



## VALUE FOR MONEY STATEMENT

CHISEL is guided by its vision, values and strategic aims which are detailed below. These are the guiding principles in CHISEL's pursuit of achieving value for money for its residents and stakeholders.

### Our Vision

CHISEL – driven by our residents, their needs and aspirations, to deliver sustainable homes, services and communities which make us all proud.

### Our Values

Working together to create a CHISEL community

- **Collaborative and Co-operative** – we are passionate about working in a positive way both with individual and groups who share our values.
- **Honest, Open and Transparent** – we believe in acting with integrity at all times, being transparent about our actions and being open and honest in what we can and cannot do.
- **Involvement and inclusivity** – we are committed to listening to, and acting on, feedback from all our residents; being accountable to our residents and held to account by our members.
- **Sensitive, respectful and fair** – we believe in treating everyone we work with as we would like to be treated, valuing people as individuals with different needs and aspirations.
- **Excellence in everything we do** – we are committed to having a “can do” approach to delivering services, being the best we can be and making a difference every day.
- **Local**-working with residents to understand local issues and build better neighbourhoods

.....**Building Trust**

### Our Strategic Aims

- To be driven by our residents needs and aspirations.
- To deliver services that meet the needs and aspirations of our residents
- To deliver sustainable homes
- To build sustainable communities

## **What does VFM mean to CHISEL?**

For us, VFM is about achieving the desired outcomes set out in our vision and strategic priorities for the best possible cost and maximum benefit. We aim to achieve this through a combination of business activities that ensure that:

- We prioritise activities to support the delivery of our strategic aims
- We make the best use of our resources
- We do things right and
- We evaluate success and outcomes

We see ourselves as being at the start of a journey to achieve value for money. We believe that VFM is a valuable process which can benefit our organisation rather than just a regulatory exercise and we are working to ensure that our overall approach to VFM is embedded in the culture of the organisation and embraced by staff.

## **Our Assets (Sustainable Homes) – is CHISEL making the best use of its assets?**

CHISEL owns a variety of properties ranging from rehabilitated Victorian street properties (87), conventional new build homes built in the 90's (70), timber framed self-build homes built in the 90's (71) and 3 new build homes acquired on the open market in 2009. It is not a straight line relationship between age and condition. We are currently working to develop a better and more comprehensive understanding of the homes we own, their future reinvestment needs and their forecast return over the life of our 30 year financial model. We aim to be in a position where we know that the projected planned maintenance and running costs are less than our anticipated rental income, generating a positive return over 30 years. This will enable us to begin to develop an asset management strategy which encapsulates the opportunities and challenges that we face in keeping our homes in good condition and at an acceptable letting standard.

We spend each year approx. £250k on planned works to existing homes. This level of investment means that all our homes meet the Decent Homes Standard with failing and aging components replaced in the year that they fall due.

Our overriding objective is to keep our homes in a lettable and serviceable condition, however we realise, that over time some of our homes may become uneconomic to rent or simply unsuitable to let. We aim to have the best available information so that we can secure the best long term return from our assets.

## Investment in our Homes 2013/14

Repairs spending as a percentage of rent roll	41.20%
Reactive spend per property per week	£16.10
Cyclical maintenance spend per property per week	£5.80
Major works spend per property per week	£21.22
Overheads spend per property per week	£4.77
Fees spend per property per week	Nil
Void works spend per property per week	£0.18
<b>Total spend per property per week</b>	<b>£48.07</b>

## Sustainable Communities

Each year we fund a number of tenant led investment projects. These are aimed at improving communal areas and facilities and facilitating resident involvement. The value that communities derive from this investment is difficult to quantify but we are certain from the feedback we receive that there is benefit to both individuals and the communities they live in.

A number of co-ops operate within our stock and we support them in the self-management of their homes which helps develop a greater sense of community and maintain community cohesion. Through our policy of using “Tenant Maintainers” encourage we effectively encourage and support community enterprise.

### Last Year:-

- **We held 7 neighbourhood meetings, attended by 12% of our residents.**
- **We attended 14 Co-op, scheme and residents association meetings.**
- **8% of our residents attended our AGM**
- **79% residents were satisfied with neighbourhood they live in ( Status Survey)**
- **We spent £3,000.00 of our maintenance budget on tenant led improvements**

## Making the best use of our resources

We strive to run our business as efficiently as possible, to direct staff time and expenditure towards work that directly benefits tenants. In 2013 – 14 we:-

- Improved procurement processes through our tendering of the planned maintenance and cyclical decorations programme.
- Produced a revised KPI analysis report with comparative benchmarking data
- Produced quarterly management accounts to facilitate cost debate at the Financial Services Committee and the Board.

- Purchased the OmniLedger Pyramid Housing Management System which will allow us to consolidate our data collection and to enhance our reporting and monitoring functionality
- Reviewed our overhead costs in comparison to our managing agents and the G320 group and take appropriate action to ensure that year on year we are as efficient as possible and strive to, as a minimum bring our costs in line with the average for the group.

## Procurement

We work to ensure that our costs are controlled to maximise the benefits we can provide. During 2013 – 14 we worked with 26 different consultants and contractors with whom we spent over £1000.00 and regularly review performance on quality of service, responsiveness and costs. We have widened the range of contractors and consultants we use in order to achieve the most competitive rates. In 2012 – 13 we worked with only 10 consultants and contractors with whom we spent over £1,000. We have improved our procurement and tendering process for planned maintenance contracts and will continue to look for additional value and or cost savings through the procurement process over the forthcoming year.

## Service and Operational Cost and Performance

CHISEL benchmarks operational performance, staffing and service costs with a peer group, the Bm320 group, managed by Acuity. This allows us to compare our costs and performance against a number of similar sized associations operating within London and the South East.

Function	12/13	13/14	13/14 Bm320 Median	14/15 Target
Rent Collected	97.4%	101%	99.7%	100%
Rent arrears	7.46%	7.51%	3.1%	6.4%
Rent loss due to vacant properties	1.54%	1.13%	0.55%	1%
Average Void turnaround times	57 days	96 days*	22.75 days	28 days
% repairs completed within target time	98%	97%	97.1%	100%
Weekly management cost per unit	£23.34	£24.90	£18.07	10% reduction
Weekly Investment per unit( cyclical & planned maintenance)	£28.89	£27.02	£21.90	
Weekly operating cost per unit	£75.37	£76.93	£75.21	10% reduction

\* Performance distorted by lettings in shared housing.

## **Delivery and Evidencing**

We will ensure the delivery of our VFM objectives by considering the following sources of evidence about our performance and use this to identify where and how we can improve our services:

1. Using the G320 benchmarking group to compare our performance to our peer group.
2. Use the NROSH+ statistical data return to compare our performance against the wider group of smaller associations
3. Hold regular tenant meetings to ensure that we listen to residents needs and encourage regular communication via newsletters and our website.
4. Use the customer satisfaction feedback monitoring facility on our Pyramid Housing Management System to track tenant satisfaction with repairs and contractor performance
5. Review costs, allowances and performance at regular review meetings with our managing agents
6. Monitoring Quarterly management accounts and KPI data at Board. In addition we will:-
7. Develop a resident led Operational Scrutiny Committee to challenge the performance of the organisation and embed resident focus in the way the business is run.
8. Board and staff to hold an annual planning day and ensure that VFM is at the forefront of the debates.

## **Looking Forward**

Our focus on delivering efficiencies and VFM for the next 3 years will be to explore ways in which we can increase the levels of resident involvement in defining the nature of our services and identifying opportunities where we can add value or make savings. This will include involving residents in the following planned activities:-

- Developing a resident led Operational Scrutiny Committee.
- Developing our Business Plan
- Developing an Energy Efficiency Strategy
- Reviewing resident feedback mechanisms
- Undertaking a resident satisfaction Survey 2015
- Reviewing our Treasury Management Strategy
- Continuing scrutiny of our operational and management costs and benchmarking these costs against other members of the Bm320 benchmarking group.

- Reviewing our maintenance service
- Reviewing our Managing Agents arrangements

## **Overall Assessment**

We believe CHISEL complies with the Value for Money standard due to our:

- Commitment to making the best use of our resources to enable us to using our resources to deliver our strategic aims;
- Understanding of the return on assets through our robust financial planning and use of our 30 year financial plan
- Demonstrable use of performance monitoring functions that drive VFM
- Understanding of the costs and outcomes of delivering services

However, we recognise that there are areas for improvement and we will be focussing upon these in our planned activities going forward in order to improve the value for money for our residents and improve the use of our assets to deliver our strategic aims.