark median	BCHF continues to perform better than the Housemark median for direct responsive repair and void costs per unit and the cost has fallen slightly from the previous year. BCHF properties are relatively new so we would expect this to continue to be below the

						national average.
Direct housing cost per unit	£304	£230	£314	£276	£309.92 2014/15 Housemark median	BCHF continues to perform better than the Housemark median for direct housing costs per unit however there has been an increase since 2014/15. This increase is due the restructure of the Housing Management team that took place during the year.

HCA Cost Analysis

In June 2016, the HCA published a costs analysis looking at the variation in costs across the Housing sector. This analysis was not produced for BCHF as the number of units is below 1000 however the analysis has been replicated for BCHF to indicate how the organisation compares with other providers.

	2014/15	2015/16	Benchmark	Comments
Headline social housing cost	1.88	2.00	Upper: 4.3 Median: 3.55 Lower: 3.19	Social housing costs are below the lower quartile. This is due in part to lower management costs per unit (see below) and lower major repairs due to the age of the properties within BCHF (no more than 12 years old).
Management cost	0.58	0.53	Upper: 1.27 Median: 0.95 Lower: 0.7	Management costs are below the lower quartile for both years which indicates that we are performing better than the sector as a whole. This is partly the result of coming together with UHA as a strategic alliance which resulted in staff cost

				savings.
Service charge cost	0.28	0.25	Upper: 0.61 Median: 0.36 Lower: 0.23	Service charge costs are between the median and lower quartile.
Maintenance cost	1.00	1.19	Upper: 1.18 Median: 0.98 Lower: 0.81	Maintenance costs for both years are in the median/upper quartile. This is an area that is a priority to be reviewed in 2016/17 to fully understand the reason.
Major repairs	0.02	0.03	Upper: 1.13 Median: 0.8 Lower: 0.53	Major repairs are below the lower quartile – BCHF properties are relatively new at no more than 12 years old and hence the component replacement programme has not fully commenced.
Other social housing cost	0	0	Upper: 0.41 Median: 0.2 Lower: 0.08	Other social housing costs are zero.

7.2 Quality Services

We recognise that resources are limited and that as a small organisation we can not always invest fully in all areas. A key part of our Core offer is that the services we provide are of a good standard in all areas, but excellent where we think we can reasonably and efficiently reach this standard.

During 2015/16 we undertook a restructure of our Housing Management Team, moving from specialist teams to a more holistic approach of generic Housing Officers. It is still early days but indications are that this was a positive move evidenced in our trend of decreasing arrears moving from 4.5% in 2014/15 to 3.11% in 2015/16.

In 2015/16 we undertook the second stage of our comprehensive satisfaction survey of our tenants using STAR (Survey of Tenants and Residents). This survey was completed by 151 tenants. Overall satisfaction with our services has increased from 80% in 2014/15 to 86% in 2015/16 with a particular increase in staff being friendly and approachable (88%) and staff keeping tenants informed (86%).

Areas of dissatisfaction expressed by tenants primarily related to our handling of anti-social behaviour (ASB) and the length of time taken to make repairs. As a result of this survey we redrafted our antisocial behaviour policy and as a result, satisfaction with the way we deal with ASB rose from 50% to 75%.

The organisation is fortunate to have a committed and motivated staff employing a total of 38 people. We undertake an annual staff survey – the results from the 2015/16 survey highlight high advocacy from staff who would recommend our services to others and the opportunities for developing skills. We take wellbeing of all our staff seriously and in 2015/16 we were delighted to receive a ‘Go Green Happy and Healthy Award’.

During 2015/16, we employed one apprentice and a graduate trainee with the graduate trainee continuing on to provide maternity cover and the apprentice going on to start her own business. As an organisation we believe in investing in the long term development of our staff and during 2015/16 we spent £23k on training and qualifications including; NVQ level 4 in advice and guidance and domestic abuse. In 2016/17, we are investing £16k in training and development.

UC Combined	2015/16	2014/15	2013/14	2012/13	Benchmark (Housemark median)	Comment
% of customers satisfied with the handling of the complaint	98%	91%	91%	66%	67.31% Q3 2015/16 Housemark median	Strong performance in 2015/16 and we continue to perform better than the Housemark median.
% of customers satisfied with the repairs service	96%	69%	93%	95%	93.43% Q3 2015/16 Housemark median	After a poor performance in 2014/15 we have improved significantly to 96% which indicates that we are performing better than the Housemark median.
% of repairs completed right first time	93%	93%	91%	86%	90.4% Q3 2015/16 Housemark median	This is an area where we continue to perform better than the Housemark median.
Average time taken to complete repairs (days)	7.2	8	10	-	9.1 Q3 2015/16 Housemark median	Continued improvement in reducing the average time taken to complete repairs. At 7.2 days, we are performing better than the Housemark median of 9.1.
% of homes with a valid gas certificate	100%	100%	99.8%	100%	100%	Another year where we have achieved our target of 100%.

Average re-let time (days)	13.69	18	17	-	25	Q3 2015/16 Housemark median	This is an area of continued improvement for BCHF. At 13.69 days, we are performing significantly better than the Housemark median and it is also the lowest in the South West region.
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The results detailed in the previous table demonstrate strong performance for United Communities in 2015/16 with each area improving on prior year performance. It should also be noted that United Communities' performance exceeds the Housemark median and by a significant margin within complaints handling and re-let time.

7.3 Residents and Communities

Social Return on Investment

United Communities engages in many activities which have an indirect financial return to the local and national economy. United Communities evaluates the impact of these services to ensure that the outcomes represent good value for money. HACT Wellbeing Valuation Approach to measuring the social impact of these More Than investments. The methodology assigns monetary values to an individual's increase in wellbeing resulting from a particular activity or intervention. The table below shows some of the outcomes, comparing the level of investment with the level of return. Where appropriate, we have used values from the HACT social value bank to quantify the return on our More Than investments. All the returns were positive, but as the analysis shows, some investments were better value for money than others. Often smaller investments have the greatest impact. These findings will be used by the Board to prioritise future investments within our 2016 -2021 Corporate Plan. Note that the figures are combined BCHF and UHA.

More Than Investment	Summary Outcomes	HACT Score
Number of customers supported onto course, volunteering or work	<ul style="list-style-type: none"> Advice provided to 41 people 8 tenants supported into work 12 tenants supported into volunteering 6 tenants supported into training 	£81,057 £86,133 £28,284 £6,744 Total: £202,218
External investment generate to spend in our communities	<ul style="list-style-type: none"> External investment generated in 2015/16 totalled £41,165 and included grants for; recycling in St Pauls, green events, bike sheds, youth engagement events and winter fuel payments for 	N/A

	residents over 60.	
Number of tenancies sustained	<ul style="list-style-type: none"> 29 tenancies were sustained during 2015/16 	£147,000 (based on an average cost to evict)
Prevention of hospital admissions	<ul style="list-style-type: none"> 21 potential hospital admissions were prevented during 2015/16 	£261,534 (based on good overall health)
Financial inclusion	<ul style="list-style-type: none"> 61 referrals to Pennywise and Cash Pointers 	£542,778 (based on financial confidence)
External grants obtained for our tenants	<ul style="list-style-type: none"> The Tenancy Sustainment Team applied for 63 grants in 2015/16 and secured 59 totalling £36,959. These grants included funding for; new homes appliances and family support for our residents moving into their new homes with us. 	N/A

The 2014/15 Value for Money self assessment identified that promoting the role of our customers in governance to be a priority for 2015/16. During 2015/16 we continued to involve tenants in areas of governance and decision making; including reviewing key policies, feeding into the Corporate Plan and the annual budget, assessing performance and involvement in the recruitment of Board members, staff and contractors. We undertook a review of the effectiveness of our approach to Resident Involvement. We concluded that although there were a number of areas where Resident Involvement was working well, we wanted to make it more effective to really ensure that our tenants have an effective voice in strategic decision making and can help co-design our services. As a result of this and coupled with the requirement to save £100k to offset the rent reduction, the difficult decision was made to make the Resident Involvement post redundant. Now we have completed our review, the next stage for us in 2016/17 is to design our Resident Involvement Strategy.

7.4 Great Homes

We are in the middle of one of the worst housing crisis that our generation has ever seen – with increasing demand for new homes resulting from household formation trends set against a backdrop of continued constraints on supply. This is pushing up housing costs, adding to already strained households grappling with stagnant salaries, rising living costs and increases in food and utility bills.

There is no planned solution to this issue and as housing cost forecasts continue to show rises, the situation will only continue to worsen. As an organisation whose mission is to provide affordable housing, we want to use our resources to develop new homes as our contribution to tackling the

local housing crisis and we will continue to assess the affordability of homes we develop to make them as accessible as possible.

There were a number of challenges we faced during 2015/16 including:

- Achieving cost efficiencies where possible without compromising the quality or longer term maintenance costs of the new homes;
- Balancing viability and growth in number of new homes developed against delivering our ‘More than Just a Roof’ and wider social purpose objectives;
- Trying to find creative but viable ways of delivering new homes and looking at moving away from grant funding for affordable rented homes;
- Concentrating our resources to secure additional new homes in priority regeneration areas (currently identified as Horfield, Lockleaze, St Pauls, Eastville and Easton);
- Seeking partnership opportunities to deliver homes through ‘off-balance’ sheet initiatives such as the Bristol and Bath Regional Capital initiative and working with community-led organisations such as Bristol Community Land Trust; and
- Creating new income streams to create surplus to re-invest in our new affordable homes – for example, managing properties for others or for private rent.

During 2015/16, we finalised the outstanding units required for the Homes and Communities Agency 2011 to 2015 programme that were delayed beyond March 2015. This programme delivered 115 new affordable homes for BCHF and 11 new affordable homes for UHA.

During 2015/16, we identified and secured a development pipeline of 116 new affordable homes, against a target of 98 (BCHF and UHA combined). These pipeline schemes for BCHF include:

- Redevelopment of Dunmail School, Southmead - in partnership with HAB. The indicative proposals comprise 40 affordable rented units and 10 shared ownership units with the additional potential to manage a further 50 private rent units on behalf of a community based organisation;
- Morris Road – redevelopment of former BCC garage site into 4 affordable rented homes; and
- Combination Club – 26 new affordable rented homes and 7 shared ownership homes through a S106 partnership with housebuilder, Redrow Homes.

8. Other 2015/16 Value for Money Gains

In addition to the activity highlighted in the above sections, we also made a number of other value for money gains in 2015/16 and a summary is provided in this section of the assessment:

What	How
Strategic Alliance Savings	On establishing the Strategic Alliance between Bristol Community Housing Foundation and United Housing Association the goal was to achieve £350k per year savings across the two organisations compared to pre-alliance costs. During 2015/16, these savings totalled £383k. This represents the continued value for money savings made by bringing the two organisations together to

	work as a Strategic Alliance.
Arrears collection	During 2015/16 we collected an additional £51k of cash in BCHF as a result of decreasing arrears. We have set a challenging arrears target for 2016/17 of 2% which would be an additional £48k of cash.
Savings from rent reduction	As a result of the changes announced as part of July 2015 budget, a challenging savings plan of £100k per organisation per year was implemented. This savings plan is vital in ensuring we continue to have capacity to continue to develop in the face of rent reductions and other welfare changes. As part of this we have restructured and redesigned our tenancy management service.
Printing project	In 2015/16, we decided to exit our current printing and photocopying contract and agreed as new 5 year contract saving us a total of £30k over 5 years.
Surplus	Strong operating margins are vital in enabling us to reinvest our surpluses into development. In 2015/16, BCHF achieved an operating margin of 37.7% and a net surplus of £776k after financing costs.
Apprenticeships	During 2015/16, we employed two apprentices within the organisation.
Income generation	<p>During 2015/16, we managed 85 tenancies with regards to ASB and tenancy services for another local provider. This generated £21k of income for the organisation. In 2016/17 the contract will be extended to also take on the income management for this provider which will bring in an extra £35k of income.</p> <p>In 2015/16 we took on 5 social work placement students studying at the UWE. This brought in £12.5k of income. In 2016/17, we will be taking on 8 students from UWE and Bath Spa University which will generate £20k of income as well as providing an additional staff resource for tenancy support</p>

9. Plans for 2016/17

United Communities recognises that VFM is not a one off process but a continual journey of improvement. Our plans for 2016/17 that directly impact VFM are identified in the following table:

What	How
Revising our Corporate Business Plan and developing the supporting strategies	<p>We have started to develop our Corporate Plan for the period 2016 to 2021. Our priorities are:</p> <ul style="list-style-type: none"> To increase our affordable housing in management and

	<p>development by at least 5% for the next 5 years to provide an additional 500 homes in our target communities;</p> <ul style="list-style-type: none"> • Ensure that at least 75% of our homes are rented and affordable; • Make the best use of all our properties to maximise the provision of new homes; • Be efficient in everything we do, so that we can dedicate up to 20% of our surplus to provide our residents with “More than just a roof”; • Focus on our “More than” work on outcomes in our communities; and • Listen to our staff and residents so they have an effective voice in the strategic decisions we make.
Governance (How we are run)	<p>During 2016/17 we will be undertaking a review of our current governance structure with a view to streamlining the structure to optimise effectiveness.</p>
Valuing our residents and communities	<p>This strategy will include;</p> <ul style="list-style-type: none"> • Our aim to be upper/median quartile for customer service and performance standards; • Develop our approach to fixed term tenancies, rent to buy, pay to stay, voluntary right to buy and managing market rent homes; • Growing our tenancy support via identifying new partners and accessing external funding; and • Community development and resident engagement plans.
Sound and strong business	<p>This strategy will include:</p> <ul style="list-style-type: none"> • How we will maximise income generation – specifically on market rent, managing properties on behalf of others and renting our part of our office; • Exploring treasury opportunities to support the objective of 500 new homes by 2021; • To allocate up to 20% of our surplus to “more than” activities; • Review of all costs on a transactional level using benchmarking; and • Robust stress testing of the long term financial plan and scenario planning.

<p>Looking After our Homes</p>	<p>Greater emphasis on reducing costs by analysing:</p> <ul style="list-style-type: none"> • Unit costs and benchmarking; • The drivers behind transactional costs; • Reducing demand for repairs services by emphasizing tenant responsibility and self help; • Analysis of customers with very high or low demand for repairs; and • Set an aspirational level of contributions needed for disposals of homes that are expensive to repair and to achieve the new homes target. <p>Responsive and planned maintenance contracts are coming to an end during 2016/17. We will be Investigating the possibility of entering into a cost sharing group with another local housing association and other more efficient repairs provision options.</p>
<p>Engaging our People</p>	<p>This strategy will include:</p> <ul style="list-style-type: none"> • Developing the United Communities “employment brand”; • Growing our own talent and continuing to provide opportunity in terms of promotion but also training and development; • Improving our employee retention rate – staff turnover in 2015/16 was higher than we would like it to be; and • How we go about delivering consistently excellent customer service.
<p>Developing New Homes</p>	<p>Our Corporate Plan to 2021 aims for us to grow by 500 homes. The development strategy will explore these key themes:</p> <ul style="list-style-type: none"> • Opportunities and Diversification: looking at potential new partners, managing properties on behalf of others and market rent; • Balance of growth: against delivering our ‘More than a Roof’ and wider social purpose aims. • Standards, Quality, Tenure and Homes Mix: ‘Invest to save’, good quality components and tenancy sustainment; and • Innovation where we can.